

Los Angeles City Council's minimum wage vote: A band-aid over a deep wound

Marc Wells

16 December 2024

On Wednesday, the Los Angeles City Council voted 12-3 to raise the minimum wage for 23,000 tourism workers, including hotel and airport employees, to \$30 per hour by 2028. Currently, hotel workers earn a measly \$19.73 per hour, while airport workers make \$18.78 per hour. Airport workers also receive a healthcare payment of \$5.95 per hour. Concessionaires with 50 or fewer employees are excluded, as well as some hotel owners under specific conditions.

To become effective, the motion requires the City Attorney's Office to update the Living Wage and Hotel Workers Minimum Wage ordinances, which would then come back to the City Council at a future date.

The response of corporate interests amounted to a threat that will no doubt reflect in the City Council's future decisions. In a letter to Council President Marqueece Harris-Dawson, hotel owners warned about the consequences of the increase, threatening to close hotel restaurants and reducing operations, and converting hotel rooms to residential.

Heralded by Democratic Party officials, their media talking heads and the Democratic Socialists of America (DSA) council members as a victory for working people, this vote is, in reality, a cynical stunt designed to temporarily tame and control growing discontent among workers in one of the most expensive cities in the world.

Exemplifying this attitude newly elected council member Ysabel Jurado, a member of DSA who took office last Monday, commented enthusiastically: "When we support low-wage workers, they can contribute to our economy and bolster the city."

A \$30 an hour wage—dubbed the "Olympic wage"—might appear to be a significant improvement. However, the timeline for this increase—spread out over the next four years—renders it woefully inadequate. The annual breakdown of the increase is as follows:

- \$22.50 an hour on July 1, 2025

- \$25.00 an hour on July 1, 2026
- \$27.50 an hour on July 1, 2027
- \$30.00 an hour on July 1, 2028

Notably, these figures fall even below the conservative recommendations made by the Chief Legislative Analyst in September 2024, which proposed \$25.80 in 2025, \$27.20 in 2026 and \$28.60 in 2027.

Inflation in the United States has been persistent, with consumer prices rising sharply over the past several years. The incoming Trump administration's trade and monetary policies will intensify the economic crisis. By 2028, the buying power of \$30 will be substantially eroded, if not wiped out, leaving workers in the same precarious position they occupy today, if not worse.

Should corporate demands not be met during the four years covered by the measure, companies will enforce job cuts, forced overtime and increased workloads. The City Council will have 4 years to comply to corporate demands and reverse course, citing "economic realities" as an excuse to alter or delay the plan.

According to the MIT Living Wage Calculator, a single adult in Los Angeles currently requires an hourly wage of at least \$26.63 to cover basic expenses—a figure already outdated given the current inflationary trends. For a family with one child, the required wage skyrockets to \$43.61 an hour.

Housing costs in Los Angeles are among the highest in the country, with the median monthly rent exceeding \$2,800 according to Zillow. Groceries, transportation and healthcare costs continue to climb. By the time this wage increase is fully implemented, workers earning \$30 an hour will still struggle to make ends meet in a city where the cost of living is exorbitant.

The council's decision also includes a provision that adjusts the healthcare credit from \$5.95 to \$8.35 an hour. While this is touted as a significant benefit, it is a mere drop in the bucket compared to the overwhelming burden

of medical costs. Healthcare premiums, deductibles and out-of-pocket expenses have risen dramatically, far outpacing wage growth. The promised healthcare benefits will barely make a dent in workers' medical bills, let alone improve their access to quality care.

The new minimum wage applies to a mere 23,000 workers—a fraction of Los Angeles' sprawling working-class population. These workers, employed primarily at hotels and the Los Angeles International Airport, represent a small segment of the city's labor force. Meanwhile, tens of thousands of other low-wage workers in retail, food service and other industries are left behind, continuing to toil under the same exploitative conditions. This selective application of the wage increase exposes the Council's lack of commitment to systemic change and reveals the measure as a political stunt.

The "Olympic wage" is a measure aimed targeting hospitality and service workers in the lead-up to the 2028 Los Angeles Olympics. These events have transformed from international sporting events into platforms for large-scale profiteering, corruption, and exploitation. Officially, the event is projected to cost nearly \$7 billion, though this figure is almost certainly a significant underestimate. Events like the Olympics and the World Cup are often promoted as opportunities to stimulate the local economy by creating jobs and infrastructure, with the associated wage bill being part of that narrative.

Most workers will see little to no benefit from this spending. At the same time, the homeless and working poor will be displaced from areas near the events, and heavy-handed policing policies will be implemented. Ultimately, any modest wage gains for a small segment of Los Angeles' working class will be overshadowed by massive corporate giveaways.

This wage bill is not the first stunt of its kind. Earlier this year, several fast-food restaurants implemented mass layoffs and other cost-cutting measures in opposition to AB 1228, a law that sets minimal wage increases for fast food workers. Through the creation of a "Fast Food Council," the Democrats concocted a mechanism that will ensure wages remain below inflation. The new Los Angeles City Council proposal will face similar opposition and, consequently, adjustments.

The role of the union bureaucracy in this sham has been consistent. Unite Here Local 11 (representing hotel and restaurant workers) and United Service Workers West, a local of the Service Employees International Union (SEIU), whose members work at Los Angeles International Airport, have spearheaded the push for the

"Olympic wage." However, these organizations have a long history of betrayal.

Last year, Unite Here Local 11 initiated disorienting campaigns of isolated one-day strikes with hotel workers and ultimately signed piecemeal contracts with individual hotels, deflating workers' militancy and determination to fight. Similarly, last year the SEIU signed a sellout labor-management collusive deal for 65,000 school staff workers and teachers after three years of being kept on the job without a contract. Similarly, the SEIU also secured a sellout deal for another 100,000 California government workers last year.

The Los Angeles City Council's decision must be understood for what it is: an attempt to placate discontent while leaving the underlying issues of poverty and inequality unaddressed, and to suppress growing militancy among workers. Genuine improvements in living standards cannot be achieved through false promises and pretend-measures imposed by the political establishment and union bureaucracy. Instead, workers must organize independently, outside the control of these institutions, to fight for demands that reflect their actual needs.

A living wage in Los Angeles today would need to far exceed \$30 an hour. Workers must demand wages indexed to the cost of living, universal healthcare, affordable housing, free education all the way to university, and an end to precarious working conditions. These demands can only be realized through an independent mass movement of the working class, united across industries and internationally, free from the influence of the Democratic Party and its allies in the union leadership, and dedicated to the abolition of exploitation and the establishment of a socialist society.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact