

Special Jobs Report: Fast Food Minimum Wage Results in Loss of 18,700 Jobs through June

The state's recent implementation of the \$20 an hour minimum wage for fast food chains has produced the standard wave of claims over its effect on jobs, with proponents generally claiming that there has been no effect and even in [some cases](#) that the effect has produced an increase in jobs.

These claims to date, however, have been based on estimates using various data sources including the monthly job numbers published by Employment Development Department from the Current Employment Statistics (CES). The core caveat to date is that these are all estimates. The CES numbers reported for the industry containing the affected fast food establishments—Limited Service Restaurants—as with all the CES industries are based on monthly surveys and modeling results.

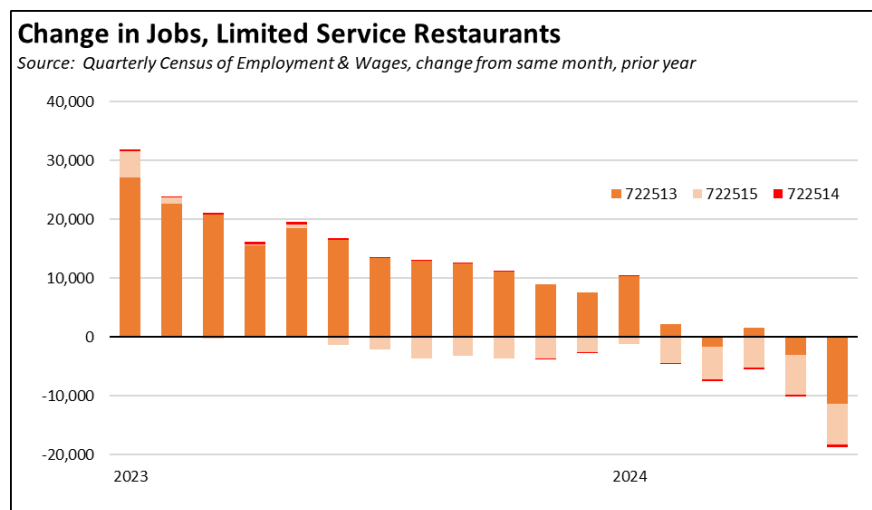
The actual job numbers are reported with a 4-month lag in the Quarterly Census of Employment & Wages (QCEW). Based on employment tax filings, the QCEW is a full accounting of the wage and salary jobs in each industry, and is used to recalibrate the CES estimates in the annual updates at the beginning of each year.

The CES Limited Service Restaurants is composed of 3 NAICS industries covered in the QCEW:

- 722513 Limited-Service Restaurants
- 722515 Snack and Nonalcoholic Beverage Bars
- 722514 Cafeterias, Grill Buffets, and Buffets

The first two contain the bulk of the establishments affected directly by the higher minimum wage, comprising 99% of the total number of jobs. Many others in these and related food service industries are also affected indirectly as they hire from the same labor pool and are consequently subject to wage cost pressures coming from the new state mandate.

The most recent data since the new wage became effective on April 1 shows that jobs were declining prior to this date as employers began adjusting the anticipated higher costs, and fell more sharply after the new costs became effective. Comparing the number of jobs in each month to the same month in the prior year, the actual jobs in the three NAICS dropped by 18,700 in the most recent numbers for June 2024.



Compared to the recent highs in all three components (the peak month differs for each NAICS), total jobs through June are down 23,989.

Total Jobs, Limited Service Restaurants

Source: Quarterly Census of Employment & Wages

