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Washington Idaho

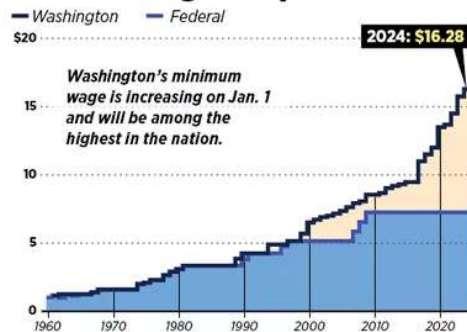
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Washington's minimum wage to increase to \$16.28 next year. Is it enough to offset a statewide cost of living crisis?

Fri., Oct. 20, 2023

Minimum wage compared

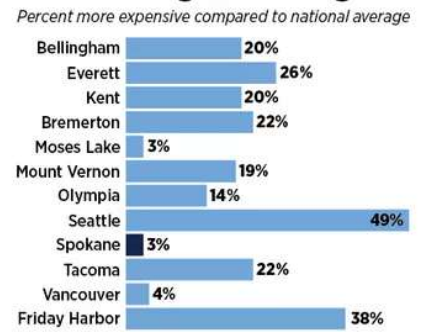


Sources: Washington state Department of Labor & Industries, U.S. Department of Labor, Economic Policy Institute, Cost of Living Index

Minimum wage by state



Cost of living in Washington



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Minimum wage in Washington will rise to \$16.28 an hour next year, a 54-cent increase in the midst of a statewide cost of living crisis spurred by inflation and rent hikes.

Right now, Washington's minimum wage of \$15.74 per hour is the highest state minimum wage in the nation, where the federal minimum wage has remained at \$7.25 per hour since 2009.

But Washington residents were hit hard in 2022 by inflation that far surpassed average wage increases that year for most of the state's labor force. Although inflation has slowed so far this year, Washingtonians are still struggling to catch up.

As rent, gas and other day-to-day expenses skyrocket across the Evergreen State, questions abound whether the half-dollar increase will make much of a difference.

"Inflation is taking a real bite out of people," said Eric Williams, a spokesperson for Second Harvest, a Spokane-based food security nonprofit. "Food inflation has been higher than the overall rate. While inflation has gone down, that doesn't mean prices have gone down. They're just not going up as fast as they were three months ago."

Indeed, a 2023 [study](#) by education funding website Scholaroo ranked Washington as the fifth-most expensive U.S. state to live in when factoring metrics such as grocery and rent costs. Washington had the highest median home value out of all U.S. states, the study found. In 2023, the average cost of rent in the state was \$1,337 a month.

At Second Harvest, food continues to leave a storage warehouse faster than it's coming in, Williams said. The nonprofit distributes food to hundreds of food banks in 21 Washington counties and five North Idaho counties.



As some pandemic recovery aid options ebbed in the spring, it caused further food insecurity among people who relied heavily on certain government programs. Williams pointed to increased federal funding for the Supplemental Nutrition Assistance Program that dried up earlier this year.

Relatively low unemployment rates in the state mean the 54-cent increase won't have much impact on some employers, said Patrick Jones, executive director of Eastern Washington University's Institute for Public Policy and Economic Analysis.

In August, the unemployment rate in the city of Spokane was 3%, Jones said. Unemployment was 3.4% in Spokane County. These numbers are reportedly down from what they looked like pre-pandemic.

"We haven't, until very recently, seen the labor force attain the levels of employment we saw pre-COVID," Jones said. "Unless a lot more people want to come back into the labor force or join the labor force for the first time, we're still going to see pretty strong wage pressure."

The labor shortage has led some entry-level employers to bump up starting wages closer to \$20 an hour in order to keep businesses staffed, he said.

At the same time, the cost of living in Spokane is 2% greater than the national average. The cost of living in Seattle is some 50% higher.

Since 1990, the number of Washington residents considered to be in poverty by the U.S. Census Bureau has [remained at roughly 10%](#). But the number of Washingtonians who live outside, in cars or temporary shelters, has grown in the past 20 years. Between 2007 and 2022, that number grew by roughly 8%, according to a [report](#) by the U.S. Department of Housing and Urban Development.

Around the United States, tens of thousands of people today live in their cars, [according to the New York Times](#). In Washington alone, there are a reported 12 ["parking programs"](#) that allow homeless people to park overnight for free.

The Washington Department of Labor and Industries settled on the upcoming 3.37% increase in the state's minimum wage by using data from the Consumer Price Index.

Some cities set higher minimum wage rates than the state minimum. In Seattle, for example, minimum wage is \$18.69 an hour.

Minimum pay for rideshare drivers who work for companies including Uber and Lyft will also increase starting Jan. 1, in accordance with a [bill](#) passed by the Legislature in 2022.

The state minimum wage applies to workers 16 and older. Employers are only required to pay 85% of the 2024 minimum wage – \$13.84 per hour – to minors between the ages of 14 and 15.

Workers and employers can find more information on minimum wage or file complaints on the state L&I website, lni.wa.gov, or by calling 360-902-5316.

Ellen Dennis' work is funded in part by members of the Spokane community via the [Community Journalism and Civic Engagement Fund](#). This story can be republished by other organizations for free under a Creative Commons license. For more information on this, please contact [our newspaper's managing editor](#).

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