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## California's Minimum Wage Will Increase Again in 2025

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California will see another increase to its minimum wage on January 1, 2025. The minimum wage in California will increase from \$16.00 per hour to \$16.50 per hour on January 1, 2025. This increase applies to all employers, regardless of size. The adjustment is based on the Consumer Price Index (CPI), which saw a 3.18% increase over the past year.

Additionally, the minimum salary for full-time exempt employees will increase from \$66,560 per year to \$68,640 per year on January 1, 2025.

However, employers should be aware that numerous cities and industries across the state have separate minimum wages, which are typically higher than the state minimum wage.

In addition, California voters will decide on [Proposition 32](#), a ballot initiative to raise the state's minimum wage, in November. If passed, the minimum wage would stair step increase to \$18 per hour for all employers by 2026. The initiative also includes provisions for annual adjustments tied to the consumer price index to account for inflation.

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