

“Have It Your Way,” California! \$20 Minimum Wage Backfires

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In late 2023, California supersized the minimum wage for fast food workers by a whopping 25 percent (increasing it from \$16 to \$20). This law was opposed by the fast food industry, while labor unions (and their many friends and admirers in Sacramento) insisted it would “benefit workers.”

Well, the results are in. According to a new [study](#) released by the Berkeley Research Group, the \$20 minimum wage has negatively impacted fast food workers and customers. The study reveals that the increase has led to thousands of job losses, a double-digit hike in food prices, and accelerated use of automation and artificial intelligence.

The key takeaways from the study include the following:

- The minimum wage increase did not guarantee higher income for workers because fast food restaurants reduced employee hours to offset the costs of the increased wage.
- Fast food restaurants lost 10,700 jobs between June 2023 and June 2024, which represents the largest decline in jobs outside of the 2009 recession and COVID-19 pandemic.
- Since September 2023, food prices at California’s local restaurants have increased by 14.5 percent.
- Fast food restaurants have increased the use of automation in the industry, including through ordering kiosks, AI drive-thru systems, and robotic kitchen automation, further reducing the availability of jobs.

The full study can be found [here](#). Undeterred, the Fast Food Council’s Planning Subcommittee will meet later this month to discuss yet another increase to the minimum wage for 2025. Unsurprisingly, thousands of local restaurant owners have come forward opposing additional wage increases. We will continue to monitor for updates.

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