



## Tacoma Minimum Wage Community and Stakeholder Engagement Report

City of Tacoma | Vice Chair Joe Bushnell



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## BACKGROUND



- In 2015, Tacoma voters passed an initiative to raise the City's minimum wage to \$12 per hour by 2018.
- In 2016, Washington voters approved Initiative 1433, which raised the state minimum wage to \$13.50 by 2020.
- In 2025, an initiative that included raising Tacoma's minimum wage to \$20 per hour collected enough signatures to qualify for the ballot (but ultimately was not on the ballot).

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## Background



Examples of minimum wages		
Government	Min. wage	Cost of living adjustment
Washington State	\$17.13	Annual adjustment based on the federal Consumer Price Index for Urban Wage Earners and Clerical Workers. Announced each Sept. 30, to take effect Jan. 1.
City of Bellingham	\$19.13	Set at \$2.00 above the State minimum wage effective on January 1 every year.
City of Seattle	\$21.30	Annual adjustment based on the Seattle-Tacoma-Bellevue Area Consumer Price Index for Urban Wage Earners and Clerical Workers. Announced in the fall, to take effect Jan 1.

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## Background



The University of Washington Center for Women's Welfare developed a living wage calculator that offers an analysis for what would be a living wage in "West Pierce County" cities.

FAMILY COMPOSITION	UW SELF-SUFFICIENCY CALCULATOR HOURLY WAGE
Single Adult	\$20.34
Single Adult, 1 Infant	\$39.54
Two Adults, 1 Infant	\$23.01
Two Adults, 2 Infants	\$30.08

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## OUTREACH



- April 16: Labor roundtable
- April 27: Nonprofit roundtable
- April 30: Small and local business roundtable
- May 28: Lincoln High School class visit
- May 29: Mount Tahoma High School class visits
- June 1: University of Washington Tacoma class visit
- June 3: Workforce Central's healthcare sector roundtable
- June 10: Tacoma Anchor Network
- June 17: Childcare roundtable

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## Outreach: Labor Unions



- Minimum wage is a reference point in bargaining.
- A higher minimum wage attracts more employees.
- Labor advocates are fighting for a living wage.
- Seeking a path to make this work for businesses.
- \$20 per hour is the floor for discussing the right wage.

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## Outreach: Nonprofits



- There is no one size fits all look at nonprofit wages.
- Funding is up and down.
- There are broader budget impacts than raising wages for minimum wage workers.
- Nonprofits could have to make hard choices to meet a new minimum wage.
- Balance the minimum wage with workforce training and other community benefits.

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## Outreach: Small Business



- Workers making the minimum wage is uncommon.
- Frustration over the potential of this cost being added to so many other increasing costs.
- Small and local businesses are already struggling to make ends meet.
- Strong themes of feeling misunderstood and targeted.
- There were clear policy recommendations for Council consideration.

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## Outreach: Healthcare sector

- The healthcare industry is under strain.
- Healthcare staff are in high demand, and the industry is working hard to fill positions.
- There can be barriers to a healthcare career, especially for lower wage earners.
- The healthcare industry would need to make tradeoffs to meet a higher minimum wage, especially if Medicaid reimbursements don't increase.

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## Outreach: Anchor Network

- Funding, and costs, are often regulated by the State or Federal government.
- Anchor Networks are already making tradeoffs to handle increased costs and limited revenue.
- There was a focus on the need for career pathways and access to entry level work.

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## Outreach: Childcare

- Providers shared high level information on the business side of providing childcare.
- Many parents are struggling to make ends meet.
- Childcare staff can also struggle and can face the benefit cliff.
- Providers shared recommendations on how to make a minimum wage increase work for the childcare industry.

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## Outreach: Students

- The cost of living was on everyone's mind.
- High school students, sophomores and seniors, are thinking about wages and employment.
- University of Washington-Tacoma students have expectations of employers.
- Future entrepreneurs were already considering costs and risks of owning a business.

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## STAKEHOLDER PROPOSALS

- **Adopt a \$20 per hour minimum wage**

- Labor unions said this was the floor of what should be considered.
- This aligns with the University of Washington Center for Women's Welfare living wage calculator for our region which sets a living wage for a single adult as \$20.34 per hour.
- It is the proposed wage in the 2025 Citizen Initiative Measure No. 2.
- Childcare providers said that wouldn't go far enough to help families afford childcare needs.

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## STAKEHOLDER PROPOSALS

- **Do not implement wage categories based on size of business**

- There was no request from business, nonprofit, or government entity in any roundtable that expressed support for a lower minimum wage for smaller sized businesses or organizations.
- The small and local business roundtable and childcare roundtable specifically recommended against it.
- Other roundtables, particularly the nonprofit roundtable, asked the City to explore categories based on industry instead of size.

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## STAKEHOLDER PROPOSALS

- **Proposals in need of further policy and legal review**
  - Total compensation instead of minimum wage.
  - Higher minimum wage for workers without healthcare benefits.
  - Establish a training wage.
  - Limit minimum wage to specific industries.

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## Acknowledgements

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## NEXT STEPS

- Economic Development Committee: \$20 Minimum Wage Proposal Discussion – July 14, 2026


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