

# NYC's \$15 minimum wage hasn't brought the restaurant apocalypse — it's helped them thrive

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- The pay increase for restaurant workers in New York City to \$15 represented the largest hike for a big group of low-wage workers since the 1960s, a new study found.
- During the years New York raised the minimum wage to \$15 from \$7.25, its restaurant industry outperformed the rest of the US in job growth and expansion, the study found.
- The study suggests that increasing pay for restaurant workers — who make up the bulk of low-wage earners — might not harm businesses.
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New York City restaurant workers saw their pay increase by 20% after a \$15 minimum-wage hike, and a new report says business is booming despite warnings that the boost would devastate the city's restaurant industry.

As New York raised the minimum wage to \$15 this year from \$7.25 in 2013, its restaurant industry outperformed the rest of the US in job growth and expansion, a new study found.

The study, by researchers from the New School and the New York think tank National Employment Law Project, found no negative employment effects of the city increasing its minimum wage to \$15.

Restaurant workers in the city saw a pay increase of 20% to 28%, representing the largest hike "for a big group of low-wage workers since the 1960s," James Parrott, a director of economic and fiscal policies at the New School and an author of the study, told Gothamist.

While the city's restaurant growth is likely a result of the city's overall strong economy, the report's findings might suggest that paying workers more won't immediately lead to job loss or other negative business consequences as previously thought.

Business leaders, economists, and pundits have long worried that raising employees' wages would lead to bad business. Warren Buffett said a \$15 hourly wage would reduce employment. Congressional economists said a federal hike would cut 1 million jobs. And some New York businesses recently told The Wall Street Journal that they struggled to keep up after the wage increase.

But Parrott told Gothamist that he attributed the inevitability of some restaurants failing to the industry's competitive nature.

"It's hard to look at the comprehensive data we did and not understand that many, many restaurants have effectively adapted to the rising minimum wage," Parrott said. "Not everyone, but the vast majority."

Across the US, the restaurant industry has the most to lose from a \$15 hike. The Bureau of Labor Statistics found that in 2016 the food-preparation and serving industry employed the most workers paid at or below the minimum wage, at 1.1 million. Sales, the industry with the next-highest low-wage workforce, employed 200,000 such workers.

"New York City's restaurant industry has flourished overall," the study said.