OHLA Government Affairs Update

OHIO HOTEL & LODGING ASSOCIATION

July 8, 2026

While Wages Rise Naturally in Hotel & Lodging Businesses, Additional Pressures and Policy Proposals are Leading to Potentially Negative Impacts

Activity on policies impacting wages and benefits continues at an increasing pace across the country and at the federal level. In some instances, these policies are aimed directly at the hotel & lodging industry, while in others they are part of an overall effort to mandate wage increases across the entire labor market.

When government policies preempt the market forces which determine wage levels naturally and organically, there are impacts on employers, employees and consumers. These are some of the most recent developments which illustrate the pressures on compensation levels in our industry, and the potential impacts of these actions in the near term and long term.

Federal $25 Minimum Wage Bill Introduced in Congress

Democrat Senator Chris Murphy of Connecticut and Democrat Representative Delia Ramirez of Illinois have introduced legislation in their respective chambers to enact The Living Wage Act for All. S. 4734 and H.R. 8555 would raise the national minimum wage by almost 250 percent to $25 per hour and eliminate important tools such as the tip credit for service employees.

The legislation would impact nearly half of America’s workforce, even though 34 states and territories, including Ohio, have already increased their minimum wage above the federal level.

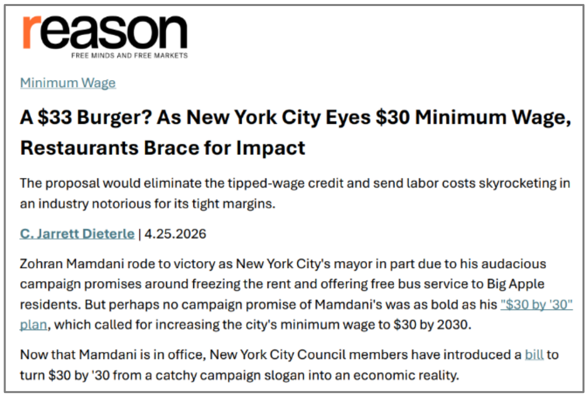
The proposal may not have a high chance of gaining enough support in Congress to pass, but news reports highlight that for sponsors and supporters, it is in part intended to be “an organizing tool.” But such tactics can be shortsighted and lead to more pressures for policies which are actually harmful for the economy.

Politically-motivated maneuvers can be hasty and short-term, and lead to more pressures for policies which are actually harmful for the economy. For example, a survey of economists showed that 84 percent said that a proposal with artificially high minimum wage levels like The Living Wage for All Act would increase the cost of living for workers. An astounding 96 percent of surveyed economists said it would also reduce available jobs for hospitality workers.

NYC Pushes Even Higher

New York City Mayor Zohran Mamdani made the goal of a $30 minimum wage part of this election platform. Legislation to accomplish that was introduced in city council and also included language to eliminate the tipped wage credit, which already helps service employees earn $30-40 per hour, or more, because of their tips. In other jurisdictions, where tip credit was eliminated, these workers ended up earning less, while restaurants and businesses which rely on tipped staff were also forced to cut jobs and reduce hours for staff.

In many instances, costs for consumers rose immediately and dramatically, including new service fees and higher prices. [Restauranters in New York share examples](#) of costs skyrocketing to a $33 hamburger, $22 glass of wine, and $37 salmon salad based on only a $19.33 minimum wage.



reason
FREE MINDS AND FREE MARKETS

Minimum Wage

A $33 Burger? As New York City Eyes $30 Minimum Wage, Restaurants Brace for Impact

The proposal would eliminate the tipped-wage credit and send labor costs skyrocketing in an industry notorious for its tight margins.

C. Jarrett Dieterle | 4.25.2026

Zohran Mamdani rode to victory as New York City's mayor in part due to his audacious campaign promises around freezing the rent and offering free bus service to Big Apple residents. But perhaps no campaign promise of Mamdani's was as bold as his "$30 by '30" plan, which called for increasing the city's minimum wage to $30 by 2030.

Now that Mamdani is in office, New York City Council members have introduced a bill to turn $30 by '30 from a catchy campaign slogan into an economic reality.

In May, a labor agreement was reached covering roughly 27,000 workers at more than 250 NYC hotels. Room attendant wages will rise from $39.97 per hour in 2025 to $61.07 per hour by 2034, exceeding **$127,000 per year.** The deal also includes free family healthcare, increases pensions, and adds employer-funded housing and childcare contributions.

LA Wage Action Takes Direct Aim at Hotels

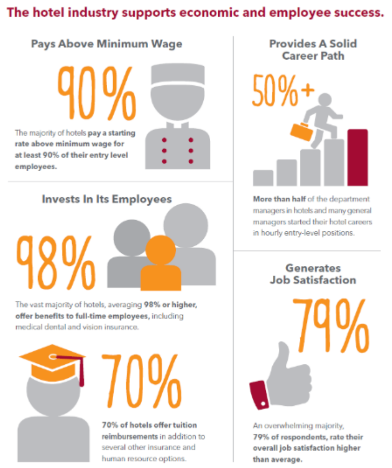
Last year, Los Angeles City Council voted to raise the minimum wage to $30 for hotel workers. AHLA reported that 88 percent of hotels have experienced layoffs or reduced hours and just under 60 percent have reduced overtime availability as well as worker benefits and amenities. Industry experts at Oxford Economics forecast a loss of 14,000 jobs in that city.

Pushback from the industry, including AHLA and the state and local associations in California, included the possibility of a ballot measure to bring the issue directly to voters. This year, city council voted to delay full implementation of the wage increase to 2030 and reduced the required healthcare contribution for two years.

Voters in the States Pushing Back

On June 16, Oklahoma voters defeated a statewide ballot issue to raise the state's minimum wage to $15 per hour by a margin of 55 to 44 percent. While nearby states had increased their state minimum wage in recent years, voters weighed the potential for employers who would have to downsize, schedule staff for fewer hours, or otherwise make up for the increased costs.

Hotel & Lodging Businesses Already Committed to Higher-than-Minium Wages, Benefits



It is no secret to anyone in the industry that in most instances, hotel & lodging businesses are paying even starting employees more than minimum wage, while 98 percent or more offering benefits such as health care, and education assistance.

Hotel businesses also emphasize opportunity and upward mobility, with more than half of their managers having started in entry-level positions, and higher than average job satisfaction numbers.

Hotels don't argue for lower wages for employees, but for sensible policies which don't put political goals ahead of market forces and our economic well-being.

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