

Minimum Wage and Youth Unemployment (Ages 16-24)

The graph below illustrates the youth unemployment rate from 2000 through June, 2025. The shaded areas represent recessions. At the bottom of the graph is the California minimum wage from 2000 through 2025.



1) If a high school student in California worked 30 hours a week at McDonalds during summer vacation, what would be that student’s biweekly gross pay at each of these hourly wage rates?

| | | | |
|---------|----|---------|----|
| \$ 6.25 | \$ | \$ 9.00 | \$ |
| \$ 6.75 | \$ | \$13.00 | \$ |
| \$ 8.00 | \$ | \$16.50 | \$ |

2) The Consumer Price Index (CPI) measures the rate of inflation. From 2000 to 2025, the CPI increased by 87.6%. Is the California increase in the minimum wage over that same period justified? Yes No (Support your answer with math)

3) The minimum wage in Georgia in 2000 was \$5.15 an hour. In 2025 it is \$7.25. Is the Georgia change in the minimum wage over that same period justified? Yes No (Support your answer with math)

4) Do you think there is a direct relationship between the rise in the minimum wage and the rise in youth unemployment? Yes No Why?

5) It is 2025. You own a deli in Salinas, California that employs 15 young workers that you need to run the deli. But you cannot afford \$16.50 an hour. How would you deal with the rising minimum wage?

6) In June, 2025 the youth unemployment rate in the U.S. was10% compared to China which was 17.8%. What do you think are the potential problems youth unemployment causes for society?