

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Mukesh (Mookie) Patel

SUBJECT: Airport Living Wage
Ordinance Rate Increase

DATE: April 29, 2026

Approved



Date:

5/1/26

INFORMATION

The Airport Living Wage Ordinance rate increases annually on July 1st of each year based on the Consumer Price Index. This memo explains the calculation and analysis behind the rate adjustment.

BACKGROUND

In January 2026 the United States Department of Labor released the full year of 2025 Consumer Price Index (CPI) for All Urban Consumers (U). For the San Francisco-Oakland-San José area, the CPI for All Urban Consumers increased 2.1779% in 2025. Based on this information, the minimum compensation under the Airport Living Wage Ordinance (ALWO) at the San José Mineta International Airport (Airport) will increase by \$0.43 per hour.

Effective July 1, 2026, all Airport businesses will be required to provide their Covered Employees with the following minimum compensation:

1. If qualifying minimum health insurance benefits are provided, compensation of no less than \$20.52 per hour.
2. If qualifying minimum health insurance benefits are not provided, compensation of no less than \$21.77 per hour.

San José Mineta International Airport staff will notify Airport businesses of the increase via e-mail and the Airport's website www.flysanjose.com.

ANALYSIS

The ALWO has increased at an average annual rate of 3.483% over the past five years. The CPI for All Urban Consumers measures inflation as experienced in average household prices paid by urban consumers in their day-to-day living expenses, such as housing, food, clothing, medical care, electricity, transportation, and education, and is utilized to adjust payments to purchase a market basket of goods and services at today's prices.

This table shows the ALWO rate adjustments and the adjustment factors history.

Effective Date	Geographic or CPI Adjustment Factor	ALWO Rate With Benefits	ALWO Rate Without Benefits
July 1, 2026	2.1779%	\$20.52	\$21.77
July 1, 2025	2.7627%	\$20.09	\$21.34
July 1, 2024	3.6660%	\$19.55	\$20.80
July 1, 2023	5.5983%	\$18.86	\$20.11
July 1, 2022	3.2114%	\$17.86	\$19.11
July 1, 2021	1.7220%	\$17.30	\$18.55
July 1, 2020	3.3108%	\$17.01	\$18.26
July 1, 2019	3.8651%	\$16.46	\$17.71
July 1, 2018	3.2214%	\$15.85	\$17.10
July 1, 2017	3.0057%	\$15.36	\$16.61
July 1, 2016	2.6140%	\$14.91	\$16.16
July 1, 2015	2.8414%	\$14.53	\$15.78
July 1, 2014	2.2420%	\$14.13	\$15.38
July 1, 2013	2.6822%	\$13.82	\$15.07
July 1, 2012	2.6030%	\$13.46	\$14.71
July 1, 2011	1.3699%	\$13.12	\$14.37
July 1, 2010	0.7308%	\$12.94	\$14.19
January 1, 2009		\$12.83	\$14.08

/s/
 Mukesh (Mookie) Patel, C.M.
 Director of Aviation

For questions, please contact Magdalena Nodal, Senior Analyst, Civil Rights Liaison, Airport Department, at mnodal@sjc.org or (408) 392-3673.