

Nebraska Minimum Wage Increase, Initiative 425 (2014)



The **Nebraska Minimum Wage Increase, Initiative 425** was on the November 4, 2014 ballot in Nebraska as an initiated state statute, where it was **approved**. The measure incrementally increased the state's hourly minimum wage to \$9 by January 1, 2016.^[1]

The following are the increments in which the minimum wage was increased:^[1]

- Increase from \$7.25 to \$8.00 on January 1, 2015
- Increase from \$8.00 to \$9.00 on January 1, 2016

In 1967, Nebraska enacted the Wage and Hour Act. The law empowered the state to establish a minimum wage for all workers and safeguard minimum wage compensation standards. It exempted employers with less than four employees from paying minimum wage.^[2] Prior to Initiative 425's approval, Nebraska's statutory minimum wage was \$7.25.^[1] The state's minimum wage had never been higher than the federal minimum wage before the initiative.^[3]

Election results

Below are the official, certified election results:

Nebraska Initiative 425		
Result	Votes	Percentage
Yes	311,401	59.47%
No	212,215	40.53%

Election results via: Nebraska Secretary of State

Text of the measure

Ballot title

The official ballot text read as follows:^[4]

“ A vote ***“FOR”*** will amend the Nebraska statute establishing a minimum wage rate for employees to increase the current state minimum wage from seven dollars and twenty-five cents (\$7.25) per hour to eight dollars (\$8.00) per hour on January 1, 2015, and to nine dollars (\$9.00) per hour on January 1, 2016.

A vote ***“AGAINST”*** will not cause the Nebraska statute establishing a minimum wage rate for employees to be amended in such manner.

Shall the Nebraska statute establishing a minimum wage rate for employees be amended to increase the current state minimum wage from seven dollars and twenty-five cents (\$7.25) per hour to eight dollars (\$8.00) per hour on January 1, 2015, and to nine dollars (\$9.00) per hour on January 1, 2016?

For

Against^[5]

Background

LB 943

Sen. Jeremy Nordquist (NP-7) introduced Legislative Bill 943 (LB 943) into the Nebraska Senate on January 16, 2014.^[6] LB 943 was designed to incrementally increase the state's hourly minimum wage to \$9 by January 1, 2017.^[7] The bill came to an impasse when senators were evenly split in support of and opposition to LB 943. Twenty senators voted for and twenty voted against the legislation. *AP* reported that none of the twenty

Initiative 425



Type Initiated state statute

Origin Citizens

Topic Minimum wage on the ballot

Status Approved

2014 measures



November 4

Initiative 425

Endorsements

Expenditures

Local measure:

opponents explained why they opposed the bill. Sen. Nordquist took note, saying, "I'm disappointed, and I think the biggest thing that I'm disappointed in is that no one who was an opponent to the bill stood up and said why they're opposed."^[8]

Sen. Bill Kintner (NP-2) later called the bill's defeat "a victory for free-market capitalism."^[8] He elaborated, "For 49 people to sit in here and say what somebody is worth to a business... is ridiculous."^[9]

The Nebraska Chamber of Commerce opposed the bill.^[10]

Following the legislation's defeat, Sen. Nordquist said he was working with allies to put the measure on the ballot as an initiative. He stated, "It's just a matter of pulling the resources together. It certainly is something we can accomplish."^[10]

2014 minimum wages

Below is a chart detailing the minimum wage in all fifty states, plus the District of Columbia, as of 2014:

State	2014 Minimum wage	State	2014 Minimum wage
Alabama	\$7.25 ^[11]	Nebraska	\$7.25
Alaska	\$7.75	Nevada	\$8.25
Arizona	\$7.90	New Hampshire	\$7.25
Arkansas	\$6.25 ^[12]	New Jersey	\$8.25
California	\$9.00	New Mexico	\$7.50
Colorado	\$8.00	New York	\$8.00
Connecticut	\$8.70	North Carolina	\$7.25
Delaware	\$7.75	North Dakota	\$7.25
Florida	\$7.93	Ohio	\$7.95
Georgia	\$5.15 ^[12]	Oklahoma	\$7.25
Hawaii	\$7.25	Oregon	\$9.10
Idaho	\$7.25	Pennsylvania	\$7.25
Illinois	\$8.25	Rhode Island	\$8.00
Indiana	\$7.25	South Carolina	\$7.25 ^[11]
Iowa	\$7.25	South Dakota	\$7.25
Kansas	\$7.25	Tennessee	\$7.25 ^[11]
Kentucky	\$7.25	Texas	\$7.25
Louisiana	\$7.25 ^[11]	Utah	\$7.25
Maine	\$7.50	Vermont	\$8.73
Maryland	\$7.25	Virginia	\$7.25
Massachusetts	\$8.00	Washington	\$9.32
Michigan	\$7.40	West Virginia	\$7.25
Minnesota	\$8.00	Wisconsin	\$7.25
Mississippi	\$7.25 ^[11]	Wyoming	\$5.15 ^[12]
Missouri	\$7.50	Washington, D.C.	\$9.50
Montana	\$7.90		

2014 ballot measures

Voters in four states - Alaska, Arkansas, Nebraska and South Dakota - voted to raise their state's minimum wage at the November 4, 2014, general election. All four were approved. The following table shows what minimum wage rates were implemented in these states.

State	Measure	2014 Wage	2015 Increase	2016 Increase	2017 Increase
Alaska	Alaska Ballot Measure 3	\$7.75	\$8.75	\$9.75	N/A
Arkansas	Arkansas Issue 5	\$6.25	\$7.50	\$8.00	\$8.50
Nebraska	Nebraska Initiative 425	\$7.25	\$8.00	\$9.00	N/A
South Dakota	South Dakota Initiated Measure 18	\$7.25	\$8.50	Based on inflation	N/A

Effects on 2014 gubernatorial race

Don Walton, a journalist for the *Lincoln Journal Star*, said the ballot initiative could "emerge as a factor in the gubernatorial race" and benefit gubernatorial candidate Chuck Hassebrook (D). He said the issue could galvanize working-class people and those frustrated by growing economic inequality. These people tend to vote Democratic.^[13] Professor John Hibbing, a political scientist, of the University of Nebraska - Lincoln elaborated, "Democrats always face an uphill battle (in Nebraska). So, they would be delighted with anything that could provide a boost and you know I think at least this issue has the potential to do that."^[14]

Despite speculation that Initiative 425 would help Chuck Hassebrook (D), he lost the gubernatorial election on November 4, 2014.

Support

Sen. Nordquist (NP-7) launched a supporting campaign organization known as *Nebraskans for Better Wages*.^[15]

FieldWorks, a campaign consultant business specializing in ballot initiatives, was hired by proponents to collect signatures.^[16]



Supporters

Officials

- Chuck Hassebrook (D), 2014 gubernatorial candidate^[17]
- Jane Raybould (D), 2014 lieutenant gubernatorial candidate^[18]
- Sen. Jeremy Nordquist (NP-7)^[16]
- Sen. Danielle Conrad (NP-46)^[16]
- Sen. Tanya Cook (NP-19)^[19]

Former officials

- Former US Rep. John Cavanaugh (D-2)^[17]
- Former Omaha Mayor Mike Fahey (D)^[20]

Organizations

- Nebraska State Education Association^[16]
- Nebraska State AFL-CIO
- Nebraska State Council of Electrical Workers
- Nebraska State Utility Workers
- Nebraska Appleseed Center for Law in the Public Interest
- Center for Rural Affairs^[21]
- Voices for Children in Nebraska^[22]

Individuals

- Richard Holland, Democratic contributor and philanthropist^[16]
- Rick Poore, president of Designwear^[23]

Arguments

Nebraskans for Better Wages provided the following information in support of the measure on their website:

“ Working hard and taking care of one another are Nebraska values. Yet, despite working hard, families are falling behind. By raising the minimum wage, we can affirm the dignity in a hard day's work, rebuild the middle class and help families earn enough to meet their basic needs. Hard work should pay in Nebraska.

The Need

While Nebraskans place a significant value on hard work, the economy has changed in a way that has left too many Nebraska families behind. Our middle class is shrinking; the median household income in Nebraska has declined by 5% over the past decade. More and more families are joining the ranks of those struggling paycheck to paycheck to make ends meet. Consider the following:

Nebraska's current minimum wage is \$7.25 per hour. At this wage level, a worker working 40 hours a week, 52 weeks a year, earns \$15,080. This is below the federal poverty line for families of two or more.

In 2012, 32,000 hourly workers in Nebraska earned the minimum wage.

In 2012, Nebraska had the 2nd highest percent of hourly workers earning at or below minimum wage when compared with surrounding states.

The federal minimum wage would be \$10.56 if it had kept pace with inflation over the past 40 years.

Increasingly, adults are spending their careers in low-wage jobs, struggling to support their families. In fact, 88% of America's low-wage workers are over the age of 20.

The Benefits

Raising the minimum wage is a crucial part of rebuilding Nebraska’s middle class. An increased minimum wage has the potential to benefit employees, employers and our state’s economy.

Benefit to Employees: Raising the minimum wage by just 10% would reduce poverty by 2.4%.

Benefit to Employers: Raising the minimum wage reduces employee turnover and increases employee productivity.

Benefit to State Economy: For every \$1.00 in wage increase for a minimum wage worker, there is an estimated \$2,800 in new consumer spending by the worker’s household over the next year.

[5]

—*Nebraskans for Better Wages*

[24]

Sen. Jeremy Nordquist (NP-7), who initiated the minimum wage measure, wrote an op-ed in the *Omaha World-Herald*. The following is an excerpt from his opinion article:



State Senator Jeremy Nordquist (NP-7)

“ Jobs must pay enough for workers to meet their basic needs — like paying for a doctor visit or putting gas in the car. At the current minimum wage, a full-time salary is about \$15,000 per year, far below what workers need to support themselves and their families in any community in Nebraska.

Our citizen petition would ensure a strong Nebraska economy that works for everyone. A study conducted by the Federal Reserve Bank of Chicago found that every \$1 increase in the minimum wage results in \$2,800 in new spending per household over the next year.

Boosting workers’ wages would increase consumer spending; this would be good news for Nebraska businesses because it would in turn increase demand for their goods and services.

Contrary to assertions by opponents of increasing the minimum wage, the weight of economic research shows little to no job loss in response to modest increases in the minimum wage. In fact, Washington State, which has the highest minimum wage in the country, also had the most robust small-business job growth last year among all states.

Our citizen petition would benefit Nebraska families. Minimum-wage jobs are not just for teenagers. The average minimum-wage worker is 35; most work full-time; more than one-fourth are parents; and, on average, they earn half of their families’ total income. Without an opportunity to vote on this critical issue, hardworking Nebraskans and their families will continue to fall behind.

Our citizen petition would strengthen Nebraska children and be important for our state’s future. Family income is a strong predictor of educational achievement...

As the percentage of children living in poverty has risen, more young students are coming to school with poverty-related challenges that have short- and long-term consequences for educational success. Teachers and parents need to be strong partners.

When parents work more than 40 hours per week at multiple low-wage jobs, it is hard for them to find the extra time to help their children with homework or read to them before bedtime, let alone participate in extracurricular activities and school functions.

These are serious challenges with serious consequences for our state’s future. Raising the minimum is a well-established solution that could have an immediate positive impact... [5] ”

—Sen. Jeremy Nordquist

[25]

Brian Depew, Executive Director of the **Center for Rural Affairs**, called on state citizens to approve the initiative:



“ Can you imagine supporting your family on an annual income of \$15,080? In Nebraska, we ask too many people to do just that.

In 2012, we asked 32,000 Nebraskans to work for minimum wage. The average worker earning minimum wage in Nebraska is 35 years old. More than 25 percent are parents, and, on average, they earn half of their total family income. It is not just the teenager next door...

A modest boost in the minimum wage helps ensure that a fair day’s work earns an income sufficient to pay the rent, utilities and grocery bill. I couldn’t pay those bills on \$15,080 per year. Could you?... [5]

—Brian Depew

[26]

Arguments made by **Nick Hanauer**, a venture capitalist and self-described “.01 percenter,” were cited by *Nebraskans for Better Wages*.^[27] Hanauer has written a number of articles calling for an increased minimum wage. The following is an excerpt from an op-ed that Hanauer wrote for *Politico*:

“ ... What sets me apart, I think, is a tolerance for risk and an intuition about what will happen in the future. Seeing where things are headed is the essence of entrepreneurship. And what do I see in our future now?

I see pitchforks.

At the same time that people like you and me are thriving beyond the dreams of any plutocrats in history, the rest of the country—the 99.99 percent—is lagging far behind. The divide between the haves and have-nots is getting worse really, really fast. In 1980, the top 1 percent controlled about 8 percent of U.S. national income. The bottom 50 percent shared about 18 percent. Today the top 1 percent share about 20 percent; the bottom 50 percent, just 12 percent.

But the problem isn't that we have inequality. Some inequality is intrinsic to any high-functioning capitalist economy. The problem is that inequality is at historically high levels and getting worse every day. Our country is rapidly becoming less a capitalist society and more a feudal society...

The model for us rich guys here should be Henry Ford, who realized that all his autoworkers in Michigan weren't only cheap labor to be exploited; they were consumers, too. Ford figured that if he raised their wages, to a then-exorbitant \$5 a day, they'd be able to afford his Model Ts.

What a great idea. My suggestion to you is: Let's do it all over again. We've got to try something. These idiotic trickle-down policies are destroying my customer base. And yours too.

...Instead, I wanted to try to change the conversation with ideas—by advancing what my co-author, Eric Liu, and I call “middle-out” economics. It's the long-overdue rebuttal to the trickle-down economics worldview that has become economic orthodoxy across party lines—and has so screwed the American middle class and our economy generally. Middle-out economics rejects the old misconception that an economy is a perfectly efficient, mechanistic system and embraces the much more accurate idea of an economy as a complex ecosystem made up of real people who are dependent on one another.

Which is why the fundamental law of capitalism must be: If workers have more money, businesses have more customers. Which makes middle-class consumers, not rich businesspeople like us, the true job creators. Which means a thriving middle class is the source of American prosperity, not a consequence of it. The middle class creates us rich people, not the other way around.

The thing about us businesspeople is that we love our customers rich and our employees poor. So for as long as there has been capitalism, capitalists have said the same thing about any effort to raise wages. We've had 75 years of complaints from big business—when the minimum wage was instituted, when women had to be paid equitable amounts, when child labor laws were created. Every time the capitalists said exactly the same thing in the same way: We're all going to go bankrupt. I'll have to close. I'll have to lay everyone off. It hasn't happened. In fact, the data show that when workers are better treated, business gets better. The naysayers are just wrong...

It makes perfect sense if you think about it: If a worker earns \$7.25 an hour, which is now the national minimum wage, what proportion of that person's income do you think ends up in the cash registers of local small businesses? Hardly any. That person is paying rent, ideally going out to get subsistence groceries at Safeway, and, if really lucky, has a bus pass. But she's not going out to eat at restaurants. Not browsing for new clothes. Not buying flowers on Mother's Day...

Republicans and Democrats in Congress can't shrink government with wishful thinking. The only way to slash government for real is to go back to basic economic principles: You have to reduce the demand for government. If people are getting \$15 an hour or more, they don't need food stamps. They don't need rent assistance. They don't need you and me to pay for their medical care. If the consumer middle class is back, buying and shopping, then it stands to reason you won't need as large a welfare state. And at the same time, revenues from payroll and sales taxes would rise, reducing the deficit.... [28] [5]

—Nick Hanauer

Other arguments in favor of the initiative included:

- Rick Poore, president of Designwear, stated, “It's much bigger then [*sic*], 'I am going to have to have a larger payroll.' People are going to have to think a lot bigger than that. If they don't have the money, they're not spending it and local businesses aren't selling as much. The thing is, I would be paying people who are more experienced, and I would be able to attract better people so that my product is good. It has good quality and has good value.”[23]

Campaign contributions

As of December 3, 2014, *Nebraskans for Better Wages* had received \$1,359,499 in contributions.^[29]

PAC info:

PAC	Amount raised	Amount spent
<i>Nebraskans for Better Wages</i>	\$1,359,499	\$1,335,025
Total:	\$1,359,499	\$1,335,025

Top 10 contributors:

Donor	Amount
Richard D. Holland	\$600,000
Nebraska Appleseed Center for Law in the Public Interest	\$87,500
Nebraska State Education Association	\$75,275
Dianne S. Lozier	\$50,000
Normann Waitt, Jr.	\$30,000
Center for Rural Affairs	\$28,500
Annette Smith	\$25,000
Barbara Weitz	\$25,000
Nebraska State AFL-CIO	\$25,000
Matthew J. Johnson	\$20,000

Opposition

There was no organized opposition to Initiative 425.^[30]

On August 25, 2014, Gov. Dave Heineman (R) came out in opposition to the ballot measure.^[31] He said, "I believe the key is increased training opportunities to help employees increase their skills, resulting in better job opportunities and higher pay, and to recruit higher paying industries to the state."^[32] Previously, Heineman took a more neutral approach, saying he had some reservations, but that "It's probably time that we've had [*sic*] an adjustment in the minimum wage, so it's going to be up to the people."^[33]

Opponents

Officials

- Gov. Dave Heineman (R)^[31]
- Pete Ricketts (R), 2014 gubernatorial candidate^[34]
- Sen. John Murante (NP-49)^[35]

Organizations

- Nebraska Taxpayers for Freedom^[36]

Arguments

Nebraska Taxpayers for Freedom is an organization dedicated to "the restoration and preservation of constitutionally limited government and our capitalist system, with emphasis on personal responsibility and freedom."^[37] The organization issued a statement in opposition to raising the state's minimum wage. The following is an excerpt from the group's statement:

“ **ECONOMIC FAILURE.** A thorough review of 2 decades of economic research on the minimum wage by economists David Neumark and William Wascher, from the Federal Reserve Board, concluded that increases in the minimum wage reduce job opportunities for the lowest-skilled employees. Economist Joseph Sabia used data from the Census Bureau and Bureau of Economic Analysis to measure Gross Domestic Product (GDP) and employment response to an increased minimum wage. He proves that such hike negatively impacts GDP. For each 10% hike in a state minimum wage, teen employment decreased by 3.6%. Also, there is a 2-4% decline in the state GDP generated by workers in lower-skilled industries like warehousing. Proponents of raising a state minimum wage base their argument on the belief that only government can raise wages for minimum wage employees, that such employees receive wage hikes only when the minimum increases, perpetuating the fiction that such workers cannot increase their skill level and corresponding wages without government help...

CONSUMER PRICE INCREASES AND INFLATION. Workers earning a higher minimum wage will only see their higher take home pay eaten by consumer inflation and less buying power from working fewer hours. Many minimum wage workers will see their living standards drop...

WORK FORCE CUTS AND REDUCED HOURS. Retailers will reduce staff and replace humans with machines, reduce fringe benefits like health insurance, and restrict personal and sick leave options. To cut costs, employers will allow fewer breaks and amenities like free coffee and snacks. Employees in the hotel, motel, and fast food industries will suffer reduced work hours and job elimination, the very people who have no skills to obtain other employment. Stiff competition in these sectors make it impossible for employers to raise room rates or menu prices...



TEEN EMPLOYMENT RISKS. The NE teen (16-19) unemployment rate currently is 10.6%. Universities, which employ thousands of teens said an increase could trigger tuition hikes or result in their offering fewer employment opportunities. Teens will suffer most. Many workers earning the minimum wage are high-school kids needing entry-level work in order to obtain work experience and training; these workers would suffer higher job losses, as employers cannot afford to pay them higher wages. Fast food businesses have trained generations of teens in job basics, but that training will lessen. When France raised its minimum wage, McDonalds replaced its teen cashiers with kiosk machines...

STYMIED JOB CREATION. A raise will curtail the number of entry level jobs created. Machines in fast food and other restaurants now can slice toppings like tomatoes and pickles and place them on burgers, assemble custom meat grinds of burger and pork, and utilize gourmet cooking techniques. Machines are more consistent, sanitary, and can make 360 hamburgers per hour. Machines take no sick days, require no health care, do not come to work loaded on drugs, and happily work 24 hours 7 days per week. Machines need only routine cleaning and maintenance...

BOGUS LIBERAL ARGUMENTS. ... Liberals ignore that some they supposedly champion lack the will and initiative to access higher-paying jobs. Likewise, liberals who claim that a higher minimum wage would impel people to abandon welfare ignore that some welfare recipients enjoy that lifestyle and would never leave it.

MORE TAXES. Those granted higher wages will pay higher sales and excise taxes as they spend more money. If they save and earn interest, they will pay more income tax. They will pay higher Social Security and Medicare taxes. All these higher taxes will erode their wage increase. Government at all levels will accrue billions in additional tax revenue... [5]

—Nebraska Taxpayers for Freedom

[38]

Ron Tillery, Executive Director of the **Fremont Area Chamber of Commerce**, said fair compensation is not an issue of minimum wages, but skills and education. He wrote:

“ Let us first state the obvious: Skilled working Americans deserve to be compensated fairly giving consideration to the value they deliver to employers in a competitive marketplace.

Then why would we advise against increasing Nebraska's minimum wage as a recent petition initiative proposes? The answer is grounded in common sense: the minimum wage is intended to function as a platform for development of unskilled job learners. It is a starting point where employers make investments in employee development, which often carries risk for an employer. It is not, as some have suggested, a tool intended to lift families out of poverty...

We agree with our partners at many other Nebraska Chambers of Commerce that more effective solutions for those who are not fully benefiting from Nebraska's vibrant economy are education and better training. They're not new concepts but ones that should get universal support and higher priorities... [5]

—Ron Tillery

[39]

Jim Partington, Executive Director of the **Nebraska Restaurant Association**, argued that increasing the minimum wage wouldn't help entry-level restaurant workers or restaurant businesses. He stated:

“ It will, however, have a serious adverse impact on those industries that are labor intensive and employ large numbers of entry level and part-time workers. This includes restaurants, retail and agriculture, our state's largest industries.

The restaurant industry has well compensated career positions in management and food preparation, but it also relies on large numbers of entry level part-time employees, many of them students. The turnover rate is high and the training requirements challenging. These employees are entering the work force for the first time and starting pay is typically at or slightly above minimum wage.

Wait staff can supplement this significantly by earning tip income in appreciation for excellent service and can easily earn up to twice the minimum wage. Back of the house employees who perform well receive annual increases recognizing the increased productivity that comes with experience.

A National Restaurant Association survey reports that median hourly compensation, including wages and tips is \$16.13 for waiters and \$19.35 for bartenders. Seventy percent of hourly employees not earning tips reported receiving pay raises, based on performance, within the past 12 months.

The restaurant industry has a very low profit margin per employee and, as labor costs rise, will respond by delaying new hires, finding ways to increase productivity of existing staff, automating processes when feasible and menu prices will increase.

In summary, the minimum wage increase will not raise people out of poverty or contribute to growth of the economy. It will reduce hiring of entry level employees in labor intensive industries and delay their entry into the workforce.

Higher minimum wages do not address the main reason that poor families live below the poverty line. Contrary to what most people assume, low wages are not their primary problem, because most poor Americans don't work for the minimum wage.

The problem is that most poor Americans don't have jobs and raising the minimum wage will make it harder to find one. [5]

—Jim Partington^[40]

Other arguments against the initiative included:

- Doug Kagan, president of the Nebraska Taxpayers for Freedom, stated, "When you raise the minimum wage, that takes investment capital away from the businesses that they otherwise would use to train and educate entry level workers."^[41]
- Bob Hallstrom, a lobbyist for the Nebraska Federation of Independent Business, argued, "Anytime you look at an increase in the minimum wage, particularly on the heels of a recession, it's a concern for small businesses that are struggling. The minimum wage, pure and simple, adds cost to their bottom line."^[16]
- The Platte Institute for Economic Research noted that nearly half of workers earning minimum wage in Nebraska were under the age of 24. They said minimum wage jobs were "low wage," but "short term," and helped young people acquire skills and credentials for higher-paying jobs.^[10]
- Gary Tharnish, owner of Burton Tyrrell's Flowers, said his business had experienced multiple minimum wage increases since 1986. He stated, "It's difficult every time minimum wage goes up. Either I get paid less and work a little more, or I don't hire another part-time person for a while so there's another teenager not working. It makes a difference."^[42]

Media editorial positions

See also: Endorsements of Nebraska ballot measures, 2014

Support

- **Lincoln Journal Star** said, "The benefit of giving those workers a raise outweighs the possible negative impact. Fears of negative economic impacts have proved exaggerated in the past when the minimum wage was increased. The working poor in Nebraska deserve a break. Vote to raise the minimum wage."^[43]

Reports and analyses

See also: Minimum wage reports and analyses

The following studies are only a small sample of available research on the minimum wage. A broader overview of each study below is available here.

Neutral findings

- **Congressional Budget Office:** In a February 2014 report, the CBO concludes that unemployment would rise, but the poverty rate would fall if the federal minimum wage was raised to \$9.00 or \$10.10. A \$9 minimum wage would reduce employment by 100,000 or 0.06 percent, but 7.6 million workers would see their wages increase. A \$10.10 minimum wage would reduce employment by 500,000 or 0.3 percent, but 16.5 million workers would see their wages increase.^[44]

Findings in support

- **Economic Policy Institute:** In *Raising America's Pay: Why It's Our Central Economic Policy Challenge*, EPI economists conclude that despite increasing economic productivity, wages for most workers have stagnated or declined since 1979. They say this has occurred for four reasons: (1) Policies that reduced the bargaining power of workers and boosted the bargaining powers of "capital owners and corporate managers;" (2) The globalizing influence of free trade agreements; (3) "[T]he dramatic drop in top tax rates since the late 1970s;" and (4) the Federal Reserve Board's emphasis on decreasing inflation, rather than decreasing unemployment. The study called for both redistribution and predistribution in attempts to increase wages. By "redistribution," the authors mean "taxes and transfers," and by "predistribution," they mean "policies that impact the wages workers receive in the labor market," such as the minimum wage.^[45]
- **Institute for Research and Labor Employment:** The study looks at minimum wage differences between contiguous counties located in different states. These counties represent good control groups, according to the authors, since there is a difference in base wages between them, but many similar characteristics as well. By looking at counties across a 15 year timespan, the authors conclude that "These estimates suggest no detectable employment losses from the kind of minimum wage increases we have seen in the United States."^[46]

The one obvious way to fix ineq...



An Economic Policy Institute video summarizing some of their research and calling for a higher minimum wage.

Findings in opposition

- **Employment Policies Institute:** Economist Bradley R. Schiller examines "employment and family income of minimum wage workers between the ages of 33 and 50, in the years between 1998 and 2006 when the federal minimum wage was unchanged at \$5.15 an hour." He finds that "concern about the ability of minimum wage employment to provide income support for families is exaggerated. Few adult minimum wage workers have families to support. And those adult minimum wage workers who do have families get substantial income from spousal employment."^[47]

- **National Bureau of Economic Research:** *Minimum Wages and Employment: A Review of Evidence from the New Minimum Wage Research* is a review of the literature on minimum wage. David Neumark and William Wascher, the authors, conclude that a "sizable majority" of studies "give a relatively consistent (although not always statistically significant) indication of negative employment effects of minimum wages." Neumark and Wascher expressed a particular concern with unemployment effects on low-skilled workers. They said when research focused on this group, "evidence for unemployment effects seems especially strong."^[48]

Employment Policies Institute T...



An Employment Policies Institute video summarizing some of their research and opposing an increased minimum wage.

Path to the ballot

See also: Laws governing the initiative process in Nebraska

In order to qualify the proposed initiated statute, supporters were required to collect valid signatures totaling a minimum of 7 percent of registered voters by July 4, 2014. In addition, signatures needed to be collected from 5 percent of the registered voters in 38 of the 93 Nebraska counties.^[49]

On July 3, 2014, proponents submitted 134,899 signatures to the secretary of state's office.^[50] Since 1,154,790 people were registered to vote in Nebraska on July 3, 2014, 80,386 valid signatures were required for certification.^[51] On August 15, 2014, Secretary of State John Gale said his office verified 89,817 signatures as valid.^[52]

Similar measures

The following measures related to minimum wage increases were on the general election ballot in November 2014:

- Alaska Minimum Wage Increase, Ballot Measure 3 (2014)
- Arkansas Minimum Wage Initiative (2014)
- Illinois Minimum Wage Increase Question (2014)
- Nebraska Minimum Wage Increase, Initiative 425 (2014)
- South Dakota Increased Minimum Wage, Initiated Measure 18 (2014)

The following measures related to minimum wage increases were proposed for, but did not make, the general election ballot in November 2014:

- California Minimum Wage Increase Initiative (2014)
- Idaho Minimum Wage Initiative (2014)
- Louisiana State Minimum Wage Amendment (2014)
- Massachusetts Minimum Wage Increase Initiative (2014)
- Michigan Minimum Wage Initiative (2014)
- Minnesota Inflation Adjusted Minimum Wage Amendment (2014)
- Missouri Minimum Wage Initiative (2014)
- New Mexico Minimum Wage Amendment (2014)
- Washington Uniform Minimum Wage Measure, Initiative 1358 (2014)
- Washington D.C. Minimum Wage Initiative (2014)

See also

- 2014 ballot measures
- Nebraska 2014 ballot measures
- Laws governing the initiative process in Nebraska



External links

Basic information

- Initiative Petition

Support

- Nebraskans for Better Wages
- Nebraskans for Better Wages Facebook
- Nebraskans for Better Wages Twitter

Opposition

- Nebraska Taxpayers for Freedom

Additional reading

- *Kearney Hub*, "Impact of minimum wage hike likely a wash, UNL economist says," October 13, 2014
- *Washington Post*, "A minimum wage hike makes the Nebraska ballot, after qualifying in South Dakota and Alaska, too," August 18, 2014
- *Omaha World-Herald*, "Should Nebraska's minimum wage climb? In November, you'll decide," August 15, 2014

Footnotes

1. *Nebraska Secretary of State*, "Initiative Petition," accessed July 2, 2014
2. *Nebraska Legislature*, "Revised Statutes of Nebraska: Reissue of Volume 3B 2010," accessed August 19, 2014
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