

Minimum wage bill debated in hearing

Written by Danae Lenz
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LINCOLN—Nebraska’s minimum wage was the hot-button issue in Monday’s Business and Labor Committee hearing. The committee heard testimony on two proposals—Legislative Bills 943 and Bill 947—and most witnesses stood in favor of them. But opponents said raising the minimum wage could hurt the economy, workers and small businesses.

If passed, LB943 would raise the state minimum wage from \$7.25 to \$9 an hour incrementally during the next three years, and LB947 would raise minimum wage for tipped workers to 70 percent of the regular minimum wage. The current minimum wage for tipped workers is \$2.13 an hour. It would be the first increase for tipped workers in Nebraska since 1991.

Sen. Jeremy Nordquist of Omaha, who is sponsoring LB943, said when introducing the bill to the committee, “Hard work should pay in Nebraska.”

Nordquist said evidence shows there would be no employment impact and that raising the wage would put money back into the economy.

“We’re running out of excuses,” Nordquist said.

“Workers are working harder and producing more, but their wages aren’t projecting that,” he told the committee.

Many testifiers stressed that the people the bills would help are people who want to be able to make it on their own.

“People are not asking for a handout; they’re looking for a hand up,” said Willie Barney of the Empowerment Network.

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Sonia Bentley, who works as a waitress, was the only person currently working a minimum wage job who testified. As she and others emphasized, many of the people the bills would affect could not be there because they are working too hard to make ends meet.

“When a person works two full-time jobs and still can’t manage to squeak by, there is an injustice being done,” she said.

“We are the working poor,” Bentley added. “The working poor. We are not being lazy.”

The Rev. Jay Schmidt refuted one of the opposition’s criticisms, saying that raising the minimum wage to \$9 would put more money into Nebraska’s economic system. \$9 an hour isn’t enough to get people out of poverty, he said.

“More money in their hands won’t be sent off to another state or be spent on some exotic retreat,” Schmidt said.

Dick Clark, director of research for the Platte Institute, was the first to step up in opposition to the bills. The Platte Institute is an Omaha-based think tank that describes itself as promoting free enterprise, limited government and personal responsibility.

Clark cited the same concerns others raised about increasing the minimum wage. If you raise the wage, there are fewer jobs, he said. More people will be on unemployment for longer. He also said the well-being of the economy couldn’t be ignored.

“In the end, the workers you intend to help will be most hurt by this bill,” Clark said.

After his testimony, Clark faced some frustrated reactions from some committee members, including Sen. Ernie Chambers of Omaha, who said that by Clark’s logic, the Legislature should

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be lowering the minimum wage, not raising it.

“You at the Platte Institute hold by the standards of Ebenezer Scrooge and Jacob Marley,” Chambers said.

Jerry Stilmock, who was representing the National Federation of Independent Business, also opposed increasing the minimum wage. Stilmock told a story of a man he knew who said he would have to lay off two or three employees to make ends meet if the minimum wage were raised.

Sen. Brad Ashford of Omaha, who said during the hearing that he favors the bill, asked Stilmock, “What world are your friends living in?” and said that if such a small increase would break a business, they were probably doing business wrong.

The committee took no immediate action on the bill on Monday.

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