



7521 Main Street, Suite 103
Ralston, Nebraska 68127

(402) 597-3100 P
(402) 597-2705 F

<http://voicesforchildren.com>

BOARD OF DIRECTORS

Eric Nelson
President

Tim Hron, MA, LIMHP
Vice President

Donna Hammack, MEd
Secretary

Steve Mitchell
Treasurer

David A. Hecker, JD
Advisor

Anne Yu Buettner, MA
Yolanda Chavez Nuncio, MEd
Catherine Damico, JD
Steve Drucker, CPA
Kristen Erickson, CPA
Jeremy Fitzpatrick, JD
Jocelyn Joyce
Lloyd Meyer
Daniel Padilla
Tim Thoreson

Carolyn D. Rooker, MSW
Executive Director

A member of:



Find us on:



February 2, 2015

To: Members of the Business and Labor Committee

From: Aubrey Mancuso, Policy Coordinator

Re: Support for LB 494

Nebraska is a state that values family and work. We support LB 494 because this bill is consistent with these values. We believe that individuals working full time should be able to meet all of their basic needs without assistance.

The policy of paying tipped workers a separate minimum wage was originally enacted in 1966 and at that time the tipped minimum wage was 50% of the regular minimum wage, which is what LB 494 attempts to restore. When the minimum wage was raised federally in 1996, the tipped minimum wage was decoupled from full minimum wage and frozen at the level originally established in 1991, \$2.13/hour. In light of federal inaction on tipped minimum wage, states have taken the initiative on updating the tipped minimum wage and thirty-three states and the District of Columbia have a tipped minimum wage higher than Nebraska's current wage of \$2.13/hour. In fact, 7 states even require that full minimum wage is paid to tipped employees.¹

Our current tipped minimum wage overly relies on consumers and the protections for workers who don't make the full minimum wage after tips are limited. Current rules rely on the employee to notify the employer if they have received less than minimum wage in a "workweek", where a "workweek" is defined as any fixed and regularly recurring 168-hour period. The volatility of schedules for tipped workers creates challenges in determining if the requirement has been met. It also leaves the income of tipped workers highly unpredictable.

It is a common misconception that the majority of food and beverage servers are teenagers. According to the Bureau of Labor and Statistics, the median age nationally of those working in food and beverage service is 28.6 and 59% of these workers are age 25 or older.² In addition, according to another national report, about 40% percent of tipped workers have children.³

A national report also found higher poverty rates among tipped workers and that tipped workers were more likely than other workers to rely on public assistance

¹ U.S. Department of Labor, Wage and Hour Division, Minimum Wage for Tipped Employees (January 2015)

² Bureau of Labor and Statistics (2013) Employed Persons by Detailed Industry and Age

³ Economic Policy Institute, "Twenty-three Years and Still Waiting for Change" (July 2014)

programs to supplement low wages, with 46% of tipped workers receiving some form of federal assistance.⁴

We believe that LB 494 would be a step toward ensuring that more working Nebraska families can make ends meet and we encourage the committee to advance the bill.

Thank you.

⁴ Economic Policy Institute, "Twenty-three Years and Still Waiting for Change" (July 2014)