

7521 Main Street, Suite 103 Omaha. Nebraska 68127

(402) 597-3100 www.voicesforchildren.com

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January 30th, 2022

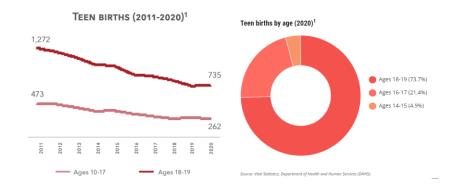
To: Chairman Riepe and Members of the Business and Labor Committee From: Anahí Salazar, Policy Coordinator

Re: Opposition to LB 15- Change provisions of the Wage and Hour Act

Every child in Nebraska deserves the opportunity to thrive. It is well established that increasing the minimum wage leads to happier and healthier children with a much better chance of economic security in adulthood. A family's financial well-being impacts children in obvious ways, such as the ability to put food on the table and access safe, affordable housing. Unfortunately, the current conditions of our economic well-being have been significantly impacted by the increasing rates of inflation and cost of living in our state. A dollar doesn't go as far as it used to, even one year ago. For these reasons, Voices for Children in Nebraska strongly supported the initiative to raise the minimum wage. We are here today to voice our opposition to LB 15, because we are concerned that it would negatively impact young workers and in particular, young parents who are seeking to sustain and provide for their children.

Though teen births remain at nearly their lowest rate from the past decade, we cannot forget that there are teenage parents raising children in our state.

According to data provided by the Nebraska Department of Health and Human Services, in 2020 there were 735 births to teens aged 18-19. There were 262 births to children aged between 10-17.¹ Many of these births were to young people already parenting one or more children. Young workers – and in particular young workers providing for their own children – deserve the wage provided to older individuals, and may face hardship from the limits proposed in this bill. The limits set by LB 15 would greatly impact the population of young Nebraskans who are working not merely to gain a little employment experience, but in order to care for their own children and support their loved ones.



<sup>&</sup>lt;sup>1</sup> 2021 Kids Count in Nebraska Report. Voices for Children, 2022. Available at: www.kidscountnebraska.com

It should be noted that supporters of capping the minimum wage for youth workers may do so out of concern that without such caps, teenage workers will not be hired in the first place. However, data from the Congressional Budget Office in examining a proposed \$15/hour minimum wage estimated that the increase might show only a *small* elasticity in hiring teen workers.<sup>2</sup> Moreover, in Nebraska, workers also benefit from our low unemployment rate; in an economy where workers enjoy the advantage, a \$6/hour age-based pay disparity goes too far in the opposite direction.

Finally and crucially, LB 15 does not reflect the will of Nebraska citizens, who voted overwhelmingly for stepped increases to minimum wage over the next few years without age-based carve-outs.

All families deserve the opportunity to thrive, and in Nebraska we have the means and resources to ensure that every young person is set up for success. Economic security is imperative in mitigating the risk of generational poverty for Nebraska families. For all these reasons, we would respectfully submit our opposition to LB 15. Thank you for your time and attention.

<sup>&</sup>lt;sup>2</sup> CBO Updates its Interactive Tool for Analyzing the Effects of Federal Minimum Wage Increases. Congressional Budget Office, April 5, 2021. Available at: <a href="https://www.cbo.gov/publication/57049">https://www.cbo.gov/publication/57049</a>