



February 25, 2025

To: Chairperson Kauth and Members of the Business and Labor Committee From: Anahí Salazar, Policy Coordinator for Voices for Children in Nebraska

RE: Oppose for LB 258- Change provisions relating to the minimum wage under 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 in 2022. We are here today to voice our opposition to LB 258, 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.

Employers want young workers to act like adults in terms of hours and effort, but then try and justify paying lower wages on the basis of age. Teenagers' labor is not worth less to employers and our economy, and wages should reflect this reality. Most young people we interact with are working a job to help pay for groceries, transportation, housing and other necessities. Some for themselves as their caretakers might not be able to, but others for their families as well: siblings, caretakers, and seniors. Young people in Nebraska are not only working to be able to purchase things they want such as books, clothing and gadgets - but also to survive.

We cannot forget that there are teenage parents raising children in our state. Young parents who are responsible for the well-being of their child, and that includes providing all the basic needs. Take for example housing: full time minimum wage workers cannot afford a one-bedroom rental. A minimum wage worker would need to find housing around \$600 a month, but a fair market rent average in Nebraska is almost \$900, meaning a parent would need to hold 1.4 full time jobs to afford the rental.² Parents would still need to factor in the rising costs of groceries, transportation such as a car and gasoline or bus fare, and unexpected costs such as healthcare. Under LB 258, young workers would make even less. This leaves young parents in difficult predicaments, where they cannot spend that valuable time and energy with their little ones, but instead create stress on the family.

Finally, and crucially, LB 258 does not reflect the will of Nebraska's 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 want 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 258. Thank you for your time and attention.

¹ Youth subminimum wages and why they should be eliminated: Young workers face pay discrimination in 34 states and DC | Economic Policy Institute

² National Low Income Housing Coalition, Out of Reach Report, <u>2024_OOR-nebraska.pdf</u>