

## Higher wages is just the beginning

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From ranchers in Ogallala to factory workers in Lincoln, Nebraskans work hard every day to provide for their families. As a state, we take pride in our “Midwestern Work Ethic” and generally believe that those who work should earn wages that allow them to care for their families.

Today, we join the rest of the nation in taking a step closer to the ideals of rewarding work and valuing workers by increasing the federal minimum wage **from \$5.85 to \$6.55**. This is the second phase of a three step process that will result in a federal minimum wage of \$7.25 starting in 2009. As an advocacy organization that supports working families, Nebraska Applesseed is pleased to see wages increase as the cost of groceries, transportation, child care, housing and other costs of living continue to rise. Contrary to some misconceptions, this is a good and important step toward making work pay. However, we still have a long way to go to promote fair pay and quality jobs in Nebraska.

An increase in the minimum wage will help working families. A common myth is that very few people earn the minimum wage, and most of those workers are teenagers, part-time workers and people who are not the primary earner in the household. This is simply not true. Seventy-nine percent of the 13 million people who will be affected by the minimum wage increase are adults. Of all the workers affected by the increase, more than half work full time, and another third work between 20 and 34 hours per week. The average minimum wage worker brings home 54 percent of his or her family’s earnings. Contrary to common myths, the wage increase will directly impact working families. And, according to the Economic Policy Institute and hundreds of economists who supported the legislation that triggered the minimum wage increase, modest increases in the minimum wage such as this one have positive impacts on the quality of life of low-wage workers while having very little or no effect on employment overall — and several studies show that minimum wage increases have not been correlated with job loss.

While the minimum wage increase is forward progress, we need to do more to create opportunities for low-wage workers to succeed in Nebraska. The minimum wage increase is a step in the right direction, but a full-time minimum wage worker earning about \$13,600 annually will still not earn above poverty level wages for a family of three (\$17,600 in 2008.) Furthermore, the minimum wage increase impacts only a fraction of low-wage workers in Nebraska — 6.2 percent of Nebraska Workers will be impacted by the minimum wage increase by 2009. But, as of 2007, 22.8 percent of Nebraska’s adult workforce was engaged in low-wage work — or work that results in annual earnings of less than \$19,000 per year. This is not enough to provide a family of three with basic needs such as shelter, food, utilities and health care.

As a state, we can make choices that build on the minimum wage increase in order to make work pay better for Nebraska’s dedicated workforce. Two important next steps include increasing eligibility for support programs and promoting living wages. Increasing eligibility lines for support programs, such as child care assistance and health care assistance, can allow families to continue to get help as they receive increases in earnings and work toward self-sufficiency. Expanding initiatives to support living wages, privately in Nebraska businesses and publically in efforts such as the Lincoln Living Wage Ordinance can provide opportunities for Nebraska workers and illustrate our commitment to rewarding the Midwestern work ethic.

We as Nebraskans value hard work, and it’s time to put our values into action by building on the minimum wage increase to better promote economic security and improve quality of life for Nebraska workers.

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