

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office
FLOOR DEBATE

April 15, 2003 LB 435

latest newspaper article I saw indicated that the poorest one-fifth of Nebraskans annually earn about \$900 more than they did 20 years ago, while the richest fifth made an additional \$32,000, and this is all a report from the Center on Budget and Policy Priorities in the Economic Policy Institute. It says the widening gap between rich and poor is a national trend. Between 1988 and 1998, the earnings of U.S. families rose less than 1 percent for the poorest fifth, but jumped 15 percent for the richest fifth. Over the past 20 years, income for the poorest Nebraskans rose from \$13,820 to \$14,710, whereas it rose from \$91,000 to \$123,000 for the wealthiest Nebraskans. The conclusion that they reach is that the benefits of the economic growth have not been evenly distributed. The incomes of the poor and middle class have fallen or stagnated, and the widened disparity was blamed primarily on stagnant, low-end wages and rising high-end salaries. State policies, both on the spending side and tax side, can push back this trend, or they can widen the gap that the economy is creating, and I think we really have to ask ourself, what kind of state do we want to have? The minimum wage goes back all the way to 1938, Senator Tyson, is the earliest record I have, and in 1938 it was a quarter, just for your information. One of the charts I passed out to you that I thought you might want some more specific information on, was one entitled "Occupational Wages 4th Quarter 2001." These were put together by the Nebraska Workforce Development and it shows the...a statewide breakdown for certain occupation titles, including food preparation; chefs and head cooks; cooks, fast food; all of the different categories relating to restaurants. And it also breaks down the hourly wages within the industry, from the lowest tenth percentile all the way up to the top. And if you look at that category, which is the tenth percentile, you'll see that most of the wages there are somewhat above or considerably above the minimum wage right now, so it's not like you're changing things dramatically in the food industry. Yes, it's going to have the effect of increasing salaries for the lowest 10 percent...

SPEAKER BROMM: One minute.

SENATOR BEUTLER: ...of the restaurant industry, but that's not a whole lot different than it is for society generally. We're