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AB356

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Good afternoon, Chairman Goldwater and members of the Commerce and Labor Committee. Thank you for hearing us today. My name is Susan Chandler, and I am on the faculty of the School of Social Work at the University of Nevada, Reno.

For the last four years I have been studying Nevada workers and the state's economy. I am the author of *Working Hard, Living Poor* which you have in front of you. My studies have taken me to a world of many statistics, but more important into the lives, homes, and workplaces of Nevadans who make our economy run.

AB356, Assemblywoman Giunchigliani's minimum wage bill, is, I believe, a real opportunity for our state, and I urge you to support it. Close to 50,000 Nevadans of all ethnicities, genders, and ages would benefit from a dollar raise in the minimum wage.

I would like to tell you the story of a woman I met two years ago. Alma (not her real name) is a 50-year-old janitor at one of northern Nevada's casinos. She cleans bathrooms and banquet rooms every day from 6 pm until 2 am. When she gets off work, she does not go home. Instead she heads for her second job, cleaning a fast food restaurant. When she finally returns home at 11 in the morning, she sleeps for a few hours, but by 2:00 she's up cooking her grandchildren's dinners. Then it's back to the casino at 6pm. Alma has worked two full-time jobs for most of the last eight years. Alma's story is one that I heard again and again and again. I asked maids, cooks, and janitors in northern Nevada how many people in their departments work more than one job. "Oh, half at least," was an answer I consistently received. "Two full-time jobs?" I would ask. "Yes."

Nevada boomed throughout the 80s and 90s. The contradiction between that boom and the stories of Nevadans like Alma motivated the research for *Working Hard, Living Poor*. In it we spent a good deal of time constructing family budgets for Nevada. Our families are very frugal – they cook all their own meals, never go out to eat, rent modest apartments, drive 8-year old cars, spend nothing for recreation or entertainment, and never take vacations. We then calculated the wage a full-time worker would need to make in order to meet his or her family's basic expenses. In Nevada this "living wage" is \$8.53 an hour for a single person; for a single parent with two children it is \$14.57.

In 1938 when the original minimum wage law was passed, it was designed to enable a worker to pay his family's basic needs, and for many years it did just that. In the early 70s things began to change. Inflation mounted, and for nearly a decade, Congress failed to raise the minimum wage. Now the mw -- \$5.15 an hour or a little over \$10,000 a year -- does not cover basic costs. It doesn't come close.

In the last decade ten states and the District of Columbia have raised the minimum wage above the federal level. Sometimes they did this legislatively and sometimes they did it as a result of a popular referendum.

I'd like to make two points about these ten states' experience:

First, as you can imagine, raising the minimum wage was highly popular among the electorate. All kinds of people turned out to organize the campaigns and to vote yes in the referendums – elderly people, young people, women, minorities, people with disabilities, unions, people of faith, etc. Wage issues touch a nerve. Americans overwhelmingly believe that a person who works a 40-hour work-week, should be able to live on his or her wages. (This first point is designed to assure you that a vote for this bill will be a popular vote.)

Second, researchers by now have had a chance to look at the economies in those ten states and determine what the impact of raising wages was. Did bad things happen? For example, opponents invariably argue that if you raise the minimum wage, employers will be forced to lay off workers. In no state has that proved to be the case. Increases in the minimum wage did *not* prevent overall economic growth -- even in industries which rely heavily on low-wage workers. Opponents also claim that raising the minimum wage will discourage companies from relocating to their state. That is not true either. In fact, employers are *not* looking for the opportunity to pay their employees rock-bottom wages. They are looking for livable, energetic communities with a high quality of life.

Here another note is important. Nevada's economy has a split personality. In the south, on the Strip, organized workers in culinary and construction have won good wages with good benefits. That's something that as Nevadans we can be proud of. Off the Strip and in the northern and rural parts of the state, low-wage workers face a much harder row. On the Strip a maid makes \$14.00 an hour and has excellent benefits; in Reno, she'd start at \$6.50 an hour. Those unionized Strip workers are one reason that Nevada's rate of poverty is low compared to other states. In fact, as Assemblyman Beers will surely point out, we have the third lowest percentage of people below poverty level in the nation. That is good. But, remember, one of the reasons for that is those union wages. If you like that statistic – third lowest rate of poverty in the nation – then you will surely vote *for* AB356 and work to insure that more Nevadans are unionized!

Finally, I'd like to speak to dignity. We are at an important historical juncture. The state is asking a great deal of our working men and women. Nevada workers work tremendously hard. They are serving in the armed forces. They are raising the next generation. Hard work deserves just reward. We can build an economy where we squeeze low-wages workers out of every nickel, every benefit. *But it is an economy that we don't want to build.* It benefits no one. Not the workers, not their children, not the taxpayers, not the state, not the business community. The low road path is *not* one that Nevada should take. Please vote yes on **A**B356.