



A \$15 Minimum Wage Would Benefit Nearly 150,000 Nebraskans; Help Promote Gender and Racial Equity

By Yannet Lathrop
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Acknowledgements

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About NELP

Founded in 1969, the nonprofit National Employment Law Project (NELP) is a leading advocacy organization with the mission to build a just and inclusive economy where all workers have expansive rights and thrive in good jobs. Together with local, state, and national partners, NELP advances its mission through transformative legal and policy solutions, research, capacity-building, and communications. For more information, visit us at www.nelp.org.

A \$15 Minimum Wage Would Benefit Nearly 150,000 Nebraskans; Help Promote Greater Gender and Racial Equity

This November, Nebraskans will have an opportunity to raise the state's minimum wage when they head to the polls. Under Initiative 433, the state's minimum wage would gradually increase to \$15 an hour by 2026, with cost-of-living adjustments thereafter. The measure would benefit nearly 150,000 workers, according to estimates provided to NELP by the Economic Policy Institute. Affected workers would see their wages increase by \$2,100 annually on average.

Although a higher minimum wage raises earnings for all underpaid workers, women and workers of color would benefit the most, as they are overrepresented among those earning the lowest wages. Thus, a higher minimum wage would help narrow the gender and pay gap and promote greater equity.

Nearly 150,000 workers would benefit from a \$15 minimum wage, on average earning \$2,100 in additional annual pay

A \$15 an hour by 2026 minimum wage would benefit **147,600 workers statewide (16.5 percent of Nebraska's workforce)**, according to analysis by the Economic Policy Institute (EPI).¹ Of those, 94,600 are *directly* affected workers, who earn an hourly wage under \$15, and whose wages would therefore increase as the minimum wage increases; and 53,000 are *indirectly* affected workers, who earn hourly wages equal to or slightly above \$15 per hour, and whose wages are expected to also increase as employers adjust pay scales to preserve differences in pay² based on seniority and other considerations.

On average, benefiting **workers would earn \$2,100 in additional annual pay**—an amount that would make a substantive difference in the lives of underpaid workers and their families who struggle to make ends meet (table 4). An additional \$2,100 per year translates to \$175 per month—enough to fully cover the average monthly electricity bill in Nebraska,³ or nearly 45 percent of the cost of monthly groceries for a single mother and her infant child.⁴

Workers in rural Nebraska⁵ would similarly benefit. According to EPI, 17.8 percent of the rural workforce (63,900 workers) would benefit, including 41,000 who would be directly impacted and 22,900 who would be indirectly impacted. These workers make up 43 percent

of all impacted workers in the state. On average, they would earn \$2,200 in additional annual pay. (Table 4).

The typical affected worker is an adult woman who lives in or near poverty, works at least 20 hours per week in the retail, restaurant or healthcare and social assistance industries, and has a family income of less than \$50,000 per year

As shown below and in table 4, the typical worker who would benefit from a \$15 minimum wage is an adult woman, as demonstrated not only by age (75 percent of affected workers are aged 20 or older), but also by educational attainment (32 percent have a high school diploma, and an additional 43 percent have attended college). In addition, these workers work at least 20 hours per week (78 percent work 20 hours or more per week). Significant shares of benefiting workers are also workers of color, parents to dependent children, live in or near poverty, and are concentrated in service jobs offering the lowest pay.

The benefiting workforce has the following demographic characteristics, according to EPI's analysis:

- **Age:** 75 percent are adults and only 25 percent are teens 19 and under.
- **Gender:** 61 percent are women. (See following sections for a more detailed analysis).
- **Race:** 77 percent are white, reflecting Nebraska's racial makeup. Nonetheless, workers of color benefit more as a result of their overrepresentation in underpaid jobs. (See following sections for a more detailed analysis).
- **Parental status:** 21 percent are parents.
- **Work hours:** 40 percent work full-time (35 hours or more per week); 38 percent work mid-time (between 20 and 34 hours per week); and 22 percent work part-time (under 20 hours per week).
- **Education:** 32 percent have a high school diploma; 43 percent have attended college, including 8 percent who graduated with a post-secondary degree. Only 26 percent have less than a high school diploma—closely tracking the share of teens referenced in the first bullet point above.
- **Family income:** 54 percent have family incomes of less than \$50,000 per year.
- **Poverty status:** 55 percent live in or near poverty.
- **Industries:** 59 percent work in the retail, restaurant, and healthcare and social assistance industries.

The majority of affected workers are employed in three industries, which are expected to employ the largest numbers of Nebraskans by 2028

According to EPI's analysis, affected workers are concentrated in three major industries: restaurant (24 percent), retail (21 percent), and healthcare and social assistance (15 percent). Together, these industries employ 59 percent of all affected workers, and are

among the top five industries in Nebraska which are projected to employ the most workers by 2028.

Table 1. The majority of affected workers are employed in three industries, which are projected to employ the largest numbers of workers by 2028		
Industry	Share of affected workers	Projected employment (2028)
Restaurant	23.5%	81,807 ¹
Retail Trade	20.7%	107,272
Healthcare and Social Assistance	14.8%	161,318
Total for three industries	59.1%	350,397

Sources: Economic Policy Institute (share of affected workers); and Nebraska Department of Labor (projected employment). Totals may not add up to totals due to rounding.

A \$15 minimum wage would play a critical role in narrowing the pay and wealth gaps for people of color and women in Nebraska

Higher wages benefit all workers, but they can have a greater impact in communities that have been historically underpaid due to structural racism, sexism, and the enduring occupational segregation that pushes workers of color into the most underpaid jobs in the economy. This means that changes to minimum wage policies—such as a \$15 minimum wage in Nebraska—can have a profound effect in reducing racial and gender inequity. Women and workers of color are overrepresented among underpaid workers and would benefit most significantly from a \$15 minimum wage in Nebraska, compared to men and white workers. Minimum wage increases have been shown to reduce the racial wage, earnings, and income gaps, according to recent studies by University of California economists.⁶

EPI's estimates show that although workers of color make up only 21 percent of Nebraska's workforce, they comprise 33 percent of workers who would benefit from a \$15 minimum wage. Similarly, although women make up less than half of the state's workforce (48 percent), they comprise the majority (61 percent) of all workers who would benefit. (See table 2). This indicates that women and workers of color are routinely underpaid and are more likely to be employed in jobs offering the lowest wages.

The over-representation of women and workers of color in the lowest paid occupations has contributed to a large and pernicious **pay gap**. According to analysis by the National Equity Atlas, in 2019 white workers in Nebraska earned median hourly wages of \$21, while Black and Native American workers earned \$17 (21 percent less), and Latinx workers earned \$16 (26 percent less). Women also experience a similar pay gap. Men in Nebraska earned a median wage of \$22 in 2019, while women earned just \$19 (table 3).

Unsurprisingly, **poverty rates** follow a similar pattern, with significantly higher rates for women (12.0 percent) than men (8.2 percent); and for people of color (ranging from 14.6 to

¹ Refers to Accommodations and Food Service industry projected employment.

21.4 percent) than white Nebraskans (8.1 percent). The poverty rate of Native Americans (21.4 percent) and Latinx (19.8 percent) are particularly high—both are roughly, two-and-a-half times that of white Nebraskans (Table 3).

Measures of **household wealth** also follow this pattern, with white Nebraskans having a higher homeownership rate (70.7 percent) than people of color (35.1 to 49.4 percent) and owning homes that are more valuable (\$174,700 for white families, compared to \$138,600 for Black families, and \$118,000 for Latinx families). See Table 3.

Table 2. Women and workers of color are overrepresented among the underpaid workforce, and would benefit the most from a \$15 minimum wage in Nebraska

Group	Workforce		Affected workers			Annual earnings increase (in 2021\$)
	Number of workers	Share of workforce	Number of workers	Share of affected workers	Share of each group	
All workers	895,300	100.0%	147,600	100.0%	16.5%	\$2,100
Gender						
Men	461,700	51.6%	57,600	39.0%	12.5%	\$2,200
Women	433,700	48.4%	90,000	61.0%	20.7%	\$2,000
Race or Ethnicity						
White	711,400	79.5%	98,800	66.9%	13.9%	\$2,000
Black or African American	40,200	4.5%	9,900	6.7%	24.6%	\$2,200
Latinx (of any race)	97,900	10.9%	28,300	19.2%	29.0%	\$2,300
Asian American or Pacific Islander	23,700	2.6%	4,200	2.8%	17.7%	\$1,800
Other race or ethnicity	22,200	2.5%	6,300	4.3%	28.6%	\$2,200
<i>Persons of color</i>	<i>183,900</i>	<i>20.5%</i>	<i>48,800</i>	<i>33.1%</i>	<i>26.5%</i>	<i>\$2,200</i>

Source: Economic Policy Institute Minimum Wage Simulation Model. See Technical Methodology by Dave Cooper, Zane Mokhiber, and Ben Zipperer. <https://www.epi.org/publication/minimum-wage-simulation-model-technical-methodology/>. Estimated effect of \$15 by 2026 minimum wage. All wages in 2021 dollars. Totals may not sum to totals due to rounding.

The economic disadvantages that people of color experience contribute to lower economic security and astonishing discrepancies in net worth. According to national data, the **median net worth** of white households (\$188,200) is more than seven times higher than that of Black households (\$24,100) and more than five times higher than Latinx households (\$36,100).⁷ See table 3.

Table 3. Wage, Poverty, and Wealth, by Gender and Race or Ethnicity

	All Nebraskans	Gender		Race (all genders)					
		Male	Female	White	Black	Latinx	Asian	Native American	Mixed or other
Median wage, 2019 (Nebraska) ⁸	\$19	\$22	\$19	\$21	\$17	\$16	\$18	\$17	\$18
Poverty rate, 2019 (Nebraska) ⁹	10.1%	8.2%	12.0%	8.1%	14.6%	19.8%	15.1%	21.4%	18.9%
Homeownership rate, 2010 (Nebraska) ¹⁰	67.2%	N/A	N/A	70.7%	35.1%	49.4%	44.1%		
Median value of owner-occupied housing units, 2019 (Nebraska) ¹¹	\$172,700	N/A	N/A	\$174,700	\$138,600	\$118,000	N/A	N/A	N/A
Median net worth (U.S.) ¹²	N/A	N/A	N/A	\$188,200	\$24,100	\$36,100	\$74,500		

Sources: National Equity Atlas (median wages); Kaiser Family Foundation (poverty rates); Urban Institute (homeownership rates); U.S. Census Bureau (owner-occupied housing value); and Federal Reserve Bank (net worth). See endnotes for citations.

While increasing the minimum wage to \$15 by 2026 in Nebraska will not, alone, close racial and gender pay gaps and other forms of inequity, it would nonetheless directly increase the incomes of significant numbers of women and workers of color in the state and bring Nebraska one step closer to achieving racial and gender equity.

Conclusion

A \$15 minimum wage in Nebraska would benefit nearly 150,000 workers, raising their pay to \$2,100 on average. Workers in rural counties of the state, who make up 43 percent of those affected, would also benefit. A higher minimum wage would not only boost workers' paychecks, but would also bring Nebraska closer to racial equity, as women and workers of color are more likely to work in underpaid jobs and therefore more likely to be affected by a higher minimum wage.

Table 4. Demographic characteristics and industries of workers who would benefit from a \$15 an hour by 2026 minimum wage in Nebraska

Group	Estimated workforce	Workers affected	Share of <i>demographic group</i>	Wage increase (all workers, in 2021\$)	Wage increase (per worker, in 2021\$)	Share of <i>all affected workers</i>
All workers	895,300	147,600	16.5%	\$278,350,000	\$2,100	100.0%
Workers in rural Nebraska	358,900	63,900	17.8%	\$128,252,000	\$2,200	43.3%
Gender						
Men	461,700	57,600	12.5%	\$116,000,000	\$2,200	39.0%
Women	433,700	90,000	20.7%	\$162,300,000	\$2,000	61.0%
Age						
<i>Teens under 20</i>	<i>43,900</i>	<i>36,300</i>	<i>82.7%</i>	<i>\$90,700,000</i>	<i>\$2,700</i>	<i>24.6%</i>
<i>Age 20 or older</i>	<i>851,500</i>	<i>111,300</i>	<i>13.1%</i>	<i>\$187,600,000</i>	<i>\$1,900</i>	<i>75.4%</i>
Age 16 to 24	142,600	81,100	56.9%	\$183,600,000	\$2,500	54.9%
Age 25 to 39	292,700	33,500	11.4%	\$54,800,000	\$1,900	22.7%
Age 40 to 54	251,500	15,200	6.0%	\$19,200,000	\$1,400	10.3%
Age 55 or older	208,600	17,800	8.5%	\$20,700,000	\$1,200	12.1%
Race or Ethnicity						
White	711,400	98,800	13.9%	\$179,300,000	\$2,000	66.9%
Black or African American	40,200	9,900	24.6%	\$20,900,000	\$2,200	6.7%
Latinx (of any race)	97,900	28,300	29.0%	\$58,900,000	\$2,300	19.2%
Asian American or Pacific Islander	23,700	4,200	17.7%	\$6,700,000	\$1,800	2.8%

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Group	Estimated workforce	Workers affected	Share of <i>demographic group</i>	Wage increase (all workers, in 2021\$)	Wage increase (per worker, in 2021\$)	Share of <i>all affected workers</i>
Other race or ethnicity	22,200	6,300	28.6%	\$12,600,000	\$2,200	4.3%
<i>Persons of color</i>	<i>183,900</i>	<i>48,800</i>	<i>26.5%</i>	<i>\$99,000,000</i>	<i>\$2,200</i>	<i>33.1%</i>
Family status						
Married parent	247,400	15,800	6.4%	\$23,400,000	\$1,600	10.7%
Single parent	76,200	14,600	19.2%	\$28,500,000	\$2,100	9.9%
Married, no children	245,500	17,800	7.3%	\$22,300,000	\$1,300	12.1%
Unmarried, no children	326,300	99,400	30.5%	\$204,100,000	\$2,300	67.3%
Work hours						
Part time (<20 hours)	63,000	32,700	51.9%	\$40,800,000	\$1,400	22.2%
Mid time (20-34 hours)	118,800	56,100	47.2%	\$116,500,000	\$2,300	38.0%
Full time (35+ hours)	713,500	58,700	8.2%	\$121,000,000	\$2,200	39.8%
Educational attainment						
Less than high school	81,200	37,900	46.7%	\$87,300,000	\$2,500	25.7%
High school	204,700	46,500	22.7%	\$84,900,000	\$2,000	31.5%
Some college, no degree	221,900	51,900	23.4%	\$90,800,000	\$1,900	35.2%
Associates degree	98,500	6,600	6.7%	\$10,000,000	\$1,700	4.5%
Bachelor's degree or higher	289,200	4,700	1.6%	\$5,400,000	\$1,600	3.2%

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Group	Estimated workforce	Workers affected	Share of <i>demographic group</i>	Wage increase (all workers, in 2021\$)	Wage increase (per worker, in 2021\$)	Share of <i>all affected workers</i>
Family income						
Less than \$25,000	98,000	49,200	50.2%	\$98,700,000	\$2,200	33.3%
\$25,000 - \$49,999	183,500	30,000	16.3%	\$48,900,000	\$1,800	20.3%
\$50,000 - \$74,999	164,500	21,500	13.1%	\$37,700,000	\$2,000	14.6%
\$75,000 - \$99,999	142,200	13,400	9.4%	\$24,500,000	\$2,000	9.1%
\$100,000 - \$149,999	175,200	14,700	8.4%	\$29,700,000	\$2,200	10.0%
\$150,000 or more	120,800	10,300	8.5%	\$18,400,000	\$2,000	7.0%
Income-to-poverty ratio						
In poverty	66,200	43,700	66.0%	\$101,800,000	\$2,500	29.6%
100 - 199% poverty	118,100	36,900	31.2%	\$59,800,000	\$1,800	25.0%
200 - 399% poverty	307,200	41,100	13.4%	\$71,200,000	\$1,900	27.8%
400%+ poverty	403,900	26,000	6.4%	\$45,500,000	\$2,000	17.6%
Major industry						
Agriculture, fishing, forestry, mining	21,000	4,200	20.0%	\$13,500,000	\$3,200	2.8%
Construction	56,400	3,700	6.6%	\$5,100,000	\$1,400	2.5%
Manufacturing	102,000	7,200	7.0%	\$11,400,000	\$1,600	4.9%
Wholesale trade	25,700	1,600	6.4%	Unavailable	Unavailable	1.1%

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Group	Estimated workforce	Workers affected	Share of <i>demographic group</i>	Wage increase (all workers, in 2021\$)	Wage increase (per worker, in 2021\$)	Share of <i>all affected workers</i>
Retail trade	102,500	30,600	29.8%	\$59,600,000	\$2,000	20.7%
Transportation, warehousing, utilities	55,200	2,700	4.9%	Unavailable	Unavailable	1.8%
Information	17,500	2,200	12.3%	Unavailable	Unavailable	1.5%
Finance, insurance, real estate	71,300	2,600	3.7%	Unavailable	Unavailable	1.8%
Professional, science, management services	42,900	1,700	4.0%	Unavailable	Unavailable	1.2%
Administrative, support, waste services	29,900	6,200	20.6%	\$12,500,000	\$2,100	4.2%
Educational services	93,700	11,200	12.0%	\$15,700,000	\$1,400	7.6%
Healthcare, social assistance	136,300	21,900	16.1%	\$44,600,000	\$2,000	14.8%
Arts, entertainment, recreational services	13,600	5,400	39.7%	\$11,900,000	\$2,500	3.7%
Accommodation	8,200	3,700	45.2%	\$8,100,000	\$2,500	2.5%
Restaurants	46,600	34,700	74.5%	\$61,300,000	\$2,700	23.5%
Other services	32,500	6,600	20.3%	\$14,600,000	\$2,200	4.5%
Public administration	39,800	1,400	3.4%	Unavailable	Unavailable	0.9%
Sector						
For profit	666,600	124,800	18.7%	\$237,600,000	\$2,100	84.6%

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Group	Estimated workforce	Workers affected	Share of <i>demographic group</i>	Wage increase (all workers, in 2021\$)	Wage increase (per worker, in 2021\$)	Share of <i>all affected workers</i>
Nonprofit	94,200	11,600	12.3%	\$22,200,000	\$2,000	7.9%
Government	134,600	11,200	8.3%	\$18,600,000	\$1,700	7.6%

Note: Estimated effect of \$15 by 2026 minimum wage. All wages in 2021 dollars. Totals may not sum to totals due to rounding. Some estimates are unavailable due to sample constraints. “Family income” category excludes estimates for residents of group quarters (such as college students living in dorms), for whom there is no family income information. This excluded group accounts for 5.8 percent of the share of affected workers.

Source: Economic Policy Institute Minimum Wage Simulation Model. See Technical Methodology by Dave Cooper, Zane Mokhiber, and Ben Zipperer. <https://www.epi.org/publication/minimum-wage-simulation-model-technical-methodology/>.

Endnotes

1. Economic Policy Institute analysis of Current Population Survey Outgoing Rotation Group (CPS-ORG) (email communication, June 17, 2022).
2. Economic Policy Institute, Minimum Wage Simulation Model. See *Technical Methodology* by Dave Cooper, Zane Mokhiber, and Ben Zipperer, <https://www.epi.org/publication/minimum-wage-simulation-model-technical-methodology/>.
3. Electricity Local, *Residential Electricity Rates & Consumption in Nebraska*, <https://www.electricitylocal.com/states/nebraska/>. Accessed August 19, 2022.
4. NELP analysis of the U.S. Department of Agriculture, *Official USDA Food Plans: Cost of Food at Home at Three Levels, U.S. Average, June 2022*, <https://fns-prod.azureedge.us/sites/default/files/media/file/CostofFoodJun2022LowModLib.pdf>. Accessed August 19, 2022. Refers to the total of the monthly cost of groceries for a woman 19-50 years of age (\$248.60) and a 1-year-old child (\$149.90) under the low-cost plan, divided by \$175.
5. For the purpose of this analysis, rural Nebraska is defined as all counties in the state, except for Douglas, Lancaster and Sarpy.
6. See Jesse Wursten and Michael Reich, *Racial Inequality and Minimum Wages in Frictional Labor Markets*, Institute for Research on Labor and Employment, IRLE Working Paper No. 101-21, February 2021, <https://irle.berkeley.edu/files/2021/02/Racial-Inequality-and-Minimum-Wages.pdf>; and Ellora Derenoncourt and Claire Montialoux, *Minimum Wages and Racial Inequality*, August 31, 2020, <http://www.clairemontialoux.com/files/DM2020.pdf>.
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10. Urban Institute, "Nebraska", *Forecasting State and National Trends in Household Formation and Homeownership*, 2021, <https://www.urban.org/policy-centers/housing-finance-policy-center/projects/forecasting-state-and-national-trends-household-formation-and-homeownership/nebraska>.
11. U.S. Census Bureau, 2019 American Community Survey 1-Year Estimates (Table S0201).
12. Bhutta, Neil, Andrew C. Chang, Lisa J. Dettling, and Joanne W. Hsu, op. cit.

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