Testimony to the Nevada Senate Committee on Commerce and Labor
04/26/2021

Chair Spearman and members of the Committee:

The COVID-19 pandemic and the corresponding shutdown threw our economy a curveball no one saw coming. While families, workers, and small businesses across the Silver State struggle to make ends meet, policymakers searching for solutions that will help ease the burden will not find it in AJR10*.

AJR10* would lead to decreased economic opportunity for the very people it is intended to help. There is a strong body of research indicating that minimum wage policies reduce overall employment and have no negligible impacts on reducing poverty. No matter how well intended, a significant increase to the Nevada minimum wage would undermine individual opportunity for tens of thousands of Nevada residents to earn a living while offering a positive short-term impact for very few current workers. A team of researchers at the University of Washington examined the effect of Seattle’s wage increase from $9.47 per hour to $13 per hour and, in 2017, concluded that it led to about 5,000 workers losing their jobs and to low-wage workers losing an average of $125 every month.

Since 1990, 80% of studies have found that increasing the minimum wage causes companies to cut jobs. Moreover, by reducing full-time employment opportunities, minimum wage hikes prevent low-skilled workers from gaining on-the-job experience and make it more difficult for young people to enter the job market, hurting economic mobility for all. There are real trade-offs with artificial wage hikes such as AJR10*, including reduced non-wage compensation, fewer job openings, reduced hours, increased automation, higher insurance co-pays, less vacation and personal time, and reduced employee discounts.

Increasing the government-mandated minimum wage is bad for workers in any circumstances. But doing it now, at a time when money is already tight and employers have already had to cut hours or close their doors, would be doubly disastrous.

The better path forward is to support reforms such as in occupational licensing that would get more people into great career paths rather than deprive them of a chance to earn income and gain the experience they need to rise into new jobs.

It is for these reasons that I respectfully urge you to oppose AJR10* and work with us on efforts such as occupational licensing reform that would help put many Nevadans from low-income backgrounds on a path to great careers earning well above the rates sought after in AJR10*.

Sincerely,

Marcos Lopez
Legislative Liaison
Americans for Prosperity - Nevada

*American for Prosperity (AFP) exists to recruit, educate, and mobilize citizens in support of the policies and goals of a free society at the local, state, and federal level, helping every American live their dream – especially the least fortunate. AFP has more than 3.2 million activists across the nation, a local infrastructure that includes 36 state chapters, and has received financial support from more than 100,000 Americans in all 50 states. For more information, visit www.AmericansForProsperity.org.*