

Forbes

Key To Minimum Wage Hikes: Ballot Initiatives

By Erik Sherman
November 13, 2014

During the midterm elections, there was a clear disconnect between national political trends and personal economic issues. Republicans, who retook the Senate and maintained control in the House, claim that a [minimum wage increase will kill jobs](#) and [does nothing for those without jobs](#).

And yet, during the same voting, [four conservative states passed minimum wage increases](#). Many otherwise conservative voters feel that the minimum wage has become too low. Also on the state level, some [Republican candidates backed the increases](#).

You can't blame the votes on minimum-wage workers, who [are a small minority](#) in the country, according to the Bureau of Labor Statistics. Last year, 1.5 million nationally earned only the federal minimum of \$7.25 an hour, with another 1.8 million in special categories (such as tipped workers or students) making less. Those numbers don't explain the comfortable to large margins that passed minimum wage increases in Arkansas, Alaska, Nebraska, and South Dakota.

Many people, including those in typically conservative states, feel that the potential trade-off between increased prices and higher pay is worth making.

"It sounds like a nice thing to many people," Jeffrey Miron, a senior fellow at the Cato Institute, told me, although he added, "If the economic analysis is right, there are potentially negative effects." That is, Miron says the number of jobs would likely drop if the increase was large enough.

But why did this happen in some conservative states and [not in others like Texas](#), as the blog Texas Leftist (which had quoted some of my earlier coverage) noted? According to an email response from Paul Sonn, general counsel and program director at the National Employment Law Project, there is a two-word answer: ballot initiative.

"Although raising the minimum wage has strong bi-partisan support among the voters, in Congress and state legislatures, most Republicans unfortunately vote to block increases – we believe in large part because of the role of money in politics. As a result, the states that tend to raise the minimum wage are either the so-called Blue states, or states that allow voters to take matters into their own hands by enacting laws through voter ballot initiatives".

Arkansas, Alaska, Nebraska, and South Dakota all passed voter-created ballot initiatives that addressed the minimum wage.

“Historically Nebraska has been a very conservative state,” Danielle Conrad, a state senator in Nebraska and promoter of the recently-passed minimum wage increase initiative, told me. “There has been modest evolution on minimum wage policy. Traditionally Nebraska follows the lead on the federal minimum wage. This year was the first time that a citizen initiative on minimum wage appeared on Nebraska’s ballot. There’s also a very strong populist tradition in Nebraska politics. We’ve always had robust direct participation options.”

Conrad said that the minimum wage question went the way of a ballot initiative because “advocates for working families and modest evolution of minimum wage had exhausted our remedies.” With the federal level stuck at its current level and no movement likely with the new congressional makeup, the Nebraskan legislature was unlikely to increase the rate unilaterally.

But don’t necessarily expect the move to continue through Republican-controlled states. For example, Texas, Georgia, and North Carolina have no direct initiative processes available to citizens, “which is why unfortunately you are less likely to see them deal with the problem of the low minimum wage,” as Sonn wrote.