IT’S TIME TO RAISE THE MINIMUM WAGE

Written Testimony
Texas House of Representatives
Committee on Business & Industry
Monday, March 20, 2017

Presented by Garrett C. Groves
Center for Public Policy Priorities
The Texas Middle Class is Shrinking

Percent change in share of jobs by wage quartile, 1979-2014

NOTES: Calculations include workers over age 15 with positive wages and exclude the self-employed. Quartiles based on the Texas and US wage distributions from the 1980 decennial census, which refers to 1979 wages.

Time to Raise the Minimum Wage
Analysis of Who Would Benefit from a Minimum Wage Increase in Texas

KEY FINDINGS FOR THE STATE OF TEXAS

IF THE STATE HAD ADOPTED A MINIMUM WAGE OF $10.10 AN HOUR IN 2016:

2.4 Million*
(26% OF) WORKERS IN THE STATE OF TEXAS WOULD GET A PAY INCREASE

Of those who benefit from a minimum wage increase in the State of Texas...

AGE: 60 percent are in their prime working years (25-54). Only 3.1 percent are teenagers between the ages of 16-18.

FAMILIES WITH CHILDREN: Nearly 50 percent live in households with children.

RACE AND ETHNICITY: 1 in 3 are Non-Hispanic White and over half are Hispanic or Latino. Another 11.4 percent are Black or African American.

EDUCATION LEVEL: 43 percent have at least some college education, and 15 percent have completed a postsecondary degree.

*REPRESENTS WORKERS IN FOR-PROFIT AND NON-PROFIT SECTORS.
Hourly Wages Needed to Meet Basic Living Expenses in Texas Cities

<table>
<thead>
<tr>
<th>City</th>
<th>Single Person</th>
<th>1 Parent, 1 Child</th>
<th>2 Parents, 2 Children</th>
<th>2 People with No Children</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austin</td>
<td>$14.09</td>
<td>$21.68</td>
<td>$31.51</td>
<td>$20.57</td>
</tr>
<tr>
<td>Brownsville</td>
<td>$11.78</td>
<td>$16.69</td>
<td>$25.06</td>
<td>$18.03</td>
</tr>
<tr>
<td>Dallas/Ft. Worth</td>
<td>$13.84</td>
<td>$20.83</td>
<td>$30.37</td>
<td>$20.44</td>
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<tr>
<td>El Paso</td>
<td>$11.60</td>
<td>$16.88</td>
<td>$23.89</td>
<td>$17.84</td>
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<tr>
<td>Houston</td>
<td>$14.05</td>
<td>$20.84</td>
<td>$30.07</td>
<td>$20.66</td>
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<tr>
<td>Lubbock</td>
<td>$12.15</td>
<td>$18.20</td>
<td>$26.34</td>
<td>$18.40</td>
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<tr>
<td>McAllen/Edinburg</td>
<td>$11.88</td>
<td>$17.28</td>
<td>$25.64</td>
<td>$18.10</td>
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<td>San Antonio</td>
<td>$12.86</td>
<td>$20.21</td>
<td>$29.67</td>
<td>$19.75</td>
</tr>
</tbody>
</table>

Source: FamilyBudgets.org. 2012 data, not adjusted for inflation to 2015.
Note: Hourly wage data for two-parent families is per household, not per person.

Policy Recommendations

The Center for Public Policy Priorities recommends that the 85th Texas Legislature:

- Raise the minimum wage to $10.10 per hour.
- Repeal the state law that prohibits localities from setting wage standards.
- Adjust the minimum wage annually by tying it to the consumer price index. The state should also consider a clearly defined small business exemption from the new minimum wage that protects workers as well as the state’s smallest employers.
- Encourage municipalities to create living wage standards for their own employees that are in line with their cost of living.