

Time to Raise the Minimum Wage

Analysis of Who Would Benefit from a Minimum Wage Increase in Texas



Texans pride themselves on working hard and being self-sufficient. But too few workers and their families earn enough to escape poverty. Texas ranks near the worst states for working families, with 38 percent earning less than \$47,000 per year for a family of four. If we want to live in a state where hard work means real self-sufficiency, then we need to raise the minimum wage in Texas.

Several bills filed during the 84th Texas Legislative Session propose raising the state's minimum wage to \$10.10 per hour in 2016. To help lawmakers and concerned Texans understand the impact of those legislative proposals, the Center for Public Policy Priorities conducted new analysis to identify the Texans who would benefit from raising the current federal minimum wage of \$7.25 per hour to a new statewide minimum wage of \$10.10 per hour in 2016.

KEY FINDINGS FOR THE STATE OF TEXAS

IF THE STATE ADOPTS 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.

Source: CPPP Analyses of 2013 American Community Survey Data, U.S. Census Bureau. View full report and methodology at bit.ly/MinWageTX.

What It Means to Live on the Minimum Wage

According to the CPPP Family Budget Calculator, the federal minimum wage of \$7.25 per hour does not provide enough to cover an individual's most basic living expenses in Texas. In fact, a worker in Houston or Austin would need almost two full-time minimum wage jobs to cover expenses for food, housing, health care and transportation expenses. The figures below show the hourly wages that are necessary for

Texas families to meet basic living expenses according to family size and location. These calculations assume that:

1. All adults are full time workers,
2. Their employer(s) do not cover monthly health insurance premiums, and
3. They have no emergency savings — which means that a simple car repair or significant illness could be financially ruinous.

Hourly Wages Needed to Meet Basic Living Expenses in Texas Cities

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

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 84th Texas Legislature:

- Raise the minimum wage to \$10.10 per hour.
- 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.
- Repeal the state law that prohibits localities from setting wage standards.
- Encourage municipalities to create living wage standards for their own employees that are in line with their cost of living.

THE CENTER FOR PUBLIC POLICY PRIORITIES is an independent public policy organization that uses research, analysis and advocacy to promote solutions that enable Texans of all backgrounds to reach their full potential. Learn more at CPPP.org.

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