



Abstract:

Every Texan’s submission to the Community Commission on Truth and Transparency in Texas Hydrogen Development will highlight existing trends, challenges, and barriers Texas workers face in gaining access to safe, high-quality, union jobs. Every Texan provides data and policy analysis showing how Texas’ low union density and lack of state polices regulating working conditions ultimately decreases Texan’s financial mobility.

Hydrogen development is a unique opportunity to improve Texan’s working conditions and strengthen their economic mobility. The data shows improvements to Texan’s working conditions will require HyVelocity’s collaboration with workers and their unions to guarantee improved standards on wages, affordable health insurance coverage and paid leaves, and accessible child care. Every Texan provides information on an expensive school property tax abatement program that resulted in minimal investment in the state’s workforce.

Every Texan recommends solutions to the Department of Energy on how to build a resilient and prosperous hydrogen power workforce that is able to contribute to the state’s economic abundance.

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Introduction:

Every Texan is a nonpartisan, nonprofit organization advancing equity and opportunity for Texans of all backgrounds. Since 1985, Every Texan has advocated for people-centered, state policy solutions using credible research, data, and analysis.

Every Texan’s submission to the Community Commission on Truth and Transparency in Texas Hydrogen Development will highlight existing trends, challenges, and barriers Texas workers face in gaining access to safe, high-quality, union jobs. Every Texan will provide data and analysis highlighting: 1) the current state policy gaps that challenge Texas workers’ working conditions and decrease worker’s opportunity for economic mobility, and 2) the solutions to these gaps and what the Department of Energy can require from HyVelocity in their award.

Texas Workers Face Challenging Working Conditions Due to State Policy Gaps and Low Union Density

Working Families Face Increased Income Inequality despite Consistent Growth in Texas’ GDP

Since 2006, Texas’ economy has ranked as the second largest in the nation as measured by Gross Domestic Product (GDP), the value of the final goods and services produced. In 2022, Texas’ GDP reached \$1.88 trillion (in chained 2012 dollars)¹, falling second to California’s \$2.89 trillion economy. Texas accounted for 9.4% of the entire U.S. GDP that same year. Texas also displayed strong per capita and per worker economic indicators. With a per capita GDP of \$62,483 in 2022, Texas ranked 15th and 8th respectively compared to other states.²

While the Texas Comptroller’s office uses GDP to gauge the state’s economic performance, GDP growth does not equate to growth in working families’ financial mobility.³ Today, 66 Texas billionaires earn more than 70% of Texans combined⁴ and in 2021, one in five households did not earn enough to afford their necessities.⁵ Every Texan analyzed data from UnitedForALICE and the Bureau of Economic Analysis and found from 2010-2021 that, on average, over 40% of Texas households face persistent hardship despite 108% GDP growth during that same period.⁶ The gap between Texas’ economic abundance and the high percentage of struggling working

¹ US Bureau of Economic Analysis. Regional Economic Accounts. Adjusted by USAFacts: chained 2012 dollars. Retrieved Oct 23, 2024 from USAFacts <https://usafacts.org/metrics/gross-domestic-product-gdp-by-state/>

² See Appendix A, Chart 1. Data Source: Bureau of Economic Analysis.

³ Posson, Amanda, et. al. “Texas is the Tale of Two Economies: Working Texas Families Are Worth Our Fair Share of Economic Abundance”. State of Working Texan series, Every Texan. March 2024. <https://everytexan.org/2024/03/14/texas-is-the-tale-of-two-economies/>

⁴ Cervantes, Samuel. “Proposition 3 Will Maintain Texas’ Extreme Wealth Inequality”. October 2023. <https://everytexan.org/2023/10/20/proposition-3-will-maintain-texas-extreme-wealth-inequality/>. Data source: Institute on Taxation and Economic Policy. See graph #1, Appendix A.

⁵ Data Source: United For Alice. 2024. <https://www.unitedforalice.org/state-overview/texas>. See graph 2, appendix A.

⁶ See Appendix A, graph #3. Sources: UnitedforALICE and the Bureau of Economic Analysis.

families exists due to state policies that challenge working conditions including workers' ability to join unions.

Texas' Low Union Density Means Lower Median Wages:

Nationally, as union density decreases, wealth inequality increases.⁷ Texas is no exception. In 1964, 13.5% of Texas workers were union members, and the top 10% of earners held 36.3 % of total income.⁸ In 2018, 4.3 % of Texas workers were union members, a decline of 9.2 points, while the top 10 % of earners increased their share of total income by 12.5 points to 48.8%.⁹

Texas' union density is in decline due to state policies, like right-to-work and a ban on public sector collective bargaining rights, which challenge workers' ability to increase wages through their unions. The well-studied union advantage, where union workers earn between 10 to 15 % more than nonunion workers, also applies to Texas.¹⁰ Texas unionized workers were paid \$6 more per hour in median wages than non-union workers in 2023.¹¹ Unions improve wages for women workers in every state; Texas women workers represented by a union experience one of the highest wage advantages when compared to other states.¹²

Low Rates of Paid Family and Medical Leave

Texas' lack of paid family leave policies means the majority of workers do not have access to paid time to care for a newborn baby, recently adopted child, or a family member during a health crisis. Approximately 10,917,000 of 14 million total workers in Texas do not have access to paid family leave through their jobs.¹³ Most Texas workers are ineligible for unpaid leave through the Federal Medical Leave Act (FMLA) or may be eligible, but cannot afford to take unpaid leave. Only 47 % of Texas' working adults are eligible for FMLA; and, only 38.7% are eligible and can afford to take unpaid leave.¹⁴

⁷ Bivens, Josh, Lora Engdahl, Elise Gould, Teresa Kroeger, Celine McNicholas, Lawrence Mishel, Zane Mokhiber, Heidi Shierholz, Marni von Wilpert, Valerie Wilson, and Ben Zipperer. 2017. *How Today's Unions Help Working People: Giving Workers the Power to Improve Their Jobs and Unrig the Economy*. Economic Policy Institute, August 2017. And, Economic Policy Institute. "Unions Help Reduce Disparities and Strengthen Our Democracy". April 2021. <https://www.epi.org/publication/unions-help-reduce-disparities-and-strengthen-our-democracy/>.

⁸ Posson, Amanda, et al. "Texas Workers Want Unions". Every Texan: State of Working Texans. May 2024.

<https://everytexan.org/2024/05/01/texas-workers-want-unions/>. Data source: Economic Policy Institute: See Appendix A, Chart 4.

⁹ Ibid.

¹⁰ US Department of the Treasury: Labor Unions and the Middle Class. August 2023. P 5. <https://home.treasury.gov/system/files/136/Labor-Unions-And-The-Middle-Class.pdf>; and; Freeman, Richard, Eunice Han, Brendan V. Duke, and David Madland. 2016. "What Do Unions Do for the Middle Class?" Center for American Progress, January 2016

¹¹ See Appendix A, Graph #5. Source: Economic Policy Institute analysis of Current Employment Statistics, 2024.

¹² Sun, Chuxuan, et.al. "Stronger Together: Union Membership Boosts Women's Earnings and Economic Security". Institute for Women and Policy Research. September 2021. https://iwpr.org/wp-content/uploads/2021/08/Stronger-Together-Union-Membership-Boosts-Womens-Earnings-and-Economic-Security_FINAL.pdf P. 8

¹³ National Partnerships for Women and Families. "Paid Leave Means a Stronger Texas". February 2024. <https://nationalpartnership.org/wp-content/uploads/2023/04/paid-leave-means-a-stronger-texas.pdf>

See source: U.S. Bureau of Labor Statistics. (2023, September). National Compensation Survey: Employee Benefits in the United States, March 2023 (Excel tables). Retrieved 16 January 2024, from <https://www.bls.gov/ebs/publications/employee-benefits-in-the-united-states-march-2023.htm> (Percent of civilian workers who have access to paid family leave by Census division); U.S. Bureau of Labor Statistics. (2023, November). Current Population Survey: State Employment and Unemployment (Table 1. Civilian labor force and unemployment by state and selected area, seasonally adjusted). Retrieved 16 January 2024, from <https://www.bls.gov/news.release/laus.t01.htm>

¹⁴ Diversitydatakids.org. 2024. "Working adults who are eligible and can afford FMLA unpaid leave (percent) by race/ethnicity", retrieved from https://data.diversitydatakids.org/dataset/fmla_a_eligaff_re_p-working-adults-who-are-eligible-and-can-afford-fmla-unpaid-leave--percent--by-ra?_external=True on Oct 23 2024, calculated from Current Population Survey Public Use Microdata Files (IPUMS-CPS)

Texas loses valuable economic productivity and output due to the workforce’s low access to paid leave. The National Partnership Women and Families estimates that if Texas women participated in the workforce at the same rate as women in countries that do provide paid family leave, the state would benefit from 602,000 additional workers and \$19.1 billion more in wages earned statewide.¹⁵ Nationally, workers represented by a union have better access to paid leaves.¹⁶

High Number of Uninsured Texans

Texans make up 9 % of the US population and represent 18 % of uninsured Americans; this means Texas has both the highest number and percentage of uninsured children and adults in the nation.¹⁷ Simultaneously, in 2023, Texas held the highest total employment growth¹⁸ and yet working age Texans from ages 19-64 are disproportionately uninsured compared to other age groups.¹⁹ Working-age Texans make up 60 % of Texas’ total population and they account for 81 % of all uninsured Texans. Texas’ high-uninsured rate means more residents and families go without health care. An Episcopal Health Foundation study found that two-thirds of surveyed Texans have skipped or postponed care due to cost in the past year.²⁰ Nationally, workers represented by a union have better access to health insurance coverage.²¹

Texas’ Affordable Child Care Crisis Challenges Workforce Development

The University of Texas at Austin conducted a child care study and found that Texas’ average cost for infant care is \$777 per month, or \$9,324 per year equating to approximately 14% of the state’s median household income of \$67,321.²² The same study found that Texas’ failure to address the affordable child care crisis costs \$11.4 billion a year due to loss revenue and productivity from parents, small businesses, and taxpayers.²³ Texas’ child care system is in crisis due to a supply and workforce shortage that cannot be resolved by raising workers’ pay due to the already exorbitant costs paid by parents.²⁴ The median Texas early childhood development

¹⁵ Ibid.

¹⁶ US Department of Treasury, p 16-17. Note: Department of Treasury found more than 90% of union represented workers are found to have sick leave versus 77% of nonunion workers.

¹⁷ Taylor-Ross, Brittany. "2022 Census Data: The Uninsured Population of Texas". Every Texan, November 2023. [https://everytexan.org/2023/11/20/2022-census-data-the-uninsured-population-of-texas/#:~:text=4.9%20million%20Texans%20\(all%20ages,residents%20in%20the%20United%20States](https://everytexan.org/2023/11/20/2022-census-data-the-uninsured-population-of-texas/#:~:text=4.9%20million%20Texans%20(all%20ages,residents%20in%20the%20United%20States). Data source: US Census.

¹⁸ In 2023, Texas increased the number of total employed Texans by 527,000, the highest growth in the last seven years. Texas’ total employment growth exceeded all other states including Florida, New York, and California. Source: Bureau of Labor Statistics. See Appendix A, Chart 7.

¹⁹ Ibid.

²⁰ Episcopal Health Foundation. "Findings from the Episcopal Health Foundation 2022 Texas Health Tracking Survey". October 2023. <https://www.episcopalhealth.org/wp-content/uploads/2023/10/EHF-Texas-Health-Poll-10.23.pdf>

²¹ Petach, Luke, and David K. Wyant. 2022. "The union advantage: union membership, access to care, and the Affordable Care Act." International Journal of Health Economics and Management, 1–26. <https://pmc.ncbi.nlm.nih.gov/articles/PMC9261128/>

²² Pedigo, Steven et, al. "How Policymaking Can Address Urgent Child Care Challenges and Opportunities in Texas". LBJ Urban Lab-LBJ School of Public Affairs-The University of Texas at Austin. March 2024. <https://repositories.lib.utexas.edu/server/api/core/bitstreams/5f371652-d99e-4174-a6cf-5bae502f6ae0/content>

²³ Ibid.

²⁴ Vanderbilt Peabody College- Prenatal –to-3 Policy Impact Center. "Child Care Hiring and Retention Challenges Driven by Low Pay". Child Care in Crisis Texas Case Study Research Brief #3. January 2023. https://pn3policy.org/wp-content/uploads/2023/02/PN3PIC_ChildCareinCrisis-TexasCaseStudy_3.pdf

professional earns \$11.31 per hour or \$23,530 per year²⁵ and 48.9% of child care workers must take an additional job to cover their household expenses.²⁶ In summary, as workers' access to affordable child care decreases so will labor force participation.²⁷ It is in the Department of Energy's interest, through this award, to mandate grantees' investment in child care infrastructure for their workforce.

Corporate Tax Break Programs with Minimal Requirements Ultimately Costs All Texans

Texas has a long history of providing tax breaks to corporations without proper oversight and accountability. Texas' Chapter 313 program ran for 20 years and cost Texans \$31 billion in school property tax abatements.²⁸ Whether corporate tax incentive programs are necessary for economic development in Texas remains up for debate. The University of Texas-Austin found that 85 to 95% of companies that received a Chapter 313 school property tax break would have relocated to Texas regardless of the incentive.²⁹ Issues with Texas' tax break programs include minimal job creation requirements, for instance, Chapter 313 required 10 or 25 jobs and the replacement program, Chapter 403, requires between 10 and 75 jobs. The sunset Chapter 313 wage requirements were also too low- equating to half of the average wage in the county where the project was located. The replacement program, Chapter 403, has better wage requirements for all newly created company jobs, not just the statute-required minimum.³⁰

Solutions: The Department of Energy, through any award, should require HyVelocity to:

- Proactively establish project labor agreements and card check neutrality agreements with workers' unions. Collaboration with unions will increase workers' union density in hydrogen production resulting stronger workforce economic mobility.
 - Workers with union representation are more likely to earn higher wages and have greater access to affordable health insurance plans and paid leaves.³¹
 - Collective bargaining agreements will address most of the aforementioned challenging working conditions faced by the majority of Texan workers.
- Invest in affordable child care for their workforce.

²⁵ Cervantes, Samuel, et. al. "The Texas Workforce is Resilient and Undervalued". State of Working Texan series, Every Texan. August 2024. <https://everytexan.org/2024/08/12/the-texas-workforce-is-resilient-and-undervalued/>

²⁶ Kofron, Kim, et. al. "The Quest for Equity and Quality: Examining Provider Experiences and Participation in Texas Rising Star". Children at Risk, Texas A&M Prairie View, & University of Houston. April 2022. <https://childrenatrisk.org/wp-content/uploads/2022/04/The-Quest-for-Equity-and-Quality.pdf>

²⁷ US Department of Labor. "Child Care is Infrastructure". September 2024. <https://www.dol.gov/sites/dolgov/files/WB/pdf/Child-care-Is-Infrastructure-issue-brief.pdf>

²⁸ Lavine, Dick. "HB 5 Is Still Chapter 13 and Still Bad". Every Texan. May 2023. <https://everytexan.org/2023/05/09/hb-5-is-still-chapter-313-and-still-not-good/>

²⁹ Jensen, Nathan. "Texas Lawmakers Need to Rethink the Program that Gives Property Tax Breaks to Corporations". April 2017. <https://news.utexas.edu/2017/04/17/texas-lawmakers-need-to-rethink-chapter-313/>

³⁰ Lavine, Dick. "HB 5: Better in Some Ways, Worse in Others". Every Texan. September 2023. <https://everytexan.org/2023/09/15/chapter-313-replacement-hb-5/>

³¹ Petach, Luke, and David K. Wyant. 2022. P. 1–26.

Sun, Chuxuan, p 10. Note: IWPR found that 80.2 women represented by a union have employer or union provided health insurance coverage where among non-unionized women the rate is 70.8%;



- Provide child care stipends to all workers involved with hydrogen production from hub construction to production. It is widely studied that successful child care supply solutions must include diverse kinds of care including home based care for especially the second and third shift workers.
- Recommend Velocity to participate in a county or local child care coalition table in order to collaborate with the experts and impacted communities on sustainable child care supply solutions.
- Increase job creation and wage minimum requirements on any tax incentives received by the awardee: Department of Energy should require HyVelocity to exceed any Texas criteria for tax subsidies. The state's low floor on minimum number jobs created and wages result consistently result in underinvestment.

Appendix:

Chart 1

Texas ranked 2nd in Total GDP in 2022

Select GDP indicator: **Total** Per Capita Per Worker

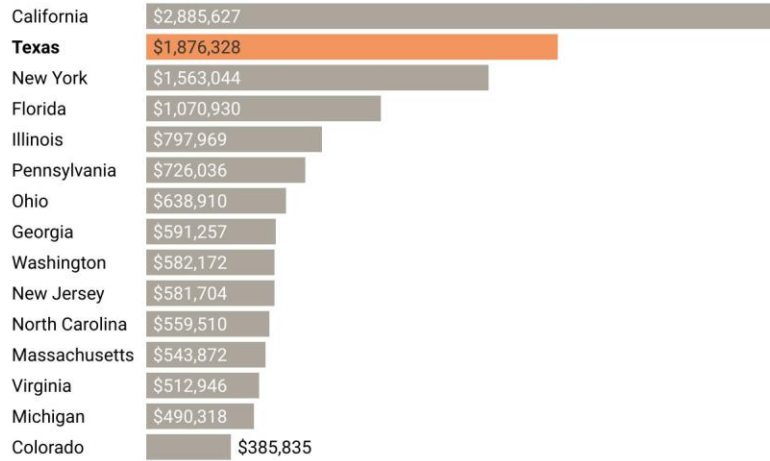


Chart: Every Texan

Source: Bureau of Economic Analysis

Notes: GDP in chained 2012 dollars in millions.



Graph 1:

66 Texas Billionaires Are Wealthier Than 70% of Texans

Total wealth of Texas tax filers in 2022 amounted to billions of dollars.

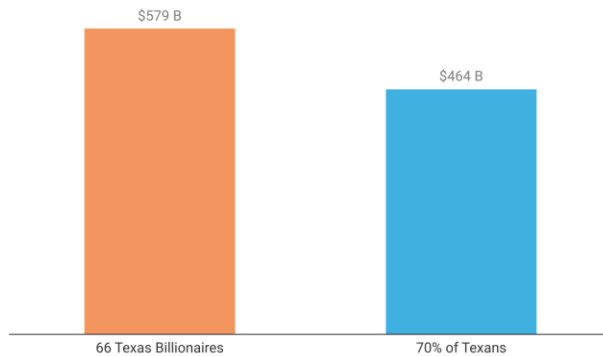


Chart: Every Texan

Source: Institute on Taxation and Economic Analysis

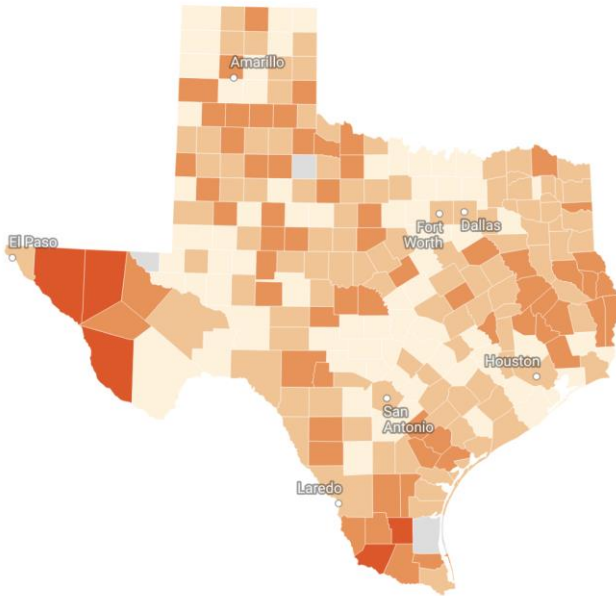


Graph 2:

1 in 5 Households Do Not Earn Enough to Support Their Family in Each Texas County

Texas households categorized as impoverished by the Federal Poverty Level and those who earn above the Federal Poverty Level but struggle to afford basic necessities in 2021.

Households experiencing financial hardship
 22% - 40% 40% - 49% 49% - 62% 62% - 77%



Map: Every Texan
 Source: UnitedForALICE
 Notes: Rates unavailable for Kenedy, King, and Loving counties.



Graph 3: Working Texans Face Persistent Financial Challenges Despite Consistent GDP Growth

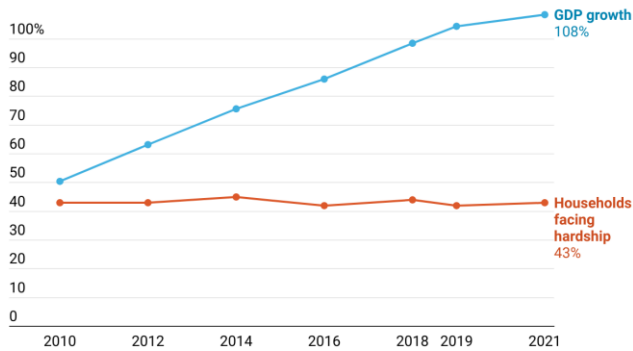


Chart: Every Texan
 Source: UnitedForALICE and Bureau of Economic Analysis
 Notes: Data for the year 2020 is unavailable due to the impact of the COVID-19 pandemic. GDP growth is determined by calculating the percentage change in GDP for each year relative to the base year of 1997.



Graph #4:

Texas' Income Inequality Increases as Union Membership Declines

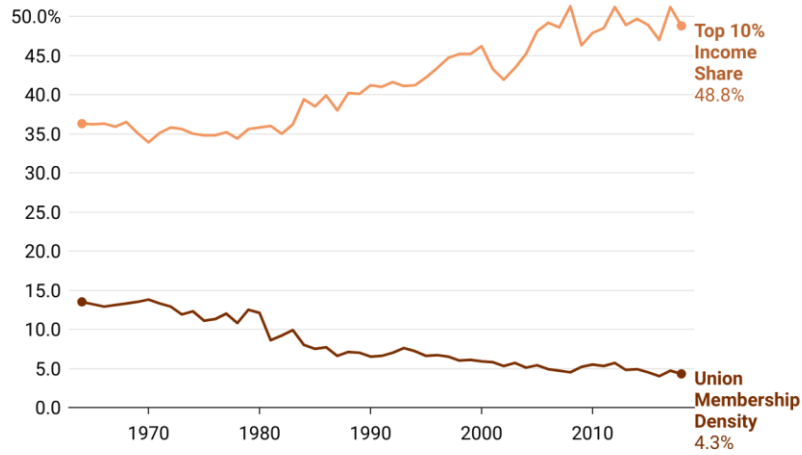


Chart: Every Texan

Source: Economic Policy Institute

Notes: Top 10% national income share is pre-tax and from World Inequality Database; data is only available through 2018. Union membership density data is from Union Stats.

Graph #5:

Median Wages Grew for Most Texans, Thought Persistent Gaps Continue

Wages for select demographic groups in 2023 dollars, 1979-2023.

Group	Subgroup	Wages since 1979*	Change between 2019 and 2023	Percent change between 2019 and 2023
All Texans		\$19.32 → \$22.05	\$0.14	0.64%
Race and Gender	White Men	\$25.05 → \$29.37	-\$0.52	-1.74%
	White Women	\$17.9 → \$24.04	\$0.13	0.53%
	Black Men	\$17.18 → \$21.06	\$0.37	1.78%
	Hispanic Men	\$14.32 → \$20	-\$0.12	-0.59%
	Hispanic Women	\$11.93 → \$17	\$1.22	7.72%
	Black Women	\$14.91 → \$21.2	\$0.51	2.45%
	Asian Women	\$15.51 → \$25.38	\$1.47	6.16%
	Asian Men	\$21.47 → \$34.85	\$0.38	1.11%
	Education	Less than high school	\$14.04 → \$15.05	\$0.32
High school		\$18.53 → \$17.93	-\$0.0	-0.11%
Some college		\$20.27 → \$19.98	-\$0.38	-1.87%
Bachelor's or higher		\$28.16 → \$34.21	-\$1.32	-3.72%
Union	Union	\$27.47 → \$27.93	-\$1.23	-4.22%
	Non-Union	\$17.94 → \$21.88	\$0.3	1.39%

Source: Economic Policy Institute analysis of Current Employment Statistics, 2024

Notes: Racial and ethnic groups are mutually exclusive. "Hispanic" includes Hispanic/Latino of any race, while "White" and "Black" refer to non-Hispanic whites and non-Hispanic Blacks, respectively. Gray line indicates 2020 recession year.

*Wages for race and gender groups starting from 1989.

Chart 6: Texas 4%; Florida 3.7%, New York 2.15, California .7%

Texas Witnessed Largest Employment Increase Compared to Largest State Workforces

Percent change in total employment from 2022 to 2023 by state

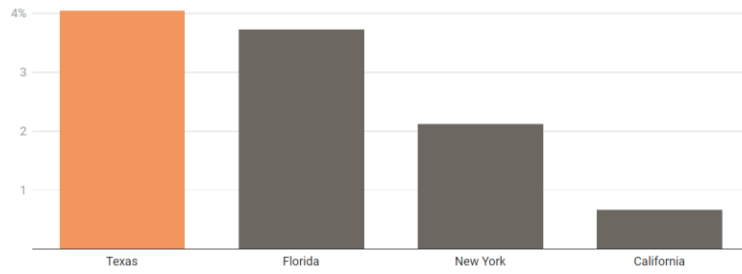


Chart: Every Texan • Source: U.S. Bureau of Labor Statistics • Created with Datawrapper