



Center for Public Policy Priorities

THE POLICY PAGE

An Update on State and Federal Action

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April 17, 2003

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HB 804: The “Hard Work Equals Poverty” Bill

**Texans deserve a decent paycheck for a hard day’s work.
HB 804 is bad for working families and bad for Texas.**

At the same time the Texas legislature is debating massive cuts to critical supports for working Texas families, the Legislature is also considering a bill that will keep many working Texans in poverty. HB 804 is designed to limit local control by prohibiting Texas cities from establishing a local minimum wage higher than the federal minimum wage of \$5.15 per hour. HB 804 was approved by the Texas House and is set for debate in the Senate Business and Commerce Committee on Tuesday, April 22 at 9:00 a.m.

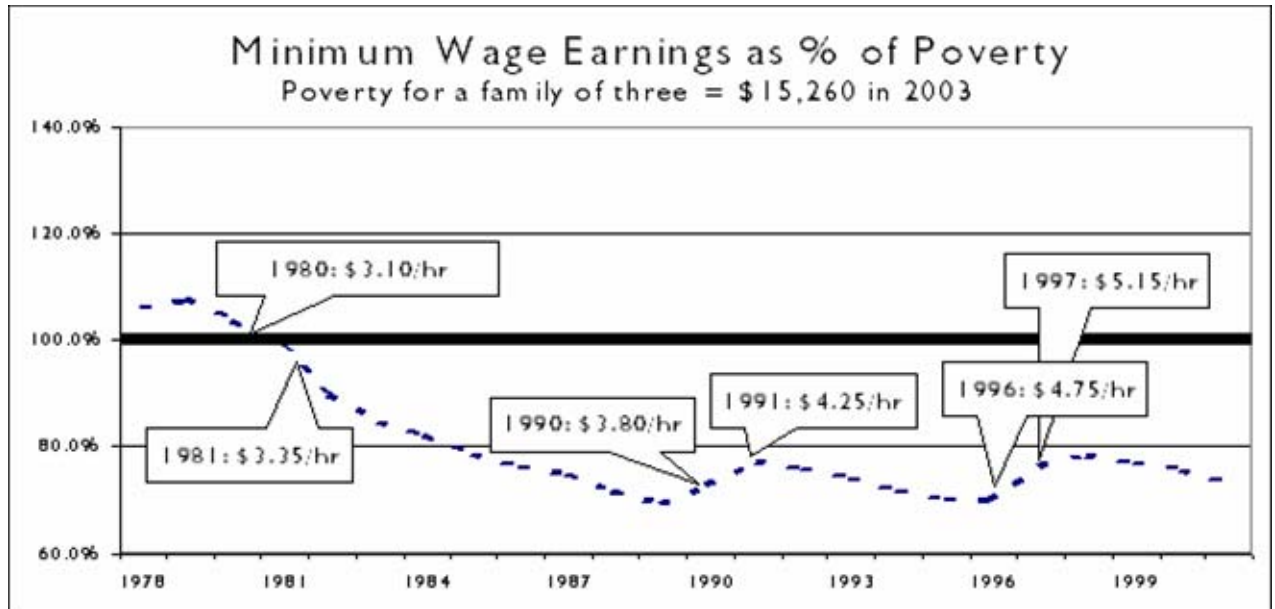
SEE ACTION ALERT BELOW

WHAT DOES HB 804 DO?

HB 804 will prohibit Texans from deciding for themselves how best to structure local economies. The bill is designed specifically to prohibit communities from establishing a local minimum wage higher than the federal minimum wage of \$5.15 per hour. In other words, even if a city decided it needed a higher wage than the federal minimum, the state would prohibit this local decision.

WHAT’S WRONG WITH THE FEDERAL MINIMUM WAGE?

The federal minimum wage is too low for working Texas parents to even get out of poverty, let alone provide for their families’ basic needs. A working parent with two children working 40 hours per week, 52 weeks per at the federal minimum wage lives at less than 80 percent of the federal poverty level. When one considers that the federal poverty level itself is also too low to accurately reflect how much it really costs to live in Texas, this figure is even more troubling. As the chart below demonstrates, increases in the federal minimum wage have not kept pace with increases in the cost of living. As a result, Texas families earning the minimum wage live deep in poverty.



SO, HOW MUCH DOES IT REALLY TAKE TO JUST SCRAPE BY IN TEXAS?

The Center for Public Policy Priorities recently released its Family Security Index (FSI), a study of wages needed to live a no-frills life in all 27 of the state's Metropolitan Statistical Areas (MSA's). Using realistic, but very conservative, figures, the FSI is a glimpse of the realities of working families throughout Texas and shows that the federal minimum wage is simply not enough to meet even the most bare bones needs of a working family anywhere in Texas. Let's take a look at the Houston MSA, home of Texas' most populous city.^{1[1]} According to the FSI, a working single parent of two children living in the Houston MSA would need a combination of wages and benefits equal to \$17 per hour to just scrape by. See <http://www.cppp.org/products/fsi.html> for information about the FSI and wages in your community.

If this same mother is earning the federal minimum wage of \$5.15 per hour, she will need significant public benefits, notably Food Stamps, Medicaid, housing and transportation assistance, and a child care subsidy, just to survive. As public assistance benefits are cut, earnings from work will become more and more important. For every dollar this mom earns through work, the public is relieved of one dollar in public assistance benefits.

WHAT ABOUT LOCAL CONTROL?

Texas prides itself on giving control of economic and workforce development to its communities. HB 804 flies in the face of this long tradition of local control. If Texas legislators truly believe that local communities know best, they will not take control of local economies away from locally elected officials.

¹ [1] The Houston MSA includes Harris, Chambers, Fort Bend, Liberty, Montgomery, and Waller Counties.

WHO GAINS FROM HB 804?

Unfortunately, some of the employers who pay the lowest wages in our state lined up to support the passage of HB 804. The bill's supporters in the Texas House included the fast food and restaurant lobbies, the gas station lobby, the apartment owners' lobby, the hotel and motel lobby, and other representatives of big Texas business. It is important to note that many Texas employers, even in the service and retail sectors, are already paying more than the federal minimum wage in order to attract employees.

WHAT CAN I DO TO STOP HB 804?

Contact members of the Texas Senate Business and Commerce Committee TODAY to tell them that you think working Texans deserve decent wages, not poverty. Please ask members of the Committee to vote NO on HB 804 when it appears before the Committee on Tuesday, April 22. Contact information for the members of the Committee is below:

(If your city is **not** on this list, please contact Chairman Fraser)

Abilene: Contact Chairman Troy Fraser at

<http://www.senate.state.tx.us/75r/senate/members/dist24/dist24.htm#form>

Waco: Contact Vice Chairman Kip Averitt at

<http://www.senate.state.tx.us/75r/senate/members/dist22/dist22.htm>

Victoria area: Contact Senator Ken Armbrister at (512) 463-0118.

Fort Worth: Contact Senator Kim Brimer at

<http://www.senate.state.tx.us/75r/senate/members/dist10/dist10.htm#form>

Wichita Falls/Denton/Sherman: Contact Senator Craig Estes at

<http://www.senate.state.tx.us/75r/senate/members/dist30/dist30.htm#form>

Pasadena/Galveston/Houston: Contact Senator Mike Jackson at (512) 463-0111.

Rio Grande Valley: Contact Senator Eddie Lucio Jr. at

<http://www.senate.state.tx.us/75r/senate/members/dist27/dist27.htm#form>

San Antonio: Contact Senator Leticia Van de Putte at

<http://www.senate.state.tx.us/75r/senate/members/dist26/dist26.htm#form>

The Woodlands/Beaumont: Contact Senator Tommy Williams at

<http://www.senate.state.tx.us/75r/senate/members/dist4/dist4.htm#form>

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