



POLICY ALERT

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The Federal Minimum Wage Increase and Texas

Today the minimum wage in Texas increased from \$5.15 to \$5.85 as part of the first federal minimum wage increase in ten years. The minimum wage will increase again to \$6.55 in July 2008, with a final increase to \$7.25 in July 2009.

Texas is currently the only state of the eleven most populous states whose *state* minimum wage is not higher than the federal standard, and therefore stands to gain the most from the federal increase. One in six U.S. workers directly affected by the minimum wage increase lives in Texas, is 20 or older, and working full time. The increase is expected to benefit 863,000 Texas workers directly and 1.7 million Texans indirectly. More than 1.1 million Texas children have parents who will be directly affected by the minimum wage increase.

Full-time minimum wage workers will earn \$1,344 more per year from the raise to \$5.85, and \$4,400 more per year from the eventual raise to \$7.25. Many of the gains from the increase will be found in rural communities, where minimum wage jobs are more widespread.

Employers are obligated to notify workers and post the new wage laws in the workplace. The Texas Workforce Commission is responsible for ensuring that employers comply with the new minimum wage requirements. For background on the minimum wage and Texas, visit <http://www.cppp.org/research.php?aid=683&cid=2&scid=3>.

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