



POLICY ALERT

Center for Public Policy Priorities

900 Lydia Street Austin, Texas 78702 PH: 512.320.0222/FAX: 512.320.0227 www.cppp.org

May 25, 2007

For More Information: Don Baylor, baylor@cppp.org

Federal Minimum Wage Increase and Texas

Yesterday Congress passed the first increase in the federal minimum wage in a decade. Under the bill, which is expected to be signed by the President any day, the minimum wage would climb from \$5.15 to \$7.25/hour over the next 26 months.

The first increase would occur 60 days after the bill is signed and would raise the minimum wage to \$5.85/hour. It would then increase to \$6.55/hour in 2008 and \$7.25/hour in 2009.

Since Texas' minimum wage is linked to the federal standard, 863,000 low-wage Texas workers earning less than \$7/hour (8.5% of the statewide workforce) will see their wages increase. Of the U.S. workers directly affected by the minimum wage, 1 in 6 lives in Texas. The vast majority of these workers are 20 years or older and work full time.

"The minimum wage increase is a huge victory for low-income workers and families in Texas," said Don Baylor, Senior Policy Analyst at the Center for Public Policy Priorities. "Going forward, we should index the minimum wage to inflation, so that low-wage families don't steadily lose ground."

In Texas, despite a flurry of legislation aimed at increasing the minimum wage or indexing it to inflation, none of these proposals saw floor debate or action. Thirty-two states and Washington, D.C. have enacted laws with higher minimum wages than the federal level. For more information on the minimum wage in Texas, visit <http://www.cppp.org/research.php?aid=566&cid=2&scid=3>.

To make a donation, sign up for free E-Mail Updates, or access the rest of our work, visit www.cppp.org.