



NEWS RELEASE

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NEW REPORT UNCOVERS WHAT IT REALLY TAKES TO MAKE ENDS MEET IN TEXAS

Real Families Available for Interviews

Austin, TX—It's been well documented that the federal poverty level doesn't accurately measure today's cost of living. But what does it really take to get by in Texas? A report released today by the Center for Public Policy Priorities finds that what a 2-parent, 2-child family needs to earn to afford housing, food, child care, health care, transportation, and other basic needs without relying on government assistance ranges from \$29,982 a year in the Brownsville/Harlingen area to \$45,770 a year in the Fort Worth/Arlington area.

The report, *The Family Budget Estimator: What It Really Takes to Get by in Texas*, offers a “no-frills” estimate of what it takes to make ends meet in Texas' metropolitan areas. For example, we assume that the family has employer-sponsored health insurance. The housing budget is based on the cost of public housing subsidies and the food budget assumes that a family will buy bulk groceries, never eat out, and rarely purchase meat. The report does not provide for any debt repayment or savings for a home or education.

“What we have found is that in Texas, a 2-parent, 2-child family needs to earn between \$9,332 and \$25,120 more than the poverty level to stay afloat,” said Frances Deviney, Senior Research Associate and the study's co-author. “For too many Texas families, hard work is not paying enough to meet life's basic needs. There is a gap between what people are earning and what it costs to live.”

Why are so many Texans struggling to get by?

More than one-third of working families in Texas are low-income, with earnings below twice the federal poverty level (FPL). The majority of these families are not officially “poor” by government standards. Nearly half of Texas children live in low-income working families.

Several factors beyond individual control have contributed to this phenomenon:

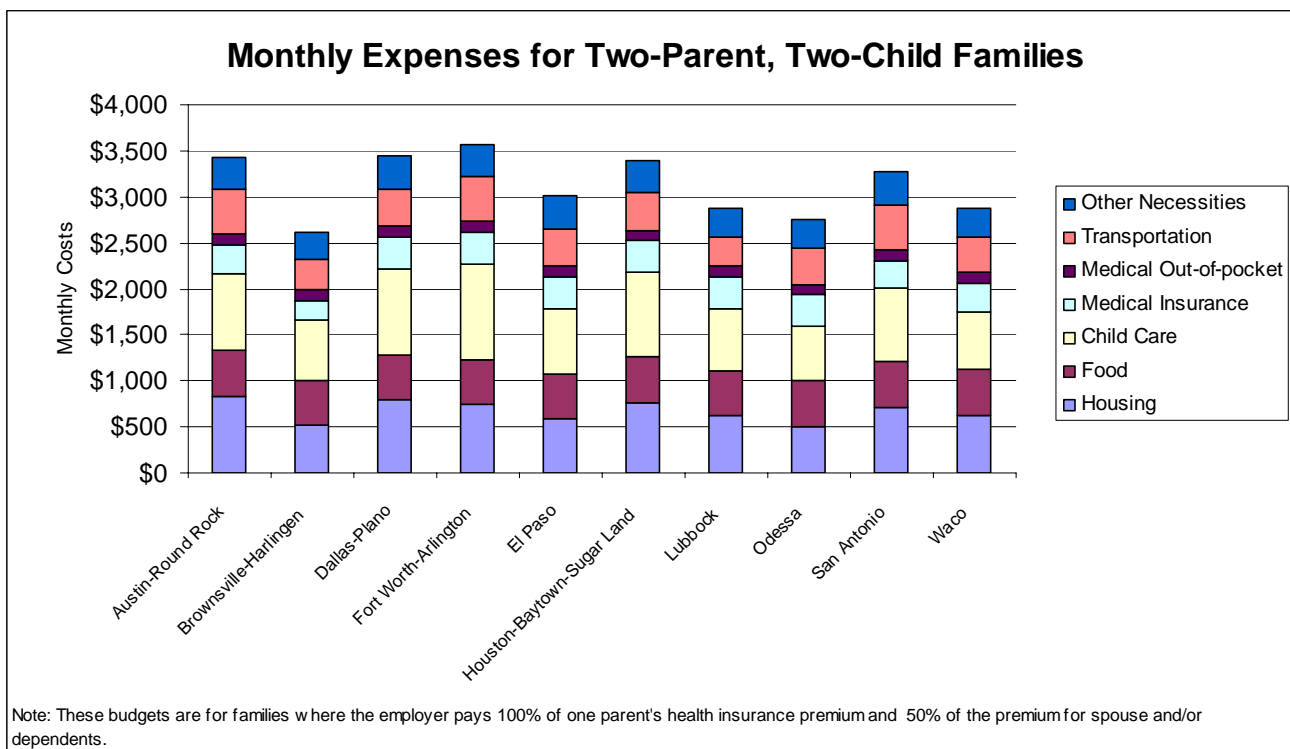
- **Decline in the real value of wages.** With living expenses rising faster than incomes, families are not struggling because they do not work enough—they are struggling because they do not *earn* enough. The purchasing power of Texas wages has been stagnant since 1979, despite the increased cost of living.
- **Diminishing employer-sponsored benefits.** Texans are far less likely to receive employer-sponsored health insurance than employees in other states. Texas has the highest percentage of people without health care coverage in the nation.
- **Regressive state tax policies.** Texas' high sales and property tax rates hit lower-paid workers the hardest.

What can be done?

- **Develop a work support system that enables working families to meet their basic needs.** Work support programs such as CHIP and Food Stamps play an important role in helping low-wage workers

bridge the gap between their earnings and expenses, yet restrictive policies and inadequate funding leave too many needy families ineligible for or unable to access these services. Texas should ensure that families remain eligible for assistance until they earn enough to meet their basic needs.

- **Make higher education more accessible and affordable for Texans.** Texas must increase its commitment to community colleges—the quickest pathway to higher paying jobs—and ensure that higher education—the pathway to the highest paying jobs—remains affordable.
- **Expand job training and career development opportunities for working adults.** Texas should make work pay with policies that help low-wage workers move into jobs with wages high enough to support a family.
- **Use economic development incentives to increase workers’ skills and raise wages.** As an incentive for employers to offer higher-paying jobs, Texas should link its workforce development and economic development efforts. State and local tax abatements should be tied directly to employment and wage policies that require family-supporting wages and benefits.
- **Strengthen asset development policies and programs that help low-income working families build lasting economic security.** Texas should invest in policies and programs that increase homeownership, higher education, and retirement savings.
- **Implement a new state tax system.** A low-rate personal income tax would actually reduce overall taxes for middle and low-income families, while at the same time providing enough money for education, job training, and work supports to help Texans earn more.



Visit www.cppp.org to access the complete report and interactive website which includes budget data for the metropolitan areas, along with family profiles, fact sheets, and policy recommendations.

The Center for Public Policy Priorities (CPPP) is a nonprofit, nonpartisan research organization committed to improving conditions for low-and moderate-income Texans.