



PRIORITIZING CITY EMPLOYEES IN AUSTIN'S 2023 BUDGET RAISES THE BAR FOR AUSTINITES OF ALL BACKGROUNDS

Raising the Hourly Wage to \$22 is Equitable and Necessary



Fact: City employees aren't earning enough to support themselves or their families.

We can choose to prioritize City employees, their families, and public services for all Austinites in our city budget.

The cost to live in the Austin metropolitan area has sharply risen since the COVID-19 pandemic. In order to hire the most qualified workers possible, reduce turnover, and increase productivity – **the City must increase its minimum wage for our valued workers and the vital public services and programming they provide.**

Average monthly rent prices in Austin, 2010 to 2021

Historically, the average price of rent in Austin has risen anywhere from 1% to 10% each year. In the past several months, the rate at which rents have increased has nearly doubled.

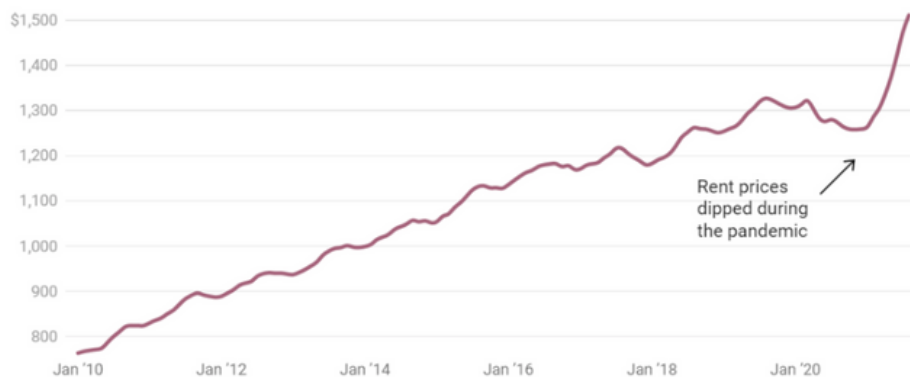


Chart: Audrey McGlinchy • Source: RealPage Analytics • [Get the data](#) • Created with [Datawrapper](#)

Housing rental rates have doubled and the average 1-bedroom apartment rents at \$1,500 a month.¹ Austin has the second-highest year-over-year rent increase nationally at 35%.²

In addition to 8% inflation and a 56% increase in appraised home values, Austinites are experiencing unprecedented growth in the overall cost of living.

MONTHLY COSTS³

2 adults and 2 children
Austin/Round Rock metro area

| | |
|----------------------|------------------------|
| HOUSING | \$1,434 |
| FOOD | \$810 |
| CHILD CARE | \$1,183 |
| TRANSPORTATION | \$1,170 |
| HEALTH CARE | \$1,201 |
| OTHER NECESSITIES | \$813 |
| TAXES | \$648 |
| MONTHLY TOTAL | \$7,259 |
| ANNUAL TOTAL | <u>\$87,105</u> |

FAMILY OF FOUR

In order for a family of four to be able to cover their basic household costs in Austin, the family needs to earn **\$87,105 per year** / \$7,259 per month or a combined hourly wage of \$42 per hour.

MONTHLY COSTS

1 adult and no children
Austin/Round Rock metro area

| | |
|----------------------|------------------------|
| HOUSING | \$1,059 |
| FOOD | \$280 |
| CHILD CARE | \$0 |
| TRANSPORTATION | \$856 |
| HEALTH CARE | \$397 |
| OTHER NECESSITIES | \$485 |
| TAXES | \$485 |
| MONTHLY TOTAL | \$3,563 |
| ANNUAL TOTAL | <u>\$42,755</u> |

SINGLE PERSON

A single individual living in Austin will need to earn **\$42,755 per year** / \$3,563 per month. For a single person, this equates to roughly \$21 per hour.

¹ <https://www.kut.org/austin/2021-10-08/the-average-monthly-rent-in-austin-is-now-1-500-prices-are-rising-at-the-fastest-pace-ever>

² <https://www.kxan.com/news/local/austin/austin-climbs-to-2nd-highest-year-over-year-rent-increase-nationally/>

³ <https://www.epi.org/resources/budget>. Data is for 2020.



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A CITY EMPLOYEE

earning \$15 hour per hour earns about **\$31,200 per year**. Based on the family budget calculator, this individual faces an \$11,555 annual deficit **forcing them to choose between vital household costs**.



Fact: \$22/hour is a living wage in Austin.

\$22/hour is still only a modest income. In fact, if the federal minimum wage had risen with economic productivity, our projected minimum wage would already be \$22 per hour.

A \$15/hour minimum wage is too low and ultimately costs all Austinites.

The economy can afford a much higher national minimum wage

Real and nominal values of the federal minimum wage, and its real value if it had risen with total economy productivity, 1938–2020, and projected values under the Raise the Wage Act of 2021, 2021–2025



Notes: Inflation measured using the CPI-U-RS. Productivity is measured as total economy productivity net depreciation.

Sources: EPI analysis of the Fair Labor Standards Act and amendments and the Raise the Wage Act of 2021. Total economy productivity data from the Bureau of Labor Statistics Labor Productivity and Costs program. Average hourly wages of production nonsupervisory workers from the Bureau of Labor Statistics Current Employment Statistics.

Economic Policy Institute

Due to low wages, City staff vacancies are 17% across the board, with EMS vacancies at 25%, AFD vacancies at 9%, and APD civilian vacancies at 20.9%. City leaders must prioritize staffing needs before all other new spending in FY 2023.

As a result of staffing shortages, the City has struggled to deliver vital public services and goods:

- 15 of Austin's 34 public swimming pools are closed due to the lifeguard staffing shortage while Austinites face record summer heat. City leaders have acknowledged that they cannot compete with private market salaries – which attributes to the lifeguard shortage.
- Austin Resource Recovery has to put out a contract for bulk pick-up and brush because it cannot recruit and retain CDL drivers on current wages.



\$22/HOUR FOR CITY EMPLOYEES RAISES THE BAR FOR ALL OF US!



Fact: Living Wages Build Equity in Our Community

The City of Austin claims to be committed to building equity and opportunity for Austinites of all backgrounds. By raising the City employee wage from a poverty level to a living wage, we help address systemic inequities that have prevented Black, brown, and low-income community members from being paid the true value of their work.


Nearly 4,000 City of Austin employees will benefit from a minimum salary increase and the majority of them are groups systemically targeted for oppression. Women and Black people are more likely to choose public service jobs. Paying a living wage for city employees is critical to addressing the broader problem⁴ of women and Black people being paid less than their peers for the same work.

Minimum wage increases in the late 1960s explained 20% of the decrease in the Black–white earnings gap in the years that followed.⁵ Failures to adequately increase the minimum wage after 1979 account for almost half of the increase in inequality between women at the middle and bottom of the wage distribution.

⁴ <https://www.epi.org/blog/cuts-to-the-state-and-local-public-sector-will-disproportionately-harm-women-and-black-workers>

⁵ Source: <https://www.epi.org/publication/epi-testimony-on-increasing-the-minimum-wage-to-15-per-hour/> Ellora Derenoncourt, Claire Montialoux The Quarterly Journal of Economics, Volume 136, Issue 1, February 2021, Pages 169–228, <https://doi.org/10.1093/qje/qjaa031>

CLOSING



Regardless of our race, gender, or place, every Austinite benefits from a City budget that prioritizes its employees and the provision of quality public services and programming. Let's raise the minimum wage and ensure every Austinite gets the City services and quality of life we deserve.

Living Wage Working Group produced this document. The following community organizations participated in the Living Wage Working Group: AFSCME, Central Texas Interfaith, Workers Defense Project, Laborers International Union 1095, IBEW Local 520, Austin Chapter of General Contractors, Plumbers Local 286, Equal Justice Center, Unite Here, Local Progress, Texas Antipoverty Project, and Every Texan.

Contact your City Council member today to let them know you support a \$22 living wage for our valued city employees at austintexas.gov/austin-city-council