

## Frequently Asked Questions about Recent Pay Raises at TAMU

- Q. The lowest paid workers at Texas A&M just got a raise. Why should we continue advocating for a Living Wage?**
- A. \$7.77 is better, but it is not good enough. While the recent raise is a positive step forward, more needs to be done. The coalition would like to continue the dialogue that has been started with the university. Even with this pay increase, many employees will still be forced to support their families with wages less than the federal poverty guidelines. For example, a family of three can make up to \$9.76 per hour and still be considered poor enough to qualify for food stamps. Wages of \$7.77 per hour (\$16,224 per year) still fall about \$2,650 below the annual wages required to afford fair market rent for a one bedroom apartment in this community and about \$9,000 below the estimated self-sufficiency budget for a family of two in this community. Through further dialogue, we believe that the university and Bryan/College Station community can create and implement workable solutions to the problems facing the working poor.
- Q. Which job classifications are impacted by the recent raises? How many employees are impacted by the raise?**
- A. According to an e-mail from Dr. Gates, approximately 340 employees will be impacted by the new minimum hourly rate. For those individuals making the current minimum hourly rate of \$6.57, the pay raise will be an increase of \$1.20. Most of the employees impacted are already making more than the minimum; thus, their net raise will be slightly less per hour. A listing of all positions to be impacted by the September 1<sup>st</sup> increase is available at: <http://hr.tamu.edu/classification/pay-changes.pdf>
- Q. How many employees are still making wages less than the Living Wage of \$9.76/hour recommended by the TAMU Faculty and Student Senate Resolutions?**
- A. During the 2004-2005 school year, there were 90 full-time non-exempt employees making less than \$7.00/hour, 381 full-time non-exempt employees making less than \$8.00/hour, 330 full-time non-exempt employees making less than \$9.00/hour, and 379 full-time non-exempt employees making less than \$10.00/hour.<sup>1</sup> It is possible that longevity pay and merit pay increases for the 2005-2006 school year may raise some of these employees above the Living Wage of \$9.76 per hour; although it is likely that many of these employees will still be making less than a living wage.

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<sup>1</sup> Personal Communication (September 29, 2004). Lallah M. Howard, CPA, Assistant Vice President for Finance, Texas A&M University. [Note: Total income based on 2088 hours/year.]

- Q. An increase in the wages for the lowest paid employees could result in compression – a shrinking of the differences in pay between employees. Is that fair to long tenured or supervisory employees who are currently making just over the new minimum?**
- A.** Thanks to the 79th Legislature, long tenured employees will also be seeing pay increases in the near future. Longevity Pay will increase to \$20 per month for every two years of service instead of every three years. So, longer term employees will see increases in their pay based on their years of employment. Additional reviews of the classified pay plan are also expected. According to the TAMU human resources department, the university will begin reviewing the compensation plan for those employees currently making more than \$7.77/hour beginning in November, 2005. It is important that all employees speak up in this process to ensure fair and just economic practices for all. We believe that the Living Wage of \$9.76 per hour should be the *minimum* standard for all employees and that additional criteria such as: merit, job description, education and tenure, should be considered in developing a new pay structure based upon this new minimum so that long tenured and supervisory employees are adequately compensated for their work.