



How Can We Solve the Minimum Wage Debate ? How a Universal Living Wage Can Help Solve Homelessness

Richard Troxell knows what it is to be homeless.

After serving his country in Vietnam, he returned home to an ungrateful nation. He was homeless for several years before finally finding work as a mechanic and a place to live.

Troxell, a relentless advocate for the homeless and author of *Looking Up at the Bottom Line* (www.HouseTheHomeless.org), serves on several committees and works with numerous charity organizations with the aim of ending homelessness. In 1997, he designed a formula to fix the Federal Minimum Wage, an idea that he believes will have as many benefits for the homeless as it holds for businesses and the economy in general.

"Homelessness is a vicious circle, because in order to find a home you need to find work, but without a living wage job the work ends up not sustaining the worker, who again becomes homeless," he said. "The problem is that in any city in the USA, the minimum wage isn't enough to support a full time worker. Housing costs in major metropolitan areas are far beyond the reach of minimum wage earners, and once someone gets a job, they no longer qualify for support programs. So, it's a catch 22 – if they find work, they still can't afford to live on their own. So they stay homeless and accept whatever public assistance that is available to them. But, what's important to recognize is that most folks want to work! No one feels good if they are not working."

Troxell's solution is to replace the minimum wage with a **Universal Living Wage**, which would create a minimum wage that is proportionate to the living expenses of where the worker lives and works. Troxell's formula is simple and it's based on the concept that if people are willing to work a 40-hour week, they should at least be able to afford an efficiency apartment regardless of where they live.

The formula includes three basic established ideas:

- **Work a minimum 40-hour week**
- **Spend no more than 30% of income on housing**
- **Index the minimum wage to the local cost of housing, as set each year by the US Department of HUD (Fair Market Rents)**

"This is a win-win situation for both businesses and employees that can help start rebuilding the fabric of the American family," Troxell said. He goes on to report that, "It first enables people experiencing homelessness to find jobs, housing and be able to feed themselves without any public assistance. This is huge," he declares. "This will help reduce the economic burden on taxpayers, while at the same time it will stimulate the economy. It adds consumer dollars to the economy, while simultaneously eliminating the need for tax dollars that were previously spent on supporting people experiencing homelessness."

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Troxell also believes that businesses will benefit from the plan.

"While the initial response may be to complain about having to pay workers more, the truth is that this plan will create far better retention rates for the business where they are employed. Businesses incur costs for high employee turnover, including retraining and productivity losses when a worker resigns, because they found higher paying work or are rendered homeless due to the low wage. What little extra they might pay in addition to the current minimum wage would be offset by higher productivity, higher employee retention and lower retraining costs. Besides, what could be better for business and taxpayers than to introduce more consumers into their marketplace, while stimulating the economy naturally rather than counting on bailouts? The Universal Living Wage is a consumer-friendly, taxpayer-friendly, business-friendly idea whose time has come."

About Richard R. Troxell

Richard Troxell has become both a successful entrepreneur and a prolific philanthropist, and an advocate of the homeless. Today, he is the creator and Director of Legal Aid for the Homeless, and founder and President of House the Homeless, where he has daily interaction with the disabled homeless citizens of Austin, Texas. Currently, he sits on the Board of the National Coalition for the Homeless. His work has been recognized by the Pennsylvania Senate, The Governor of Texas, The United Nations, The Philadelphia Bar Association and countless others. His work is culminating in his drive to "fix the Federal Minimum Wage" as the National Chairman of the Universal Living Wage Campaign.

