

Conversations with the Experts

The Betrayal of Work: How Low-Wage Jobs Fail 30 Million Americans



Beth Shulman

Bio: Beth Shulman is a lawyer, labor consultant, and former vice president of the United Food and Commercial Workers Union. She lives with her family in Washington, D.C.

An Interview with Beth Shulman

By Judi Casey and Karen Corday

Casey: What do you mean by "low wage jobs"? Can you give some examples?

Shulman: The designation of a wage level for low-wage jobs is a bit arbitrary. The poverty rate is around nine dollars an hour. But we know the poverty rate doesn't measure what it really takes to make ends meet. In most areas it takes at least double that figure. Certainly, someone who's making less than \$10 to \$12 an hour is in a low wage job. An important piece to remember is that it's not just low wages that define a low wage job; there are so many other deficits to these jobs. Low wage workers are the workers least likely to get health care coverage or any kind of pension coverage. Forty- percent of families with incomes below 200% of poverty don't have one paid day off. Three-quarters of all low wage workers don't have one paid sick day. They are the workers that are the least likely to be able to afford to take family leave, because the Family and Medical Leave Act does not provide paid leave. They are the least likely to work at companies with fifty or more employees, so many are excluded from the Family and Medical Leave Act entirely. They are the least likely workers to receive any sort of training from their employers, and are the most likely to work nonstandard hours, which makes finding child care difficult and expensive. Many low wage jobs are among the most hazardous in our economy.

So, when talking about low wage jobs, it's important to think about them as jobs with very few of the benefits that many people expect their workplaces to provide. There's an understanding that if you work hard, you can take care of yourself and your family, but with these jobs, it's impossible to do so.

Examples of low wage jobs include child care workers, nursing home workers, home health care workers, people who work in the food processing industry, educational assistants, janitors, hotel workers, and retail workers. These are jobs in the very mainstream of our economy and lives, and they're the fastest growing jobs.

Casey: Who are America's low wage workers, and is gender a factor?

Shulman: Three-quarters of America's low wage workers are white, although they are disproportionately people of color. Around two-thirds are female. It's a myth that most low wage workers are teenagers; only about seven percent fall into this age group. They are adults like the rest of us, trying to take care of themselves and their families.

Casey: Are there low wage jobs around the globe? Are there differences in countries outside of the United States?

Shulman: Absolutely. It was a shock to me to find that low wage workers in the United States are the worst off of any industrialized country. There are many options that would make these jobs better jobs, but the United States has simply failed to implement them. For example, until this year, we let the minimum wage fall for ten years to its lowest value in fifty years. Our health care system also adds to the problem; most other

industrialized countries provide health coverage to all workers, regardless of their job.

We are the outlier in terms of providing health care, paid sick days, paid family leave, and child care. When there isn't a standard in place for these benefits, providing them is a voluntary decision on the part of the employer, and they generally will skew benefits towards their workers with higher salaries. The provision of benefits is worsening the inequality in the United States that's already there in regard to wages.

Casey: Can you explain the four myths that predominate in discussions of low-wage work?

Shulman: It's always struck me that there isn't more outrage about this issue, and I think it's because there are a lot of myths surrounding it. First, there's a tendency to talk about these jobs in terms of fast-food workers. That's what most people think of when they think of low-wage workers. This doesn't cover the wide range of low wage jobs; child-care workers, nursing home workers, janitors, hotel workers, educational assistants and processing workers. Most low-wage jobs are in the fast growing service sector. These jobs are important to our economy and our lives.

Another myth is who is in these jobs; many people think low wage workers are teenagers or high school drop outs, and therefore treat the issue dismissively, assuming those who hold these jobs are somehow less deserving. The reality is that low wage workers are better educated than ever; most are high school graduates, many have two year college degrees, some have four year degrees. They are adults like the rest of us trying to care for their families.

The third myth is that these jobs are merely stepping stones to better jobs, so we don't need to pay a lot of attention to them, as most workers are only in these jobs temporarily. However, more than half of low wage workers never move out of the lowest quartile of the income bracket, and those that do move up tend to move up no more than one quartile; they rarely make it past the median wage. There isn't the type of mobility in place that we can see the jobs as stepping stones; many people get stuck in low wage careers.

Casey: Why is that?

Shulman: First of all, there are not a lot of middle income jobs for people to move into. Secondly, in the low wage market, there's not a lot of mobility within a workplace. Thirdly, there's a lack of unions, so what created some stepping stones in, for instance, the manufacturing sector, such as collective bargaining, is not available, particularly in the service industries. Yet where there are unionized health care jobs or hotel jobs, there is greater mobility. Take New York's 1199 SEIU United Health Care Workers East, which has negotiated career ladders within the healthcare industry. Workers can get training and move up the career ladder. Another example is a school I visited in Las Vegas that is a joint venture between the hotels and the culinary worker's union. Workers can get trained at the school as, say, a hotel maid, and then come back later to be trained as a sous chef. There are a variety of hotel-related skills being taught, so workers can move up the career ladder as well as between hotels.

The fourth myth is that skills are the answer. I believe in skills and training, especially since low wage workers are the least likely to get it. However, this does not solve the issue; these are the jobs that are growing in our economy. The very high end and the very low end are expanding very rapidly. These jobs aren't going anywhere, so we have to do something about the quality of these jobs.

Another myth I like to discuss is the belief that because we're in a global marketplace, we can't do anything about this issue. The reality is that these jobs aren't in the global marketplace; for the most part, they can't be outsourced to workers in, say, Bangalore. These workers aren't competing with workers in China and the jobs aren't going anywhere.

Casey: How does having a low wage job affect children, families, and communities?

Shulman: We hear all the time about the United States' belief in equal opportunity; no matter what one's political outlook, we can all agree that children should have the same opportunities to thrive. When you look at the children of low wage workers, you see that they have anything but the opportunity to thrive. Their parents have the least amount of time off to be with them and care for them. They have the least amount of resources to provide for them, so they often have substandard child care and early education. They often live in neighborhoods with the least amount of resources and that tend to be the most dangerous. They go to public schools that truly are unequal to those in higher income neighborhoods, largely because public schools are financed by property taxes. If they qualify to go to college, they often can't afford to go. What we have set up is a system in which the children of low wage workers do not have the opportunities that children from higher income families do. At every step, they face enormous barriers to success.

When people don't have opportunities and time to contribute, you see communities break down. There's also a massive impact on our democracy; low wage workers are the least likely to vote. One worker said to me, "Why should I vote? Politicians just do not understand what it's like for a minimum wage worker." While I may not agree with that, I think there is a disconnect between the issues that politicians focus on and the needs of low wage workers. Workers feel very disconnected from the political process as a result.

Casey: Does the FMLA help low wage workers and their families?

Shulman: It's great that we have the Family and Medical Leave Act (FMLA), but the problem for low wage workers is that they can't afford to take unpaid time off. Every cent really counts for low wage workers. When a low-wage worker gives birth, it is a time when they need more money not less. We have put a new parent in the situation of having to choose between having time with their newborn or having the money to provide for that newborn. That's crazy. As I mentioned above, many low wage workers are often not even covered by the FMLA, as they tend to work for smaller businesses.

Casey: How could we level the playing field for employers who provide a living wage and basic benefits?

Shulman: Raising the minimum wage to \$9.00 an hour is a start. Ensuring that we have a health care system that all employers must pay into equally would level the playing field so that all employees had health care coverage. It's also important to put new work standards in place, as in the case of the proposed Healthy Families Act. There should be incentives for businesses who are doing the right things; there should be a living wage ordinance that gives tax dollars only to those employers who pay a living wage and provide basic benefits.

Casey: What do you suggest to workplace practitioners who represent organizations with low wage workers?

Shulman: I would first argue that providing basic benefits and flexibility to workers is not only good for workers and their families, it is good for all of us. Take paid sick days. If people come to work sick, they spread their illnesses to other workers, which decreases productivity and increases absences. This isn't good for business. When there is flexibility, workers are more likely to stay at their job than those who have no flexibility. This applies to paid family leave, too. Employers need to understand that these practices are good for workers, businesses, and the public at large. Many low wage workers work with the public, and we don't want people coming to work sick and making customers or patients ill.

It is important for practitioners to get involved in the myriad of campaigns at the local and state levels that are working on such issues as paid sick days, paid family leave, community benefit agreements, days off for school activities and other issues that improve the lives of low-wage workers. These campaigns work. The best example comes from San Francisco. A group of low-wage workers decided through Young Workers United to work on a paid sick days ordinance in San Francisco. Without paid sick days, low-wage workers were losing paychecks when their children got sick or even losing their jobs. A lot of people didn't think they would be successful, but they were and an ordinance was passed in 2006. There are campaigns all over the country working to improve the lives of low-wage workers. People need to get involved.

Casey: Would more research help to move forward on this issue, or is action more important at this point?

Shulman: I do think action is more important. We know what low-wage workers need. It is a question of political will. Low-wage workers need a living wage, basic health care and retirement security and some time off to be with their families. Our low-wage workers are the worst off of any industrialized countries. Most low-wage workers in other countries are paid more, have health care and retirement security and have flexibility in their jobs. Most Americans don't realize that having paid time off is a recognized right in most countries throughout the world. It's also important to reframe the issue. The press has done so much to make the need for new work standards and supports a frivolous issue, from the "mommy wars" to the "opt-out revolution." Women with children work, and they work for the same reasons that men work—to take care of themselves and their families. We are currently dealing with a system that is completely outdated—it's based on women staying home full time to take care of the family, and this is no longer the case. Our laws have not been updated to reflect the current reality. We need to talk about the need to put forth new workplace standards that respond to today's workplaces and families.

Casey: Why is it so hard for people to understand that?

Shulman: It's been talked about as a choice that people make; they get up in the morning and think about whether they feel like working or not. The only way that even middle-income families have stayed even is the fact that we have two people in the family working, as opposed to one. This has never really been brought out. People talk about how the family income has stayed level; the only reason it has stayed level is because women now work. Low wage workers, like middle income workers, don't have a choice. They have to work to pay the rent and provide clothes and food for themselves and their kids and pay their utilities. This isn't some "choice" they're making as to whether or not they want to work.

I think there's also some ambivalence that hasn't been articulated about women in the workplace. There's still a kind of "Donna Reed/Ozzie and Harriet" fantasy underlying the American psyche. We need to get past that; we need to stop pretending that women are not in the workplace. Seventy percent of women work! It's important to talk about work as a necessity, not a choice.

Casey: Can you talk about your Compact with Working Americans?

Shulman: It's based on the understanding that what defines America is the American Dream. America is not pulled together by a particular culture or ethnicity; we're pulled together by a sense of a dream, the American Dream- that if you work hard you can provide for yourself and your family with the basics of a decent life. The Compact says that if you are willing to work hard, there are certain benefits that you should rightfully expect. These include a basic living wage, health care, and paid time off to care for oneself or one's family. These are basic human rights; these aren't privileges. I also call for basic retirement security. Today, we really don't have a pension system. We have social security, but this was never meant to stand alone. Low wage workers are the least likely to get any sort of pension, and they can't afford to put money into a 401K, so often they must forgo retirement and keep on working in jobs that are difficult as a younger adult, and backbreaking as an older adult.

Casey: How can state policy makers improve the work-family lives of low wage workers?

Shulman: A lot of states have passed minimum wage laws above the federal minimum wage, which is one improvement. They can pass a state Earned Income Tax Credit, which would help low wage workers, and we need to expand the EITC to those without children. Several states are taking on the need for paid sick days and paid family leave. In terms of minimum wage issues, states were the leaders in understanding that people were working hard and couldn't make it. This is starting to happen in some states with regard to health care. Massachusetts is a good example. States need to lead the way in providing some of the benefits I discuss in my Compact with Working Americans.

Casey: What's the role of unions?

Shulman: The role of unions is essential, and this is largely not discussed. When low wage jobs are unionized, they start to look like middle wage jobs. If you take a hotel job in Las Vegas, that worker is making fifteen dollars an hour, has health care coverage, paid time off, and a pension. The same worker in a similar economic market in Reno in a non-union job would be making around eight dollars an hour without benefits and time off. Unions not only raise wages, they provide benefits and flexibility, which are so necessary in the creation of quality jobs. They also bring a voice to the political arena. They led the way in the minimum wage campaign, and are very involved in campaigns for health care and paid time off. They voice the interests of working families; without them, what we see are policies that don't respond to the needs of families.

Casey: Is there anything else you'd like to add?

Shulman: These are all choices that we make. One of the myths is that our economy and workplace practices are forces of nature that just happen, and there's nothing to be done about them. This brings about a paralysis. The reality is that we have a lot of choices as to how we want to structure our society, and we need to take back some of that power and decide to create a society that supports families. Right now, we are at a crossroads concerning what families need. We can do a lot to improve the lives of America's families, but we must update our outdated workplace standards and supports to do so.

Casey: Is business the barrier to implementing these standards?

Shulman: Business is the basic hurdle; they opposed even California's paid family leave, which is entirely financed by employees. There's an ideology against any sorts of standards or rules, but the only way that we can take care of families is by implementing some new standards and leveling the playing field. This has been done in the past; workplace standards have helped to eliminate child labor, ensure a minimum wage, and eliminate sweatshop conditions. We need standards that reflect the realities of the twenty-first century workplace and the twenty-first century family.

The Betrayal of Work: How Low Wage Jobs Fail 30 Million Americans is available from The New Press.

Percentage of Working Families That Are Below the 200% of Poverty Level, 2005

Source: Working Poor Families Project. (n.d.) *Conditions of low-income working families*. Retrieved February 25, 2008, from the Working Poor Families Project web site:
http://workingpoorfamilies.org/xls/WPFP_Conditions_Low-Income_Working_Families.xls

Additional Resources Related to Low Wage Workers

ACORN: Paid Sick Days Campaign: “ACORN, the Association of Community Organizations for Reform Now, is the largest community organization of low- and moderate-income families in the United States, working together for social justice and stronger communities. Organized into 850 chapters in 100 U.S. cities, Canada and South America, ACORN members are united to foster democracy in bringing about social change.”

- To access the site: <http://acorn.org/?10831>

Annie E. Casey Foundation: Family Economic Success: “Family Economic Success is an approach that helps low-income working families build strong financial futures in strong neighborhoods by integrating three key components: workforce development, family economic support, and community investment.”

- To access the site: <http://www.aecf.org/Home/MajorInitiatives/FamilyEconomicSuccess.aspx>

Fairness Initiative on Low-Wage Work: Information for the media on low-wage workers and their families. Includes a podcast, fact sheets, and reports.

- To access the site: <http://www.lowwagework.org/index.htm>

Good Jobs First: “Good Jobs First is a national policy resource center for grassroots groups and public officials, promoting corporate and government accountability in economic development and smart growth for working families. We provide timely, accurate information on best practices in state and local job subsidies, and on the many ties between smart growth and good jobs.”

- To access the episode: <http://www.goodjobsfirst.org>

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