The Struggles of Low-Wage Work

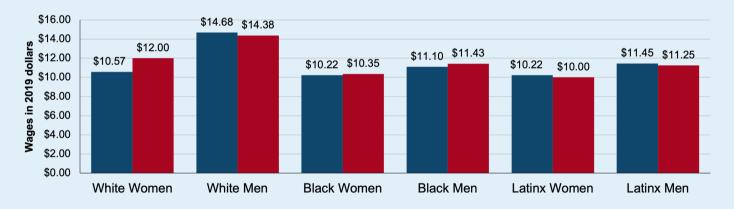
CLASP
The Center for Law and Social Policy

Fact Sheet | June 2021 Adewale Maye & Asha Banerjee

Millions of workers have jobs with low pay, shifting schedules, few if any benefits, and limited opportunities for advancement. The COVID-19 pandemic and economic crisis undeniably impacted workers paid low wages the hardest, as millions lost jobs or income, while others continued to work in essential jobs, often at great risk to themselves and their families. Women—and especially women of color—were disproportionately likely to be employed in jobs paying low wages before the pandemic and have suffered the greatest economic impacts of the pandemic. ²

Workers in low-wage jobs are more likely to be employed in industries with hazardous working conditions and lax enforcement. Women and people of color are disproportionately likely to have jobs paying low wages. Despite some economic growth after the Great Recession and now facing an uncertain recovery, wages have remained low. A worker A worker being paid median wages did not earn much more in 2017 than 1979 when adjusted for inflation.

Wages for Workers in the Bottom 10th Income Percentile



■ 1979 ■ 2019

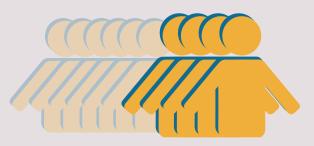
In 1979, Black women in the bottom 10th percentile earned today's equivalent of \$10.22/hour, in 2019, they earned only \$10.35. Latina women's wages decreased from \$10.22/hour in 1979 to \$10.00 in 2019. Simply put, in 40 years, nothing has changed for the workers whose vital labor makes it possible for us all to flourish.⁵

COVID-19 and Workers

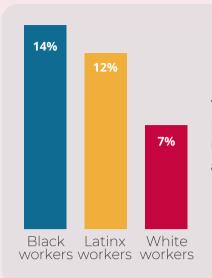
At the start of the COVID-19 pandemic, **20.5 million** workers lost their job in April.⁶ During the COVID-19 recession, workers of color saw **higher rates** of unemployment compared to white workers.⁷

The rate of housing insecurity and food insecurity increased to **10.3 and 7.3 percent**, respectively.⁸

Part-time and Involuntary Part-time Work



In 2016, 4 in 10 part-time workers were underemployed; these workers wanted and were available to work more hours but their employer didn't make these hours available to them.



We find even higher rates of part-time underemployment among Black and Latinx workers.¹⁰

Part-time workers are paid 29.3% less in wages per hour than full-time employees from similar backgrounds." In addition to low pay, part-time workers also have limited benefits and support such as health insurance, retirement, or paid leave."

Job Scheduling

Unstable schedules make it difficult for workers to arrange transportation, attend education and training programs, hold a second job, manage their budgets, obtain quality child care, and maintain a stable income.¹³

Unpredictable scheduling can lead to:

- benefit ineligibility
- poor mental health
- financial insecurity

In 2020, 16% of employees had a work schedule that varied based on their employer's needs. 10% of employees had a schedule that varied at their own request. Collectively, just over one-fourth of employees had a varying work schedule.¹⁴ 30% of workers with a schedule that varied based on their employer's needs said that they were either just getting by or finding it difficult to get by. This compares with 18% of workers with a fixed schedule or with a schedule that they control.

When compared to workers with fixed schedules, approximately, 15% of workers who had variable schedules were underemployed. **

Access to Health Care Benefits

73% of the workers earning lowest wages **did not have** access to health care through their job.¹⁷

Access to Paid and Unpaid Leave

In 2020, **less than 10%** of workers employed in sectors paying low wages had access to paid family leave, and **less than 50%** of workers had access to paid sick leave.¹⁸

60%

of workers paid low wages who may desperately need to take leave are not covered by or eligible for the Family and Medical Leave Act (FMLA).¹⁹

More than two thirds

of low-wage private sector workers those earning less than \$10.49/hour—do not have access to paid sick days, compared with only 10% of those earning \$30.61/hour or more.²⁰

Domestic Workers and COVID-19

2.2 million There are over **2.2 million** house cleaners, care workers, and nannies working in private homes across the country. Sadly, many of these workers were stationed on the frontlines of the pandemic, risking their heath and livelihoods with the least protections and some of the lowest pay.

A recent survey of domestic workers during the onset of the pandemic found that:

- 84% of workers reported they either would not be able to afford food²²
- 55% were unable to pay April's rent
- 77% feared being evicted 2

What should a good job have?



- A sustainable, living wage
- Benefits like paid family and medical leave & paid sick days
- Fair and predictable schedules

Fact Sheet Citations

- 1. Donald Tomaskovic-Devey, Rodrigo Dominguez-Villegas, and Eric Hoyt, "The COVID-19 Recession: An Opportunity to Reform our Low Wage Economy?" UMass Amherst Center for Employment Equity, https://www.umass.edu/employmentequity/covid-19-recession-opportunity-reform-our-low-wage-economy.
- 2. Elise Gould and Valerie Wilson, "Black Workers Face Two of the Most Lethal Preexsisting Conditions for Coronavirus—racism and economic inequality," Economic Policy Institute, June 2020, https://www.epi.org/publication/black-workers-covid/.; Titan Alon, Matthias Doepke, Jane Olmstead-Rumsey, and Michèle Tertilt, "The Impact of COVID-19 on Gender Equality," National Bureau of Economic Research, April 2020, https://www.nber.org/system/files/working_papers/w26947/w26947.pdf.
- 3. Martha Ross and Nicole Bateman, "Meet the low-wage workforce," Brookings, November 2019, https://www.brookings.edu/research/meet-the-low-wage-workforce/.
- 4. Jay Shambaugh and Ryan Nunn, "Revitalizing Wage Growth: Policies to get American workers a raise," Brookings, February 2018, https://www.brookings.edu/multi-chapter-report/revitalizing-wage-growth-policies-to-get-american-workers-a-raise.
- 5. Sarah A. Donovan and David H. Bradley, "Real Wage Trends, 1979 to 2019," Congressional Research Service R45090, December 2020, https://fas.org/sgp/crs/misc/R45090.pdf.
- 6. Adewale Maye, Asha Banerjee, and Cameron Johnson, "Disastrous Jobs Report Underscores Protection and Relief", Center for Law and Social Policy, May 2020, https://www.clasp.org/publications/fact-sheet/disastrous-jobs-report-underscores-need-protection-and-relief.
- 7. Adewale Maye, Asha Banerjee, and Cameron Johnson, "The Dual Crisis: How the COVID-19 Recession Deepens Racial and Economic Inequality Among Communities of Color," Center for Law and Social Policy, November 2020, https://www.clasp.org/publications/report/brief/dual-crisis-how-covid-19-recession-deepens-racial-and-economic-inequality. 8. Ibid.
- 9. Lonnie Golden and Jaeseung Kim, "The Involuntary Part-time Work and Underemployment Problem in the U.S.," CLASP, August 2020, https://www.clasp.org/publications/report/brief/involuntary-part-time-work-and-underemployment-problem-us. 10. lbid.
- 11. Lonnie Golden, Part-time Workers Pay a Big-Time Penalty, Economic Policy Institute, 2020, https://www.epi.org/publication/part-time-pay-penalty/.
- 12. Ibid. Only about 16.4 percent of part-time workers' compensation is made up of benefits compared to 20.1 percent of full-time workers' compensation.
- 13. Kiese Hansen, "Why Workers and their Families Need Predictable Scheduling," CLASP, September 2019, https://www.clasp.org/publications/report/brief/why-workers-and-their-families-need-predictable-scheduling.
- 14. Board of Governors of the Federal Reserve System, Report on the Economic Well-Being of U.S. Households in 2020, May 2021, U.S. Federal Reserve, https://www.federalreserve.gov/publications/files/2020-report-economic-well-being-us-households-202105.pdf.
- 15. Ibid.
- 16. Lonnie Golden and Jaeseung Kim, "The Involuntary Part-time Work and Underemployment Problem in the U.S.," CLASP, August 2020, https://www.clasp.org/publications/report/brief/involuntary-part-time-work-and-underemployment-problem-us.
- 17. Bureau of Labor Statistics, National Compensation Survey, Employee Benefits in the United States, Table 9. Healthcare Benefits: Access, Participation, and Take-up rates, private industry workers, March 2020, https://www.bls.gov/ncs/ebs/benefits/2020/employee-benefits-in-the-united-states-march-2020.pdf.
- 18. Bureau of Labor Statistics, National Compensation Survey, Employee Benefits in the United States, Table 45. Paid Leave Combinations: Access, private industry workers, March 2020, https://www.bls.gov/ncs/ebs/benefits/2020/employee-benefits-in-the-united-states-march-2020.pdf.
- 19. Adewale Maye and Nat Baldino, "New Data Confirm U.S. Needs a Comprehensive Paid Leave Policy," CLASP, February 2021, https://www.clasp.org/publications/fact-sheet/new-fmla-data-need-paid-leave
- 20. Diana Boesch, Sarah Jane Glynn, and Shilpa Phadke, "Lack of Paid Leave Risks Public Health During the Coronavirus Outbreak", Center for American Progress, March 2020, https://www.americanprogress.org/issues/women/news/2020/03/12/481609/lack-paid-leave-risks-public-health-coronavirus-outbreak/.
- 21. Adewale Maye, "The COVID-19 Crisis Underscores the Need for Sustainable Domestic Worker Protections," Center for Law and Social Policy, September 2020, https://www.clasp.org/publications/report/brief/covid-19-crisis-underscores-need-sustainable-domestic-worker-protections.
- 22. Coronavirus' Economic Impact on Domestic Workers, National Domestic Workers Alliance, https://domesticworkers.org/sites/default/files/Coronavirus_Report_4_8_20.pdf.