In Their Own Words:
Working People and the Need for Policies that Provide Economic Security

May 2017
Acknowledgements

In Their Own Words: Working People and the Need for Policies that Provide Economic Security is an initiative of The Leadership Conference Education Fund. Staff assistance was provided by Sergio Lopez, Patrick McNeil, and Shin Inouye. June Zeitlin, Emily Chatterjee, Jeff Miller, and Nancy Zirkin were editors of the report. Overall supervision was provided by Ellen Buchman, Executive Vice President.

We would like to thank Joanne Omang, principal author, as well as Ellen Bravo, co-director, Family Values @ Work, for contributing policy expertise, along with stories of the individuals featured in this report. We are also grateful to the following individuals and organizations who provided useful data, information and support for the project: Dessa Cosma, director, Economic Justice Alliance of Michigan; Mary Moreno, communications director, Texas Organizing Project; Jordan Budd, organizing director, Family Values @ Work; Suzette Gardner, Digital Director, Family Values @ Work; Tameka M. Ramsey, owner, T. Ramsey and Associates; Erica Clemmons, Georgia State Director, 9to5; Jennifer Morales, writer; Mothering Justice; and photographers Christine Rucker, Michael Schwarz, Eric Seals and Yarrow Willman-Cole. We would also like to acknowledge the Economic Policy Institute for its indispensable data and expertise.

We would like to thank Joanne Omang, principal author, as well as Ellen Bravo, co-director, Family Values @ Work, for contributing policy expertise, along with stories of the individuals featured in this report. We are also grateful to the following individuals and organizations who provided useful data, information and support for the project: Dessa Cosma, director, Economic Justice Alliance of Michigan; Mary Moreno, communications director, Texas Organizing Project; Jordan Budd, organizing director, Family Values @ Work; Suzette Gardner, Digital Director, Family Values @ Work; Tameka M. Ramsey, owner, T. Ramsey and Associates; Erica Clemmons, Georgia State Director, 9to5; Jennifer Morales, writer; Mothering Justice; and photographers Christine Rucker, Michael Schwarz, Eric Seals and Yarrow Willman-Cole. We would also like to acknowledge the Economic Policy Institute for its indispensable data and expertise.

The design and layout were created by Laura Gillette. Finally, we would like to acknowledge and thank the JPB Foundation for its financial support for this project.

The authors and publisher are solely responsible for the accuracy of statements and interpretations contained in this publication.

The Leadership Conference Education Fund is a 501(C)(3) organization that builds public will for federal policies that promote and protect the civil and human rights of all persons in the United States.

Access this material online at leadershipconferencedfund.org.

Cover (Clockwise from upper left): Courtney Smith and her son Christopher; Suzette Young; Jonathan Loomis; Al-nisa Smith and her family.

Wade Henderson, President and CEO
The Leadership Conference Education Fund

Karen McGill Lawson, Executive Vice President and COO
The Leadership Conference Education Fund
## Table of Contents

1 Introduction  
3 Working Hard for Little in Return  
5 Lack of Paid Sick Days Hurts Working Families and the Nation  
7 Paid Family Leave: A Lifeline for Workers  
9 Scheduling that Works for Families  
11 Without Medicaid Expansion, Working People Face Hardships  
13 Lack of Basic Living Standards  
15 Recommendations
Introduction

A time of crisis
The 2016 election took place during a period of heightened economic anxiety for many Americans. Despite years of recovery following the deep recession that began in 2007, the benefits of strong job growth have been uneven at best. Because the economy is increasingly out of balance, it has meant that gains have gone almost entirely to the corporations and CEOs, while middle-class and low-wage working families have seen very little improvement in their economic security or actually lost ground, leaving many feeling that the rules of the economy are manipulated against them.

For decades, The Leadership Conference Education Fund has been documenting the changing workplace and its impact, especially on low-income communities and communities of color, and promoting policy reforms needed to create a nation that works for all Americans.

This is a time of crisis—danger combined with opportunity. We see opportunity for building a consensus to change the rules for labor markets at every level—national, state and local—to create a better future for all of America’s working people, especially those in low-wage work. We also see a grave danger that the new administration’s policies—including promises to slash taxes for corporations and CEOs, to repeal the Affordable Care Act and the health coverage it provides for millions of low-income working people and their families, and to overturn critical pro-labor rules, like the expanded overtime rule—could take our country in a different direction that will harm many working people. That would mean the imbalance in our economy will continue to increase, thereby worsening the hardships faced by people struggling to make ends meet.

Our goal remains the same as it was at our founding in 1968: the creation of a united and bipartisan voice among workers, civil and human rights advocates and policymakers for improving the lives of all families. In the wake of a bitter and divisive election, this challenge is both more daunting and more important than ever.

The U.S. economic crisis that began 10 years ago arose because the rules of our economy were manipulated: reckless banking practices, irresponsible lapses in regulatory enforcement and predatory lending among them. Through aggressive action, the federal government took steps to halt these abuses, rebuild the economy and support and re-train many of those who lost their jobs.

But millions of working class and low-wage working people have been left out of the recovery. They continue to endure daily struggles to make their paychecks cover competing needs—to feed their children, pay the rent and their utility bills, and afford transportation to even get where the work is.

In their jobs cleaning our homes and offices, caring for our young and our elderly, serving and selling and washing and driving, working class and low-wage working people suffer from unpredictable work schedules, often in several part-time or full-time jobs at once. They confront costly and inadequate options for transportation, child care and health care. They strive to find time to care for one another, fearing that staying home when they or a loved one are sick or in need will mean not only the loss of a day’s pay but also the possible loss of their job.

The answer, then, is not simply to create more jobs. More than two-thirds of working age people in poverty who can work do work. (The other third are considered unemployable because they are retired, going to school, or have a disability.) We must create more jobs that are good quality jobs, which enable working people to support themselves and their families. We must provide skills training for them, and we must make existing jobs better—in their pay, their benefits, their prospects and their working conditions.
Work should sustain families

Today, too many men and women work full time yet cannot earn enough to provide a basic income for even one adult, and far less than what an adult with only one child needs to make ends meet.²

Not surprisingly, some 43.1 million American adults and children still live in poverty.³ While poverty affects all races and ethnicities, 24.1 percent of African Americans and 21.4 percent of Hispanics live in poverty, compared to 9.1 percent of Whites.⁴ Even including programs that cover basic needs like supplemental food and Medicaid, nearly one million families survive on less than $2 per day, as if they were living in a developing country.⁵

Persistent racial discrimination and stereotypes often constrain the work choices of low-income working people. For example, work-family challenges are often framed as issues of personal choice for white women but not for women of color. White women’s experiences shape the standard assumption that women are expected to focus on home and family, so that those with children are sometimes asked whether they can “have it all” and be both good mothers and good workers. Women of color, on the other hand, often face the opposite dilemma: they have long been expected to work as laborers, caregivers, domestic servants and at other low-paid jobs, and they may be questioned if they want to stay home to care for their children.⁶ As one result, more than two-thirds of African-American women (66.9 percent) provide half or more of their family incomes, compared to 36.2 percent of White women.⁷

Retrograde assumptions about willingness to work also ignore the structural barriers of the economic system: wildly inequitable pay rates, racial and sex discrimination, inadequate workplace standards and lack of public policy solutions. Together they can make navigating the American workplace a grueling experience.

Rising income inequality and wage stagnation have also played a significant role. Since 1979, incomes for the top 1 percent of American earners have grown 245 percent, but for the bottom 90 percent of earners the increase was a mere 26 percent.⁸ This is an economy out of balance.

This was not always true. Poverty plummeted from 1959 to 1979 in relation to growth of the GDP. If that trend had continued, poverty would have reached zero by the early 2000s.⁹

The answer must be to create good quality work. Human beings deserve the dignity of decent working conditions and pay and respect for their potential and prospects for advancement. The national drive for a $15 per hour minimum wage reportedly began when New York City restaurant workers told organizers they thought that amount might rescue them from having to sleep in the back of their dining areas.¹⁰

This report calls for policy initiatives in six areas critical to the life of every American worker: higher wages, affordable family leave, paid sick days, fair scheduling, access to health care, and basic living standards. They are all interrelated, so that when one part changes, for better or worse, all the other aspects are affected.

Change for the better is possible. But in this time of crisis, it will not happen without bringing people together to push for a common agenda for working people and their families.

We are ready

The civil and human rights movement is ready to take up this challenge. Ours has long been a movement for economic security. The Universal Declaration of Human Rights, adopted in 1948, asserts that “everyone has the right to a standard of living adequate for the health and well-being of himself and his family, including food, clothing, housing, medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age, or other circumstances beyond his control.”

The 1963 March on Washington for Jobs and Freedom also envisioned economic security as a prerequisite to keeping the promise of the Declaration of Independence: that every person has an unalienable right to “life, liberty and the pursuit of happiness.” Many of the march’s demands were economic, including a national minimum wage, job training and placement, and stronger laws against discrimination in employment.

While the nation has seen progress over the years, we still seek a society as good as America’s ideals, one that truly embraces equality, equity and economic opportunity and that affirms the human rights of every person. The right to organize and bargain must also be strengthened so that working people have a say in how they are treated and compensated. Our society will be stronger when the benefits of the current surge in economic growth are distributed more equitably among all Americans.

To achieve a nation that works for all, every person should be able to fully contribute to and benefit from jobs that respect their right to live and work with dignity and hope for the future. Where legislation to create such jobs is lacking at the federal level, states and localities have often stepped forward. This report illustrates some of those areas.

We have heard the stories of those who have experienced the lack of adequate policy standards in the six areas discussed here, and of those who have benefited from good policies. These are real people whose lives offer lessons in the need for new activism and change at every level—national, state, and local. Here are some of their stories.
Darius Cephas began working a minimum-wage job at a McDonald’s restaurant in Massachusetts when he was 18, dropping out of school to take care of his mother after she had a stroke.

“It was the first job I could find,” he recalls. “I remember having to decide between being able to pay for food for my mom or food for myself, so a lot of the time I went hungry.”

Seven years later, he’s still there, and things are a little better, but not much. The U.S. minimum wage went to $7.25 per hour in 2009, and in 21 states that’s where it remains. In 2014, however, Massachusetts approved a three-stage minimum wage increase that brought Darius’ base pay to $10 per hour in 2016, plus an extra dollar because he works the night shift.

“I just got married and I want to start a family, but right now $11 an hour is holding me back,” he said. “My checks weren’t enough then, and they certainly aren’t enough now...we have to rely on government assistance.”

Two of every five American workers (58.3 million, or 43.7 percent) are like Darius in holding low-wage jobs that pay less than $15 per hour. This is the highest proportion of low-wage jobs of any industrialized country. These workers prepare and serve food, move freight, help customers, sell merchandise, clean offices and homes, and care for America’s young children and senior loved ones. They are essential to keeping and growing the U.S. economy.

But the rules are manipulated against them, and they are not paid for the work they do. One in every three workers earns under $12 per hour—just above the poverty line for a family of four. In addition to paying near-poverty wages, such jobs typically offer no health care, vacation time, pensions or other benefits, and usually involve rigid rules and unpredictable schedules. More than half of all Black workers and 60 percent of Latino workers hold these kinds of jobs, and more than half are women—primarily women of color.

Nekila White is one such woman of color. At age 14, she got her first job making milkshakes alongside her mother, who was a server at a Steak ‘n’ Shake shop near their Georgia home. “I used to help her and her co-workers clean their tables, and they would give me a few dollars apiece,” she said.

She has been a tipped worker in food services for the 30 years since. “There have been some good times and some really, really bad times,” she said. “I’ve made about $50 to $60 walking in the door, and there have been times when I’ve stayed a full shift and haven’t made but $5.”

“One aspect of tipped-wage work is reliable, however: this single mother of three can’t earn enough to make ends meet. The federal sub-minimum wage for tipped workers has remained at $2.13 per hour since 1991.”

In those days, that was half the federal minimum wage for salaried workers; a quarter-century later, it’s only 29.4 percent of the federal $7.25 minimum. The tipped-wage was never enough to live on, and the gap today means that tipped workers—two-thirds of whom are women—have a poverty rate double that of other job-holders: 12.8 percent.
For Nekila, a crisis came when her employer, Applebee’s, reduced her hours. “Applebee’s almost sent me and my family under the bridge to live. The money had stopped coming in almost completely,” she recalled. She had to take a second job at a local Chik-fil-A to survive.

Nationwide, about 46 percent of tipped workers and their families rely on public benefits, compared with 35.5 percent of other working people and their families.\(^\text{16}\) Raising the national minimum wage to even $12 per hour would reduce federal spending on assistance programs by $17 billion according to the Economic Policy Institute, and it would directly or indirectly lift wages for 35.1 million workers,\(^\text{17}\) including Darius and Nekila, and ensure that they are paid for the work they do.

“Applebee’s almost sent me and my family under the bridge to live.”

Nekila White

States and localities are not waiting for federal action. Dozens of counties and cities and 29 states that include 60 percent of U.S. workers have already recognized the need for action and established wage floors above the federal minimum. In 2016 alone, 25 more states and localities approved such increases, raising pay for 11.8 million workers, and campaigns for a $15 minimum wage in 2017 and 2018 are underway in eight more states and five cities. Nineteen states and cities now have approved $15 minimum wages.\(^\text{18}\)

In 2015, the Labor Department also updated the overtime rules for the first time in several decades. This increased the annual salary eligibility level from $23,666 to $47,476, making 4.2 million workers newly eligible for it, ensuring that employers could not deny overtime pay. At the time of printing, a Texas court has blocked that rule with a preliminary order, which is being appealed.

Nekila doesn’t identify as an activist, but she and Darius have both spoken out in favor of a national $15 minimum wage. “There have been times when I think my voice has needed to be heard,” she says. She is holding on: she has a new job with the county and one of her sons now works for the Fulton County Schools; the other is enrolled at Savannah State University—and working part-time at Chik-fil-A.

Darius, meanwhile, is a member of the National Organizing Committee of Fast Food Workers in the Fight for $15, representing Norwood, Mass., in the movement’s decision-making.

“The biggest thing I’ve learned from the movement is that I’m not alone,” he said. “The only way we’re going to make a change and uplift all workers is if we raise up our voices and our stories and continue to fight.”

“The biggest thing I’ve learned from the movement is that I’m not alone. The only way we’re going to make a change and uplift all workers is if we raise up our voices and our stories and continue to fight.”

Darius Cephas
Erin Schmitz is the woman to see in Portland, Oregon, if you want to turn a beautiful wedding gown into one that actually fits. Brides-to-be always admired her sewing expertise, but few ever knew that Erin was often working in terrible pain.

She was diagnosed in 2005 with endometriosis, a disorder of the reproductive system that can be treated with medication. It afflicts 2 to 10 percent of American women of childbearing age. But with low pay from only part-time hours at two bridal shops, Erin had no health insurance and could not afford the medicine. Nor could she afford to stay home and lose a day’s wages.

“I would wake up in the middle of the night and just be screaming in pain,” Erin recalls. “There was a long period of time where I was always sick and there was nothing I could do about it, because I had to go to work because I had to pay my bills.”

Then the Family Forward Oregon campaign won paid sick days, first in Portland and Eugene, and then the entire state. “It was like a sunny day,” Erin says. One morning she woke up with the pain she knew too well. “I couldn’t stand up, and I had a moment of panic, thinking ‘What am I going to do?’ But then I realized I didn’t have to go to work. We had won paid sick days. I could lay down and rest. That alone made me feel better.”

While many large employers and public employers provide paid sick days, the United States is the only industrialized country without any form of guaranteed national paid sick leave. Oregon is one of only five states that require it; the others are California, Connecticut, Massachusetts and Vermont. Two more states are moving to join them: voters in Arizona and Washington approved 2016 ballot measures to create such a guarantee.

As a result of these measures, 65 percent of all working people—public and private employees—have access to some paid sick days, but a shocking 78 percent of low-wage working people still do not have the benefit. Compare that to the 89 percent of the top 20 percent of earners who have access to paid sick days.

That means 51 million working people lack a single sick day that they can use to stay home to recover from an illness or care for a sick family member without losing a paycheck. And people of color, workers in service occupations, low-wage working people and young jobholders are all less likely than others to have access to any form of paid sick days, with Latino workers having the least access: only 46 percent do.

Andrea Velasquez is one low-wage worker who does not have access to paid sick days. She was making Michigan’s sub-minimum tipped wage of $5 per hour tending bar at a small restaurant near Detroit, and she was suffering from a rare and chronic illness of the digestive tract. But she kept putting off seeing a doctor because it was a pre-existing condition and she had not been able to get health insurance.

Andrea’s situation was typical in the restaurant industry: “You have to have someone cover your shift,” she says. “You aren’t allowed sick days. If you call in [and stay home], you are terminated.” Andrea couldn’t get backup
and she could not afford to lose her job, so she kept working even as her condition worsened. She ended up in the hospital for six days.

“After the hospitalization, my boss told me I was being fired for medical reasons,” Andrea recalls. She thought that had to be illegal and told her boss so. “They immediately changed their story to say it was because of my attitude.” She called lawyers, but to no avail.

“You have to have someone cover your shift. You aren’t allowed sick days. If you call in [and stay home], you are terminated.”

Andrea Velasquez

It was the first in a series of hospitalizations that left Andrea tens of thousands of dollars in debt. “I lost my job, my house, my car, and drained my entire savings trying to pay for medical treatment I need,” she says.

A recent EPI and Oxfam report found that one in seven low-wage women workers had lost a job as a result of taking a sick day for themselves or to care for a family member.22

Nearly two-thirds of unpaid or partially paid sick leaves are used because of health issues like Andrea’s.23 But working people also use sick time to care for a sick family member—a sick child or to take a spouse or parent to the doctor. Paid sick day laws that 40 jurisdictions have now adopted use this broader definition. The new laws benefit 14 million working people who previously had no access to a single paid sick day.

For example, Michigan state employees who earn sick time can use it to care for an ill or injured family member or a pregnant spouse. North Carolina state workers can use sick time for pregnancy, childbirth and the medical appointments or illnesses of family members, plus up to 30 days for the adoption of a child. Georgia state employees can use it for family sickness or adopting a child with health problems.24

These states have recognized reality: when people go to work despite being sick or worried about ailing loved ones who need care, they not only risk their own health, they also often expose co-workers and customers to infection, spreading the illness. They may also be distracted and less efficient on the job. Lack of sick leave costs the country an estimated $160 billion in lost productivity every year.25

Working people know this. In the November elections, candidates who mentioned paid sick days as part of their campaign were 10 percent more likely to win than candidates who did not, according to a study controlling for other important factors.26

Andrea’s experience turned her into an activist; she collected signatures for 2018 ballot initiatives to establish paid sick time in Michigan and end the sub-minimum wage for tipped working people. And Erin has become an educator for her co-workers on Oregon’s law.

When a co-worker felt ill, Erin told her to go home. “She said, ‘No, I can’t,’ and I told her, ‘Yes, that’s why we have paid sick days.’ She was shocked. She thought it didn’t apply to us because we were part-time. But we were covered. We were going to be all right.”
One morning in December 2014, Staci Lowry of Detroit noticed that her daughter Bailee was suddenly unable to sit up straight and seemed to have lost feeling on the right side of her body. Staci took her to Children’s Hospital, where an emergency MRI confirmed that the 4-year-old girl had suffered a stroke.

Staci, whose job with Comcast was to try to hold on to customers wanting to cancel service, informed her employer right away. In the middle of a divorce, Staci had to be at Bailee’s side continuously, so a hospital counselor helped her submit the forms for leave through the Family and Medical Leave Act (FMLA). That federal law provides job and health care protection for up to 12 weeks of unpaid leave per year for workers of large employers who meet certain conditions.

Staci, who met those conditions, had exhausted her FMLA for 2014 but thought she was eligible for more leave in the new calendar year. The company disagreed. Staci said she was fired in March 2015 on the grounds that she had not returned to work. That meant that even after nearly four years at Comcast, she was ineligible for unemployment insurance.

Staci felt this was wrong but could not find an attorney willing to take on that giant corporation without significant funds upfront, which she did not have.

“They made it seem as if I quit,” she said. “I ended up cashing in my 401(k) just to survive.” Staci, who had been supporting herself since she was 17 and was now a mother of three, lost her house to foreclosure and had to move back in with her mother. She wound up on public assistance.

Nearly everyone will need to take time away from work at some point to care for a new child or a parent or deal with a serious personal or family illness. But nationwide, only 14 percent of civilian workers have access to the kind of paid family leave Staci needed. Even among those few who have access to paid family leave, high-wage workers are six times more likely than low-wage working people like her to have access to it: 24 percent to 4 percent.

Also, 40 percent of all working people, especially low-wage working people, are not covered by the federal FMLA because their employers have fewer than 50 employees or the employee has not been in the job for at least a year or does not work an average of 25 hours a week for that employer. Above all, federal FMLA leave is unpaid.

“Had I had paid family leave, I would have accrued paid time that could have prevented me from being fired,” Staci said.

Al-nisa Smith was luckier. She lives in Newark N.J., and when she was recovering from a C-section while caring for her autistic 5-year-old son, neither her job at an educational services agency nor her husband’s job as a hospital security guard provided the paid family leave they needed.
But New Jersey has a state program that does provide paid family leave insurance as well as temporary disability insurance. Al-nisa and her husband Gabriel were able to use the leave to spend time bonding with their daughter—14 weeks for Al-nisa and six weeks for Gabriel. “It’s very peaceful, not stressful,” Al-nisa said. “We’re able to go through bonding without needing to run out to work.” And they were both able to rejoin their workplaces after taking leave, a win for working families and their employers.

Their son, Chase, has also blossomed from having his parents at home with him more. “We were able to understand what his needs were,” she said. “I can’t imagine that would have been possible if I hadn’t had that time, and my husband there as well.”

Without paid family and medical leave, working families suffer at least $20.6 billion a year in lost wages. Women of color like Staci are even less likely than White working people to have access to any form of paid leave (due in part to the fact that they are over-represented in the part-time and low-wage jobs that generally lack access to such leave). Having paid leave keeps families solvent, whether they need the time to care for a new child, an ill child or other loved one, or their own serious illness.

Paid leave also cushions those with new babies against the additional costs of infant child care, which average more than $9,900 a year and can reach 36 percent of the monthly pay for poverty-income families with children under five. The leave therefore makes parents less likely to need public assistance and food assistance in the year after they return to work.

The United States is alone among industrialized countries in providing zero paid leave to new mothers, or even unpaid leave to all new parents. Many states have stepped into this breach: all but 12 states now offer some kind of workplace accommodation, along with scores of localities. From Maine to California, states have expanded access to unpaid, job-protected leave to help people ineligible for it under the federal FMLA. Still, the fact that the leave is unpaid makes it impossible for many to take the time they need for care. But New Jersey, California and Rhode Island have implemented paid family leave programs, and New York will join them. The District of Columbia has passed a law to do the same.

Employers in those states seem to be adjusting well. In California, for example, the majority of employers reported either a positive impact or no effect from the state’s paid family leave law on profitability or employee productivity and performance. Smaller businesses were even less likely to report negative effects. In New Jersey, employers said paid leave had helped reduce stress and improve morale among both workers taking leave and among their co-workers.

Voters agree. Four in five (82 percent) said in an early 2016 survey that it is important for elected officials to consider legislation guaranteeing access to paid sick days and family and medical leave, and 76 percent favored setting up a national fund to pay for it. And in November, candidates in competitive races whose websites mentioned paid family and medical leave were 10 percent more likely to win.

Without paid leave, Staci was forced to rely on her mother and grandmother for child care and on community activists who helped her cobble together money for the therapy programs her daughter needed. After two months in a wheelchair and intensive therapy, Bailee was able to go up and down stairs in leg braces, and Staci got an internship position that led to a full-time job.

Paid leave has proved its worth to families, communities and employers alike, and would have spared Staci enormous losses in time, energy and money. “The worst feeling in the world is feeling helpless,” she said. “In that moment of sheer hell, the fact that you know your lights will still be on...no one should have to make decisions like that: do I put gas in the car or buy food for my kids.”
Every working parent knows the anxiety of having to break a promise to a child. Attending a son’s soccer game is an important one and you promise to go, but your meeting runs late or an emergency comes up at work.

For Suzette Young of Atlanta, Ga., the resulting guilt and frustration are not unusual events but a regular strain. She serves burgers and steaks at one of the nation’s largest chain restaurants, and she gets her work schedule only the day before her week begins. Often it does not allow her to pick her kids up at school on time, much less get to her sons’ games. And then the schedule can change without much notice.

“I thought you were coming,”’” Suzette recalls her 10-year-old son Derrion telling her sadly. “And I’ll say, ‘Sorry, I got stuck at work.’”

Suzette has told her manager how important it is to her to attend her four boys’ games in various sports, especially since she and her partner have separated. But the schedule still often requires her to miss a practice or a game or another school event, or to be late picking them up from school.

Being late on some days means more than disappointment. Derrion is in an after-school program that charges a dollar a minute for every minute after 6 p.m. that a
child stays. Suzette’s manager knows she has to travel a distance to get to the school, and that she must leave at 4:30 p.m. to get there in time to avoid the penalty. “It’s super stressful,” Suzette says. “One day I had to pay $20 picking him up. I just made that money and had to pay it because I couldn’t get there on time.”

Some of her co-workers in the same situation depend on public transportation. “Sometimes they have to catch an Uber or a cab to make it,” Suzette says. “It eats up their pay.”

Unpredictable scheduling is endemic to low-wage jobs like Suzette’s. Fully 41 percent of all U.S. working people get less than one week’s notice about their work schedules, but for low-wage working people and workers of color, that figure is 49 percent. At age 29, when adults are most likely to be raising children, African-American working people are about 24 percent more likely than White working people or Asian Americans to have non-standard hours and 60 percent more likely to work nights.

Erratic schedules do not just reduce job quality and worker satisfaction, they also make child-rearing much harder. Studies show that young children and adolescents of parents working unpredictable or non-standard daytime hours are more likely to suffer from depression, anxiety or cognitive and behavioral problems such as aggression or reduced sensory perception and memory. And such patterns established early in life resonate throughout adolescence and adulthood.

In many states, parents working irregular schedules lose eligibility for child-care subsidies, which raises their stress and their risk for poverty. The cost of caring for just one infant averages more than $9,900 per year. For two children under four, it is more than $17,800. A family at the poverty line and without subsidies, like Suzette’s, would have to spend up to 73 percent of its income for formal child care—so most instead arrange informal care, with neighbors, friends or relatives on an ad hoc basis.

In October 2016, Emeryville, Calif., became the third U.S. city to recognize the need for adopting fair scheduling policies by passing a “Fair Workweek” ordinance—a guarantee to retail workers that large employers will give them their schedules at least two weeks in advance and compensate them for any last-minute changes.

The law, to take effect in July 2017, also requires employers to offer any additional work hours that become available to current workers first, rather than to part-timers or temporary employees, so they can get closer to full-time status.

Some 4,000 workers will benefit, including Symphani Lindsey, a mother of three who really looks forward to the new rules. She now averages three hours per day, two days per week, at Bath & Body Works.

The store posts her schedule online each Wednesday, but like many businesses with computerized demand-prediction information, it also does “just-in-time” scheduling. That means the manager can decide mid-shift that Symphani is not needed and send her home, or suddenly add hours to her posted schedule. And there is a penalty for saying no: “They cut my hours or my days, usually both. They make it difficult for me.”

Although Symphani is a permanent employee, some weeks she gets no work at all at Bath & Body Works. So she supplements her income with a seasonal job at Babies ‘R’ Us, where her schedule also often fluctuates with little notice.

“I have to physically go out to find out my hours a week in advance,” she says. “It’s very inconsistent, and inconvenient for the kids.”

About half of African-American hourly workers and half of all low-wage earners get one week or less notice of their work hours, and 69 percent of working mothers with pre-teen kids report weekly fluctuations in their hours.

That makes planning for child care a constant headache and a logistical nightmare. Symphani’s boys have complex schedules and her husband works the night shift so they can cover as much of the day as possible, but there is usually an afternoon gap. And, ironically, their paid baby-sitter can know her own availability better than Symphani can forecast the need for a sitter.

“If I can have some predictability, I can definitely have a life again,” Symphani says. “I can go to that doctor’s appointment or go to that meeting,” she says, “or to school performances or concerts. But at this time I don’t.”

Emeryville’s Fair Workweek law will mean basic human dignity for Symphani and her co-workers and the ability to plan. Allowing predictable work times is also expected to reduce employee absenteeism and turnover, improving productivity and employers’ bottom line.

For Suzette and her co-workers in Atlanta, constant complaints to restaurant management have had no result. She still often drives the 45 minutes from her house to the restaurant, works for an hour or so and then is told to go home because there are not enough customers.

“One day I made six bucks,” she recalls. “It’s really draining.”
In the debate over the Affordable Care Act (ACA), also referred to as Obamacare, the expansion of Medicaid is sometimes described as a separate issue. Do not tell that to Jonathan Loomis of North Carolina.

When Congress passed Obamacare in 2010, Loomis was struggling with strong adult-onset allergies and depression, and juggling several jobs at once—managing a hotel for $7.50 an hour plus irregular work with temp companies. A former military medic, he had hoped to become a doctor, but the national economic recession had forced him to put that dream on hold.

He lobbied for North Carolina to expand Medicaid coverage, a key component of the ACA, but the governor refused to do it. North Carolina became one of 19 states that refused to expand their health care programs to cover people like Jonathan: those who don’t earn enough to qualify for federal subsidies under the act (at least $27,821 for a family of three in 2016), but who earn more than existing state earnings ceilings for Medicaid recipients. The median income under such ceilings is very low—about $8,870 for a family of three. More than 2.6 million adults have fallen into this coverage gap—54 percent of them people of color, 45 percent of them White, and 90 percent living in southern states.

Like Jonathan, 62 percent of these people are working and nearly half (47 percent) work for small firms of fewer than 50 employees that do not have to pay ACA penalties for not offering coverage. So Loomis continued to struggle. Then, in 2014, he was hired as a quality-control inspector at Daimler Trucks in Troutman, N.C. It was “a wonderful job that paid very well and had union protection,” he recalls, as well as a health care program that covered treatment for both his allergy condition and his mental health.

“The company for years had been lowering pay and benefits,” he recalls. “When the union formed, we said, ‘This is the line. You’re not going to mess with my pay or benefits. This is my family’s well-being.’” His $20 per hour wage meant he could now help his brother and cousins and their kids.

In late 2016, however, Jonathan was laid off. He said he applied for jobs everywhere he could but was unable to find another. He had no health insurance and his unemployment benefits ran out. In the past, people who were laid off could get a benefits extension if needed, receiving some money to put towards health care, but the previous governor ended that practice.

The change “leaves people like me high and dry,” Jonathan says. “No extensions, no appeals, no alternative—even if you’re legitimately seeking work and can’t find any.”

“The safety net doesn’t work, period. What we have is a system where those with money have power and those without are kept without.”

Jonathan Loomis

Just before his insurance ended, Jonathan saw an allergy specialist who recommended immunotherapy or allergy shots to build up his resistance. Now, however, “there’s no way possible to afford that out of pocket,” Jonathan says. Over-the-counter meds do not stop the allergies, which turn into bronchitis when untreated.

“I have a lot of coughing, dizziness, weakness,” Jonathan says. “It makes it very difficult to breathe...it’s one step away from pneumonia.”
Jonathan is grateful that his brief period of being insured allowed him to receive mental health therapy. “It helped me work through a lot of depression, something I’ve dealt with my entire life. If it weren’t for that, I don’t know that I would have survived this,” he said.

As a single male not raising children, Jonathan is not eligible for food stamps in North Carolina. Living on his credit cards and staying in his brother’s spare room, he enrolled in school to become a nurse, hoping to put his training as a military medic to use.

“The safety net doesn’t work, period,” he says. “What we have is a system where those with money have power and those without are kept without.”
Courtney Smith works hard at a full-time job she loves, running the front desk at a small hotel in Charlotte, N.C. She is a devoted single mother to her 8-year-old son Christopher, who has autism.

But Courtney and Christopher have repeatedly fallen between the fraying strands of the social safety net that is supposed to protect hard-working Americans like them from the ravages of poverty.

Courtney makes $9 per hour plus overtime, not quite enough to cover Christopher’s weekly therapy sessions and her own expenses, even with food stamps and child care assistance. But state law decrees that if she earned $10 per hour or more, she would lose both benefits.

That happened a year ago in Courtney’s previous job, managing a fast-food restaurant. She had been making $8.50 an hour and received $300 a month in food stamps. But after she got a raise, her food stamps were cut back to $16 a month.

Recently, someone at the food stamp office mistakenly thought Courtney had gotten a raise at her hotel job and cut her food stamps in half. And Christopher’s disability worker got the same misinformation and began talking about terminating his Social Security disability benefits.

“That covers two-thirds of the rent,” Courtney says, “If they terminate, we’re basically homeless.”

“Sometimes Christopher sleeps here while I work,” she says. “Thank God my bosses adore us; most don’t have it like me.”

Like Courtney, one-third of American women and a quarter of all men earn less than $11.25 per hour, too little to pull a family of four out of poverty, even if they work full time. And because North Carolina refused to expand its Medicaid program as part of the Affordable Care Act, Courtney also lacks health insurance.

That means no coverage for orthopedic therapy for a knee injury she sustained in a fall. “It’s $250 out of pocket—just my co-pay, not counting what they bill me,” she says. “That comes to $1,200 for the treatment. That’s not something I have lying around—that’s my monthly income.” She will not have the surgery she needs because the doctors demand payment in advance. And she has no savings.

The United States is alone among industrialized countries in lacking national policies that guarantee living wages, health care, child care, paid family and medical leave, pregnancy accommodations and other basic living standards for struggling families. And all these issues are inter-connected, each one helping to determine Americans’ ability to work and achieve economic stability.

Instead, access to the safety net is increasingly dependent on ties to the workforce through poverty-fighting policies like the Child Tax Credit and the Earned Income Tax Credit (EITC), which only benefit households with labor earnings. So Courtney feels lucky to have a job she likes with considerate employers. She is “privileged” that the couple who own the hotel let her bring Christopher to work when necessary, where he does homework, plays on the computer or reads.
Those who do not have stable job situations like Courtney include many low-wage working people of color. Of the 157 million people in the U.S. workforce, 4.7 percent or 7.2 million people over 16 were unemployed at the end of 2016. While that is the lowest level of unemployment in the past decade, the rate for Black working people is almost double that for White working people, 8.3 percent to 4.4 percent (with Hispanics in the middle at 6.4 percent). And the true jobless rate—which includes the unemployed, the under-employed and discouraged job-seekers who are no longer looking for work—is estimated at 9.6 percent.

Racial disparities remain stark: more than a third of African-American and Hispanic working people (42.4 percent and 35.7 percent, respectively) are paid poverty-level wages, compared to a quarter of White working people. And women of color are fully one-quarter of all minimum-wage working people, even though they are only 16 percent of the workforce.

Since wage gains have been lacking for the poorest fifth of the workforce, any progress in reducing poverty has been wholly due to improvements in programs that address basic living standards since 1979.

The existing social safety net includes cash transfers (like Temporary Assistance for Needy Families, or TANF; unemployment benefits and Social Security); tax benefits like the EITC; and government support like SNAP (food stamps), housing subsidies and health care—and ragged as it is, it does target its aid to those in poverty.

Without these poverty-fighting programs, the plight of low-wage working people nationwide would be even more dire.

Right now, Courtney Smith’s son Christopher needs some warm clothes. “I have to pay rent, the power bill, put gas in the car—that comes before buying him winter clothes,” Courtney says. “He has a birthday next week and he wants a party.” She cannot afford that, even if his father helps out. Still, she describes him as “my life.”

“My son at 8 years old knows when Mommy is upset,” she says. “He tells Mommy not to be upset, things will work out. That’s not something an 8-year-old should pick up on. If it weren’t for him, I’d have given up a long time ago. He’s the only reason I continue to drive myself into the ground.”

![Courtney Smith and her son Christopher / Photo by Christine Rucker](image-url)
Recommendations

The rules governing national, state and local workplaces have a direct impact on the lives of workers and their families. In recent years, states and localities have taken the lead in adopting sensible workplace policies and standards to mitigate some of the struggles documented in this report so that working families can have greater economic security. The Leadership Conference Education Fund seeks to build a greater understanding of what is at stake and recommend concrete solutions that work to engage the public in securing policies that support and sustain workers and their families. Here are some of those solutions:

**Raise the Minimum Wage**

The national minimum wage of $7.25 per hour has not been raised since 2009. In 2015, the Raise the Wage Act, which would have increased the national minimum wage to $12 per hour, was introduced in Congress but failed to become law. (A newly introduced bill, the Raise the Wage Act of 2017, would incrementally raise the national minimum wage to $15 by 2024.) It is instead at the state and local level where gains have been made—29 states and 21 localities have taken action to increase the minimum wage. Most recently, advocates for the Fight for $15 have succeeded in passing laws that will gradually increase the minimum wage to $15 per hour in California, the District of Columbia, and New York. And this past November, four states passed ballot measures increasing the minimum wage. It is instead at the state and local level where gains have been made—29 states and 21 localities have taken action to increase the minimum wage. Most recently, advocates for the Fight for $15 have succeeded in passing laws that will gradually increase the minimum wage to $15 per hour in California, the District of Columbia, and New York. And this past November, four states passed ballot measures increasing the minimum wage. Raising the minimum wage to $15 per hour would make a substantial difference in the lives of low-wage workers who should get paid fairly for the work that they do. Anyone working full time should earn enough to lift themselves and their families out of poverty and should be able to sustain their family.

It is also critical to eliminate the federal tipped minimum wage, which has been frozen at $2.13 per hour since 1991. While some of the state and local advances on the minimum wage have included increases for tipped workers, others have not. This leaves many people working in restaurants and fast food chains struggling to make ends meet and needing the support of federal benefit programs such as SNAP and Medicaid to survive. It is critical to move toward the elimination of a separate tipped minimum wage and a uniform minimum wage for all workers to ensure basic fairness.

We also support the implementation of the Obama Administration rule to raise the salary level for overtime pay eligibility so that lower salaried workers are actually paid fairly for the hours they work. Over 4 million workers would benefit from the implementation of this rule. This rule is temporarily enjoined from taking effect by a district court in Texas and is on appeal.

**Require Paid Sick Days**

This report explains the dilemma of so many low-wage workers who often face impossible choices between going to work when he or she or a family member is sick or staying home and losing a day’s pay. Going to work when sick also endangers the health of co-workers and, in the food industry, customers.

Paid sick days for workers are not guaranteed in the United States. New regulations that took effect on January 1, 2017, will for the first time require federal contractors to allow their employees to earn up to seven days of paid sick leave. Federal legislation, the Healthy Families Act, has been pending to require employers with 15 or more employees to provide paid sick days, but no action has been taken.

Again, states and localities have taken the lead in requiring employers to provide paid sick days for their workers. Seven states and 33 localities, including New York City, Los Angeles, and Seattle, already require paid
sick days and the experience has been positive for both employees and employers. All employees can have the opportunity to earn paid sick days.

**Require Paid Family Leave**

February 2017 marked the 24th anniversary of the federal Family and Medical Leave Act (FMLA), which requires employers with over 50 employees to provide up to 12 weeks of unpaid family and medical leave and job protection on returning to work. However, the United States remains the only industrialized country in the world that lacks a national policy of paid family leave. While federal legislation, The FAMILY Act, has been introduced in Congress, no action has been taken.

Here, too, states and localities have taken the lead. Three states—California, New Jersey and Rhode Island—guarantee paid family and medical leave. A 2011 study of California’s paid family leave program illustrates how these paid leave policies are a win-win for employers, employees and their families. New York adopted a new paid family leave program last year, which, when fully implemented, will provide 12 weeks of job-protected family leave, making it the strongest paid family leave law in the country. And just this year, the District of Columbia also adopted a far reaching paid family and medical leave law. These successful experiences serve as models for other states to adopt paid family leave.

**Require Fair Scheduling**

The restaurant industry, along with many other low-wage employers, utilize “just in time” scheduling as a standard business practice. This practice results in unpredictable, irregular schedules with little notice, causing havoc in the lives of workers and their families, especially for parents of young children or those caring for other family members. Some employers and local governments are beginning to recognize that more predictable schedules can benefit not only workers but also businesses by creating a more stable workforce with higher productivity.

**Expand Medicaid Eligibility**

Thirty-one states have expanded Medicaid to include low-income working parents and adults not raising children. A U.S. Department of Health and Human Services (HHS) report found that Medicaid expansion in 31 states has increased access to primary care, led to increased use of preventive services and improved the financial security and affordability of care for new enrollees. Medicaid is unquestionably a critical support for low-wage workers whose employers fail to provide affordable health insurance coverage for their employees. It is critical that states continue to receive federal funds to cover the actual medical costs of all eligible Medicaid patients and that the Medicaid program is not converted into a block grant or per capita program, which could result in many individuals losing needed medical care.

**Address Basic Living Standards**

Real life stories of working people show us not only how hard they work and the struggles they face in navigating low-wage workplaces, but how critical it is to address basic living standards so that they do not slip into or fall deeper into poverty. We oppose any and all efforts to dismantle or weaken programs that provide basic needs, including plans to privatize, block grant, cap or otherwise fundamentally alter the structure of critical programs like Social Security, Medicaid, Medicare, and SNAP (formerly known as food stamps) that have together helped to alleviate poverty in our nation for generations. We also oppose adding new work requirements, which would be purely punitive, since as we note at the outset, these individuals already are working but not earning enough to sustain themselves and their families.

The only real solution is the creation of more high quality jobs that enable all working Americans to earn a fair and sustainable wage and have access to the workplace standards we describe in this report. Our bottom line is this: anyone who works full time should earn enough to meet his or her own basic needs and the needs of his or her family, and we need to change the rules to make this a reality.

**Conclusion**

The policies described above not only benefit workers and their families but also are good for business. It is well-documented that they lead to more stable, economically secure and healthier families, higher morale for employees and higher retention rates for businesses. Today, workers’ access to these policies depends not only on who they work for but also on where they live. It is time for national solutions that set a floor for all workers living in the United States and builds an economy that works for all of us.


www.epi.org/publication/waiting-for-change-tipped-minimum-wage/


