

Thank you for your time today. My name is Ellen Scott and I'm a professor of Sociology at the University of Oregon. As Raahi said, we're presenting findings from our report, *The High Cost of Low Wages*. My portion is based on interviews I conducted with low-wage workers in Western Oregon. Funded by Oregon's Department of Employment, we initially spent 1-2 hours interviewing 44 parents in 2009, examining recent changes in Oregon's Employment Related Day Care program and the impact on low-wage workers. This fall, we were able to recontact 9 parents to learn about what had transpired since then.

In Oregon, women constitute 60% of the minimum wage workforce and more than half of all women are employed in low-wage industries. Just over half of those women in female-headed households with children earn less than \$25,000 a year. Contrary to popular belief that low-wage workers are teens, the average age of a minimum wage worker is 35 years old. Race still matters in employment—in Oregon, people of color represent 20% of all low-wage workers. More than half of African Americans and close to half of all Latinos in Oregon are employed in low-wage industries, and finally, an urban-rural divide persists—people residing outside the metropolitan areas are much more likely to be employed in low-wage jobs. Exactly half of the workforce in Eastern Oregon earns less than \$10/hour.

The parents we interviewed were mostly women. 64% of the sample was white, 36% were people of color. Less than a fifth had less than a high school education; about a third had a high school diploma or a GED; 41% had some college; 5% had a BA. They had an average of 2.7 children, and the parents were 32 years old, on average. More than

three quarters lived in single-parent households, and a third had children with special needs. More than half had serious health problems or disabilities themselves.

Wages

The parents we interviewed worked in some of the most common low-wage occupations in Oregon: retail, fast food and food services, manufacturing, and personal and health care services. They typically had fewer hours than they wanted; their jobs were often temporary or seasonal; and they had unpredictable schedules and nonstandard hours.

When we first interviewed these parents, the majority were employed and 16% received Temporary Assistance to Needy Families (TANF). Based on their reports of hours and wages, we estimated that their average monthly income was \$1,300 gross, a shockingly low wage, especially given the average family size of 3 children. Taking just a few of the average expenses estimated for a single parent with two children in Eugene-Springfield (as calculated by the Economic Policy Institute in Washington DC), let's try to imagine what life is like on \$1300 a month: housing is estimated to cost \$821; food \$546; and child care \$1300. This does not include transportation, medical expenses, and other necessities. Clearly the basic cost of living exceeds \$1300/month! It's impossible to imagine what it would mean to try to make ends meet with so little.

Job Churning

When employment is unstable, it is impossible to get ahead. Job instability—moving from job to job or periods of unemployment—is a critical problem for low-wage workers. The majority of our respondents experienced both job changes and/or spells of unemployment during the two year period, for a variety of reasons: jobs were temporary;

they sought better jobs to make ends meet; they were “let go” after periods of missed work due to illness or family crises; the job ended due to the recession or industry decline; or the employer did not provide a reason.

Tory had cycled through a number of jobs found through the TANF Jobs Program. All of the jobs were temporary, subsidized through the Jobs Program, and none transitioned to permanent positions. She had her own work disruptions—she experienced a terrible violent assault in her home, which physically and emotionally disabled her for a long period; and she had another baby, which subsequently led to a chronic infection for which she had to be hospitalized. When her son was an infant, she took more job training classes before cycling back into more temporary positions through the Jobs Program. Luckily, she consistently received a Section 8 housing subsidy, SSI for her autistic daughter, and OHP for the entire family, otherwise she would have been unable to manage.

Suzanne had done seasonal work for a frozen fruit and vegetable company for 5 years—she was laid off every year from December through May. She relied on unemployment benefits, food stamps, and reduced rent in her low-income housing during the periods of unemployment. She stuck with this job because with seniority, she expected to obtain one of the coveted year-round positions with benefits. She was a loyal worker, and after working there for five years, was confident she was in line for a full-time position, though she had no guarantee of this outcome.

Scheduling: erratic schedules; nonstandard shifts

Low-wage workers, including the majority of those we interviewed, contend with erratic employment schedules and nonstandard shifts. This makes it very hard to organize daily life, especially life with children. Having flexible caregivers is a

requirement in managing this life of erratic work schedules, and for many, finding such caregivers can be impossible. As a result, many of our respondents were unable to take or stay in jobs with these demands.

Some were allowed to have input into their new schedule, but most did not have this privilege. Terry, a single mother of two who worked at a large box store, told us: “They’d say you’re going to have a set schedule, and you’d work that schedule for two months, and everybody’s happy, kids are well-adjusted. [And then], ‘We’re going to change your schedule.’” Terry was able to manage her constantly changing schedule in large part because her mother – who was able to be completely flexible - took care of the children and was paid through Employment Related Day Care. However, finding replacement for her mother after she died was very difficult because of the flexibility required.

Some parents had regular shifts, but in order to accrue enough hours they also worked on call, which meant irregular days and shifts. Jill, a Native American single mother with some college, had worked as a janitor for a large nonprofit doing three graveyard shifts, one swing-shift each week, and then varying days and doubles to fill in when employees were absent: “I work with one agency, but in that one agency I’ve got a regular job and three on-call jobs. And another agency is on call.” This life of erratic scheduling was possible for Jill because she either took her son to her mother’s for subsidized care, or she left her son at home while her roommate was there. Jill also switched jobs during the study period: she was terminated shortly after we first interviewed her and was unemployed for a year before finding on-call work at a residential home. She was employed there only briefly before moving in with her

grandmother to provide hospice care, and she had relied on TANF for an extended period when we interviewed her in 2014 .

Ruby, an agricultural worker, had irregular hours and had to be available on demand. She said, “My hours are different every day. It can be a really long day sometimes. In harvest time we go into the nighttime, we sometimes don’t get done until 8 or 9:00 at night.” She, too, could only do this with a caregiver who was available on demand: “It’s got to be somebody that was willing to do dinner and had no time limit. Or because of working Saturdays that would be available on the weekend in case I couldn’t find someone for [my son] to go visit.”

Sick Leave

The low-wage workers we interviewed typically did not have workplace benefits. Paid sick leave was something most could not count on and their stories were riddled with the difficulties of caring for sick children or themselves. In fact, some lost jobs as a result of not having paid sick leave.

Tabitha, a mother of two, worked in manufacturing doing 12-hour nighttime shifts. Her job was not family friendly. Each minute she arrived late or missed a day due to illness counted towards a tally of work time missed, which was difficult because one of her sons has asthma and she often had to stay home with him. She ultimately lost this job due to her absences, and when we interviewed her, she had been unemployed for a year. She was not receiving TANF and so also lost her child care subsidy when she lost her job, and the lack of child care made it very difficult for her to look for work.

Tory, an African American single mother of one, worked for Subway in a job that was completely inflexible. She was allowed no time off for illness, including taking time

off to have a scheduled surgery. She said, “They let me go because I had surgery.” After a short period of relying on unemployment, she found another job but had that job for only three weeks. Her mother, who was paid through ERDC to care for her granddaughter, was hospitalized and Tory had no other care for her daughter so she was forced to miss work and again she was fired.

Reliance on Public Benefits

Because their wages were so low, their hours often part-time, and their workplace benefits lacking, the parents we interviewed were forced to rely on various combinations of public benefits. Perhaps the most important of these were child care subsidies. However, even with subsidies, parents who worked erratic schedules or nonstandard hours were sometimes forced to choose providers who were unreliable or who did not provide high quality care.

As the earlier stories make clear, finding stable child care is imperative for working parents, for single parents in particular. Finding reliable, trustworthy, high quality care is particularly challenging for parents with low earnings, erratic schedules, and nonstandard hours. By study design, all of the parents we interviewed received child care subsidies, and they consistently told us that without a child care subsidy, it would be impossible for them to work at all. Simply put, their earnings were too low to pay for care.

For example,
Martha (white single mother of two working as a server at a restaurant/bar) reported:

There's no way if you didn't have state-care babysitting I could afford \$600-700 a month, \$800 a month [in child care costs] with two kids. I make barely \$900 a month right now *with* \$324 of my son's child support....

Mary (white single mother of 3 children, working at a rehabilitation facility as a CNA) said:

I could work, but I'd be living out of a box, or my car. Because how do you pay rent and pay your day care...? So I'm glad that we do [have a subsidy] so then I can work and do what I'm supposed to do.

Mimi, the white mother of four who works in food services said:

I would be out of a job. It's everything to me. Without that, I would not be successful at all. I'm so grateful for that program, you have no idea.

[FOR HUMAN SERVICES COMMITTEE: The importance of the child care subsidy was made glaringly apparent when the regulations changed such that self-employed parents could not receive a subsidy. We interviewed one parent who had her own business cleaning apartments between tenants. She had built up a large clientele of apartment managers and she was known to be available days, nights, weekends to clean. Her mother took care of her three children and was available on demand. She was paid through the ERDC program. When Julia lost her subsidy in 2009, her mother had to find a different job and Julia was unable to hire someone to take care of the kids. She took them with sometimes, she left them with friends, and she left them home alone with her teen daughter. However, her teen daughter had been stalked before and Julia was very nervous about this arrangement. Indeed, contact with the stalker resumed and Julia's children were not safe. She started turning down cleaning jobs and her business began to

fail. This was devastating to her as she had just begun to get solidly on her feet. I know you are considering reinstating the eligibility of self-employed parents and I can't emphasize more strongly how important this is.]

In addition to child care subsidies, most of the parents we interviewed still received SNAP benefits; some got a housing subsidy. Quite simply, they could not manage without these state benefits—in their case, critical work supports that allow them to sustain their families despite earning such low wages.

Struggling to Get By on a Low Wage

The parents we interviewed struggle to make ends meet in low wage work. They juggle multiple jobs or extra shifts; they accommodate just-in-time scheduling, graveyard shifts, and changing schedules, despite the challenges to child care and family life. Still, the wages they earn and the hours they work are simply inadequate to support a family. Some attempt to escape their low-wage jobs by increasing their educational attainment, only to incur substantial debt with no improved access to better jobs. They told us they felt they were doing everything they were supposed to do, but could not overcome the obstacles. Indeed, they were often one step away from catastrophes such as homelessness or debilitating illness or disability. Abby's story illustrates:

Abby, a single mother of four, left a job at a call center because her earnings were insufficient to cover the family's basic needs and she was about to be evicted for nonpayment of rent. After a period of homelessness she moved her family to another state and worked for a bill collection agency before moving back to Oregon where she again experienced periods of homeless and was unemployed. After a period of time, she

went back to school and earned her AA degree, hoping to transfer to a four-year institution, but managing school and family were too much for her. After another period of homelessness, she finally got the housing subsidy she critically needed to stabilize her family. She eventually found a job in a fast food restaurant, earning \$9.20/hour with no benefits. She had this to say:

I like my job for the most part. It doesn't pay much and it's not a ton of hours but with finally getting a little help for housing I can finally breathe for a minute There just aren't a lot of ways to make enough money to do anything. I work pretty hard even though I'm just a fast food worker. People say you don't deserve to make enough money to live because you work at Arby's, but I work pretty hard.

I hope these stories help you as you consider the difference higher wages would make for Oregon's poorest workers; the importance of subsidizing child care for low-wage working parents, since the market cost of care is truly unreachable for them; the importance of paid sick leave, or at least unpaid sick leave so that parents do not risk their jobs when they stay home to care for their children or themselves; and finally, the difference stable schedules and advance notice of variable schedules would make for families trying to manage in these jobs.
