



Hard Work, Hard Lives: America's Low-Wage Workers

Report of Findings from a National Survey among Low-Wage Workers

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Executive Summary

Across the nation, low-wage workers¹ describe a precarious financial existence in which any financial setback could mean the difference between barely scraping by and falling off the cliff.

- The majority (59%) of low-wage workers either do not have enough to meet or they just meet their basic expenses. By comparison, only one in three (35%) Americans nationwide says the same.
- Majorities of low-wage workers struggle with worries about whether they will meet their financial responsibilities, including having enough money for retirement (69%) and having health expenses they cannot afford (67%). Nearly half worry about affording basic necessities like housing (48%) and healthy food (47%).
- Because they do not earn enough to get by on their own, low-wage workers often rely on outside assistance to make ends meet. Half (52%) of all low-wage workers say they have used some form of public assistance in the past two years, including Food Stamps (29%), Medicaid (25%), unemployment insurance (14%), Social Security Disability Insurance (12%), and public housing or rent assistance (9%). In addition, one in four (25%) has received financial assistance from family or friends and 8% have relied on food or clothing from a charitable organization.
- Nearly half (48%) of all low-wage workers say that they have had to borrow money in the past four years to make ends meet.
- Low-wage workers earning less than \$10 per hour face even steeper challenges than those earning between \$10 and \$14. Workers earning less than \$10 are less likely to be able to meet their basic expenses, more likely to use public assistance (66%), and worry more frequently about affording basic necessities such as food (50%) and shelter (55%).

Despite challenging economic and career prospects, low-wage workers maintain a strong work ethic and hope that their hard work will pay off in the long run, especially for their children.

- Virtually all (94%) low-wage workers say that performing their job well is an extremely or very important goal to them personally.
- Nearly one-third (30%) of low-wage workers are working more than 40 hours per week and 16% are working two or more jobs.
- Low-wage workers have modest expectations for themselves but hold high hopes for their children. While 57% say it is extremely or very important to them personally to get a college degree, far more (81%) say it is important that their children graduate from college. Strong majorities of low-wage workers want their children to be better off financially than they are (89%). Women earning less than \$10 per hour are among those most likely to say that improving conditions for their children is a top priority.
- A livable income takes on a much more modest meaning among low-wage workers than among Americans overall; when asked to name the smallest amount of money a family of four must earn each year to get by in their

¹ Low-wage workers are defined as workers who are currently employed or looking for work who earn \$14 or less per hour and have a total household income roughly below 200% of the poverty level.

community, low-wage workers gave a median answer of approximately \$37,000 while Americans overall believe it takes \$50,000.

Low-wage workers' conditions are not improving, resulting in widespread pessimism about economic mobility in America. They do not believe that the government is on their side; in fact, they widely agree that Congress is biased in favor of the wealthy over poor people.

- Overwhelmingly, low-wage workers believe that it is more common for middle-class people to fall out of the middle class (76%) than for low-income people to rise into the middle class (12%).
- By a wide margin, low-wage workers believe that Congress passes laws that predominantly benefit the wealthy (65%) more often than they pass laws that mainly benefit poor people (9%).
- Low-wage workers are not advancing from generation to generation at the same rate as Americans overall. Whereas a strong majority (69%) of Americans overall say they are better off financially than their parents were at the same age, only 53% of low-wage workers say the same.
- Only 38% of low-wage workers say that they and their family are better off today than they were five years ago compared with 61% who are either worse off (41%) or about the same (20%).
- Low-wage workers' overall conditions have deteriorated in large part because of declining wages. About half (52%) say that they had a previous job that paid more money than their current one, while only 46% say their current job is the highest paying they have had.

In addition to small incomes, low-wage workers also face a set of unique challenges and obstacles while on the job that make it difficult to maintain basic job security, let alone achieve their career goals.

- Two-thirds (67%) of low-wage workers say that improvements are needed (33% say a lot of improvements are needed) in their overall job situation, including things such as wages, benefits, and working conditions. Women (71%) and workers making less than \$10 an hour (70%) are especially in need of improved working conditions.
- Thirty percent (30%) of low-wage workers do not have any workplace benefits—paid sick leave, paid vacation time, health insurance, or a retirement plan that their employer contributes to—while only 28% are offered full benefits. Workers who do not have any benefits are more likely to rely on public assistance to get by.
- Stress from work demands and a lack of job security are very or fairly serious problems for many low-wage workers (48% and 36% respectively).
- Single parents and women earning less than \$10 must deal with the additional responsibility of caring for children and family while working, and employers are not making it any easier for them. Twenty-nine percent (29%) of both single parents and women earning less than \$10 say that not being able to get time off to care for a child or other family member is a very or fairly serious problem.
- Low-wage workers face barriers to advancement both at their place of work and because of larger circumstances that are beyond their control. A lack of opportunities for promotion and for additional education and training are among the biggest obstacles low-wage workers face on the job. More broadly, just over

half (53%) say that a poor economy and job market is a very or fairly big obstacle and three in four (76%) say this is at least somewhat of an obstacle.

- In addition to the difficulties that all low-wage workers face, women and minorities report facing significantly heightened challenges to advancement. One in five (19%) women—including 22% of women earning less than \$10 per hour—says that discrimination based on their sex is at least somewhat of an obstacle to reaching their career goals. African Americans (35%) and Hispanics (32%) also say that discrimination based on their race or ethnicity is at least somewhat of an obstacle to advancement.

Low-wage workers believe that there is a role for public policy in helping people like themselves, and they have concrete ideas about what government can do.

- Nine in 10 (89%) believe the government has a responsibility to ensure that workers have basic protections on the job, and 70% indicate that the government should ensure that people who are willing to work do not live in poverty. Strong majorities also believe that government has a responsibility to ensure that everyone has enough to eat (70%), health care (67%), and a roof over their head (59%).
- Majorities of low-wage workers say there are a number of ways government can improve conditions for people like them. In particular, establishing partnerships between schools and businesses to give students the training and education they need to get a job (86%); raising the minimum wage to \$10 an hour (79%); investing more in building roads, schools, and other public needs (80%); and providing affordable child care (79%) are seen as likely to be helpful.
- While across the board, women are more likely than men to indicate that government action would be helpful, raising the minimum wage, providing affordable child care, and providing more affordable transportation for people who have jobs outside their immediate neighborhood are particularly important to female low-wage workers.

Low-wage jobs combined with unpaid domestic labor in their “second shift” present a unique set of challenges for low-wage working mothers, many of whom struggle to provide for their families.

- Seven in 10 (69%) low-wage working mothers say they just meet their basic expenses or do not have enough to do even that (compared with 59% of low-wage workers overall).
- Working mothers worry about how they will cover their basic living expenses, such as keeping up with their rent or mortgage payments (56%) and affording healthy, nutritious food for their family (51%).
- Half (51%) of working mothers say that they have put off education or training because they could not afford it (compared with 37% of low-wage workers overall). A lack of education stands in the way of working mothers’ reaching their career goals, as nearly half (47%, compared to 35% of low-wage workers overall) of working mothers say that difficulty affording more education or training is a big obstacle.
- About two in three (65%) low-wage working mothers worry that they will not have enough time to meet both their work and family responsibilities. Nearly

half (49%) worry that they will not be able to find quality child care that they can afford.

- A lack of flexibility at work makes it difficult for working mothers to balance their work and home responsibilities. One in three (32%) reports that not being able to get time off work to care for a child or other family member is a serious problem at her job.

After years of low wages and little upward mobility, low-wage workers over age 50 show signs of weariness and have lost some of the optimism of their more youthful counterparts.

- Whereas majorities of 18- to 34-year-old low-wage workers say they are more hopeful and confident (63%) that they will be able to achieve their economic and financial goals, three in five (58%) older workers are more worried and concerned.
- Low-wage workers age 50 and older are more than twice as likely to say they are worse off (55%) than better off (25%) now compared with five years ago. Fifty-seven percent (57%) say they had a job in the past that paid more money.
- Three in four (75%) low-wage workers age 50 and older worry at least sometimes about not having enough money for retirement, and 61% worry frequently about it. However, only half (49%) have a retirement plan at work to which their employer contributes.

Introduction

The United States ranks as one of the most unequal nations in the developed world, and wage, income, and wealth disparities are on the rise.² Approximately one in three Americans subsists on an income below 200% of the federal poverty line today while the 400 richest Americans control 35% of the country's wealth. Yet too often, those living in today's "other America" remain invisible to policymakers and ignored in national economic debates. To help shine a brighter light on the struggles of low-income Americans, Oxfam America commissioned Hart Research Associates to undertake a comprehensive survey of the nation's working poor—those earning less than \$14 per hour, which translates to less than \$30,000 per year for a full-time worker. The survey also includes a substantial number of very low-wage workers who earn less than \$10 per hour or about \$20,000 per year for a full-time worker.

The survey aspires to provide a better understanding of the reality of the daily lives of America's working poor, as well as their values and aspirations. The survey data reveal that although many have seen their own personal fortunes fall and all face challenging living and working conditions, low-wage workers maintain a strong work ethic and hold high hopes for their children. The working poor say that the government has a responsibility to ensure that all Americans have access to basic necessities, and identify a number of specific policies that would provide viable avenues for low-wage workers to improve their lives. We hope that this in-depth review of the survey's findings will provide low-wage workers with a louder voice, so that more Americans can learn about their struggles, their dreams for the future, and the kinds of support they need to thrive and realize those dreams.

² OECD (2013). Crisis squeezes income and puts pressure on income inequality and poverty.

Description of Sample and Methodology

This nationwide survey was conducted from July 2 to 9, 2013 by telephone—including both landlines and cell phones—among 804 low-wage workers.³ To qualify as a low-wage worker, respondents had to be either A) employed in a job that paid \$14 per hour or less, or B) unemployed and looking for work, and have earned \$14 per hour or less in their last job. Qualifying low-wage workers could be part-time students but not full-time students. The overwhelming majority of these low-wage workers lived in households earning less than 200% of the poverty level. The margin of error for results is ± 3.7 percentage points in the full survey sample and it is higher among subgroups.

Like Americans overall, low-wage workers represent a cross section of ages, races, and regions. However, consistent with census demographics for low-wage workers, our sample has a higher proportion of women and minorities. Demographics for the sample are shown in the following table.

Table 1: Demographics of Survey Respondents			
	<u>%</u>		<u>%</u>
Employed full time	69	Men	43
Employed part time	21	Women	57
Unemployed/looking for work	10		
		Hourly wage:	
Age 18 to 24	13	Less than \$8	16
Age 25 to 34	29	\$8 to \$10	25
Age 35 to 49	31	\$10 to \$12	28
Age 50 and over	27	\$12 to \$14	20
		Total Household Income:	
Whites	60	Less than \$20k	37
African Americans	21	\$20k to \$30k	25
Hispanics	18	\$30k to \$40k	15
High school graduate or less	49	\$40k to \$60k	14
Some college/associate degree	36		
Four-year college graduates	15	Rent	49
		Own	43
Parents	43		

³ For a complete description of the sampling methodology, see the Methodology Appendix.

Precarious Financial Existence for Low-Wage Workers

Despite putting in hard hours week in and week out, many of America's workers still live in poverty or just above the poverty level. This survey explores how low-wage workers are able—or in many cases unable—to meet the financial obligations facing their families. Across the nation, low-wage workers describe a precarious financial existence in which any financial setback—whether a broken down car or unforeseen health care costs—could mean the difference between barely scraping by and falling off the cliff.

The majority of low-wage workers are barely scraping by on their current income.

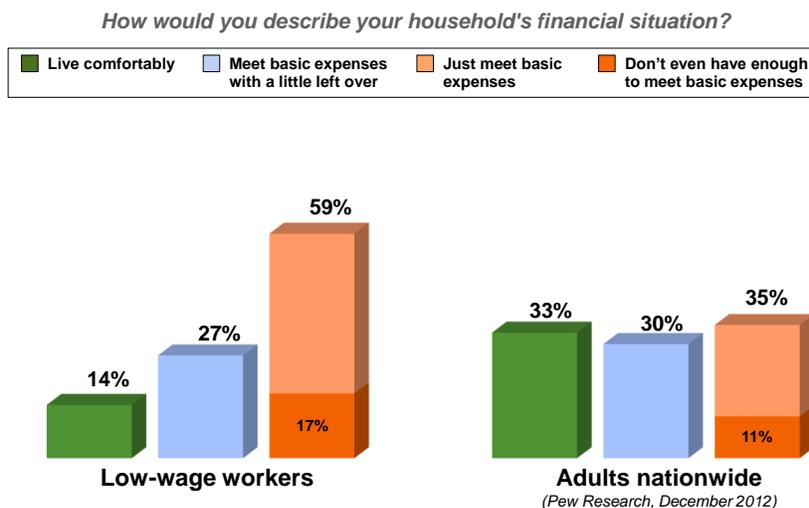


Figure 1

It is abundantly clear that workers earning less than \$14 per hour face far steeper challenges in making ends meet than does the average American, and those earning less than \$10 face even greater challenges still. The majority (59%) of low-wage workers say they either do not have enough to meet their basic expenses or they just meet them, whereas only one in three (35%) Americans nationwide says the same.⁴ By comparison, Americans nationwide (33%) are more than twice as likely to be able to live comfortably on their finances as low-wage workers (14%).

⁴ Pew Research Center (December, 2012).

**Table 2:
Just/Do Not Meet Basic Expenses**

	Just meet/do not meet basic expenses	%
All		59
Men		54
Women		62
All parents		62
Single parents		72
White		56
African American		65
Hispanic		55
High school or less		63
Some college		57
College grads		45
Less than \$10 per hour		66
Women: < \$10		71
Men: < \$10		58
\$10 to \$14 per hour		55
Full time		51
Part time		74

Some low-wage workers' household finances are particularly dire. Women (62%) and particularly women earning less than \$10 per hour (71%), single parents (72%), African Americans (65%), and workers with a high school degree or less (63%) are especially likely to say they just meet or do not meet their basic expenses. Not surprisingly given their lower earnings, workers making less than \$10 per hour (66%) and part-time workers (74%) are barely making ends meet. Still, it is noteworthy that even among full-time workers, only half (49%) say they have a little left over for extras after covering their basic expenses. The fact that the remaining half (51%) can scarcely get by despite putting in at least forty hours per week shows just how challenging it can be to live on less than \$14 per hour.

If covering basic necessities is a struggle for a low-wage worker, it should come as no surprise that few are able to put any money aside. In fact, an overwhelming majority (69%) of low-wage workers say that they do not have enough money in savings to cover their living expenses for at least three months. This means that losing a job or any unforeseen expense could plunge low-wage workers into debt or even cause them to lose their home.

Financial Worries

Without a cushion to fall back on, the myriad financial responsibilities that all families must contend with weigh especially heavily on low-wage workers. As the following figure shows, low-wage workers most commonly worry about not having enough money for retirement; about seven in 10 (69%) say they worry frequently or sometimes about this. Although workers ages 35 and older are more likely to say they worry about retirement (75%), even a majority (60%) of younger workers ages 18 to 34 say the same. Comparably large proportions (67%) of all low-wage

workers also worry frequently or sometimes about having health expenses they cannot afford, including 79% of workers without health insurance.

Fears about the future weigh heavily on low-wage workers.

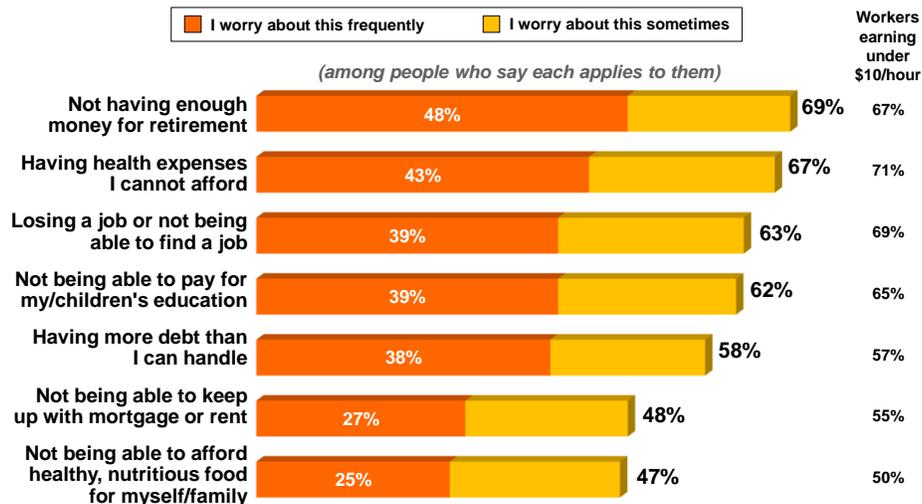


Figure 2

Even affording basic necessities such as food and shelter are a source of worry for low-wage workers—including those who work full time—for whom eating healthy and finding affordable housing on a tight budget can be next to impossible. In fact, nearly half of low-wage workers say that they worry frequently or sometimes about not being able to afford healthy, nutritious food for themselves and their families (47%) or not being able to keep up with mortgage or rent payments (48%). Women (53%), Hispanics (57%), those without a college degree (51%), and renters (57%) worry the most about falling behind on their rent or mortgage. Women’s challenges to provide basic necessities for themselves and their families are compounded further when they earn less than \$10 per hour, as this key subgroup is especially likely to worry about affording their rent or mortgage (59%) and healthy, nutritious food (53%).

Finding stable housing at an affordable price is a particular challenge for low-wage workers. While financial experts commonly advise limiting money spent on housing to less than 30% of total household income, 41% of low-wage workers (including 30% of owners and 55% of renters) say they spend more than 50% of their income on rent or mortgage. Women earning less than \$10 per hour, who also worry frequently about keeping up with rent and mortgage, are among those most likely to spend more than 50% of their income on rent or mortgage (56%).

Table 3: Worry Frequently or Sometimes about Basic Necessities

	Mortgage or Rent	Food
	%	%
All	48	47
Men	42	45
Women	53	48
White	46	46
African American	49	47
Hispanic	57	49
High school or less	52	49
Some college	51	48
College grads	33	37
Rent	57	51
Own	38	41
Less than \$10 per hour	55	50
Women: < \$10	59	53
Men: < \$10	47	46
\$10 to \$14 per hour	47	48
Full-time workers	42	42
Part-time workers	61	56

Turning to Government and Others for Assistance

To get by, many low-wage workers have had to make personal sacrifices or turn to others for assistance. One in three (32%) has had to sell or pawn personal items to make ends meet, with higher proportions among 18- to 34-year-old low-wage workers (38%) and part-time workers (38%). Others have had to put their educational goals on hold because of a lack of finances. Thirty-seven percent (37%) have put off education or training because they could not afford it. Perhaps because of their lower incomes overall or a tendency to put the needs of others first, women (41% of women overall and 47% of women earning less than \$10 per hour) are more likely than men (31%) to say they have put off their education due to lack of finances. If an inability to afford additional education is a barrier to career advancement—and 36% of low-wage workers with a high school degree or less say it is—then workers in low-wage jobs who cannot support expensive tuition costs are stuck in a bind with no clear way out.

Because they do not earn enough to get by on their own, low-wage workers often rely on outside assistance to make ends meet. Half (52%) of all low-wage

workers say they have used some form of public assistance in the past two years, including Food Stamps (29%), Medicaid (25%), unemployment insurance (14%), Social Security Disability Insurance (12%), and public housing or rent assistance (9%). Others have turned to friends and family for support. One in four (25%) has received financial support from family or friends in the past two years. This proportion is even higher among low-wage workers who say their household income is not enough to meet basic expenses (40%).

The Challenge of Debt

Borrowing money, and going into debt in general, is one way that low-wage workers are able to afford their short-term expenses. In fact, nearly half (48%) of all low-wage workers say that they have had to borrow money in the past four years to make ends meet. As Table 4 shows, single parents (59%), 18- to 34-year-olds (53%), African Americans (55%), Hispanics (57%), and women earning less than \$10 per hour (55%) are particularly likely to say they had to borrow money in the past four years.

In the long-term, having debt hanging overhead may take a toll on the emotional well-being of low-wage workers. Among those who have borrowed money in the past four years, nearly three in four (73%) worry frequently (54%) or sometimes (19%) about having more debt than they can handle. On top of the stress, 51% of workers who have borrowed money say that having too much debt is a very or fairly big obstacle to reaching their work or career goals.

Table 4: Borrowed Money in Past Four Years

	Borrowed Money %
All	48
Men	45
Women	50
All parents	56
Single parents	59
Age 18 to 34	53
Age 35 to 49	47
Age 50 and over	40
White	43
African American	55
Hispanic	57
High school or less	50
Some college	51
College grads	34
Less than \$10 per hour	51
Women: < \$10	55
Men: < \$10	45
\$10 to \$14 per hour	50

Wages More Than \$10 Have A Big Impact

It is clear that even among low-wage workers, a significant difference exists between those who earn more than \$10 an hour, and those who earn less. Increasing pay for workers making the lowest wages to at least \$10 per hour can mean the difference between poverty and getting by. While nearly half (44%) of workers earning over \$10 an hour say their financial situation allows them to at least meet their basic living expenses, just one-third (34%) of workers making less than \$10 an hour can say the same.

Differences Between Workers Making Less Than \$10/Hour And Between \$10 And \$14/Hour

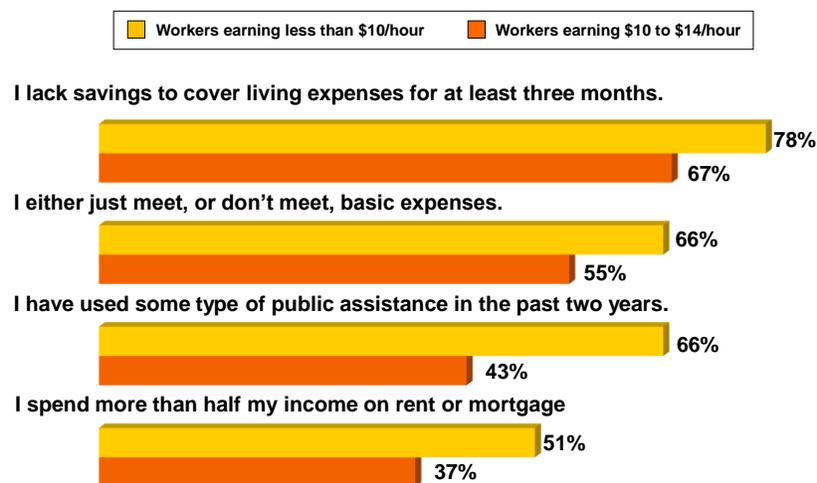


Figure 3

Workers making more than \$10 an hour also are less likely to find themselves in tenuous employment and housing situations. When asked how often they worry about a series of personal challenges, 69% of workers making less than \$10 an hour reported worrying sometimes or frequently about either losing a job or not being able to find one, compared with 59% of workers making between \$10 and \$14. In fact, in this instance, \$10 an hour appears to mark a dividing line. Workers making between \$10 and \$12 an hour (57%) more closely resemble workers making between \$12 and \$14 (62%) than they do workers making less than \$10 (69%). This finding provides further evidence that increasing the minimum wage to \$10 per hour could lead to a dramatic difference in the quality of life for workers currently making the lowest wages.

While this was the largest difference between these two groups on any of the challenges listed, workers making more than \$10 an hour were also less likely to worry about keeping up with rent or mortgage payments. This is not surprising, considering that just 37% of these workers spend more than half their income on rent or mortgage, compared with half (51%) of workers making less than \$10 an hour. With low wages, unstable work situations, and housing commitments that make up such a high percentage of their anticipated income, it is no surprise that workers earning less than \$10 an hour face a predominantly paycheck-to-paycheck existence. When asked whether they have savings that would cover their living expenses for at least three months—generally considered an appropriate sign of financial stability—less than one in five (18%) workers making less than \$10 an hour responded that they did. While few workers making more than \$10 answered this question in the affirmative, workers making between \$10 and \$12 were 14 points more likely to say they had the requisite savings than workers making less than \$10 an hour.

Unsurprisingly, low-wage workers in general identify many challenges in the workplace and the community that hinder their ability to achieve the careers they envision. Workers making less than \$10 an hour, however, are particularly likely to classify these challenges as big obstacles to reaching their work or career goals. These challenges include a bad economy and job market in their community (which 61% of workers making less than \$10 an hour report as a very or fairly big obstacle, compared with 47% of workers making between \$10 and \$14), and difficulty getting a loan or investments to start their own businesses (34% for workers making less than \$10 and 25% for those making between \$10 and \$14). Workers making less than \$10 an hour are also more likely to cite the difficulty of affording more education or training (40% to 33%), and are more than twice as likely to cite a lack of reliable and affordable transportation as a very or fairly big obstacle than workers making between \$10 and \$14 (35% for workers earning less than \$10, and 17% for those earning between \$10 and \$14).

Traditional Values and Modest Expectations

Despite challenging economic and career prospects, low-wage workers maintain a strong work ethic and hope that their hard work will pay off in the long run. A majority of low-wage workers (62%) believe that most people who want to get ahead can make it if they are willing to work hard, while just one in three feels that hard work and determination are no guarantee of success. That result is virtually identical to what Americans overall say (63%) when asked the same question.⁵

Low-wage workers clearly are dedicated to investing the time and effort needed to achieve success. Virtually all (94%) low-wage workers say that performing their job well is an extremely or very important goal to them personally. In fact, more workers rate this as highly important to them than having a well-paying job that allows them to live comfortably (86%). Further indicative of their strong work ethic is the finding that nearly one-third (30%) of employed low-wage workers are working more than 40 hours per week and 16% are working two or more jobs. However, it should be noted that only half (50%) of low-wage workers who work more than 40 hours per week receive time and a half for overtime.

The time and effort low-wage workers are putting in on the job is not to fulfill grandiose dreams of personal success. Low-wage workers have rather modest expectations for themselves but have high hopes for their children. While 57% say it is extremely or very important to them personally to get a college degree (including 50% of those with a high school degree or less), far more (81%) say it is extremely or very important that their children graduate from college. Along these same lines, only 37% say it is extremely or very important to them to be middle class while nine in 10 (89%) low-wage workers say it is extremely or very important that their children are better off financially than they are.

Women earning less than \$10 per hour, who as we have already seen face more severe hardships, are among those mostly likely to place top priority on improving conditions for their children. Eighty-six percent (86%) say that having their children graduate from college is highly important to them and 53% say it is extremely important to them (compared with 46% of low-wage workers overall). Similarly, women earning less than \$10 per hour want their children to be better off

⁵ Pew Research Center (July, 2012).

financially than they are with even greater intensity than low-wage workers overall (55% say it is extremely important to them, compared with 49% overall).

While they have modest expectations for themselves, low-wage workers hold high hopes for their children.

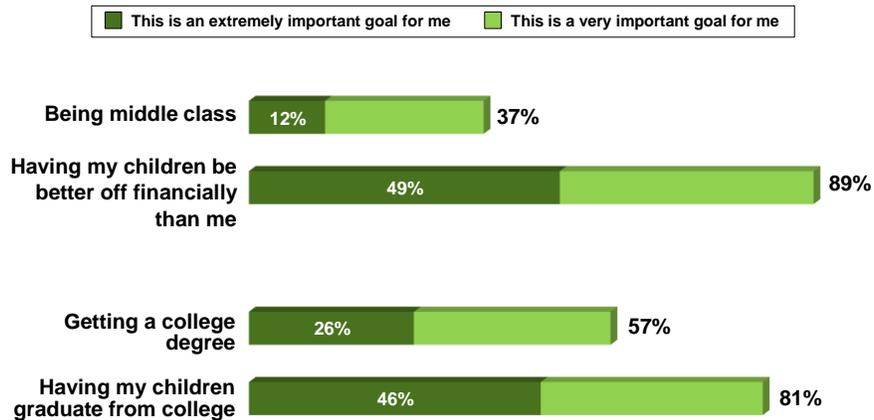


Figure 4

A livable income takes on a much more modest meaning among low-wage workers than among Americans overall. When asked to name the smallest amount of money a family of four needs to earn each year to get by in their community, low-wage workers gave a median answer of approximately \$37,000. By comparison, a nationwide Gallup poll conducted in April 2013 found that Americans overall believe that a family of four needs to earn a median of \$50,000 in order to get by—fully \$13,000 per year more than low-wage workers.

Low-wage workers have a low expectation of how much money it takes to get by.

What is the smallest amount of money a family of four needs to make each year to get by in your community?

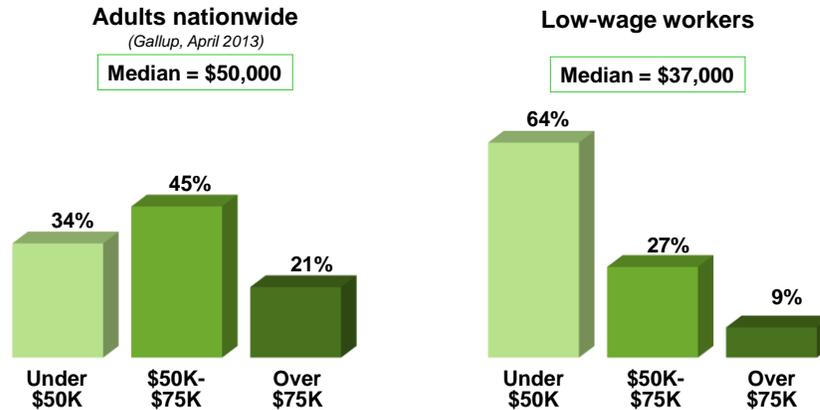


Figure 5

Low-wage workers' modest values also are reflected in how they would plan to use extra income were they to earn just a little more money. When asked to choose from a list of seven potential ways to spend money if they earned two dollars more per hour, one in four (27%) low-wage workers says they mainly would spend the additional money paying off debt and 16% say they would spend the money primarily on saving for retirement. By contrast, only 6% of low-wage workers say they would spend the extra money on things such as going out more often or taking a vacation. Given the problem of debt so many low-wage workers face, it also is noteworthy that one in three (34%) who have borrowed money in the past four years says that if they earned two more dollars per hour, they would spend that extra money mainly paying off debt—a far higher proportion than those who say they would spend the extra money on going out more often or taking a vacation (2%).

Even with humble expectations of how much money it takes to live comfortably and with modest personal financial ambitions, only half (50%) of low-wage workers are hopeful and confident that they will be able to achieve their economic goals, and nearly as many (44%) say that they are more worried and concerned. White low-wage workers (53%) are especially likely to be worried and

concerned (compared with 29% of African Americans and 34% of Hispanics) as are workers age 50 and older (58%).

Falling Down: Mobility and Opportunity for Low-Wage Workers

One of the main tenets of the American dream is that hard work will be rewarded with success. While low-wage workers continue to work hard and have high personal standards for job performance, the American dream is becoming more of a fantasy and less of a realistic possibility. With the bulk of job losses and few job gains occurring in mid-wage occupations,⁶ the economic recession and sluggish recovery have exacerbated the challenges that low-wage workers face in trying to climb the economic ladder. An important goal of this survey was to see how low-wage workers view mobility in America today and how they evaluate their own trajectory not only in light of the Great Recession but given the longstanding challenges low-wage workers have struggled to overcome.

Low-wage workers feel that Americans are falling out of the middle class, not rising into it.

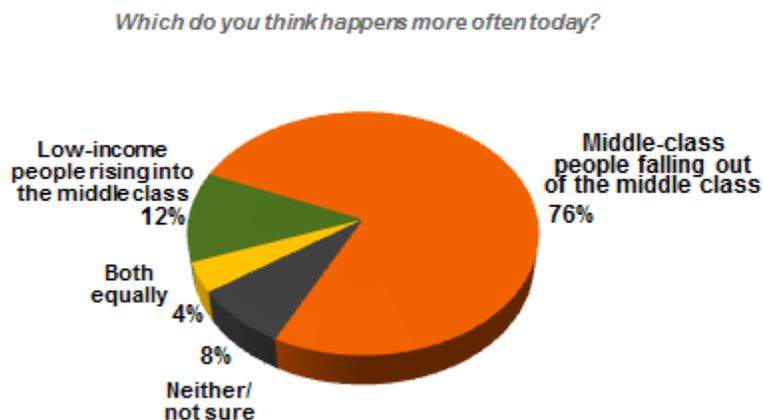


Figure 6

When given a chance to express their own views and personal experiences, the majority of low-wage workers describe their personal economic conditions as deteriorating or stagnating. Low-wage workers' worsening personal finances are

⁶ National Employment Law Project (August, 2012). The Low-Wage Recovery and Growing Inequality.

reflected in widespread pessimism about economic mobility in America. Overwhelmingly, low-wage workers believe that it is more common for middle-class people to fall out of the middle class (76%) than for low-income people to rise into it (12%). This negative outlook prevails among majorities of low-wage workers across party lines, including Democrats (79%), independents (75%), and Republicans (69%).

Not only have low-wage workers' conditions not improved in recent years, they also are not advancing from generation to generation at the same rate as among Americans overall. Whereas a strong majority (69%) of Americans say they are better off financially than their parents were at the same age, only 53% of low-wage workers can say the same.⁷

Only half of low-wage workers feel they are better off than their parents.

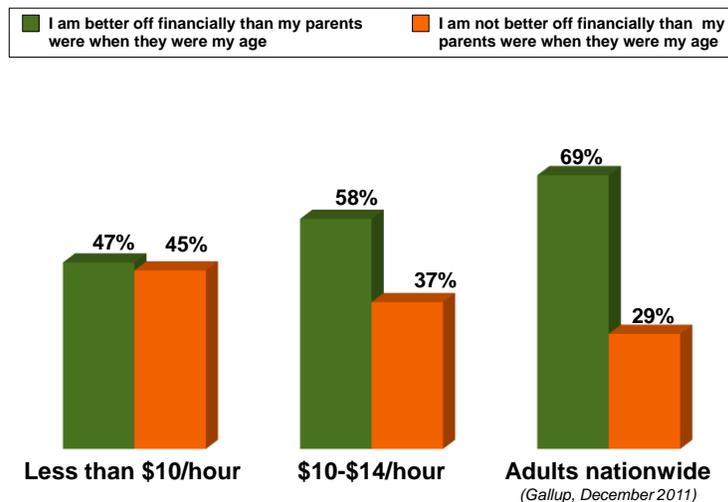


Figure 7

Hispanics are one of the few groups in which a majority (66%) report that they are better off financially than their parents were. By contrast, 57% of African Americans and fewer than half of whites (47%) report an improvement in their personal economic conditions compared with that of their parents. Interestingly, generational stagnation has hit low-wage workers to the same degree across education levels; comparably low proportions of low-wage workers with a high school degree or less (53%), some college (51%), or a four-year college degree (53%) say they are better off financially than their parents were at the same age.

⁷ Gallup (December, 2011)

Table 5: Making Less Than in The Past

	Making Less %
All	52
Men	54
Women	50
Age 18 to 34	50
Age 35 to 49	52
Age 50 and over	57
White	53
African American	58
Hispanic	43
Earn less than \$10/hour	65
Women: < \$10	64
Men: < \$10	66
Earn \$10-\$14/hour	43
Full-time workers	48
Part-time workers	68
Laid off in past 4 years	70

Low-wage workers' overall conditions have deteriorated in large part because of declining wages. Just over half (52%) say that they had a previous job that paid more money than their current one, while only 46% say their current job is the highest paying they have had.

A correlation between age and declining conditions indicates that older workers have been particularly hard hit. Workers age 50 and over (57%) are more likely than their younger counterparts (50% of 18- to 34-year-olds and 52% of 35- to 49-year-olds) to be making less today than they did in the past. A closer inspection of this drop in pay reveals that older men experienced this hardship to the greatest extent. Three in five (60%) men age 50 and older have had a job in the past that paid more money compared to a still high

50% among men under 50.

An examination of other groups that suffered a drop in wages indicates that many low-wage workers have had to accept inferior jobs due to lack of better opportunities. Sixty-eight percent (68%) of part-time workers and 70% of low-wage workers who were laid off in the past four years had a prior job that paid more money. While these workers continue to forge ahead, their downward trajectory undoubtedly takes a toll. And in fact, 42% of workers whose wages have decreased report that they worry sometimes or frequently about feeling down, depressed, and helpless.

Consistent with their worsening economic prospects, few low-wage workers have experienced improvements in their overall condition in recent years. Only 38% of low-wage workers say that they and their family are better off today than they were five years ago, compared with 61% who are either worse off (41%) or about the same (20%). Older workers in particular have seen their situations take a turn for the worse. Compared with 29% of 18- to 34-year-olds and 45% of 35- to 49-year-olds, fully 55% of workers age 55 and older say they are now worse off than they were five years ago. Part-time workers and those who are unemployed

also have seen better times as majorities of each (55% and 56% respectively) say they are worse off now.

Many are worse off than they were before the recession.

Would you say that you and your family are better off now than you were five years ago or are you worse off now?

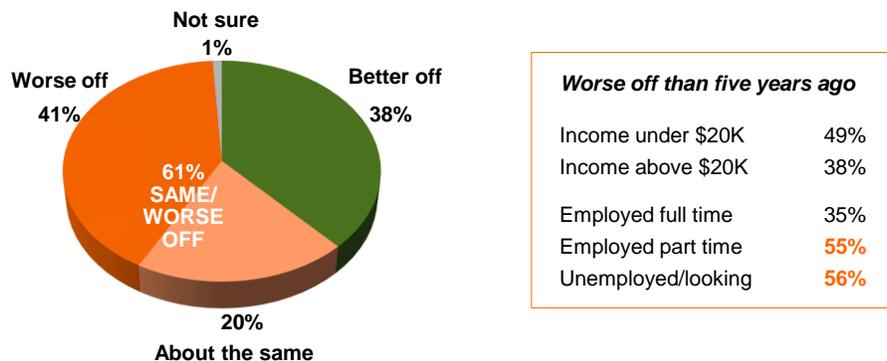


Figure 8

Hard Work: Few Benefits, Few Opportunities for Advancement

In addition to small incomes, low-wage workers also face a set of unique challenges and obstacles while on the job that make it difficult to achieve the life they might have imagined. Often offered little-to-no benefits and tenuous job security, low-wage workers struggle to achieve measures of basic workplace security that the majority of Americans often take for granted.

Given this, low-wage workers feel strongly that improvements are needed at their place of work. Thinking about their overall job situation, including things such as wages, benefits, and working conditions, two-thirds (67%) of low-wage workers say that improvements are needed (and 33% say a lot of improvements are needed), compared with just 17% who say that things are fine as they are. The proportion who feel that improvements are needed is particularly high among women (71%), workers making less than \$10 an hour (70%), and part-time workers (76%).

Two-thirds say that improvements are needed in their job situation.

Thinking about my overall job situation, including things such as wages, benefits, and working conditions, I would say:

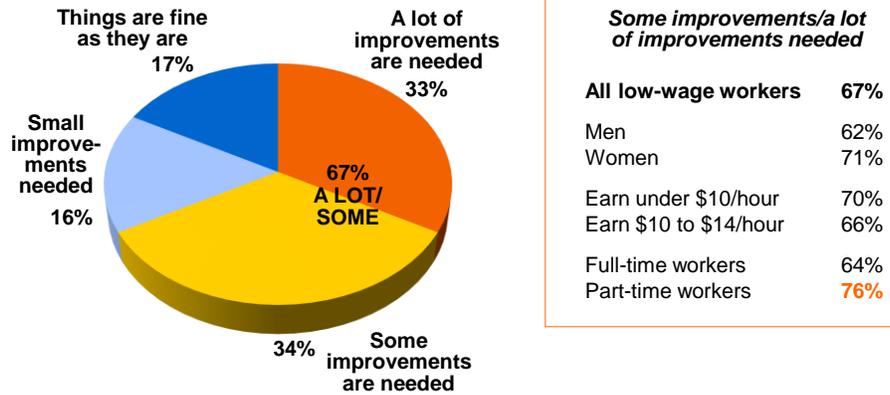


Figure 9

The status of low-wage workers' overall situation at work spills over into their attitudes beyond the workplace. Low-wage workers who believe that some or a lot of improvements are needed at their job are especially worried and concerned about being able to achieve their economic and financial goals in the future. Half of that group is worried and concerned, compared with just one in three (34%) of the latter who feel that way about their financial outlook.

Lack of Benefits

Low-wage workers enjoy few of the workplace benefits that many Americans are provided. When asked whether their workplace offers paid sick leave, paid vacation time, health insurance, or a retirement plan that their employer contributes to, 30% of low-wage workers indicate that they are not offered any of these benefits, and only 28% are offered all four. While 55% have a job with paid vacation time, and 57% are in jobs that offer health insurance, fewer than half (44%) are offered paid sick leave—the same proportion that is offered an employer-sponsored retirement plan. Eighteen- to 34-year-old workers are disproportionately likely to have jobs without any benefits (35%), as are women with a high school education or less (36%).

Many low-wage jobs are without benefits.

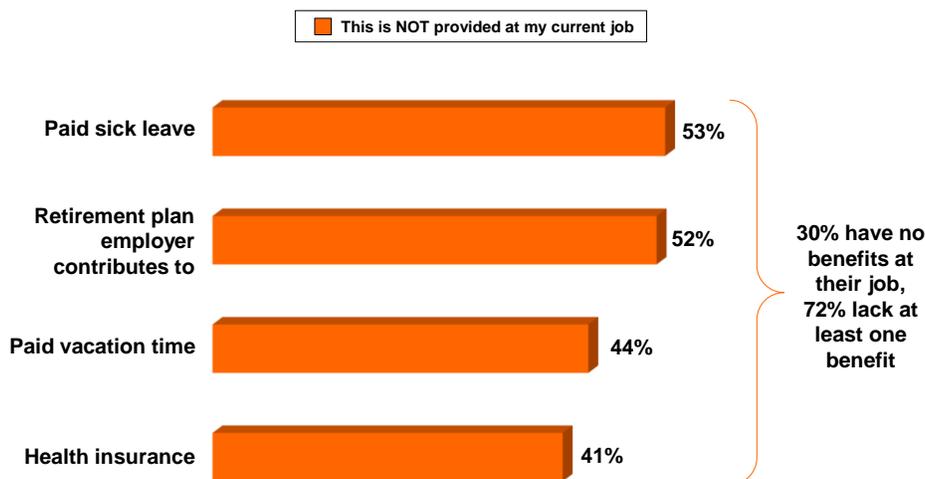


Figure 10

For low-wage workers, the presence of benefits—or the lack thereof—is aligned closely with their overall job satisfaction. Among those who have none of these benefits, four in five (80%) say that some or a lot of improvements are needed at their job, compared with 57% of those who receive full benefits, and 65% of those who have at least one. And as further evidence that financial success and security depends on more than just wages, workers who receive all four of these benefits (62%) are twice as likely as workers who receive none (31%) to say they are satisfied when it comes to their financial situation.

When businesses fail to offer low-wage workers adequate benefits, these workers turn to state, local, and federal government assistance to ensure adequate health and financial stability. Nearly two-thirds (63%) of low-wage workers who receive no benefits have used public assistance in the past two years—including Food Stamps, Medicaid or state health care, unemployment insurance, Social Security Disability Insurance, or public housing or rent assistance—compared with just 38% of workers who receive all four of these workplace benefits. Workers without benefits also are more likely to worry sometimes or frequently about having health expenses they cannot afford, or about losing or not being able to find a job.

Table 6: Relationship between Benefits and Use Of Government Assistance in Past Two Years

Total Benefits ¹	Food Stamps %	Medicaid %	Unemployment %	SSDI %	Public Housing/Rent %
0	45	30	17	15	11
1 to 3	25	26	15	12	8
4	19	19	8	10	6

¹Total Benefits, including: paid sick leave, paid vacation time, health insurance, or an employer-sponsored health plan.

Challenges and Barriers

While the fact that workers who make less than \$14 an hour are affected by their low wages is not surprising, these workers also cite stress from work demands and a lack of job security as either very or fairly serious problems at their job (48% and 36% respectively). Having irregular or insufficient hours and being treated disrespectfully by supervisors also are noted as problems by about one in four workers.

Job problems low-wage workers face: low wages, stress, few opportunities for advancement

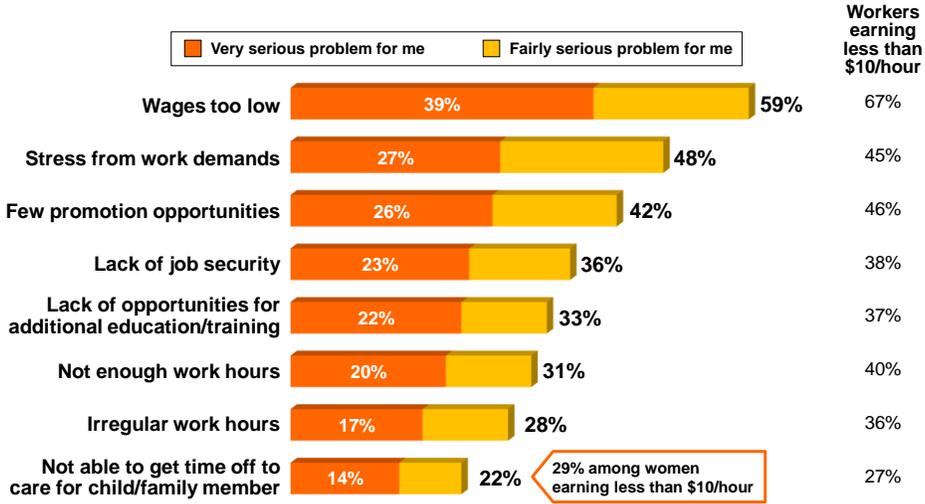


Figure 11

Single parents and women earning less than \$10 must deal with the additional responsibility of caring for children and family members while working, and employers are not making it any easier for them. Twenty-nine percent (29%) of both single parents and women earning less than \$10 say that not being able to get time off work to care for a child or other family member is a very or fairly serious problem. The problem of work inflexibility has real consequences for these workers' ability maintain a stable job. More than one in five single parents (23%) and women earning less than \$10 per hour (21%) has lost a job because they were sick or had to take care of a family member.

Of the different challenges facing low-wage workers, Hispanic and African-American communities feel several disproportionately. Compared with white low-wage workers, African Americans are more likely to say that irregular work hours are a very or fairly big problem (33% compared with 24%), and more likely to say that not being able to take time off to care for a child or family member falls into these categories (28% compared to 18%). For Hispanic workers, a lack of opportunities for additional education and training and unsafe working conditions are particularly problematic.

Table 7: Very or Fairly Big Problem Faced on the Job

	<u>Whites</u>	<u>African Americans</u>	<u>Hispanics</u>
	%	%	%
Lack of opportunities for additional education or training	30	38	40
Not having enough work hours	28	33	38
Irregular work hours	24	33	35
Not being able to get time off at work to care for a child or other family member	18	28	28
Unsafe working conditions	13	18	22

The fact that many low-wage workers face barriers to advancement that inhibit their ability to work themselves out of poverty is especially disconcerting. Having few opportunities for promotion is a serious problem for 42% of low-wage workers, as is a lack of opportunities for additional education and training (33%). Taking a broader outlook, low-wage workers cite a bad economy and job market in their community as the biggest obstacle to reaching their work and career goals. Just over half (53%) say that a poor economy and job market is a very or fairly big obstacle and three in four (76%) say this is at least somewhat of an obstacle.

While low-wage workers' jobs offer few opportunities for additional education, their salaries are too low to make up the difference. One in three (35%) says difficulty affording more education or training is a big obstacle.

On top of the difficulties that all low-wage workers face, women and minorities report facing significant challenges to ad-

vancement. One in 10 women—including 13% of women earning less than \$10 per hour—says that discrimination based on their sex is a big obstacle to reaching their career goals, and 19% say that it is at least somewhat of an obstacle. African Americans (23%) and Hispanics (20%) also say that discrimination based on their race or ethnicity is a big obstacle to advancement.

As discussed earlier, low-wage workers who have fallen into debt find that their challenges for climbing out are even steeper. In fact, 32% of low-wage workers overall and 51% of those who have had to borrow money in the past four years say that debt is a big obstacle preventing them from reaching their career goals. Along these same lines, 28% of low-wage workers overall and 36% who have had to borrow money say that difficulty getting a loan or investment to start their own business is holding them back.

Table 8: Very or Fairly Big Obstacle to Reaching Career Goals

	All %	Borrowed Money¹ %
A bad economy and job market in your community	53	64
Difficulty affording more education or training	35	48
Too much debt	32	51
Difficulty getting a loan or investments to start your own business	28	36
Not having reliable transportation	23	26
Lack of affordable child or elder care	18	25

¹In past four years.

Policy Solutions Low-Wage Workers Believe Would Help

Facing numerous challenges both inside and outside the workplace, low-wage workers believe that there is a role for public policy in helping people like them, and they have concrete ideas about how government can do so. These workers are, however, pessimistic about their ability to affect and benefit from the political process. By seven to one, low-wage workers believe that Congress passes laws that predominantly benefit the wealthy more often than they pass laws that mainly benefit poor people.

By a wide margin, low-wage workers believe that Congress is biased in favor of the wealthy.

Which one of the following do you think Congress does most often?

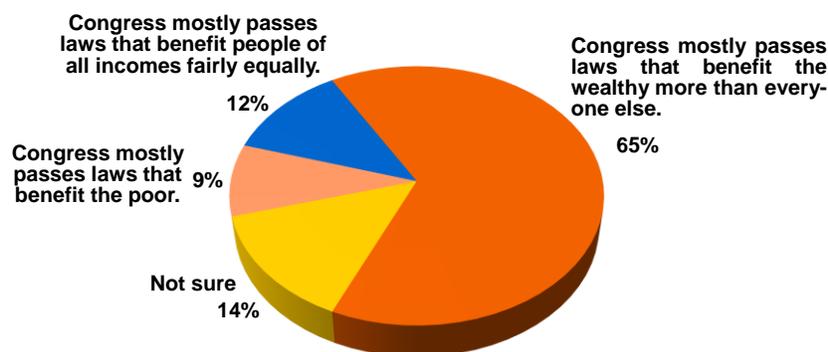


Figure 12

Low-wage workers contend that the government has a responsibility to ensure basic rights and protections to all Americans. Facing low wages, minimal or nonexistent benefits, and irregular working conditions, low-wage workers are in broad agreement that the government has several responsibilities when it comes to looking out for people like them. Nine in 10 (89%) believe the government has a responsibility to ensure that workers have basic protections on the job, and 70% indicate that the government should ensure people who are willing to work do not live in poverty. When asked to comment on more concrete responsibilities -- such as ensuring that everyone has enough to eat (70%), health care (67%), and a roof over their head (59%) -- low-wage workers indicate that these also are government responsibilities.

Low-wage workers believe government has a responsibility to ensure everyone has basic necessities.

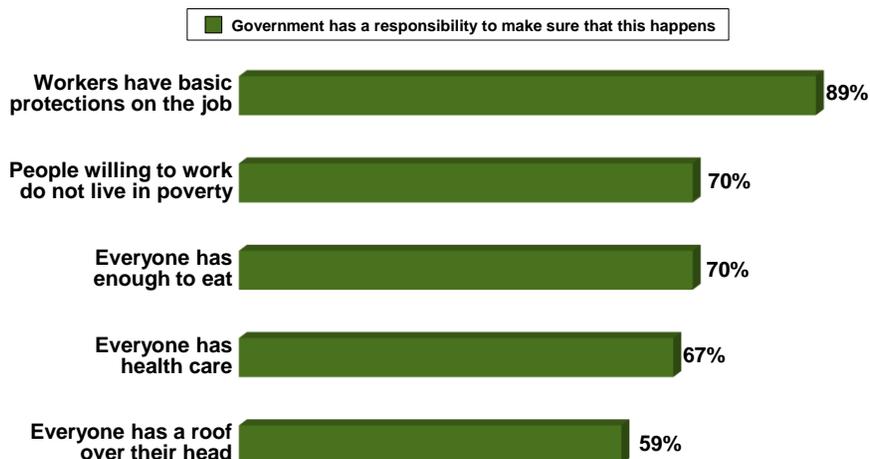


Figure 13

Among workers who are not offered benefits in the workplace, the sense of government responsibility is even higher. On each item asked, workers without any benefits are more likely than those who are offered at least one of these to say the government has a responsibility. Even though housing is not something generally associated with workplace benefits, this is especially true for the item “make sure everyone has a roof over their head,” where two-thirds (67%) of workers without benefits indicate that the government has a responsibility, compared with just 52% of workers who are offered at least one benefit.

With the recent debate surrounding efforts to cut government spending on the food stamp program, it is particularly important to note the broad agreement across demographic groups that the government has a responsibility to ensure that everyone has enough to eat. In fact, more than half of all groups of low-wage workers—including Republicans—indicates that this should be a government responsibility.

Table 9: Ensuring Everyone Has Enough to Eat

	Government Responsibility
	%
All	70
Men	68
Women	72
White	66
African American	80
Hispanic	73
Age 18 to 34	69
Age 35 to 49	77
Age 50 and over	62
HS or less	72
Some college	67
College graduates	70
Less than \$10/hour	75
Women: < \$10	77
Men: < \$10	70
\$10-\$14/ hour	65
Have used Food Stamps	78
Have not used Food Stamps	66
Democrats	76
Independents	70
Republicans	53
Parents	78
Single parents	80

When presented with various ways in which government could improve the economic and working conditions for Americans, majorities of low-wage workers say that each measure would be very or fairly helpful to them and to people in their community. In particular, establishing partnerships between schools and businesses to give students the training and education they need to get a job (86%); raising the minimum wage to \$10 an hour (79%); investing more in building roads, schools, and other public needs (80%); and providing affordable child care (79%) are seen as likely to be helpful. Making it easier to join a union (51%) is not supported by as many low-wage workers as some of the other potential actions, but still is backed by a majority.

While across the board, women are more likely than men to indicate that government action would be helpful, raising the minimum wage, providing affordable child care, and providing more affordable transportation for people who have jobs

outside their immediate neighborhood are particularly important to low-wage working women.

Table 10: Government Involvement Would Be Very or Fairly Helpful

	<u>All</u> <u>%</u>	<u>Men</u> <u>%</u>	<u>Women</u> <u>%</u>
Establish partnerships between schools and businesses to give students the training and education they need to get a job when they graduate	86	85	88
Invest more in building roads, schools, and other public needs, which creates more jobs in the community	80	81	79
Raise the federal minimum wage from \$7.25 per hour to \$10 per hour	79	75	82
Provide affordable child care	79	76	82
Provide initial funding and incentives for savings account for that people can use for their education, starting a business, or buying a first home	75	74	76
Invest more in economic development to bring businesses to low-income communities	75	74	75
Provide more affordable transportation for people who have jobs outside of their immediate neighborhood	72	68	75
Increase the Earned Income Tax Credit to give low-wage workers larger tax refunds	71	72	71
Make it easier for workers to join a union	51	49	53

Spotlight on Working Mothers

Low-wage jobs combined with unpaid domestic labor in their “second shift” present a unique set of challenges for low-wage working mothers, many of whom struggle to provide for their families. Seven in 10 (69%) low-wage working mothers say they just meet their basic expenses or do not even have enough to do that (compared to 59% of low-wage workers overall). Without sufficient wages, working mothers worry about how they will cover their basic living expenses. More than half worry that they will not be able to keep up with their rent or mortgage payments (52%) or that they will not be able to afford healthy, nutritious food for their family (48%). Future unknowns also are a major source of stress for working mothers; 64% worry that they will have health expenses they cannot afford and 69% worry that they will not be able to afford their children’s education.

To make ends meet, many working mothers have put their own education dreams on hold. Half (51%) say that they have put off education or training because they could not afford it (compared with 37% of low-wage workers overall). A lack of education stands in the way of working mothers reaching their career goals to an even greater degree than other low-wage workers. Nearly half of working mothers (47% compared with 35% of low-wage workers overall) say that difficulty affording more education or training is a big obstacle to reaching their work and career goals. Unfortunately, working mothers often do not have jobs that offer an alternative path to education. Two in five (40%) working mothers say a lack of opportunities for additional education or training is a very or fairly

serious problem at their work compared with one-third (33%) of low-wage workers overall.

Work and Home

In addition to the challenges of finding time and money for furthering their education, working mothers struggle to meet competing obligations of work and family. But without the economic resources of their more affluent peers, low-wage working mothers’ “double burden” is only magnified. Nearly two in three (65%) low-wage working mothers worry that they will not have enough time to meet both their work and family responsibilities. Another 49% worry that they will not be able to find quality child care that they can afford.

This lack of affordable child care adds to the challenges that working mothers face on the job; 29% say that a lack of affordable child or elder care is a big obstacle to reaching their career goals. Furthermore, a lack of flexibility at work makes it difficult for working mothers to balance their work and home responsibilities. One in three (32%) working mothers reports that not being able to get time off to care for a child or other family member is a serious problem at their job. Still, there are important opportunities to lighten the burden on working mothers, particularly with respect to child care. Working mothers overwhelmingly (89%) agree that it would be very or fairly helpful to them if the government took steps to improve access to affordable child care.

Spotlight on Workers Age 50 and Older

A closer look at workers age 50 and over reveals that after years of low-wages and little upward mobility, older low-wage workers are showing signs of weariness and have lost some of the optimism of their more youthful counterparts.

For example, whereas majorities of low-wage workers age 18 to 35 say they are more hopeful and confident (63%) than worried and concerned (34%) that they will be able to achieve their economic and financial goals, the reverse is true among workers age 50 and over. Three in five (58%) older workers are worried and concerned while only 37% are hopeful and confident that they will achieve their goals. Their years of effort with minimum reward also have affected the extent to which they believe that hard work leads to success. Forty-two percent (42%) of older low-wage workers say that hard work and determination are no guarantee of success, compared with just 29% of younger workers who say the same.

Older workers' more pessimistic outlook might in part be because the recession has been particularly hard on them. Low-wage workers age 50 and older are more than twice as likely to say they are worse off now (55%) than better off (25%)

compared with five years ago. By the same token, 57% say they had a job in the past that paid more money. While indicators show that the economy is ticking upward slowly, older low-wage workers have yet to feel positive effects. Fully half (50%) say that a bad economy and job market in their community is a big obstacle to reaching their work or career goals.

As older low-wage workers move closer and closer to age 65, concerns about how they will afford to retire are on their minds. Three in four low-wage workers age 50 and older worry at least sometimes about not having enough money for retirement and 61% worry frequently about it. Older workers have reason to worry too. Only half (49%) have a retirement plan at work to which their employer contributes. Many older workers making low wages would put any extra money they earned toward retirement. One in four (24%) says that if they earned \$2 more per hour, they would mainly spend the additional money on saving for retirement. These older workers, however beaten down they may be by the years, are committed to taking responsibility for themselves as they age into retirement; but working conditions must meet them half way.

Appendix A: Statement of Methodology

On behalf of Oxfam America, Hart Research Associates conducted a nationwide telephone survey—including both landlines and cell phones—from July 2 to 9, 2013 among 804 low-wage workers. The margin of error is ± 3.7 percentage points in the full survey sample and is higher among subgroups.

To qualify as low-wage workers, all respondents must be either A) employed in a job that pays \$14 per hour or less, or B) unemployed and looking for work, and have earned \$14/hour or less in their last job. Qualifying low-wage workers can be part-time students but not full-time students. The overwhelming majority of these low-wage workers live in households earning less than 200% of the poverty level.

To draw the sample for this poll, a list of 72,000 records targeted to low- to moderate-income households nationwide was obtained through Survey Sampling, Inc. The vendor's list of these households—which is compiled from various sources including driver's license and voter registration information, and then validated to ensure accuracy—was geographically stratified into clusters using zip codes. Nth select was then used in selecting the sample of 72,000 adults nationwide, therefore ensuring that the final sample properly represented the target universe. In the interest of cell phone integration, cell phone data was appended to 15,000 low- to moderate-income households.

The calling process entailed selecting a random number from within each geographic cluster with the aim of completing one interview per cluster. The cluster sample design gives all telephone numbers an equal chance to be included and results in a geographically representative sample. One adult per household was interviewed, selected by a systematic procedure to provide a balance of respondents by sex and screened to ensure they met the criteria for inclusion as a low-wage worker. Slight weights were applied to survey respondents to achieve an accurate representation of low-wage workers nationwide.