



# HARD WORK, HARD LIVES

SURVEY EXPOSES HARSH REALITY FACED  
BY LOW-WAGE WORKERS IN THE US



**OXFAM**  
America

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This report is based on the results of a national survey conducted by Hart Research Associates on behalf of Oxfam America in 2013.

Hart Research Associates, a leading survey research firm based in Washington, DC, conducted a nationwide telephone survey—including both landlines and cellphones, using random-digit dialing—from July 2 to 9, 2013, among 804 low-wage workers. The margin of error is  $\pm 3.7$  percentage points in the full survey sample; it is higher among subgroups.

To qualify as a low-wage worker, respondents were either employed in a job that pays \$14 per hour or less, or they were unemployed and looking for work, were not students, and had earned \$14 per hour or less in their last job. Most respondents also lived in households with a total income of under \$40,000 per year.

For a PDF of the full examination and interpretation of the results prepared by Hart Research, go to [www.oxfamamerica.org/hart-worker-survey](http://www.oxfamamerica.org/hart-worker-survey). For more information about methodology and results, please contact Andrew Yarrow, [ayarrow@oxfamamerica.org](mailto:ayarrow@oxfamamerica.org).

# LOW-WAGE WORKERS IN AMERICA: WORKING HARD, FALLING BEHIND

Millions of Americans work hard at jobs that do not sustain them and their families financially. As an international organization working to alleviate poverty, Oxfam recognizes the importance of looking closely at poverty that often gets too little attention—such as that which exists even in wealthy nations like the US. Hoping, first, to call attention to the harsh realities of Americans who live and work for wages that leave them stranded at or near the poverty line, and, second, to elevate the voices of America’s working poor, Oxfam America commissioned a national survey of low-wage workers. The survey—conducted by Hart Research Associates—revealed stark and sometimes unexpected results, and raised anew questions about poverty and inequality in one of the wealthiest countries in the world.

The survey found that America’s working poor have a strong work ethic, put in long hours, and believe that hard work can pay off. At the same time, millions of Americans hold jobs that trap them in a cycle of working hard while still unable to get ahead, which leaves them with little hope for economic mobility. Many of America’s working poor are stuck in jobs for which they are paid less than in their previous job, and an overwhelming majority believe that people are more likely to fall from the middle class rather than rise into it.

Low-wage jobs (i.e., for the purposes of the survey, those paying less than \$14 per hour) do not pay enough to provide even a modest standard of living; do not offer adequate bene-

fits to protect workers from family illness and the demands of raising children; and leave workers unable to invest in paths to prosperity (like education) or to save for retirement.

The survey found that most low-wage workers barely scrape by month to month, are plagued by worries about meeting their families’ basic needs, and often turn to loans from family or friends, credit card debt, pawn shops and payday loans, and government programs just to get by.

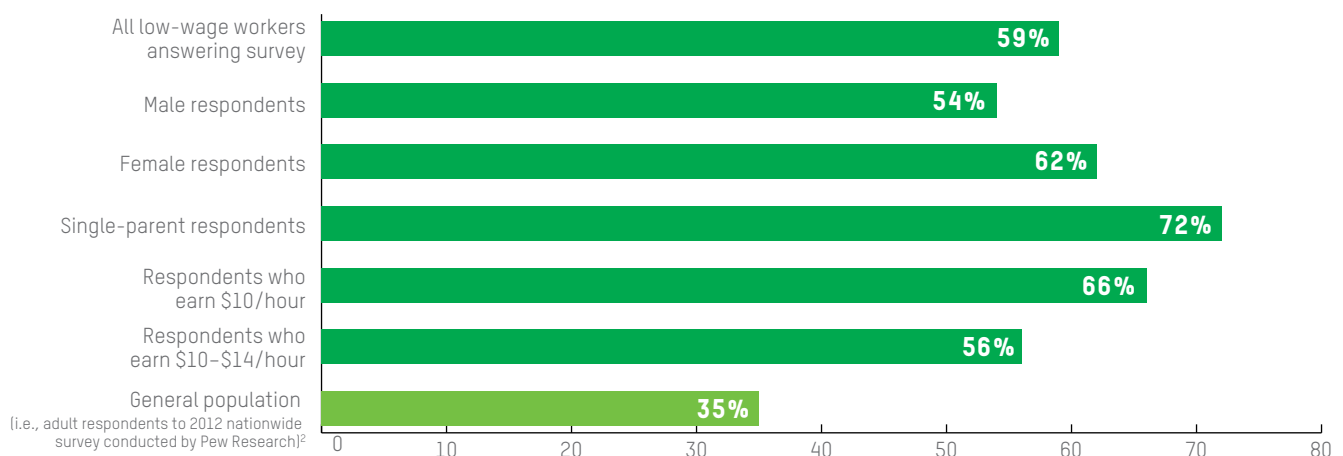
The workers facing the greatest challenges are the most vulnerable: parents (especially single parents), women, and those earning less than \$10 an hour.

Low-wage workers strongly believe that government has a responsibility to ensure that people who work hard do not go hungry or fall into poverty. They also believe that government policy favors the rich rather than helping the poor to get ahead. Low-wage workers want lawmakers to enact policies to help people like themselves, including raising the minimum wage, providing greater subsidies for child care, expanding the earned income tax credit, and making training and education more affordable.

The immediate situation for the working poor is dismal. And the future looks no better, as most new jobs being created are low-wage, benefit-poor jobs.<sup>1</sup> The long-term consequences for American society and the economy are dire: growing numbers of people working at unsustainable, poverty-wage jobs, and unable to get ahead or invest in their children’s future.

## FIGURE 1. STRUGGLING TO GET BY

Percentage of respondents who report that they “just meet” or “don’t even have enough to meet” their basic living expenses





Nearly 900,000 people were employed as maids and housekeeping cleaners in 2012, with a mean hourly wage of \$10.49.<sup>3</sup>

## WHO ARE LOW-WAGE WORKERS?

At least a quarter of American workers are in low-wage jobs, with 33 million earning less than \$10 per hour.<sup>4</sup>

The only thing that defines a low-wage worker is that their job pays poorly. They cook and serve food, staff retail stores, care for the elderly and children, pick fruits and vegetables, and clean offices and hotel rooms. Low-wage workers live in cities and suburbs, in houses and apartments; they span the age spectrum and have varying degrees of education.

A common definition of “the working poor” is people earning less than twice the poverty level (i.e., “200 percent of the poverty level”). In 2011—the most recent census data available at the time of the survey—approximately 106 million Americans and nearly 40 percent of US families had incomes below 200 percent of the poverty level,<sup>5</sup> including more than 55 million with incomes between 100 percent and 200 percent.<sup>6</sup>

Among workers earning less than \$10 per hour, the average age is 35; 55 percent are women; 23 percent are Hispanic (versus 17 percent in the general population); 14 percent are African-American (versus 13 percent in general); and 57 percent are white (versus 63 percent in general). Ten percent have a four-year college education and another 33 percent have completed some college (versus 24 percent and 52 percent of the general population).<sup>7</sup>

- > **At least a quarter of American workers are in low-wage jobs.**
- > **Nearly 40 percent of American families had incomes below 200 percent of the poverty level.**

### AMERICA: THE MOST UNEQUAL RICH COUNTRY IN THE WORLD

Although there have always been jobs that pay poorly, the economic reality in America today is harsher, and more intractable, than at any time in the past few decades. First, as inequality has grown dramatically during the past 35 years, the socioeconomic disparities between those struggling to get by and a wealthy elite have become enormous, and grow more stark every day.<sup>8</sup> Second, the working poor and their children today have less chance of upward mobility than previous generations; during the decades after World War II, many poor and working-class Americans were able to climb into the middle class.<sup>9</sup> Third, structural changes in the US economy and workforce are “hollowing out” the middle class, with the result that the fastest job growth in the US is in low-wage occupations.<sup>10</sup>

As the nation tries to recover from the Great Recession, there is little “recovery” for low-wage workers, as incomes have stagnated or declined since about 2000—not only for those in the bottom third of the income distribution, but for 90 percent of the population.<sup>11</sup>

The US is now the most unequal rich country in the world and has the largest percentage of low-wage workers of any advanced economy.<sup>12</sup>

# STRUGGLING TO STAY AFLOAT: THE PRECARIOUS REALITY OF LOW-WAGE WORK IN AMERICA

## SURVEY FINDINGS

The following information is from Hart Research Associates, “Hard Work, Hard Lives: America’s Low-Wage Workers,” August 2013. For a PDF of these results, go to [www.oxfamamerica.org/hart-worker-survey](http://www.oxfamamerica.org/hart-worker-survey).

### 1. Across the nation, low-wage workers 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 percent) of low-wage workers report that they either “just meet” or don’t even meet their basic expenses. By comparison, only one in three (35 percent) of the general population says the same.<sup>13</sup> Some subgroups of low-wage workers report dramatically higher numbers of barely getting by: single parents (72 percent) and those making less than \$10 an hour (66 percent).
- Most low-wage workers report worrying about meeting their financial responsibilities, including not having enough money for retirement (83 percent) and having health expenses they cannot afford (82 percent). Two-thirds of them report worrying about being able to afford basic necessities like housing (67 percent) and healthy food (65 percent).
- Low-wage workers often seek outside assistance to make ends meet. Half (52 percent) of all low-wage workers say they have used some form of public assistance. One in four (25 percent) has received financial assistance from family or friends. In the past four years, 32 percent have had to sell or pawn items. Six percent have used a payday lender, and 8 percent have received food or clothing from a charity in the past two years. In addition, many have turned to government services, including Food Stamps (29 percent), Medicaid (25 percent), unemployment insurance (14 percent), and public housing or rent assistance (9 percent).
- Nearly half of all low-wage workers (48 percent) say that they have had to borrow money in the past four years to make ends meet. A significant majority (79 percent) report that they do not have sufficient savings to provide for their families for three months, a common measure of basic financial security.

- Of the workers surveyed, those earning less than \$10 per hour are less likely to be able to meet their basic expenses, are more likely to use public assistance (66 percent), and report worrying more frequently about affording basic necessities such as food (50 percent) and shelter (55 percent). They are also more likely to be unable to afford additional education and training (40 percent) compared to workers making \$10–\$14 an hour (33 percent).

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

- Virtually all low-wage workers (94 percent) say that performing their job well is an “extremely important” or “very important” goal to them personally. Nearly one-third of low-wage workers (30 percent) are working more than 40 hours per week, and 16 percent are working two or more jobs.
- Low-wage workers have modest expectations for themselves, but report high hopes for their children. Although 57 percent say it is “extremely important” or “very important” to them personally to get a college degree, far more (81 percent) say it is important that their children graduate from college.

### 3. The prospects for low-wage workers are worsening rather than improving, resulting in widespread pessimism about economic mobility in America. These workers express disbelief that the government is on their side, and they think that Congress is biased in favor of wealthy people.

- Low-wage workers report believing that it is more common for middle-class people to fall out of the middle class (76 percent) than for low-income people to rise into the middle class (12 percent).
- They believe that Congress passes laws that predominantly benefit the wealthy (65 percent) more often than it passes laws that mainly benefit poor people (9 percent).
- Whereas a strong majority (69 percent) of Americans say they are better off financially than their parents were at the same age, only 53 percent of low-wage workers say the same.
- Low-wage workers’ overall conditions have deteriorated in large part because of declining wages. About half (52 percent) say that they had a previous job that paid more money than their current one.

**4. In addition to inadequate incomes, low-wage workers also face challenges and obstacles that make it difficult to maintain basic job security and to find paths to advancement.**

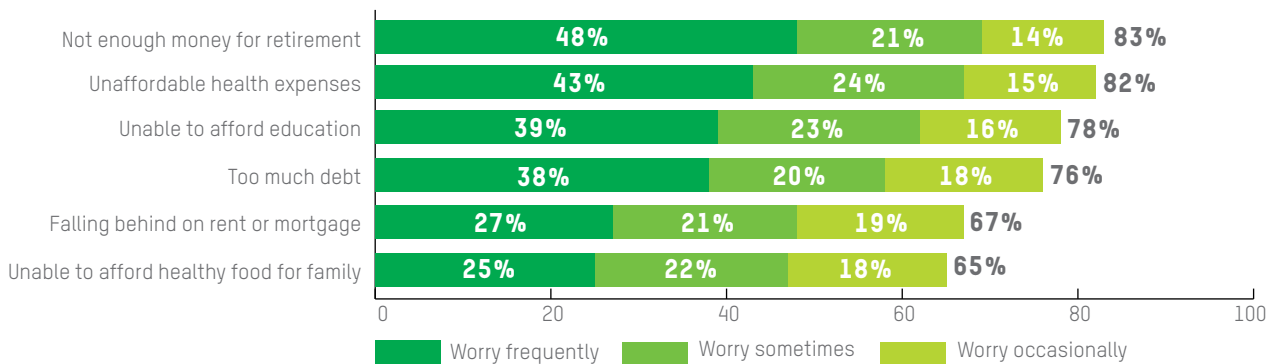
- Thirty percent of low-wage workers do not have any workplace benefits (i.e., paid sick leave, paid vacation time, health insurance, or a retirement plan to which the employer contributes); only 28 percent enjoy all of these benefits. Workers who do not have any benefits are more likely to use public assistance to get by.
- Like other Americans, many low-wage workers must deal with the responsibilities of caring for children and family. Low-wage workers, however, are less likely to have employers who are willing to accommodate the need for flexibility and time off. Single parents and women struggle to hold onto jobs; 28 percent of both groups say that not being able to get time off to care for a child or other family member is a “very serious” or “fairly serious” problem. In fact,

one in seven (14 percent) low-wage workers reports losing a job in the past four years because of getting sick or caring for a child or parent.

- Low-wage workers find it hard to advance on the job; they report a lack of opportunities both for promotion and for additional education and training.
- 5. Low-wage workers believe that there is a role for public policy in helping people like themselves, and they have ideas about what government can do.**
- Ninety percent of low-wage workers believe that the government has a responsibility to ensure that workers have basic protections on the job, and 70 percent indicate that the government should ensure that people who are willing to work do not live in poverty. Most low-wage workers believe that the government has a responsibility to ensure that everyone has enough to eat (70 percent), access to health care (67 percent), and a roof over their head (59 percent).

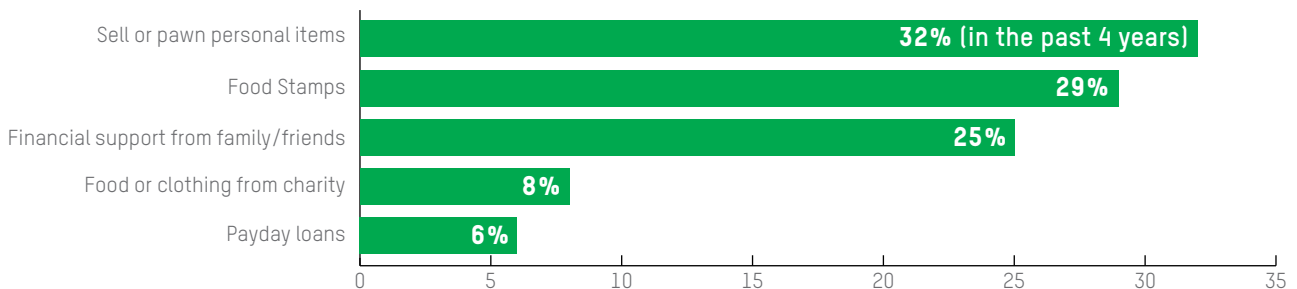
**FIGURE 2. WORRIES ABOUT MEETING FINANCIAL CHALLENGES**

Percentage of respondents who express concern about specific financial challenges



**FIGURE 3. TURNING TO OTHER SOURCES TO MAKE ENDS MEET**

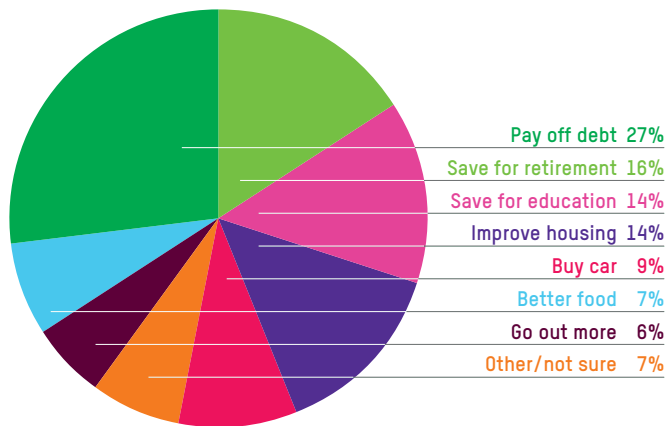
Percentage of respondents who report turning to government benefits or charity, or going into debt at any time in the past two years in order to meet financial challenges



- > 65 percent of low-wage workers worry about not being able to afford healthy food for themselves and their families.
- > 82 percent worry about unaffordable health expenses.

#### FIGURE 4. WHAT \$2 MORE PER HOUR COULD BUY

Respondents report how they would allocate additional income when asked, "If you earned \$2 more per hour, on which of these would you mainly spend that money?"



- Majorities of low-wage workers say there are a number of ways government can improve conditions for people like them. They report the following as likely to be helpful: establishing partnerships between schools and businesses to give students the training and education they need to get a job (86 percent); raising the minimum wage to \$10 an hour (79 percent); providing affordable child care (79 percent); and expanding the earned income tax credit (71 percent).

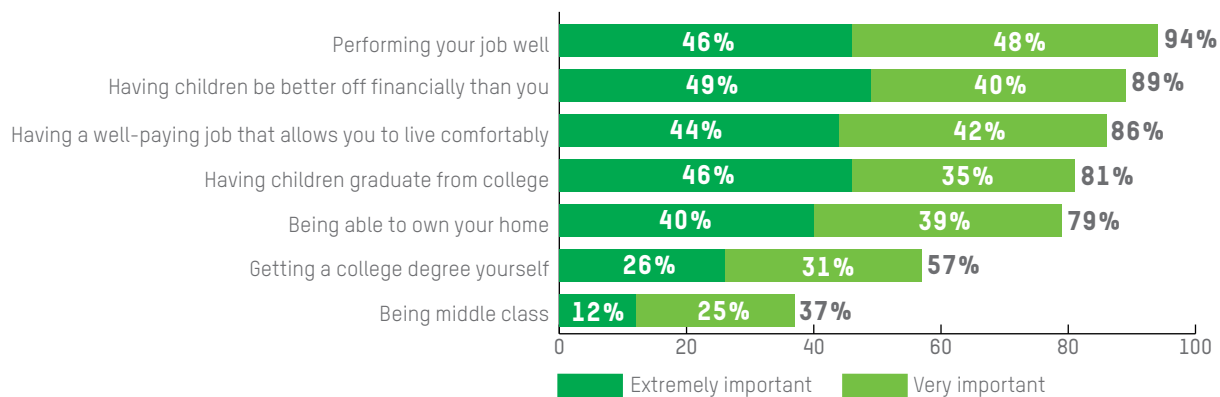
- Women are more apt than men to indicate that government action would be helpful; the things that women report as being most important are raising the minimum wage and providing affordable child care.

#### 6. Hispanic and African-American low-wage workers face greater challenges getting by and advancing than do other low-wage workers.

- Thirty-eight percent of African-American and 40 percent of Hispanic low-wage workers say they lack opportunities for additional education and training, compared with 30 percent of white low-wage workers.
- These groups are more likely than whites to say that they do not have enough work hours, that they have to work irregular hours, and that they are unable to take time off to care for a family member.
- Thirty-five percent of African-Americans and 32 percent of Hispanics surveyed report that they face discrimination on the job.

#### FIGURE 5. ASPIRATIONS OF LOW-WAGE WORKERS

Percentage of respondents who rate specific goals as personally important



# OVER 50 AND UNDER WATER: LITTLE HOPE—AND LITTLE SAVINGS—FOR THE FUTURE

A common misperception is that low-wage work falls to the young, and that workers graduate out of these jobs and start the climb to positions that pay better and involve more responsibilities. In fact, teenagers account for only 12 percent of the low-wage workforce; the other 88 percent are adults who often have a hard time finding the money and time to train for better jobs or to save for any kind of retirement.<sup>14</sup>

Although many older workers have been stuck in low-paying jobs for decades, others have slipped into the low-wage workforce after losing middle-class jobs (especially since the recession began in 2008). They are more likely than younger people to see their economic fortunes as being on a downward trajectory. Some 55 percent say their family is

worse off than five years ago, compared with 29 percent of 18- to 29-year-olds. Fifty-seven percent say they once had a job that paid more.

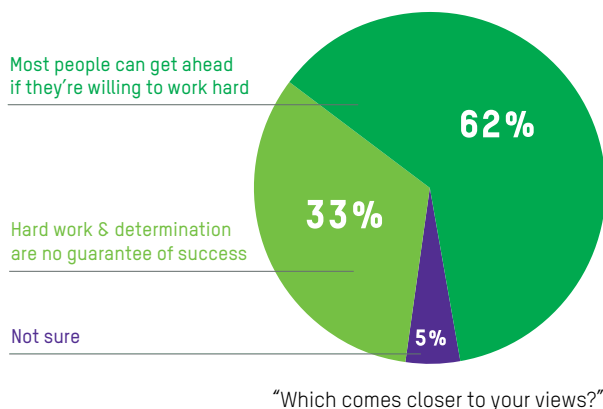
As these workers grow older, they face the challenges of working while aging and the grim prospect of having little or no savings for retirement and of staying on the job past retirement age. Older low-wage workers are particularly worried about not being able to save for the future.

- Fifty-eight percent report worrying about achieving their financial goals, compared with 34 percent of workers between the ages of 18 and 35.
- Three-quarters of them report worrying about not having enough money to retire.
- A quarter of them say that, if they earned \$2 more per hour, they would use the money to save for retirement.

- > Although 62 percent of those surveyed believe that most people can get ahead if they work hard, 76 percent of them think that, today, it's more likely that middle-class people will fall into poverty than that the poor will climb out.
- > And 65 percent believe Congress passes laws that benefit the wealthy rather than the poor.

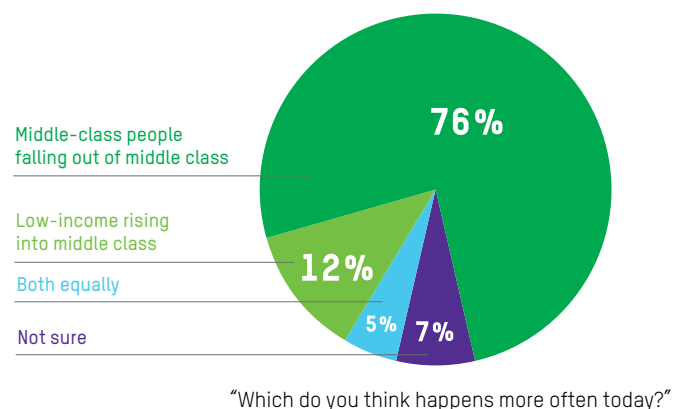
**FIGURE 6. FAITH IN “THE AMERICAN DREAM”**

Respondents report their perceptions about the correlation between hard work and getting ahead



**FIGURE 7. PERCEPTIONS OF ECONOMIC MOBILITY**

Percentage of respondents who believe that Americans are more likely to experience downward—rather than upward—mobility







Rosalinda Santana, 23, a single mother of two in East Hartford, Conn., lost her hotel housekeeping job when she had to take two weeks off to care for her sick son because she couldn't afford a babysitter.



Tyree Johnson, who's worked for 20 years at a fast-food restaurant, rides a train on his way to work in Chicago. The pay gap separating fast-food workers from their chief executive officers is growing dramatically.

## WOMEN'S WORK, WOMEN'S WAGES: THE BURDEN OF BALANCING FAMILY AND WORK

Work that pays low wages often falls into the realm of what has historically been considered “women’s work”: domestic care (children and the elderly), health care, food service work, and cleaning. Because these jobs disproportionately employ women, the female workforce is challenged on several fronts: by low wages, inadequate benefits to deal with family challenges, and the balance of home and work.

Although women now make up close to half of the national workforce in the US, they substantially outnumber men in low-wage jobs. Women make up 60 percent of the lower-paying workforce. Almost 30 percent of the female workforce is low wage, in contrast to less than 20 percent of the male workforce.<sup>15</sup>

Low-wage women workers say they have a harder time making ends meet, and they tend to be more worried and fearful than their male counterparts. Sixty-two percent say they just meet or do not meet basic expenses, compared with 54 percent of men, and 71 percent worry about falling behind on their rent or mortgage payments, compared with 62 percent of men.

The survey found that low-wage working mothers face particularly acute challenges both in making ends meet and in balancing work and home life. Nineteen percent of the working mothers in the survey have lost a job from being sick or caring for a sick child. They are also more likely to say that they have had to put education on hold (51 percent versus 37 percent), further trapping them in dead-end jobs.

Four-fifths (80 percent) worry that they don't have enough time to meet both work and family responsibilities; 59 percent worry about finding affordable child care; 29 percent say that the lack of affordable child care is holding them back; and 32 percent say that they cannot get time off from work to care for a child or other family member. Not surprisingly, 77 percent support policies to make child care more affordable.

The survey confirms that women of color are especially affected, resulting in an increased risk of living in poverty.

### WHAT THE FUTURE HOLDS

While the economy slowly bounces back and adds new jobs every month, the sad news is that most of these new jobs do not provide living wages or benefits. As of July, low-paying industries accounted for 61 percent of the country's job growth in 2013, even though these industries represent 39 percent of overall jobs.<sup>16</sup>

Seventy-seven percent of the job growth was in part-time work. As average hourly pay falls—by two cents in July, 2013—it feeds into a cycle of reduced spending power and consumer confidence, all of which does not bode well for strengthening the economy, or the job market.



The average mean wage for retail salespeople in clothing stores was \$10.35 in 2012; the median age for all retail workers in 2011 was 38.<sup>17</sup>

## NOTES

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**COVER:** A waiter clears a table at Lafayette Coney Island restaurant in Detroit.

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