

Testimony for Summer Lee Hearing on Wage Growth

January 17, 2019

Good afternoon. My name is Logan Bialik and I'm a master's student at the University of Pittsburgh Graduate School of Public and International Affairs. I'm here today to discuss findings from the Pitt Wage Study, an ongoing research project funded by the University of Pittsburgh and the Heinz Endowments and led by faculty at the School of Social Work – Drs. Jeff Shook, Sara Goodkind, and Ray Engel. Since 2017, our study has explored the hardships faced by hospital service workers living on low wages and the ways their lives have changed in response to a wage increase. The findings I'll be discussing today come from 235 surveys and 48 interviews with hospital workers conducted in the spring and summer of 2017.

As we've already heard today, hospital service workers in our community are struggling to live on wages that are far below what they need to live a healthy life. Our research confirms this, as do findings from other studies showing that the wages earned by a large percentage of the U.S. workforce are not sufficient to meet basic needs. In fact, almost half of all jobs in the U.S. pay less than \$15 per hour, despite evidence that this is not enough to get by on. Even for those who are able to make ends meet, low wages make them vulnerable to unexpected financial shocks, such as major car repairs or health crises. Without a sufficient income to enable saving, one life event can suddenly plunge working people into poverty.

The experiences of the workers surveyed for our study unequivocally point to the need to continue fighting for more livable wages. Some of the main highlights to our findings are as follows:

- In spite of working fulltime – and often overtime – workers have a hard time making ends meet: prior to a wage increase, 87% reported living paycheck-to-paycheck; 33% reported being unable to afford medical treatment; and 56% were concerned about being able to afford enough food.

For example, one participant said:

“I forego eating a lot of times when I don't have it, to eat, like, I go to bed hungry half the time. I'm used to it. I'd have a small breakfast, a small lunch, and no dinner. I would just go to sleep hungry. I forego things a lot.”

Another reported:

“I only try to go to my doctor if I'm really sick. You know, if I really have a problem...It was last year, I was really sick with the flu, I was off work for like a week, if not a little bit longer, and it was because I didn't have \$100 to go to the emergency room.”

- Workers employ a variety of strategies to make ends meet, including juggling bills, borrowing money, living with family and friends, and relying on public assistance. By far

the most common strategy was seeking financial help from friends and family, suggesting that our social safety net is not reaching this segment of the population.

As one participant said:

“[When I have trouble making ends meet at the end of the month], I just ask my mom for it. It’s easy. Again, I’m very blessed, so she has a great savings and if I’m short, like “momma...” I’m never short more – you know, \$25, \$50 or something.”

- Following a wage increase, these hardships and strategies remained, though they decreased: for instance, the percentage of people struggling to pay utilities dropped from 52% to 39%, and only 31% were receiving financial assistance from friends and family, compared to 52% before the raise
- Finally, we found that workers making above \$15/hr face significantly fewer hardships than those making less than \$15/hr.

The bottom line is, in spite of their hard work day after day to support essential institutions within our community, service workers in hospitals and other sectors are not being paid enough to live the full, healthy, human lives that they deserve. Like all people, workers want to be able to retire, to contribute meaningfully to their communities, and to provide for their children and families – but with wages where they currently are, these things that ought to be essential are mere luxuries. Our research shows that a modest wage increase has a definitively positive effect in improving the lives of workers, but there’s still much more work that needs to be done to support them and their families.