

Testimony of Ellen Bravo
Director, 9to5, National Association of Working Women
231 West Wisconsin Avenue, Suite 900
Milwaukee, WI 53203-2308
414-274-0925
Senate Committee on Health, Education, Labor and Pensions
The Needs of the Working Poor: Helping Families To Make Ends Meet
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Thank you very much for the opportunity to testify today about the needs of the working poor.

Two years ago, 9to5 and the Radcliffe Public Policy Center at Harvard University received funding from The Ford Foundation and The Annie E. Casey Foundation to examine how low-income working parents cross the boundaries of work, family and their children's education. We did so by asking the people who know this world best -- low-wage parents, those who care for and educate their kids, and their employers. This was a new approach, both the holistic view and the involvement of these three different sectors.

In all, we talked with nearly 350 people in three cities, Boston, Milwaukee and Denver. In each city we conducted in-depth interviews with 30 parents (mostly mothers), 20 employers, 15 child care providers or teachers, and then spoke with dozens more in focus groups. Half the parents had recent experience with welfare, the other half did not -- including women who had never been on welfare. The groups had differing views on many things, but when it came to low-wage workers being able to keep jobs and raise families, they all agreed: "It's just not working."

All families face challenges as they strive to pursue their careers while nurturing their families. But for families in the bottom third of the economy, economic pressures and lack of caregiving resources intensify the ordinary challenges of keeping a job and raising a family to the level of a daily crisis.

Our report, entitled "Keeping Jobs and Raising Families in Low-Income America: It Just Doesn't Work," is being released as Congress begins discussion of welfare reform reauthorization. The study's findings challenge the notion that low-wage work sustains a family. It shows that life is precarious for low-income working mothers in the U.S. regardless of whether or not they have been on welfare.

Unfortunately, the whole area of work and whether the kinds of jobs women leaving welfare would find could sustain families was not part of the discussion during welfare reform in 1996. Neither was the issue of overall family well-being. A view was promoted that women were on welfare because they failed to work. Employment was seen as the solution and movement off the roles as the measure of success.

Out study demonstrates the problems with this approach. We have to address the problems of the working poor – and set our goal as ending poverty, which will necessitate the reform of work.

In our conversations with parents and employers, we found what works:

- **Access to decent and stable employment, usually by means of good education and training, which allows stability in transportation and housing.**
- **Continuing access to income supports until income reaches self-sufficiency level.**
- **Access to quality and stable care - the ability to pay for that, and a solid backup network of family and friends**
- **Flexibility on the job when care needs surpass that care system, however strong it may be.**

We also found that most low-income women lack all or most of these forms of stability -- with disastrous results for themselves, their employers, and above all, their children. One overlooked fact is how much job changeover low-income women experience, mostly because of family care reasons, and the harmful impact that has on kids.

Key findings:

- **We found an entrenched mismatch between the demands of caring for families and succeeding on the job -- intractable conflicts at the most basic level between the safety, survival and education of children and their parents' ability to keep any kind of employment**

These low-wage parents have a relatively high hourly wage and still have low annual incomes because many work less than full time and because they have a high incidence of “churning” or job changing. Although 40% earned more than \$10 an hour, more than two-thirds had income less than \$20,000 a year. Half had incomes less than \$15,000. More than one in four didn't even earn \$10,000 a year.

A Denver child care provider told of a colleague who left the job to work in a dog kennel. “We pay worse than they do,” she said.

A Boston parent said, "It's not making ends meet at all. I'm robbing Peter, promising Pam, and dodging Paul."

Education helps -- but most can't make the time. A young mother began taking computer classes after her 7a.m. to 3 p.m. job, “but... I had to cut back my hours to get there on

time. And then I couldn't pay my babysitter." She was forced to drop out.

Employers sometimes blamed parents, but all agreed: "I don't think I could do it." Even the few employers who offered tuition reimbursement acknowledged that most employees don't have the time to take advantage of it. One employer said, "I suppose the only way to do better is leave [my place of employment] and try to get something better... But really, even if you're a good worker and all... without more school they aren't going anywhere." An employer who runs a housecleaning service admitted he sought non-English speaking workers precisely because there are so few other work options that offer them a better wage and because immigrant workers tend to expect fewer raises.

The employers we interviewed agreed that their own jobs do not provide career ladders. Those who care for our children, our sick and our elderly, those who prepare food, clean offices, secure buildings, assemble products, don't move up -- they move from one bottom rung to another. Moving up usually means moving into another, more skilled job classification -- and that usually requires additional education.

A supervisor in a Milwaukee health care company reported that her company pays for coursework to train nurses' aides to become nurses. She acknowledged an aide would indeed have a "hell of a time" doing his or her job, taking care of children, and attending and passing all the courses. But, she said, a few of her employees have used this program and become nurses, significantly improving their economic status. She reflected that it took extraordinary determination and "kids that don't get sick too much."

All the parents emphasize the importance of education and employment. But these lessons can be hard to communicate when children see that their parents work so hard but remain poor.

- Current strategies for caring for children in low-income families are fragile, fluid, and patchwork, and the upheaval these arrangements create destroy many employment efforts.

Problems with child care are the most common cause of conflicts and anxiety for parents at work and often result in some kind of work sanction being taken against the parent. These are parents who cannot afford to purchase routine care and thus rely on a patchwork of arrangements - a neighbor one day, a relative the next, an after-school activity on another. And these are just the kind of care provisions that are most likely to fall apart.

Employers reported that the unreliability and complexity of their entry-level employees' child care arrangements can be a significant impediment to conducting business.

While most respondents considered children's care and well-being a major national issue, they did not see how parents could obtain quality child care earning the wages they now receive.

Many who are eligible for child care subsidies are not taking advantage of them because they cannot afford the co-payment. Fifty dollars a week seems like a dream payment to many parents, but for those earning less than \$15,000 a year, it's a lot of money. Others cite lack of subsidized providers in their community -- or lack of trust in the quality of care.

One problem for parents who do use the subsidies is losing them just when they begin to earn more money -- but not enough money to pay for child care on their own. Tina Orth, for example, was earning \$10.49 an hour at a bank when she learned she was no longer eligible for child care subsidies. She had to move her child to a different, less expensive care provider, one who proved unreliable on enough occasions that Tina lost her job. She was unable to collect unemployment because at the time, child care issues were not a valid consideration for eligibility. Finally she got another job -- and was written up by the LA Times as an example of a success on Wisconsin's W-2 program. The article failed to point out that Tina was earning \$7.50 an hour, working part-time, with no benefits and no flexibility whatsoever. She takes four buses to get her daughter to child care and herself to the job.

Parents of children with special needs were particularly likely to feel they are constantly being pulled in two different directions and that, at both ends, the need is critical.

Good care, even when subsidized, is still too costly for many families. Yet the quality and reliability of those systems have a profound impact on a parent's ability to hold a job.

It also has an impact on kids' ability to learn and feel safe. A Boston teacher described a direct connection between children's educational achievement and their parents' job situations. "The [children] don't see much of their parents. A lot of these people could only get jobs at night... so kids come in without signed permission slips or homework [done]."

- Inadequate parental time and attention—a concern for all children—may be especially detrimental to children in low-income families.

More than two-thirds of the parents interviewed reported having at least one child with either a chronic health issue or a special learning need. These conditions typically require more frequent and lengthy medical visits and/or school conferences. Yet many parents reported their jobs offered few resources and little flexibility to accommodate family responsibilities.

One mother of a child with attention deficit hyperactive disorder (ADHD) in Denver reported she gets at least three calls a week about her child. "My jobs last about as long as my supervisors can tolerate the interruptions," she said.

Several teachers faulted employers' lack of regard for family obligations. "They ought to remember they are going to be hiring these kids in about eight years."

- Work schedule flexibility and publicly-funded job and income supports reduce the conflicts between job demands and family life, benefiting both employees and employers.

Nearly half of all parents in this research experienced some kind of job sanction, including termination, lost wages, denied promotions and written and verbal warnings, as a result of trying to meet family needs.

For example, a mother in Boston, who works as a security guard for \$7.00 per hour, was called in to her ten-year-old son's school after he became involved in a fight. Teachers told us it was essential for parents to be available to help school officials respond to such incidents. The worker told her supervisor she would miss a day's work, but her absence resulted in the loss of a week's pay. A young mother in Denver explained how she lost a job she was very glad to have after her child's bout of chicken pox consumed more than three sick days. "It was the rule," she said. "They told me, 'no exceptions.'"

A first-grade teacher told us she had never seen so many children come to school sick - because their parents are not permitted to stay home with them. My husband, a high school teacher, sees this from the other side -- older children who miss school because they're staying home to care for a sick sibling or cousin.

But some parents reported workplace and public policies that helped bridge the gap between the demands of work and family.

Topping the list were decent pay and access to paid sick and vacation time. Flexible schedules and supportive supervisors were also key. One Milwaukee printing facility supervisor allows workers to leave early when necessary to care for family obligations. In return, he reported the employees are willing to come in early or stay late the next day. "You get it back," he explained. Another supervisor explained, "I don't turn my back on people because I know a lot of times it's not your fault you're in trouble."

Some employers developed creative policies to address parents' work/family conflicts, including transportation to work, loans and check-cashing services.

The problem is most parents don't have this or any real flexibility. Nearly three out of five of the parents we interviewed had no paid sick leave, more than half had no paid vacation. With a few exceptions, for these workers adjusting work schedules means leaving a job and finding another one.

I want to emphasize that all the women we interviewed want to be employed. What they don't want is to jeopardize their children's care as a result.

What's Needed

What's needed is action by employers and public policymakers that puts an emphasis on child and family well-being and commits not to tinkering at the margins but a core set of related policies to solve these problems.

As a start, we call on those responsible for TANF reauthorization to redefine the goal of this program as ending poverty and enhancing the well-being of children and families, and to broaden the definition of "needy families" beyond those who have received welfare.

Like families everywhere, those in this study need three interconnected basics: *time, sufficient income, and access to quality care giving resources.* Both workplace and public policy changes can make a difference:

Policies recommended include:

- **More control by workers over their schedules**
- **Time off when needed for both minor and more serious family illness but also for school activities and for relaxation.**
- **The right to some paid sick leave and vacation time should fall among minimum labor standards.**
- **Public policy should also include expansion of FMLA to cover more people and more caregiving situations and to provide a source of income during leave.**

In order to allow reduced schedules for those with greater caregiving responsibilities, part-time work must receive equal hourly rates and at least pro-rated benefits and be covered by unemployment insurance.

TANF policy must allow reduced work hours for those with a special-need family member with no effect on access to benefits over a lifetime. Those who are unable to find full-time work and need supplemental assistance should also be able to access this help without having it count against a time limit.

Employers who are offering help would like to see public support to do so. "Give the government the ability to reward companies that do offer [these policies]," a Denver supervisor said. "Others will see it and may do it, too." We support government directing tax and other public dollars to reward workplaces that meet the family-friendly policies listed here. Built into any such incentive programs should be the provision that dollars go directly to worker benefits.

Addressing these three key areas will make great strides at reducing job turnover and poverty for workers in the bottom third of the economy to the benefit of families, employers and the larger community.