

## **Testimony of Barbara Ehrenreich before the Committee on Health, Education, Labor and Pensions**

**February 14, 2002**

It is an honor to be able to testify before this committee on the invitation of Senator Paul Wellstone, whose continuing efforts on behalf of the poor I greatly admire and support. I am a journalist who writes frequently about issues related to women and poverty, and I am here to tell you about an unusual journalistic experiment I undertook in the years 1998 to 2000. At the instigation of a magazine editor, I attempted to support myself on the wages available to me as an entry-level worker, like – for example – the women who have been making the transition from welfare to work as a result of the 1996 welfare reform law.

I tried this in three different cities – Key West, FL, Portland, ME, and Minneapolis, MN. In each one, I tried to find the cheapest possible place to live in and the best-paying job available to me as an entry-level worker with little job experience. The jobs I held included waitressing, hotel housekeeping, cleaning with a housecleaning service, working as a nursing home aide and finally as a Wal-Mart floor clerk. In the economic boom years in which I was doing this, it was not difficult to find jobs. My problem was the inadequacy of the wages I was offered, which averaged \$7 an hour – which is about what women leaving welfare have been found to earn on average.

For me, the overwhelming challenge was housing. In the area near Key West where many low-wage hotel workers live, a half-size trailer in a trailer park cost \$625 a month without utilities. In Portland and the Twin Cities I could no find no apartments or trailers for less than \$800 a month, which was clearly beyond my means, and so ended up living, as do many of the working poor, in residential motels. Some of these charge exorbitant rates – in some cases, over \$250 a week – but are nevertheless attractive to low-income families because the payments are weekly and no first month's rent or security deposit is required. I was horrified by the conditions in some of the motels I looked at and stayed in – the dirt, the lack of ventilation, the poor security, and the lack of amenities such as a microwave or fridge. Still, I saw whole families living in rooms the size of the ones I inhabited, buying all their food in convenience or fast food outlets and eating on the bed.

To sum up my experience: I found it impossible to support myself on only one job, although my expenses were minimal and only for food, gas and housing. The only place where I was at all successful was in Maine, where my room cost \$480 a month and I worked two jobs – cleaning houses on weekdays and working in a nursing home on weekends, for a seven-day work week. While this was not difficult for me – at least for a few weeks – it would have been impossible if I had had a family to care for. However, I found it is not always easy to combine two jobs, since most low-wage, non-union workers have little or no control over their hours of work. You may have a second job lined up for evenings, only to find that you've been switched to the evening shift on your first job.

I cannot claim that my experience is representative of the low-wage workforce, since I

had considerable advantages over many of the people I worked with. I always had a car, for example – a rent-a-wreck that I paid for out of my own money rather than my meager earnings. I did not have any children with me to care for and support. I had few health-related expenses during the months in which I did this, and of course the psychological advantage of knowing I would soon be leaving. In addition, I am white and English-speaking, which seemed, in some settings, to be an advantage in getting jobs.

How did my co-workers manage? Many of course lived with other wage-earners – a spouse, boyfriend, or grown children – with whom they shared rent. Others worked more than one job, typically a six and an eight hour shift each day. In fact, this arrangement seemed so common that I find it hard to believe the Bureau of Labor Statistics' finding that only six percent of the workforce holds two jobs at a time. But some of my co-workers were not managing by any reasonable standard:

- I worked alongside women who turned out to be homeless, although they did not regard themselves as homeless since they had vehicles – an old pick-up truck in one case and a van in another – to sleep in.
- I worked alongside people who were not getting enough to eat during the working day. At first, when I saw co-workers skip lunch, I inferred that they were dieting, and only after getting to know them better did I realize that they did not have any money to buy lunch and had very little food at home.
- In all settings, I worked with people who suffered from untreated health problems, including dental emergencies and job-related injuries, because they lacked health insurance. I should mention that all but one of my employers (the nursing home) were large corporations that did offer health insurance. Unfortunately, however, the employee contribution to the premiums was prohibitively high, and most people I talked to passed on it.

My experience as a journalist working “undercover” as a low-wage worker complements the study “Hardships in America” released by the Economic Policy Institute in July 2001. They found 29 percent of American families experiencing significant hardships on a monthly basis, such as having to skip meals, forego non-emergency medical care, and risk eviction by not paying the rent on time. And I should stress that both my experience and this study reflect pre-recession conditions, when America still enjoyed great prosperity and the official poverty rate was falling.

I come away from my own brief experience as a low-wage worker with three conclusions. First, I am struck by the meaninglessness of the official poverty rate, which now stands at about 12 percent. As you know, this is based on a measure of poverty designed nearly 40 years ago, one that is based largely on the cost of food and does not take into account the recent dramatic inflation in housing and health care costs. By clinging to an obsolete definition of poverty, affluent Americans lull themselves into a false sense of complacency about the lives of so many of their fellow citizens. We need to adopt a more up-to-date measure of poverty, such as those being devised by the Economic Policy Institute and scholars such as Diana Pearce at the

University of Washington in Seattle.

Second, as TANF (Temporary Aid for Needy Families) comes up for re-authorization, I urge you to reconsider a fundamental assumption of our “reformed” welfare system: that a job can lift a family out of poverty. This is not true of the jobs that are readily available to women leaving welfare, and there have been many disturbing indications of suffering among the post-welfare poor: rising demand at food pantries and shelters, for example, and studies finding greater hunger and food insecurity among families that have left welfare for work. At the very least, families leaving welfare need continuing and reliable benefits to sustain them, including childcare, food stamps and access to affordable housing.

Finally, my experience highlights a tragic feature of the current American economy: the fact that hard work is no longer consistently rewarded with a living wage. Low-wage work is as much of a “trap” as welfare ever was, condemning families to persistent hardship even as their breadwinners give most of their waking hours to their jobs. The kinds of jobs currently held by low-wage employees are essential to our economy and our way of life, and deserve to be rewarded accordingly. I ask you to consider the need to raise the minimum wage and to enact laws making it possible for low-wage workers to organize and bargain collectively, if that is what they choose to do. Otherwise we risk not only an unacceptable level of poverty, but mounting cynicism about our most fundamental American values.