

One in four Pennsylvania workers earn poverty wages

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One in four Pennsylvanian workers, and two out of three workers under 24, are paid poverty wages according to a recent report released by the Keystone Research Center.

The annual report, released On August 28, “The State of Working Pennsylvania 2013,” is authored by Mark Price and Stephen Herzenberg, who both hold PhDs in economics.

A section of the report deals with workers who receive a low, or poverty, wage. Their definition of a poverty wage is \$11.19 (in 2012 dollars) for a full-time 52-week worker who has a family of four to support. This translates into annual earnings of \$23,283.

The authors found that in 2012, 26 percent of Pennsylvania workers were paid below this threshold and that the portion of workers in poverty-wage jobs has increased by 2.6 percentage points since 2010.

Young workers are more likely to fall into this category. About 70 percent and 62 percent of workers between the ages of 16-24 and 20-24, respectively, received a poverty wage in 2012. For 25- to 54-year-olds 19.4 percent received a poverty wage. There was an increase in the first two groups from 2010 to 2012 of 1.2 and 2.8 percentage points, respectively, and the last age group suffered a 2.0 percentage point increase.

While grim, the statistics fail to demonstrate the full extent of poverty among Pennsylvania workers. In the first place, the report’s poverty threshold is closely aligned to the federal government’s absurdly low official poverty threshold. The Working Poor Families Project, for example, defines “Low Income Working

Families” as earning double the official poverty threshold; thus a family of four would need to earn upwards of \$46,000 to be out of this category.

Secondly, the report’s data on workers in poverty presumes a full-time job, even though there has been a continued expansion of part-time work since the crisis of 2007. July’s federal jobs report demonstrates the absence of quality, good-paying jobs for American workers. Low-paying restaurants, retailers, and bars supplied roughly half of the 162,000 new jobs in July. Part-time jobs amounted to over 65 percent of the jobs added last month as well. Another report noted that “over the last six months, of the net job creation, 97 percent of that is part-time work.”

Workers who do have jobs are being driven harder, even as mass unemployment remains. Christine Owens of National Employment Law Project explains that, “Corporations are reaping the financial benefits of an increasingly productive workforce, but the recent decline in wages shows that these gains are not being shared with the people actually doing the work.” The KRC report substantiates this, noting that since 1979 in Pennsylvania productivity has increased 61 percent or “15 times as much as the median wage.”

The WSWs interviewed low-wage workers in Pennsylvania to understand and expose the conditions they encounter.

Twenty-one year-old Bre, who works the bar at Longhorn Steakhouse and has had back problems because of her pregnancy, is afraid to follow the doctor’s orders and leave work because she has no savings, lives paycheck to paycheck, and doesn’t

“want to beg for food or keep asking my parents for money.” Her fiancé, meanwhile, works as a cook. Their combined wages are not enough to support a family.

She makes \$2.83 an hour, a typical wage for restaurant servers, relying on tips from patrons to pay the bills. On good nights, she can make more than the Federal minimum wage, but on slow nights the tips do not exceed \$7.25 per hour. Her hours vary “from 30-42 hours a week, usually right around 37,” and she is “still under my mom’s insurance.” It is all too common for low-wage workers to forego health insurance because it is too expensive when juxtaposed to monthly income.

She is also hoping that her parents can aid her financially for childcare costs once the baby is born.

Seth Bitner, 20, attends college in Lock Haven Pa, but works part time to help support himself. “There aren’t any decent paying jobs for young people,” he said. “There are a few in the gas industry, but most people can’t get those. It is hard being a college student and working. Part-time jobs are not cutting it. The pay is not enough; \$7.50 an hour doing factory work does not come close to covering my expenses.”

Seth explained that his mother is helping to pay his room and board but that he has to cover his tuition, books and other living expenses. “I take out loans, they are all in my name,” he explained. “When I get out of school, I will be loaded with debts.” In 2013, average college-related debt for an undergraduate student amounted to \$35,200, according to a survey conducted by Fidelity.

Seth was not yet born when, in 1987, workers at Lock Haven’s massive International Paper Mill went on strike against wage cuts. The company hired scabs to replace striking workers, and the Democratic government under Bob Casey used National Guard to protect the scabs. The strike at Lock Haven and three other IP factories were eventually defeated after they were left isolated and betrayed by their unions. Since then the company closed the paper mill completely.

As a result, Seth says, “there aren’t any good jobs. Everything just pay’s the minimum wage or maybe a

little more. Even the factory jobs pay nothing. A young person can’t live on that, let alone someone who has a family to support.”

Jonathan Weber, a low-wage worker from Pittsburgh, said, “My personal experience is you need a lot of experience to get a good paying job. I went to school for maintenance and construction, and I am not barely making the teens [\$13,000]. I am still paying my student loans and I only make \$14 an hour. My fiancée is pregnant and yet she still has to work. You can’t support a family on such low wages.”

Jonathan and his fiancée have one child already. The day after the WSWS spoke with him he had an interview scheduled to apply for a 30-hour per-week job. With both he would work 75 hours a week.

“I will sleep on the weekends,” he said. “I spend all the time I can with my family, but this puts a lot of stress on you. The politicians don’t care about the working and young people. We have billions in student loan debts, but they don’t help us, but they give billions to the wealthy.”

“I can’t even get on any kind of assistance or food stamps. They say \$14.00 an hour is making too much. Right now we are trying to scrape by until she has the baby, and hopefully tomorrow I will have a second job. You have to do what you have to do.”



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