University of Massachusetts Boston ScholarWorks at UMass Boston

Economics Faculty Publication Series

Economics

1-1-2008

Low-Wage Workers Really Feel the Squeeze

Randy Albelda University of Massachusetts Boston, randy.albelda@umb.edu

Follow this and additional works at: http://scholarworks.umb.edu/econ_faculty_pubs Part of the <u>Economic Policy Commons</u>, <u>Social Policy Commons</u>, and the <u>Work</u>, <u>Economy and</u> <u>Organizations Commons</u>

Recommended Citation

Albelda, Randy, "Low-Wage Workers Really Feel the Squeeze" (2008). MassBenchmarks. Vol. 10, No. 2, p. 32: http://scholarworks.umb.edu/econ_faculty_pubs/18

This Article is brought to you for free and open access by the Economics at ScholarWorks at UMass Boston. It has been accepted for inclusion in Economics Faculty Publication Series by an authorized administrator of ScholarWorks at UMass Boston. For more information, please contact library.uasc@umb.edu.



Low-Wage Workers Really Feel the Squeeze

RANDY ALBELDA

SUPPORT PROGRAMS OFFER SOME HELP BUT MANY WORKERS FIND THEIR BENEFITS ELUSIVE OR SIMPLY OUT OF REACH.

In the United States, it has been generally assumed that those who held a steady job could make ends meet but in today's labor market nothing could be further from the truth. Workers in low-wage jobs can face double jeopardy: insufficient income to cover their basic needs and lack of access to job-related benefits to supplement their earnings. Public work supports — programs to help families fill basic needs such as health care, child care, food, and housing — can fill the gaps, and for many, they do. Still, in Massachusetts close to one out of every four individuals in a family with earnings does not have enough to meet basic personal needs, even with public supports.

Labor markets have become increasingly polarized, with the lowest-earning families having seen little or nothing in the way of wage gains for a generation, barring the period of extraordinarily low unemployment in the late 1990s. Also, now that most families lack a stay-at-home parent, the work support system fails to provide sufficient safe, affordable, and enriching child care. And, today's work support system reflects its origins in earlier policies designed to help poor and usually nonworking families. Not surprisingly, the current system is reasonably effective in reaching the neediest but fails to help many working families whose incomes are high enough to make them ineligible for supports but insufficient to meet their needs.

To compound the problem, far too many incomeeligible individuals and families do not receive public supports because the programs themselves are insufficiently funded, the applications procedures are onerous, or both.

Bridging the gaps will require developing both the political will to solve the problem and enacting public policies that: help create good jobs and pathways for low-wage workers to get them; expand public supports to include not only the very poor but working families struggling to make ends meet; and ensure that all who are eligible receive support. In an era of increasingly limited state resources, it is clear that Massachusetts cannot solve these problems alone. Successfully meeting these challenges will require the Commonwealth to work collaboratively with other states to push the federal government to provide our working families with the help and support they need to make ends meet.

RANDY ALBELDA is a professor of economics at the University of Massachusetts Boston.