

April 6, 2021  
Special to the Salem Reporter  
Pamela Ferrara  
Willamette Workforce Partnership

Many burdens of the pandemic economy have fallen largely on the lowest-paid workers in the lowest-paying industries of the Salem area, Oregon, and the U.S.

Low-paid workers have suffered the largest job losses. Last April, when the Salem area unemployment rate took a huge jump after the business shut-downs, 90 percent of job losses fell on these workers. In February 2021, the Salem area was still 7,800 jobs below where it was at the same time last year, and most of the losses were still workers in low-wage industries.

Low-wage workers who haven't lost their jobs continue to work through the pandemic, and take care of elderly in nursing homes, stock shelves, ring up groceries, deliver the mail, drive buses and perform other necessities of everyday life. They are exposed to the public, and risk getting Covid. This lopsided recession has made visible how much we rely on these workers. In fact, we are calling them "essential workers".

Several federal emergency relief spending measures, as well as other policies such as moratoriums on rental evictions, have helped stave off disaster for many low-income families for now. But what should be done to improve low-wage work in the longer run?

How about providing good wages, some package of benefits, and a predictable work schedule? These elements were what the researchers of the Urban Institute, a think tank, identified in a literature scan on the topic. Let's look at each of these and see how Salem area jobs fare in providing them.

What is a good wage? We need a framework here, so a "living wage" calculator" created by researchers at MIT provides the following guide (see table for more examples):

- Two parents both working, with two children, would need to earn \$20.98 an hour (each) in order to have a "living" wage, as opposed to poverty, or just scraping by, in Marion County;
- If only one parent in a two-parent family worked, with two children, \$33.85 an hour would be needed;
- A single person with no children earns a living wage at \$15.24 an hour.

How do area jobs stack up? Nearly 200,000 jobs, as well as total earnings and hours worked, were reported by Marion County employers to the Oregon Employment Department in 2019. Of the 200,000 jobs:

- 33% of workers earned less than \$15 an hour in their jobs (the hourly rate is arrived at by dividing total earnings by hours worked, for each job);
- 53% earned less than \$20 an hour; and
- 75% earned less than \$30.00 an hour.

Wages earned varied by industry.

In February, more than two thirds of the area job losses were in Leisure and Hospitality (-3,100 jobs); Health Care and Social Assistance (-1,300); and Professional and Business Services (-900). Pay earned in these industries in 2019 was as follows:

- Leisure and Hospitality:
  - 70% of the workers earned less than \$15 an hour;
  - 86% less than \$20 an hour;
  - 90% less than \$30 an hour;
- Health Care and Social Assistance:
  - 26% of the workers earned less than \$15 an hour;
  - 46% less than \$20;
  - 69% less than \$30;
- Professional and Business Services (a large share of this industry employment is in staffing agencies);
  - 35% of the workers in Professional and Business Services earned less than \$15;
  - 59% less than \$20;
  - 79% less than \$30.

How many area jobs offer benefits? The Employment Department surveyed private businesses around the state on this topic in summer of 2018. Survey results include the following:

- 77 percent of all Willamette Valley employers offered some mix of benefits to employees, about the same percentage as statewide;
- 95 percent of businesses with 50 or more employees offered benefits – nearly half of Marion county workers worked for an employer with 50 or more employees and so were offered benefits; and
- 35 percent of employers in the Leisure and Hospitality industry– the industry hit hardest by the economic shut-down and paying the lowest wages - offered benefits.

Finally, what about a predictable work schedule? Oregon enacted a “predictive scheduling” law in 2018, requiring minimum advance notice of work schedules. It applies to retail, hospitality and food service businesses with 500 or more workers (Starbucks and Home Depot for example) and covers some 200,000 workers statewide. According to a report by University of Oregon scholars, the law has resulted in some improvement to working conditions but some employers find ways to dodge the law’s intent.

It is obvious that there is plenty of room for improvement in the situation of low-wage workers, so how do we do that?

Some economists take as a given that the pay gap between low-wage and higher-wage jobs are reflective of skills required, which it undoubtedly is, in part. This has been the

assumption behind federal funding for workforce programs, which have been in existence since the 1960s, and provide education and training to move low-wage workers into better jobs.

Other economists point out that the pay gap has been in part driven by government policy decisions over many decades. So, solutions that help reverse these trends include raising the minimum wage, and providing stronger protections for collective bargaining (unions) or alternative mechanisms of worker “voice”.

However, federal workforce programs have experienced declining funding and increasing needs since 1980. The federal minimum wage hasn’t been raised since 2009 (Oregon has raised its minimum fairly regularly). And, private sector union membership is at its lowest point ever, at six percent, down from 35 percent in the 1950s.

Almost all predictions are for economic recovery soon. Without some long-term meaningful aid to low-wage “essential” workers forthcoming from somewhere, it will be a lopsided recovery, just as the recession has been.

***Pam Ferrara of the Willamette Workforce Partnership continues a regular column examining local economic issues. She may be contacted at [pferrara@willwp.org](mailto:pferrara@willwp.org)***

## Living Wage for Marion County, Oregon

<b>One Adult</b>		<b>Living Wage</b>
	0 Children	\$15.24
	1 Child	\$30.79
	2 Children	\$37.82
	3 Children	\$49.34
<b>Two Adults (One Working)</b>		
	0 Children	\$24.59
	1 Child	\$29.88
	2 Children	\$33.85
	3 Children	\$37.62
<b>Two Adults (Both Working)</b>		
	0 Children	\$12.29
	1 Child	\$16.97
	2 Children	\$20.98
	3 Children	\$24.90

*Source: Massachusetts Institute of  
Technology Living Wage Calculator for  
Marion County, Oregon*