

Thin Margins – Part Two

By Stacie Williams
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Many working people in Chicago are supporting their families on low wages. "These would be typically low-wage jobs: retail work, low-end service jobs, home healthcare workers and agricultural workers," said Ron Baiman, a researcher for the Institute of Government and Public Affairs at the University of Illinois at Chicago.

But in order to do it, they have to work a lot of hours.

In 1999, among Chicago's four-person-family households with two adults and two children earning above the self-sufficiency mark, the adults averaged 73 hours of work a week. While in those households below the mark, the adults averaged about 49 hours of work a week.

Ociel Espinoza, 30, helps support his family by working six days a week at two relatively low-paying jobs. His days are spent making pizzas and other Italian fare at a downtown restaurant from 6 a.m. to 2:30 p.m. He then hightails it to another downtown restaurant where he works as a busboy late into the evening---until 1 a.m. on Friday and Saturday nights---before he finally heads home to his three-bedroom apartment on the Southwest Side.

Espinoza's job as a cook pays him around \$8.50 an hour, while his second job is dependent on tips. His wife also holds a part-time job as a telemarketer. He doesn't see the hours as a struggle.

"In the U.S., people don't work as much as you would in Mexico," said Espinoza, a Mexican immigrant who came to Chicago in 1993. "Where I'm from, people work 11, 12

hours a day. I think everybody is looking for something better, and it's hard sometimes."

The family doesn't really have problems paying their rent and utility bills, but they are slowly saving money, Espinoza said. To cut costs, he and his wife live modestly---he rides the bus and train during the week instead of driving, and occasionally, he walks to work. They shop only when they need something.

Espinoza would like to go to culinary school and to continue learning English. "I like my job, but I maybe can learn something better. And if you learn how to speak English better, you can ask for more money or take a better job," he added, half-jokingly with a shrug.

Although families acutely feel the squeeze, adults with no children also have problems keeping up, especially the elderly.

In 1999, more than 37 percent of the nearly 350,000 individuals living alone in Chicago were not earning the \$17,092 necessary to meet Diana Pearce's **self-sufficiency standard** for single-person households. Nearly 60 percent of those 65 years and older, about 55,000 people, had incomes below that mark. Pearce is a researcher who has developed self-sufficiency standards for several cities across the nation. Her standard includes housing, taxes, food, healthcare and transportation expenses.

Thanks to rising heating costs, Marlene Mosby, 72, a former hearing officer for the Illinois Department of Public Aid who lives on her state pension, has had to juggle various bills. Sometimes she keeps them afloat and sometimes they come crashing down around her.

"I just got a disconnection notice for the last [heating] bill and had to pay by credit card to prevent it from being cut off," said Mosby, who rents her large two-bedroom apartment in the South Side Chatham neighborhood from a friend who gives her a discount on the rent. But even with the savings, fluctuations with the heating bill--\$85 one month, \$180 another month, then up to \$360 the next month---have been too hard for Mosby to manage. "If I could get on a budget plan that's reasonable, like \$100 or \$120, I can do that," she said. "But if they start going back and forth, I don't know what to do."

Mosby stays one step ahead by basically pushing the limits of her due dates on other bills. She has gone some months skipping her light bill payments and has waited until she receives disconnection notices from the phone company before making arrangements to stretch out those payments for another couple of weeks.

Because she lives alone---she is divorced and her four grown children left home long ago--- Mosby said she saves a lot on food, and senior discounts are also a lifesaver. She is also a few payments away from owning her car, which she said will be a \$300-a-month financial burden off of her back.

"But I'm a little apprehensive about how things are going to go in the next 10 years," she said. "I might have to adjust my living spaces and get a smaller apartment or senior living apartment."

Mosby has reason to be especially concerned about her heating bill this winter; Hurricanes Katrina and Rita temporarily shut down production at natural gas refineries in the Gulf region, said Elizabeth Castro, a spokeswoman for People's Energy. The loss of production will ultimately increase home heating bills, she said.

Some said the living wage gaps have widened, in part, because of the deterioration of strong, unified labor unions and the loss of well-paying, low-skilled jobs.

Keith Kelleher, head organizer of Service Employees International Union Local 880, estimated that about 35 percent of U.S. workers in the private sector were members of labor unions back in the 1950s. According to the Illinois Department of Labor, among the

state's workforce in 2002, about 24 percent of men and 17 percent of women were members of labor unions.

"Those numbers hurt," Kelleher said. "If you don't have as many members out there pushing politically for things, you can't get what you want."

Despite their decreasing strength, unions are still fighting for living wages, said Carl Rosen, president of District 11 United Electrical, Radio and Machine Workers of America. "If you come into new organizing with a situation [with low wages] there's pressure to get \$1 or \$2 an hour. [The employees] may still be in poverty because they're so low to begin with, but it's a step up."

Rosen also points to the exodus of manufacturing jobs in Chicago as a reason why some workers don't earn a living wage. Those jobs, which often paid well and helped create a middle-class existence for many, have been stripped away, leaving many low-skilled workers with the lowest-paying jobs available.

However, successful living wage movements have coalesced in cities across the nation, including Chicago, around the idea of paying wages that, at the very least, can be increased for inflation. The movements are usually loosely knit groups of unions, city workers, think tanks and nonprofit organizations, such as the Association for Community Organizations for Reform Now, known as ACORN, who have started grassroots campaigns.

In the summer of 1998, the Living Wage Movement, a coalition spearheaded by Service Employees International Union's Local 880 and ACORN's Chicago branch, successfully completed a three-year battle for a living wage ordinance in Chicago. The ordinance, which went into effect in 1999, assured a minimum of \$7.60 per hour to home and healthcare workers, security guards, parking attendants, day laborers, cashiers, custodial workers, clerical workers and elevator operators that are city contractors and subcontractors. The ordinance only applies to for-profit companies and doesn't require employers to provide health benefits, but the minimum pay increases every July---it currently stands at \$9.68 an hour.

Jen Kern, director of ACORN's Living Wage Resource Center in Brooklyn, N.Y., said 130 cities or counties across the nation have added living wage ordinances with help from the center's organizing efforts. But she believes the Living Wage movement is starting to emphasize statewide minimum wages for all workers. She points to Illinois, where lawmakers signed a bill in 2003 raising the statewide minimum wage from \$5.15 per hour to \$5.50 per hour. The state increased it again to \$6.50 an hour this past January.

Wisconsin, Minnesota and states along the east and west coasts also have established statewide minimum wages, Kern said. Congress hasn't raised the federal minimum wage since 1997.

Madeline Talbott, Chicago ACORN's head organizer, would love to see a law that causes the minimum wage to rise with inflation. "A minimum wage increase has a measurable impact on poverty," Talbott said. "There's families who benefited dramatically from that [first] increase who could now pay utility bills and who could consider purchasing a used car."

The coalition that fought for a living wage in Chicago is also spearheading an effort to establish a big-box living wage ordinance, which would require retailers such as Wal-Mart and Target to pay their employees a minimum of \$10 an hour plus benefits, Talbot said.

"Many people who have inadequate income are working hard; many of them have two jobs. The issue is costs," said Pearce. "We're forcing people to make bad choices and they're looking at paying the rent or paying childcare but not doing both."