

Jeffrey Shook Testimony – July 21st, 2021

Good afternoon, my name is Jeffrey Shook and I'm a Professor of Social Work at the University of Pittsburgh. My research focuses on the intersection of laws, policies and practices in the lives of children, youth and families. A significant amount of my work has focused on systems and interventions intended to help and support families, and, unfortunately, this work has revealed that many of these systems and interventions are at best band-aids and too often cause harm. This work has convinced me that focusing "upstream" to support children and families can lead to better outcomes.

Concentrating on "upstream" interventions led me to collaborate with colleagues to start the Pittsburgh Wage Study. The Wage Study is a mixed methods longitudinal study focused on whether and how wage increases improve well-being for low wage workers and their families. Our primary focus has been on a group of low wage hospital workers who formed a union and have negotiated several contracts that will bring the starting wage to over \$15 an hour. We have also collected data from other groups of workers including security guards and nurses. Over the last 4 years we have collected more than a 1,000 surveys and conducted in-depth interviews with 75 individuals, almost half completing 2-3 interviews over time.

I will use the rest of my time today to document key findings from the Wage Study and end with the conclusion that despite progress being made to improve the well-being of these workers, more support is necessary. I am including with my testimony a number of research briefs and presentations that provide more detail on each of these findings.

Our key findings include:

- Material and financial hardships experienced by these hospital workers were and remain quite high. For example, in our first wave of surveys we found that 64% of workers faced a housing hardship (unable to pay utility bills or unable to pay the rent or mortgage), 59% faced a medical hardship (being unable to afford seeing a doctor or accessing prescription medications or having medical debt), and 59% experienced food insecurity (cutting meals or worrying food will run out). 89% reported facing financial insecurity (living paycheck to paycheck, not being able to live comfortably with their budget).
- In light of these material hardships, workers relied on a range of strategies to make ends meet. 51% reported relying on friends and family. 22% used pawn shops or payday loans. Workers also had to juggle bills and used a variety of other strategies to make ends meet. At the same time, relatively few workers received tax credits or other public benefits. 21% received EITC and 19% LIHEAP but only 13% were able to access food stamps and a much smaller percentage used other public benefits programs.
- Positively, workers experienced decreases in material hardships, financial insecurity and use of strategies as they received wage increases. These decreases were small at first but our survey data and in-depth interviews have revealed that as wages have increased over time, worker well-being has seemed to improve. Importantly, however, there remains a

lot to do, as many workers still experience high levels of material hardship and financial insecurity.

- Our findings support the ongoing push to raise the state and federal minimum wage to \$15 an hour. We found that workers who make more than \$15 an hour experience fewer hardships and have to utilize fewer strategies to make ends meet. Yet, our research also shows that \$15 an hour is not enough, as many workers making more than \$15 an hour still experience significant hardships. In fact, it is not until workers start making more than \$19 or \$20 an hour that we start to see significant decreases in their experiences of material hardships.
- Our analyses show that experiencing material hardships and financial insecurity and utilizing strategies to make ends meet had negative impacts on health and mental health. Using strategies also increased stress, which was also related to worse health and mental health outcomes. Further, workers who had to rely on friends and families for support, or use pawn shops or payday loans, had higher stress levels than those who used public benefits or did not have to use strategies to make ends meet.
- Also important, most of the workers in our study worked fulltime jobs and over half worked overtime and/or a second job. These workers were already working difficult and stressful jobs prior to the pandemic and were deemed essential during the pandemic. We recently completed a survey of nurses and service, clerical and technical workers at several area hospitals and found high levels of depression, anxiety, suicidal ideation, trauma and burnout among all groups of workers. These findings are concerning and further reveal the need to do more to support lower wage workers. While the Covid pandemic has added an additional layer, or two, of stress to these workers' lives, it is clear from our data that many were already struggling, given the difficulties of their jobs and economic realities.

To conclude, findings from the Pittsburgh Wage Study show that the wage increases these workers bargained for and received have made a difference. Yet, more work needs to be done. Some of this work is clearly economic – workers need to be paid a sufficient wage so that they are able to make ends meet. The expanded Child Tax Credit that is just now going into effect will help millions of families. But, workers without children will not benefit from this tax credit. Public policy needs to find additional mechanisms to support workers. At the same time, some of this work requires focusing on our workplaces. We ask a lot of healthcare and many other workers, both before and during the pandemic. They work difficult jobs that take a significant emotional and physical toll. Figuring out ways to provide mental health care and make other workplace changes focused on worker well-being are necessary to better support these workers.

Thank you.