

RESEARCH BRIEF

Can Healthcare Workers' Family Incomes Support Their Families? | March 2020



PURPOSE

Despite living in a country with great wealth, the economy does not work for millions of American workers, leading many to focus on raising the minimum wage. An alternative is offering a living wage, or a wage sufficient to meet basic needs without relying on public benefits. One method to determine such a wage is to use basic needs budgeting to estimate costs for households of different compositions, residing in different geographic areas. This study examines whether a living wage is sufficient to eliminate hardships experienced by lower-wage healthcare workers. We describe the hardships healthcare workers' households experience and hypothesize that households with incomes at/above the threshold for meeting basic needs, compared to those below it, report fewer hardships.

METHOD

Data come from the second of a three-wave structured survey of hospital service workers in Western Pennsylvania (N=254). The Economic Policy Institute's "Family Budget Calculator" is a tool commonly used to estimate basic needs costs, providing cost thresholds for families of up to two adults and four children by region. For households with 3 or more adults and/or 5 or more children we applied multipliers based on the federal poverty guidelines to the family budget thresholds. Hardships are defined by broad categories (e.g., medical, housing) as well as specific types (e.g., could not afford medical treatment, could not pay full rent or mortgage on time).

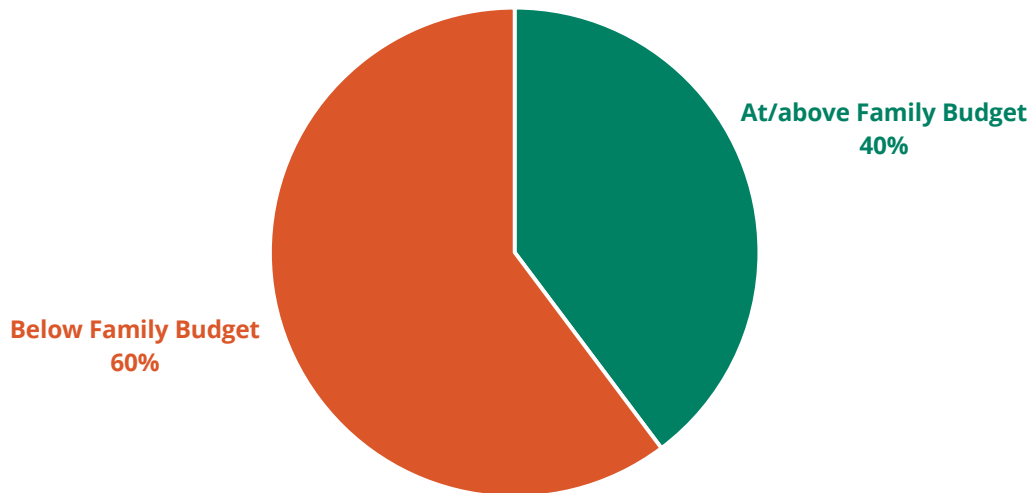
Economic Policy Institute's Family Budget Calculator (<https://www.epi.org/resources/budget/>) provides a threshold of income a family needs in order to attain a modest standard of living in Allegheny County, taking into account costs of housing, food, childcare, transportation, health care, other necessities and taxes.

KEY FINDINGS

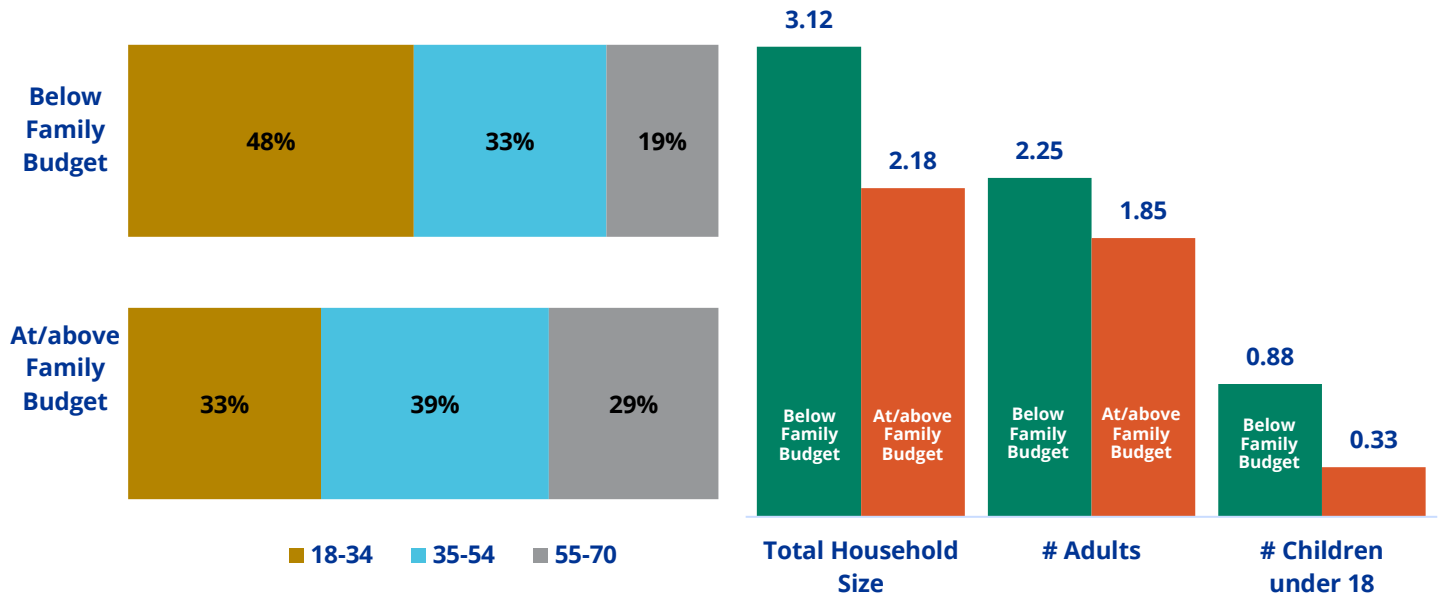
- The majority (60%) of hospital service workers resided in households with incomes below the Family Budget threshold.
- Hospital service workers residing in households with incomes below the Family Budget threshold
 - tended to be younger and/or those with larger households;
 - experienced more hardships than those living in households with incomes at or above the threshold.
- Most hospital service workers residing in households with incomes at or above the Family Budget still struggled to make ends meet each month.

FINDINGS

THE MAJORITY RESIDE IN HOUSEHOLDS EARNING LESS THAN FAMILY BUDGET



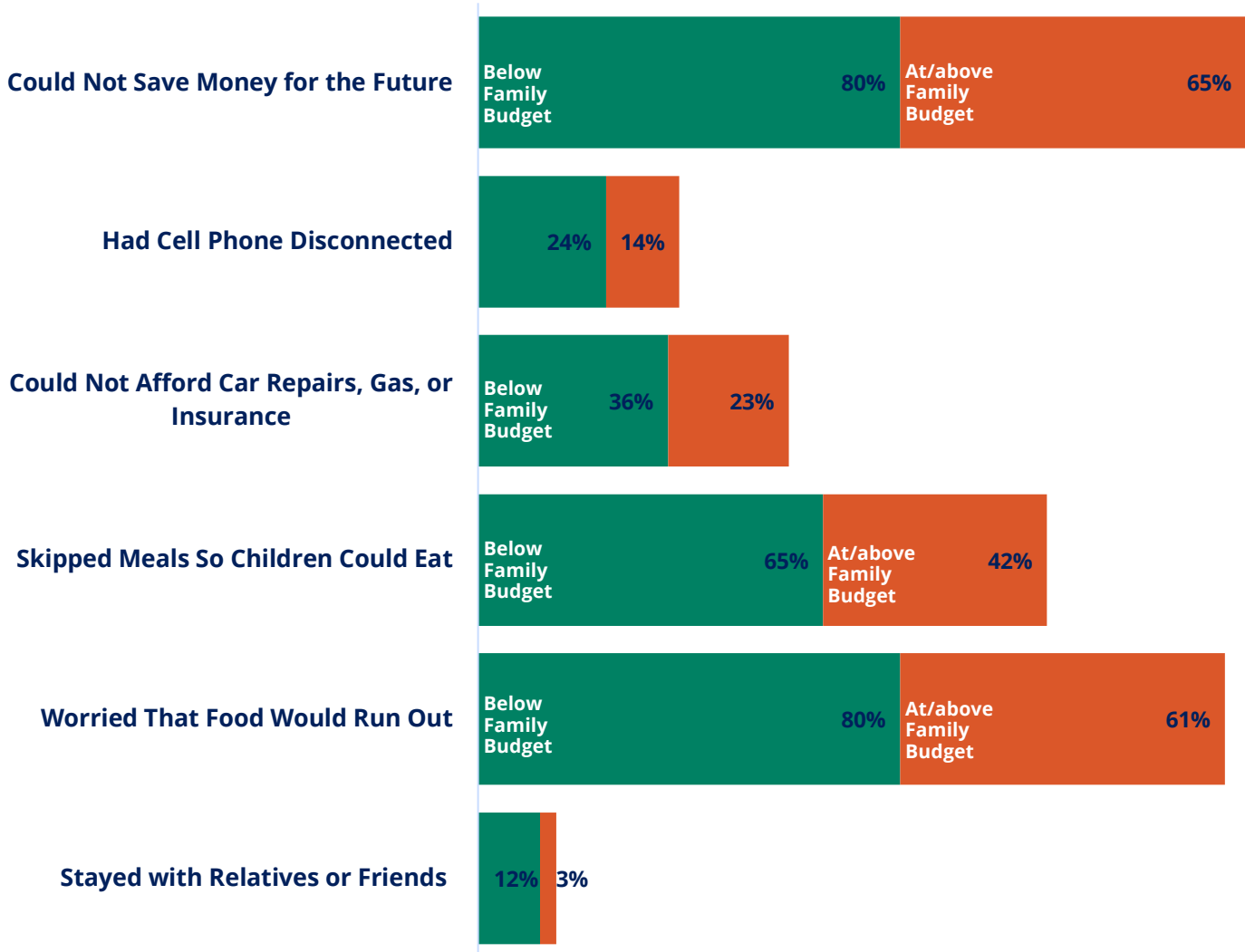
WHO RESIDES IN HOUSEHOLDS EARNING LESS THAN THE FAMILY BUDGET THRESHOLD?



Nearly 40% (101) of the hospital workers resided in households earning incomes at or above the Family Budget threshold. These hospital workers, compared to those living in households below it, were more likely to be older and reported fewer household members, including fewer children. There were no statistically significant differences in race, gender, or level of education between those living in households below the Family Budget threshold and those living in households at or above it.

WORKERS LIVING IN HOUSEHOLDS EARNING LESS THAN THE FAMILY BUDGET THRESHOLD EXPERIENCE MORE HARDSHIPS*

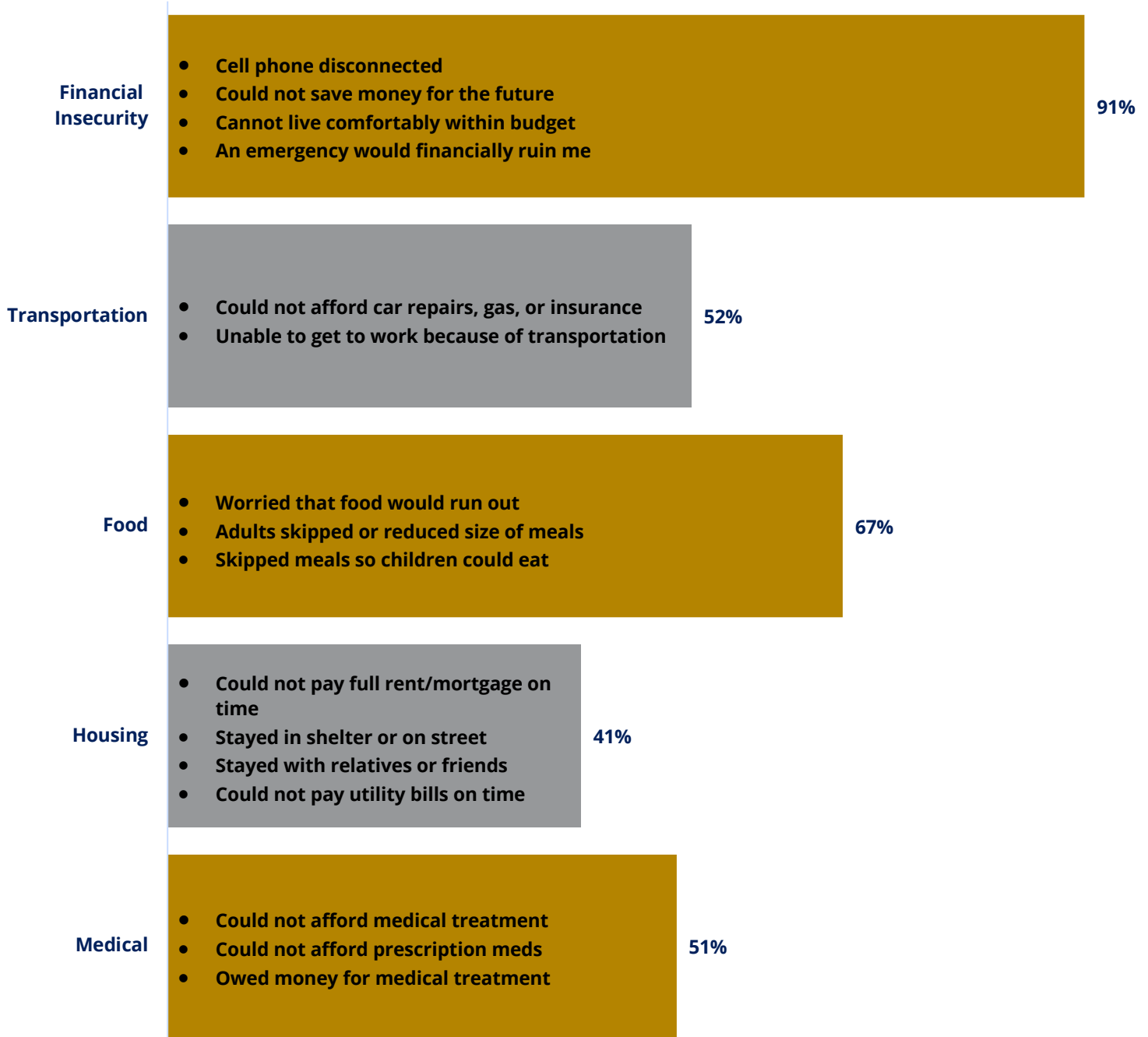
* Differences are statistically significant at .05 level.



By domains, workers living in households below the Family Budget threshold were more likely to experience housing hardships and food hardships than those living in households at/above the threshold. Most (96%) hospital workers regardless of household earnings being below or at/above the Family Budget experienced at least one hardship. There were six specific hardships that were statistically significantly related to Family Budget threshold status: (1) difficulties related to housing, (2) worried that food would run out, (3) skipped meals so children could eat, (4) could not afford car repairs, gas, or insurance, (5) had their cell phones disconnected, and (6) could not save money for the future.

WORKERS RESIDING IN HOUSEHOLDS EARNING AT/ABOVE THE FAMILY BUDGET THRESHOLD STILL STRUGGLE

* The graph indicates percentages of hospital service workers experiencing 1 or more of the hardships listed in each domain.



Hospital workers living in households whose earnings were at/above the Family Budget threshold reported hardships in medical expenses, housing, food, transportation, and financial security.

CONCLUSION

THE VAST MAJORITY OF HOSPITAL WORKERS LIVING IN HOUSEHOLDS WITH INCOMES AT OR ABOVE THE FAMILY BUDGET THRESHOLD STILL EXPERIENCE HARDSHIPS

Though hospital workers living in households below the Family Budget threshold experienced significantly more hardships, hospital workers living in households at/above the Family Budget threshold still reported a large number of hardships. Further, these hardships were not concentrated in one or two broad domains; rather, they experienced hardships across multiple domains.

THESE FINDINGS RAISE THE QUESTION: HOW MUCH HOUSEHOLD INCOME IS NECESSARY FOR FAMILIES TO BE FINANCIALLY SECURE?

Households at/above the Family Budget threshold have total income well above the poverty line. For example, for a single person, the threshold is 2.5 times the poverty line and for a household of 2 adults and 2 children the threshold is 3 times the poverty line.

WE NEED TO CONSIDER ALTERNATIVES TO ADDRESS MATERIAL HARDSHIPS

- **Think beyond wage increases:** Although wage increases are important, small raises are not likely to be sufficient to reduce household hardships alone.
- **Increase public benefit eligibility and access:** Public benefit eligibility criteria changes are also necessary. Income requirements are set at too low a level to support low-wage workers, and efforts to increase participation rates in public programs are necessary.
- **Focus on children and families:** As a number of hardships are related to the presence of children in the household, focusing on programs that benefit children may be politically acceptable. Similarly, the EITC's link to work may make it more politically palatable to expanding its eligibility criteria, increasing its benefits, and raising its participation rate.
- **Ensure access to healthcare:** Healthcare is one particular area that continues to dominate the current policy discourse, focusing both on access to and affordability of services and medication.

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