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WORKING HARD, LIVING POOR

PART I: NEVADA: BASIC NEEDS AND A LIVING WAGE

A REPORT BY THE PROGRESSIVE LEADERSHIP ALLIANCE OF NEVADA

Susan Chandler, MSW, Ph.D., Project Research Director
Alicia Smalley, MSW, Research Assistant

Suggested Donation: \$5.00

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Working Hard, Living Poor Summary Sheet

Working Hard, Living Poor is part of a series of reports by the Progressive Leadership Alliance of Nevada that examines Nevada's economy and how working families fare in that economy.

The report looks at the availability of living wage jobs in Nevada. It also presents recommendations to policy makers on how to increase the number of living wage jobs.

A living wage is an amount that allows a working family to get by without government assistance.

In the last three decades, nearly a million jobs were created in Nevada—the highest rate of job growth in the nation. Unfortunately, the majority of these jobs were not living wage jobs. This report was motivated by the contradictions between economic boom and the stories of Nevadans who must work multiple jobs to pay basic bills.

Key Findings

- **Nearly 60% of current Nevada jobs pay less than a living wage** for a three-person family (see page 2 of Executive Summary & page 9).
- **Among the fastest growing jobs in Nevada, almost 90% pay less than a living wage** (see page 2 of Executive Summary & page 10).
- **A living wage for a one parent, two-child family in Nevada is \$14.57 an hour** (pages 6 & 7).
 - This amount—\$14.57—is comparable to other Living Wage rates in similar sized states.
- **Poverty Wage jobs have increased from 20% to 25.8%** in the last three decades in Nevada.
- **Poverty guidelines are set unrealistically low.** Working families cannot survive on a minimum wage of \$5.15 an hour or the Census Bureau's Poverty Threshold wage of \$6.67 an hour. (p.7)

How working families cope in Nevada (see page 11)

- Many low-wage workers **hold two jobs**, often two full-time jobs, in order to pay basic bills.
- **Many go without health insurance.** Health care needs account for about 9 % of a working family's budget. **If all Nevadans without health insurance lived in a single city, it would be the largest city in the state.** In Nevada, 466,300 people (23.7% of the population) are uninsured.
- Families **cut corners in childcare** that often costs more annually than twice the tuition at Nevada universities. Childcare costs represent about 16% of a working family's budget.
- Some Nevadans **go hungry or use food banks.** 167,000 Nevadans (8.6% of households) are "food insecure"—they do not know if they can meet their food needs.
- Some working families **rely on public assistance** such as Medicaid or food stamps.

Recommendations

- **Raise the minimum wage** (page 13). If we raise the minimum wage, we could reverse or moderate the decline in wages for Nevada workers at the bottom of the pay scale. The minimum wage was created to maintain the "minimum standard of living necessary for health, efficiency, and general well being of workers." Its value has generally declined in the last three decades.
 - 10 states and the District of Columbia have raised their minimum wages.
 - 72% of minimum wages workers are adults.
 - 40% are the sole source of income for their households.
 - 48,890 Nevada workers earn the minimum wage.
 - Raising the minimum wage in 1996 & 1997 did not cause job loss.
- **Enact Living Wage Laws** (page 15).
 - Require businesses that benefit from public money (through contracts, tax breaks, grants, loans or bond financing) to pay their workers a living wage.
 - When subsidized employers pay their workers less than a living wage, taxpayers end up footing a double bill—the initial business subsidy and then food stamps, emergency medical, housing and other services for the low wage workers.
 - More than 50 living wage laws have been passed across the country.

WORKING HARD, LIVING POOR

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