



Work & Wages

A new way forward: 10 ways to support Ohio's working people Hannah Halbert

Ohio's working people are the state's backbone. Working people deserve peace of mind, free of worry about how to put food on the table, pay for their kids' college or make the rent each month. For too long, policies at the state and federal level have slowly chipped away at that sense of security. As a result, job growth has been weak and a vast gulf has opened between the wealth workers create at their jobs and the amount they take home in their wages. The share of Ohio's working people who rejoined the workforce after the Great Recession trails the nation. Longstanding structural barriers keep African-Americans and women from earning as much as their white male peers, even as men's wages fall. Deep-rooted racism locks many people of color out of job opportunities. The state's wealthiest 1 percent earned more than 19 times the average of the bottom 99 percent of earners combined.

So-called "Right-to-Work" legislation and related judicial attacks like the pending *Janus* case don't address these real struggles of working people. When more workers belonged to a union, more people shared in economic growth. Unionized workers in Ohio make \$4.00 an hour more than their non-union counterparts, \$8,000 more a year for full-time work. Union workers are more likely to have pensions and paid sick days, and less likely to be treated unfairly at work or experience harassment or workplace injuries. Union workers pay more in taxes and use the social safety net less than other workers. Black workers and women of all races earn more when they are in a union.

It shouldn't be surprising that corporations and political elites who benefit from rigging the system want to make it more difficult to join a union. Joining a union gives people a direct say in their working conditions and unions can impact public policy, making the economy fairer for everyone.

Today, we release a report that outlines a new path forward, one that make sure all Ohio's working people – not just the top 1 percent – can enjoy a decent life free from economic insecurity. The report covers 10 practical policy solutions that can be implemented today.

At the top of that list is a call to preserve workers' rights to organize. Unions help check inequality. When unions are weak, working people get a smaller share of the growth they help produce. When unions are strong, middle incomes increase.

But the right to organize is just the foundation. Too few hard-working Ohioans have financial security if something goes wrong. If they lose their job, they will have to turn to a state unemployment compensation system that is dangerously close to being insolvent. If they or a family member gets sick or injured, or they need time off to welcome a new child into their family only 13 percent of private sector workers have any *paid* leave, and only 4 percent of the lowest wage workers do.

Policymakers can fix this. State legislators can bring the taxes employers pay into the unemployment compensation system more in line with the national average, so we can have a system that is solvent and doesn't bar low-income workers from benefits. Ohio could join the five other states (California, New Jersey, Rhode Island, New York and Washington) that have passed legislation allowing workers to earn paid family and medical leave.

Ohio's economy has grown more than 65 percent in a generation. The workers who created this wealth have not shared in the growth. The poorest 30 percent of workers have lost about 40 cents per hour in wages since 1979. This means a family of three with a breadwinner working full-time at minimum wage would earn \$3,500 *below* the poverty line. Ohio policymakers need to make work pay again, by restoring the value of the minimum wage and the 40-hour work week. Raising the state minimum wage to \$15 an hour by 2025 would slowly rebuild its purchasing power. Some 1.8 million Ohio workers would get a raise. Ohio should update our overtime laws. The overtime threshold (\$23,660) is set so low that just 7.8 percent of salaried Ohioans are covered. This means many salaried managers at restaurants and stores can work well over 40 hours a week and get no additional pay for the extra hours. Updating the rule to the level proposed by the Obama administration (\$47,476) would help 351,000 Ohio workers.

Lastly, some of the most common jobs in Ohio are the worst paying, so even working people still live in poverty. Our report shows that 7 of the 10 largest job categories in the state pay so little that a typical worker could not feed a family of three without food assistance. This is very different than in 2000, when only 4 of the 10 most common jobs fell below this standard. Even so, there is a push at the state and federal level to impose work requirements on people who rely on Medicaid for health care or federal assistance for housing. The majority (61 percent) of Ohio's working age Medicaid enrollees are working. Variable hours, inconsistent and unstable schedules, and lack of leave will cause many of these workers to lose their health coverage because their jobs cannot meet rigid work requirements. To reduce the need for assistance, Ohio must address job quality and recognize more supports, not fewer, are needed to help families succeed.

Inequality is not the natural order of our economy, but the result of our policy. There is a different way forward and this report describes the first 10 steps we should take.

Thank you for the opportunity to raise the issues.