

Low-Wage Work in Buffalo-Niagara

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Executive Summary

One-third of the Buffalo-Niagara workforce works in an occupation with a median wage of less than \$15 per hour. Common low-wage occupations include food servers, retail salespeople, cashiers, personal care aides, receptionists, janitors, teacher assistants, nursing assistants, home health aides, and security guards. Buffalo-Niagara continues to lose middle-income jobs in sectors such as manufacturing, while gaining low-wage service sector jobs. Improving the wages, benefits, and quality of these jobs is essential to the health and equity of our region.

What is a Family-Sustaining Wage?

In this brief, we focus on Buffalo-Niagara jobs for which the median wage is less than \$15 per hour. As it turns out, these occupations account for 183,720 workers: one-third (33.5 percent) of the local workforce.

A wage of \$15 per hour is substantially more than the New York State minimum wage (\$10.40 per hour in 2018, outside of New York City), but substantially less than a family-sustaining wage.

- The New York State Department of Labor Self-Sufficiency Employment Calculator estimates that a family of three (one adult, one pre-schooler, and one school-age child) needs an income of \$49,758 per year, or \$23.92 per hour in a full-time, full-year job, to meet basic living expenses in Erie County.¹
- MIT University's Living Wage Calculator estimates that a family of three needs an income of \$71,739 per year, or \$34.49 per hour, to meet basic expenses in Buffalo-Niagara.²

This policy brief presents data on Buffalo-Niagara workers with a median wage of less than \$15 per hour. It includes a list of all the occupations that fall into that low-wage category, along with the number of workers in each occupation and the hourly wage. Setting the data in the context of de-unionization and the shift from manufacturing to service jobs, it analyzes the loss in job quality and offers recommendations for reversing it. The brief was researched by Cornell University High Road Fellow John Sullivan Baker and written by PPG executive director Sam Magavern for the Open Buffalo Innovation Lab.



- Some would say a wage is inadequate if it does not enable a family to pay basic bills without public assistance. In New York State, a household of three qualifies for the Home Energy Assistance Program (HEAP) if its income is less than \$44,928 per year (\$21.60 per hour).³

What are Common Low Wage Jobs in Buffalo-Niagara?

In Buffalo-Niagara there are 89 occupations with median wages below \$15. Almost all of them are concentrated in the following nine occupational categories.⁴

Occupational Category	Number of Workers	Average Hourly Wage
Food Preparation and Service	49,420	\$11.83
Sales and Related Occupations	33,660	\$13.46
Personal Care and Service	17,570	\$12.09
Office and Administrative Support	16,290	\$13.21
Buildings/Grounds Cleaning/Maintenance	16,120	\$13.67
Transportation and Material Moving	14,790	\$12.13
Education, Training, and Library	10,440	\$13.28
Healthcare Support	10,050	\$13.66
Protective Service	7,690	\$12.24

The Shift from Manufacturing to Low-Wage Service Jobs

Buffalo-Niagara’s high number of low-wage workers reflects the dramatic shift in the local and national economy from manufacturing to service. Whereas in 1900, over half the jobs in the nation were in manufacturing and less than one fourth in the low-wage service sector, by 2010 the picture had flipped, with almost half of jobs in the low-wage service sector, and less than one fourth in manufacturing.⁵

By 2010, almost half the nation’s jobs were in the **low-wage service sector**, and **less than one fourth** were in **manufacturing**.

Before the Great Depression, most manufacturing jobs featured low pay, long hours, bad working conditions, and no union representation. Beginning with the New Deal, the nation enacted a series of laws that improved the quality of manufacturing jobs until they became family-sustaining, living wage jobs. In more recent decades, as those jobs were lost, some were replaced with higher-skill, higher paying jobs, but most were replaced with less unionized, lower quality jobs.⁶ Buffalo-Niagara offers a dramatic example of the hollowing out of the middle class that resulted. In 1986, 106,428 of the region’s private sector workers belonged to a union (26.9 percent), of whom more than half worked in manufacturing. By 2017, the number of private sector union members had shrunk to 43,359 (10.2 percent).⁷ As of 2018, only about 9 percent of workers in the region work in manufacturing, compared to 18 percent in education and health services and 11 percent in leisure and hospitality.⁸

This trend is expected to continue. The New York State Department of Labor predicts that between 2014 and 2024, the region will lose 1,520 jobs in manufacturing while gaining 14,560 in health care and social assistance and 10,730 in accommodation and food services.⁹

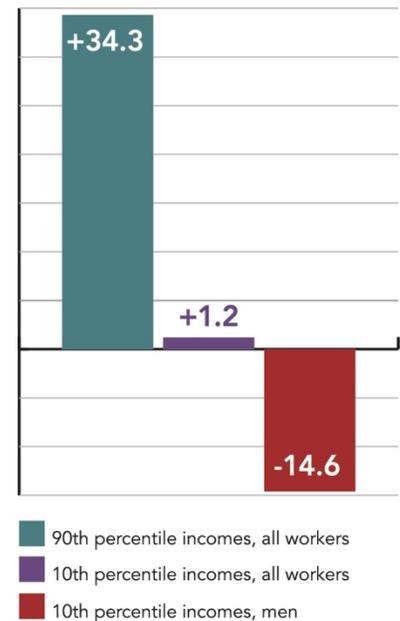
How Have Wages Fared in Recent Times?

Over the last forty years, wage growth in the United States has been sharply different for different demographic groups. While workers in the 90th percentile of incomes saw their wages rise 34.3 percent from 1979 to 2017, workers in the 10th percentile saw their wages rise by only 1.2 percent, and men in the 10th percentile suffered a 14.6 percent decline in wages.¹⁰ Looking at workers in the 50th percentile, white workers gained 13.2 percent in income, but black workers gained only 0.7 percent and Hispanic workers lost 5.3 percent.

Even as the economy has recovered since the Great Recession, wages have seen little increase. Nationally, since 2009, corporate profits have grown at an annualized rate of 6.5 percent, but yearly wage growth has averaged less than 3 percent.¹¹ Whereas in 2000, wages and salaries accounted for 66 percent of the nation’s income, and corporate profits 8.3 percent, in 2018 wages and salaries amount to 62 percent, while corporate profits have risen to 13.2 percent.¹²

Between 2014 and 2024, the region will **lose 1,520 jobs in manufacturing** while **gaining 14,560 in health care and social assistance** and **10,730 in accommodation and food services.**

US WAGES 1979-2017



The recent loss of middle-wage jobs is particularly sharp in Buffalo-Niagara. Between 2007 and 2010, the region lost 16,000 middle-wage jobs. Between 2010 and 2013, it lost another 6,000 middle-wage jobs, even as it was gaining 5,000 high-wage jobs and 8,000 low-wage jobs. Between 2013 and 2017, the region added no middle-wage jobs while adding 6,000 high-wage jobs and 9,000 low-wage jobs.¹³

Job quality is particularly poor in the city of Buffalo, home to roughly one fourth of the region's residents – especially among workers of color. From 1979 to 2014, real wages for the median worker in the city declined by 10 percent.¹⁴ Only workers at the 90th percentile saw their wages grow, while workers in the 10th percentile saw their wages decrease by 15 percent.¹⁵ From 2000 to 2014, the median wage in the city rose slightly for white workers, from \$19.10 to \$19.70, but for people of color it fell from \$17.10 to \$15.80.¹⁶ In those same years, the city's poverty rate rose from 27 percent to 31.4 percent. For blacks it rose to 39.1 percent, for Latinos to 50.7 percent, and for Asian and Pacific Islanders to 51.1 percent.¹⁷

What is Keeping Wages Down?

Economists have offered various explanations for the stagnant wages of recent years, including globalization, outsourcing, automation, the erosion in union membership, the lagging federal minimum wage, and restraints on competition (non-compete clauses, no poaching agreements, etc.).¹⁸ While macro-economic trends certainly influence wages, in the end a nation's wage structure reflects its policy priorities. In other nations experiencing similar economic forces, workers are paid more generously and more equally, because those nations have made different policy choices. Of the 38 developed countries, the United States has the seventh highest rate of income inequality – higher than any European nation.¹⁹ Most other developed countries set higher wage floors, give workers more collective bargaining power, and offer more generous social welfare benefits.

Between 2007 and 2017, the region **lost 22,000 middle-wage jobs.**

Of the 38 developed countries, the United States has the **seventh highest rate of income inequality** – higher than any European nation

Other Aspects of Job Quality

Inadequate wages are only part of the story. Many of the region's jobs lack other basic components of job quality: pensions; health care; paid sick days and vacations; full-year, full-time employment; fixed schedules; workplace safety; and freedom from exploitation. In a 2017 survey of Buffalo workers, 58.9 percent of low-wage workers reported at least one wage and hour violation, and 56 percent reported at least one potential health and safety violation. When it came to benefits, only

- 37.7 percent received health insurance through their employer;
- 34.3 percent received paid sick time;
- 36.6 percent received paid vacation time;
- 24.1 percent received retirement benefits; and
- 14.9 percent were entitled to paid parental leave.²⁰

What Can We Do to Improve Low-Wage Jobs?

As noted above, almost half of the jobs in today's economy are low-wage service sector jobs, and that number is expected to grow. Therefore, the key to fighting poverty and restoring the middle class is improving the quality of those jobs. Education and training are important for many reasons, including equalizing opportunity and enabling lower-skilled workers to transition to higher-skill jobs, but education and training alone cannot solve poverty. Education determines **which** people have access to the better quality jobs more than it determines **how many** good quality jobs there are. We need teaching assistants, home health aides, food servers, security guards, landscapers, and pre-school workers, and unless we pay them middle class wages and benefits, they will not live in the middle class.

The most important way to fight poverty is to **improve the quality of low-wage service sector jobs.**

Just as workers and their allies once organized to transform manufacturing jobs into middle class jobs, so we now need to transform low-wage service sector jobs into middle class jobs. That can only happen through public policies that reward work adequately. While the most important policy levers exist at national and state levels, cities and counties have tools that they can use as well. Following is a sampling of recommendations for Buffalo and Erie County:

Living wages. In a living wage law, a municipality commits to paying its own workers a living wage and to requiring that certain employers who contract with the municipality also pay a living wage. Erie County should adopt a living wage policy, and Buffalo should raise its living wage rate (currently \$11.79 per hour with health insurance and \$13.24 without) to \$15 per hour or more.

Paid Sick Leave. Buffalo and Erie County should follow the lead of New York City and other cities and counties and pass laws requiring the provision of paid sick leave.

Retail Workers Bill of Rights. Buffalo and Erie County should emulate Seattle, San Francisco and other cities and counties and pass a retail workers bill of rights that requires fair scheduling for workers at large retail chains.

Organized labor is essential to any campaign to improve workers' rights and conditions, and in Buffalo-Niagara over 100,000 workers belong to a union. But organized labor cannot do it alone.

Community groups, faith groups, academics, and others must join with unions in a long-term, concerted effort to restore job quality and promote economic justice in the region, the state, and the nation.

Local governments can improve job quality with laws regarding living wages, paid sick leave and fair scheduling.

Occupations With an Average Wage Below \$15

Occupations ⁱ	Number of Workers Employed ⁱⁱ	Average Hourly Wage (\$) ⁱⁱⁱ	Average Annual Wage (\$) ^{iv}
Food Preparation and Serving Related Occupations	>49,420	11.83	24,611
Combined Food Preparation and Serving Workers, Including Fast Food	17,000	10.64	22,130
Waiters and Waitresses	11,180	13.34	27,750
Cooks, Restaurant	4,430	12.98	26,990
Bartenders	3,560	11.91	24,760
Food Preparation Workers	2,820	11.43	23,780
Counter Attendants, Cafeteria, Food Concession, and Coffee Shop	2,230	11.21	23,320
Dishwashers	2,160	10.69	22,240
Food Servers, Nonrestaurant	1,380	11.94	24,840
Dining Room and Cafeteria Attendants and Bartender Helpers	1,380	11.09	23,070
Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop	1,290	11.61	24,150
Cooks, Institution and Cafeteria	1,270	14.12	29,380
Cooks, Fast Food	630	11.10	23,080
Food Preparation and Serving Related Workers, All Other	90	10.87	22,610
Cooks, Short Order	*	12.72	26,460
Sales and Related Occupations	36,660	13.46	28,003
Retail Salespersons	21,050	13.13	27,310
Cashiers	12,580	10.88	22,640
Counter and Rental Clerks	1,510	13.48	28,040
Telemarketers	950	14.73	30,630
Gaming Change Persons and Booth Cashiers	260	12.84	26,700
Sales and Related Workers, All Other	160	14.92	31,020
Demonstrators and Product Promoters	150	14.27	29,680
Personal Care and Service Occupations	>17,570	12.09	25,151
Personal Care Aides	8,320	12.40	25,780
Childcare Workers	2,760	11.36	23,640
Recreation Workers	1,620	12.71	26,450

Occupations ⁱ	Number of Workers Employed ⁱⁱ	Average Hourly Wage (\$) ⁱⁱⁱ	Average Annual Wage (\$) ^{iv}
Amusement and Recreation Attendants	1,510	11.31	23,520
Hairdressers, Hairstylists, and Cosmetologists	1,510	12.68	26,370
Nonfarm Animal Caretakers	880	12.09	25,150
Ushers, Lobby Attendants, and Ticket Takers	520	11.83	24,610
Personal Care and Service Workers, All Other	120	11.94	24,840
Tour and Travel Guides	110	10.82	22,510
Baggage Porters and Bellhops	100	11.14	23,160
Animal Trainers	70	13.76	28,620
Locker Room, Coatroom, and Dressing Room Attendants	50	11.41	23,730
Funeral Attendants	*	12.99	27,020
Manicurists and Pedicurists	*	12.84	26,710
Office and Administrative Support Occupations	>16,290	13.21	27,470
Stock Clerks and Order Fillers	7,200	13.15	27,350
Receptionists and Information Clerks	6,140	14.78	30,740
Tellers	1,640	14.27	29,670
Hotel, Motel, and Resort Desk Clerks	820	11.87	24,690
Couriers and Messengers	230	14.68	30,530
Weighers, Measurers, Checkers, and Samplers, Recordkeeping	220	12.15	25,270
Reservation and Transportation Ticket Agents and Travel Clerks	40	13.26	27,590
Gaming Cage Workers	*	11.50	23,920
Building and Grounds Cleaning and Maintenance Occupations	16,120	13.67	28,427
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	9,560	14.28	29,710
Landscaping and Groundskeeping Workers	3,360	14.78	30,730
Maids and Housekeeping Cleaners	3,200	11.94	24,840
Transportation and Material Moving Occupations	>14,790	12.13	25,229
Laborers and Freight, Stock, and Material Movers, Hand	7,900	14.77	30,720
Driver/Sales Workers	1,680	13.14	27,330
Packers and Packagers, Hand	1,450	11.80	24,540
Cleaners of Vehicles and Equipment	1,410	12.53	26,050

Occupations ⁱ	Number of Workers Employed ⁱⁱ	Average Hourly Wage (\$) ⁱⁱⁱ	Average Annual Wage (\$) ^{iv}
Parking Lot Attendants	960	10.68	22,200
Taxi Drivers and Chauffeurs	940	11.52	23,960
Machine Feeders and Offbearers	290	13.17	27,390
Transportation Attendants, Except Flight Attendants	100	11.83	24,600
Ambulance Drivers and Attendants, Except Emergency Medical Technicians	60	10.82	22,500
Automotive and Watercraft Service Attendants	*	11.06	23,000
Education, Training, and Library Occupations	10,440	13.28	26,578
Teacher Assistants	7,490	**	25,710
Preschool Teachers, Except Special Education	1,910	14.37	29,880
Graduate Teaching Assistants	590	**	25,360
Library Technicians	450	12.19	25,360
Healthcare Support Occupations	10,050	13.66	28,403
Nursing Assistants	5,780	14.23	29,590
Home Health Aides	3,710	13.36	27,800
Veterinary Assistants and Laboratory Animal Caretakers	390	13.36	27,790
Pharmacy Aides	170	13.67	28,430
Protective Service Occupations	7,690	12.24	25,458
Security Guards	5,560	12.61	26,230
Protective Service Workers, All Other	1,470	12.96	26,950
Lifeguards, Ski Patrol, and Other Recreational Protective Service Workers	370	11.19	23,280
Crossing Guards	290	12.20	25,370
Production Occupations	>2,800	13.56	28,205
Laundry and Dry-Cleaning Workers	700	12.97	26,970
Bakers	660	12.99	27,030
Helpers--Production Workers	570	14.18	29,490
Sewing Machine Operators	420	13.78	28,660
Coil Winders, Tapers, and Finishers	110	14.01	29,150

Occupations ⁱ	Number of Workers Employed ⁱⁱ	Average Hourly Wage (\$) ⁱⁱⁱ	Average Annual Wage (\$) ^{iv}
Pressers, Textile, Garment, and Related Materials	110	13.66	28,410
Food Processing Workers, All Other	70	11.73	24,410
Woodworking Machine Setters, Operators, and Tenders, Except Sawing	70	14.76	30,690
Tailors, Dressmakers, and Custom Sewers	50	11.23	23,350
Textile Knitting and Weaving Machine Setters, Operators, and Tenders	40	14.28	29,700
Furniture Finishers	*	14.78	30,740
Print Binding and Finishing Workers	*	14.07	29,260
Food Cooking Machine Operators and Tenders	*	13.85	28,800
Healthcare Practitioners and Technical Occupations	1,370	14.37	29,890
Pharmacy Technicians	1,370	14.37	29,890
Arts, Design, Entertainment, Sports, and Media Occupations	260	13.55	28,180
Floral Designers	260	13.55	28,180
Life, Physical, and Social Science Occupations	100	14.77	30,730
Agricultural and Food Science Technicians	100	14.77	30,730
Construction and Extraction Occupations	>90	13.65	28,390
Helpers--Pipelayers, Plumbers, Pipefitters, and Steamfitters	90	14.07	29,260
Helpers--Roofers	*	14.62	30,400
Helpers--Brickmasons, Blockmasons, Stonemasons, and Tile and Marble Setters	*	14.52	30,210
Helpers--Painters, Paperhangers, Plasterers, and Stucco Masons	*	11.39	23,690
Installation, Maintenance, and Repair Occupations	70	14.95	31,100
Motorcycle Mechanics	70	14.95	31,100
Total Number of Workers Employed, All Occupations Paying Less Than \$15 per Hour ^v	183,720		
Total Number of Workers Employed, All Occupations	547,750		
Average Hourly Wage, All Occupations Paying Less Than \$15 per Hour ^{vi}		12.83	
Average Annual Wage, All Occupations Paying Less Than \$15 per Hour ^{vii}			26,650

Notes for the Table, “Occupations With an Average Wage Below \$15.”

These statistics are estimates calculated from data gathered by a Bureau of Labor Statistics survey of all industry sectors in the Buffalo-Cheektowaga-Niagara Falls Metropolitan Statistical Area. Accessed June 18, 2018.

https://www.bls.gov/oes/current/oes_15380.htm#00-0000. Self-employed workers are not included in these estimates.

An occupation’s average annual wage is equivalent to its average hourly wage multiplied by 2,080 – the Bureau’s “year-round, full-time hours figure.” In many occupations, actual wages may be far less, as many workers do not get 2,080 hours per year.

* Estimate not released.

** Graduate teaching assistants and teacher assistants do not generally work year-round and full time and are not typically paid on an hourly basis, so the Bureau of Labor Statistics has only reported annual wages for these occupations.

i In bold are the major occupational groups defined by the Bureau of Labor Statistics’ 2018 Standard Occupational Classification (SOC) system. Occupations not in bold are classified as detailed occupations under the 2018 SOC system and are categorized according to the major occupational groups into which they fall. Major occupational groups without any detailed occupation whose average hourly wage is below \$15 per hour or whose average annual wage is below \$31,200 are not shown.

ii In bold are the numbers of workers within the major occupational groups who are employed in a detailed occupation whose average hourly wage is below \$15. These major occupational group totals include graduate teaching assistants and teacher assistants, whose average annual wages are below \$31,200, which is equivalent to \$15 per hour multiplied by the Bureau of Labor Statistics’ “year-round, full time” hour figure of 2,080.

iii In bold are the hourly wage averages for each major occupational group. These averages include only the detailed occupations shown in the table and do not include graduate teaching assistants and teacher assistants.

iv In bold are the annual wage averages for each major occupational group, including graduate teaching assistants and teacher assistants.

v Includes graduate teaching assistants and teacher assistants. Does not include occupations for which estimates of the number of workers employed were not released.

vi Does not include graduate teaching assistants and teacher assistants.

vii Includes graduate teaching assistants and teacher assistants.

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