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Explore the report: <https://brook.gs/33pT3Of>

53 million U.S. workers are making low wages, despite low national unemployment

Washington, D.C. — A new report from the Metropolitan Policy Program at Brookings shows that 53 million Americans—44% of all workers aged 18-64—have low-wage jobs. This significant portion of the nation’s labor force is earning median hourly wages of \$10.22 and median annual earnings of \$17,950.

The report, titled *Meet the low-wage workforce*, demonstrates that these workers are not monolithic, segmenting the nation’s low-wage workers into nine groups based on age, educational attainment, and school enrollment.



The authors find that low-wage workers are a racially diverse group, and disproportionately female. Fifty-two percent are white, 25% are Latino or Hispanic, 15% are Black, and 5% are Asian American. Both Latino or Hispanic and Black workers are over-represented relative to their share of the total workforce. Women account for 54% of low-wage workers, higher than their total share of the workforce (48%). Forty-nine percent of female workers earn low wages, compared to 39% of male workers.

Sixty-three percent of Latino or Hispanic workers and 54% of Black workers earn low wages, compared to 37% of white workers and 40% of Asian American workers. Black and Latino or Hispanic workers earn less than white workers with equivalent educational levels and experience, so these factors—education and experience—do not fully account for the racial differences in wages.

Nearly two-thirds of low-wage workers are in their prime working years of ages 25-54, and much of this group (40%) is raising children. Another 13% of low-wage workers are ages 55-64. While young people account for a disproportionately large share of low-wage workers (24%), the vast majority of low-wage workers are adults.

Additionally, the report finds that 30% of low-wage workers live in families earning below 150% of the poverty line. These 16 million low-wage workers get by on very low incomes—about \$30,000 for a family of three and \$36,000 for a family of four. Twenty-six percent of low-wage workers (14 million) are the only earners in their families, with median family earnings of \$20,400, and another 25% (13 million) live in families in which all workers earn low wages.

The authors of the report note that education is a primary sorter of labor market opportunities and is a perennial recommendation to help low-wage workers get better-paying jobs. Nearly 40% of low-wage workers (20 million) are adults ages 25-64 with a high school diploma or less, and another 13% (7 million) are young adults who appear to be off track: They are not in school and do not have a college degree. Only 14% of low-wage workers have a bachelor's degree, compared to 44% among mid/high-wage workers, and nearly half (49%) have a high school diploma or less, compared to 25% among mid/high-wage workers.

Martha Ross, lead author and Brookings fellow, said, "The data shows the prevalence of low-wage work in the economy, and that it translates directly into economic hardship for a substantial portion of the workforce. Discussions about increasing earnings often center on worker skills, and there is a lot we can do to improve education and training options. But we should also look at the types of jobs that are available. People without college degrees make up the majority of the low-wage workforce as well as the total labor force, and it's not clear that there are enough decent-paying jobs for people at that educational level for them to escape low-wage work."

While low-wage workers account for 44% of all workers nationally, that figure varies substantially by place. Across more than 350 metropolitan areas, the share of workers earning low wages ranges from 30% to 62%. The variation in the concentration of low-wage workers across metropolitan areas relates to broader labor market conditions, including labor market tightness and industry composition.

Metropolitan areas with high concentrations of sectors such as finance, health care, and professional services—industries with high average wages—have below-average shares of low-wage workers. Areas that concentrate in sectors with low median wages (such as agriculture, real estate, and hospitality) have higher shares of low-wage workers.

Low-wage workers make up a high share of the workforce in smaller places in the southern and western parts of the United States. In places with high shares of low-wage workers, those workers are more likely to be Latino or Hispanic, caring for children, and have lower levels of education.

Many of the places with the lowest concentration of low-wage workers are located in the Mid-Atlantic, Northeast, and Midwest. Low-wage workers in these metro areas are predominantly white and more likely to have a high school diploma or some post-secondary education than low-wage workers in general.

The authors detail three primary recommendations aimed at advancing higher wages and greater financial stability among low-wage workers: 1) Improve worker skills; 2) Address discrimination and bias in the labor market; and 3) Promote good jobs through economic and workforce development.

The report's webpage provides detailed data for low-wage workers in 373 metropolitan areas and can be viewed here: <https://brook.gs/33pT3Of>.

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