The Federal Government’s new industrial relations regime, which took effect last week, has important implications for the low paid in the Australian labour market. The Federal Government has argued that its new regulations in favour of the individualization of the employment relationship, lower minimum standards and greater economic emphasis in the determination of minimum pay rates with less attention to fairness, will boost productivity and create employment. These arguments have found many critics and few supporters amongst economists and industrial relations experts (see for example Group of One Hundred and Fifty One Australian Industrial Relations Labour Market and Legal Academics November 2005).

Under the new arrangements the Federal Government's Fair Pay Commission (FPC) will replace the Australian Industrial Relations Commission (AIRC) as the body that sets the minimum wage. The new laws require the FPC to have a stronger regard for economic factors whereas the AIRC’s goals were to ensure fair living standards as well as sound economic effects.

Many practitioners have also expressed concern about the implications of the new arrangements for the low paid. For example, AIRC President Geoffrey Giudice has spoken recently about the impact of the Government’s new industrial regime. He said the FPC would undoubtedly slow the rate of growth of minimum wages and combine with other income-cutting elements of the new WorkChoices laws:

*People with low skills, low bargaining power, are heading for (the five minimum conditions that comprise) the Fair Pay and Conditions Standard, which will have an effect on their incomes. This will be accompanied by a slowdown in the rate of growth of minimum wages - that's what the Fair Pay Commission is for ... If those things are going to occur, they'll probably have to be accompanied by a reduction in social welfare, otherwise the incentive to work will reduce.* (Shaw 2006)

Justice Giudice also said that the laws could have a significant impact on the incomes of the lowest paid in the community: ‘I can assure you it's going to affect our society’.

These changes occur against the background of widening inequality in the labour market (Saunders 2005). One obvious indicator is provided by comparing average earnings and executive pay. In Australia, the average pay of chief executives in 2005 reached 63 times that of average workers, compared to 18 times in 1989/90, based on
the Chief Executive of listed companies that are members of the Business Council of Australia (Shields 2005). While inequality in our society is not as great as that of the US - where CEO pay was a breathtaking 281 times the rate of pay for ordinary workers in 2002, up from 50 times in 1980 (Elliot 2006) - the trends are similar. In Australia, weaker protections for the low paid will have important consequences for their incomes, alongside prospective lower rates of increase for minimum wages. These losses include the removal of penalty rates, rest breaks, employment security (including protection from unfair dismissal), public holidays, annual leave loadings and allowances. These are highly likely to fuel a widening gap between the top and the bottom of the labour market.

Does widening wage inequality matter? We argue that it matters for three important reasons. The first is that inequality exacts a high price from the working poor – and upon those who depend upon them, especially children. Secondly, inequality levies a social and economic price that is greater than the sum of its individual effects. Finally, it is unjust to build prosperity for some on the inequality and disadvantage of others.

A growing body of international research suggesting that inequality is costly for societies and families. Wilkinson’s (2005) overview of the international evidence about inequality finds that more unequal societies experience greater levels of violence, poorer community relations and worse health outcomes. Each of these has effects that go well beyond those who directly experience the negative effects of poverty and low wages. They also affect middle and higher income earners and they add to health, policing and general public sector costs. In this light, growing inequality creates a significant, hidden social cost arising from weaker and lower safety nets, and wider dispersion in incomes.

Current employment law changes are implemented against a background of widening inequality, widening dispersion in standard hours of work, high levels of employment insecurity (28 per cent of Australian employees in their main job are casual (Australian Bureau of Statistics 2004 34))¹, and growth in the proportion of low paid workers in Australia. This study uses a commonly applied measure of low pay (two-thirds of median earnings, or around $14 an hour, $533 a week, or $27,716 a year based on a standard week of 38 hours). Using this measure, Eardley (1998 8) estimated that 14 per cent of Australian workers were low paid in the mid-1990s. The Commonwealth Government estimated that 20 per cent of Australian employees were low paid in 2003 (Commonwealth of Australia 2005 48).²

While Eardley’s estimate is lower than in the US or the UK, it is higher than in France and Denmark (Lucifora, McKnight and Salverda 2005 267-270). In the mid-1990s the proportion of Australian full-time workers who were low paid by this definition was around the mid-point of the OECD range (Richardson 2005 151).³

Clearly low pay is increasing in Australia and there are few prospects of a turnaround. What is the current experience of low paid workers in Australia? And do some of the assumptions circulating about low pay hold up against the actual experience of living on low pay? For example, can we assume that the ill-effects of low pay are mitigated by living with another earner? Do welfare benefits or multiple jobs offset low pay?

¹ Defined as those without leave entitlements in their main job.
² The estimates of low pay used by Eardley (1998 8) and the Commonwealth Government (2005 48) use different definitions and population samples, which makes comparison difficult.
³ International low pay data is highly variable depending on measurement approaches, survey instruments and sources, as well as specific national political and economic contexts.
Do low pay jobs act as stepping stones to better paid jobs – are they merely brief spells within the life-cycle?

The lived experience of low pay: cleaners, childcare workers, hotel workers

This paper addresses these issues, drawing on focus groups and semi-structured interviews with low paid childcare workers and cleaners in Adelaide and Melbourne in 2005/06. The research canvassed workers’ experiences and thoughts on the effects of low pay for them personally, on their households and their level of community involvement. Respondents were asked to discuss the impact of their pay on their health, relationships, parenting, financial circumstances, community and social participation, housing and family formation, and other future plans. The paper draws on interviews and focus groups with 41 low paid workers - 18 childcare workers and 23 cleaners (1 focus group of 8, 33 individual interviews). Interviewees and focus group participants were randomly recruited from the membership of the LHMU, from non-union members recruited through the Brotherhood of St Laurence, and snowballing from initial interviewees. Several interviews of cleaners were conducted using interpreters. Participants were of diverse ages and household characteristics. Twenty-four women and seventeen men have been interviewed. This paper reports on the first two case studies of data collection with cleaners and childcare workers. We are undertaking interviews with hotel workers in 2006. On completion of the project over 100 interviews and a number of focus groups with low paid workers, their fellow householders, employers, consumers and community stakeholders, will have been conducted.

Prosperity built on growing inequality?

The growing prosperity of many Australians rests, in part, on the work of childcare workers, cleaners and hotel workers. Public life depends on the services of these workers, who – through their low pay – involuntarily subsidise the standard of living of the prosperous. Economic growth based on impoverishment is socially corrosive; it feeds shame, guilt and social exclusion, as many of our interviews show.

The lived experience of the working poor receives too little attention in Australia, and not only because it is likely to continue to grow, but because its private costs are high and hidden. Increasing average wages conceal the limping rate of progress for those at the bottom of the labour market, their current situation, and their prospects. What is more, myths about the situation of the low paid have developed that our evidence suggests deny material reality. We consider three of these myths in what follows, but first, some general results about how low paid cleaners and childcare workers live and their implications for general worker wellbeing, health, children and social exclusion.

What’s different about the ‘working poor’

There have always been poor people in Australia. But relatively few of them have been waged workers compared to many other countries. This is now changing. While there are no easy ways to be poor, the working poor are different from the non-working poor.

As many interviewees illustrate, they are both income poor and time poor. Unlike many welfare recipients and higher paid workers, low paid workers often face both time and financial pressures. They do not qualify for many government assistance programs, yet their incomes alone are insufficient to provide a decent standard of
living and wellbeing. Consequently, household stability and formation, and the wellbeing of children are often jeopardised (Harding & Richardson 1999 30; Richardson & Miller-Lewis 2003 67).

This has important implications especially for working carers who must survive on low incomes: they cannot easily buy care for their children and suffer particular guilt for the time they cannot spend with them. They cannot easily substitute their own labour for commodified products given that many work long or unsocial hours.

Alongside this, they have costs that the non-working poor do not face. The low paid are in the demoralising position of having to meet the hidden costs of working, such as maintaining a car and acceptable clothing, without an adequate income to do so. Many struggle to meet these. In this sense, the low paid incur a range of costs that social security recipients do not, yet often there is not a substantial difference in the two groups’ take home incomes.

It ‘eats you up’

An undercurrent of poverty and material hardship is obvious from most of the interviews we conducted. Workers are affected in different ways depending on their household circumstances and age group, but a sense of deprivation and struggle runs through the vast majority of accounts. Many have long since given up the prospect of home ownership. Their mobility is sharply constrained. Many live in the shadow of anxiety about the unexpected bill or social invitation. For example, Fay, a forty-three year old cleaner and single mother, from Melbourne earning $12,000 per annum, explains:

> By the time I pay the rent here, that’s $330 [a fortnight], then I’ve got to pay $100 a month on electric, $100 a month on the gas, $60 a month on the water. I don’t have a telephone bill because I only have incoming calls. ... there’s nothing left to do anything else. And my daughter who pays me board, her money is paid out on the groceries. ... Well really ... [my wages have] just kept me going and that’s it. I’ve had no luxuries in life ... I can’t afford to buy my own home. I will live in a rented house for the rest of my life.

There has been rapid growth in the proportion of Australian households with children that are led by a single parent, mostly commonly a mother. These households are often affected by working poverty. Paula, a 55-year-old single mother of two, has worked two cleaning jobs for most of the last 20 years, essentially since her marriage broke down. She explains her situation:

> I don’t go out much because I can't afford to...I don’t have a car as well, because I can't afford a car...Oh, I haven’t gone to the dentist. I have to go. I'm thinking I have to go but [I'm] too scared to go in case he finds something I can't afford.

Though Ebony is of a different generation and occupation, as a twenty-nine year old childcare worker and mother of three, she shared similar concerns for her future: ‘I figure that I’m going to be living in a tent... I have nothing.’ Living life so close to the material edge often leads to a compounding of financial difficulties as she recounts:

> The cost of electricity has gone up. I went shopping the other day and ... [paid] over $50 ... for GST. ... I have to drive an unregistered car. Then you get caught. Then you get a fine from the cops. ... and then you can’t afford to pay court fines... So it’s basically a web that slowly ... eats you up where you
can’t afford to get yourself out of it … we struggle really bad … I’m good at budgeting … we eat veggies and beans on toast… We don’t eat out. We could never afford to go out… everything is unattainable these days.

As a male cleaner, Greg’s main priority has been to put food on the table: ‘As you know living expenses are high and I have to pay rent and I have to pay bills and my children are at high school and it is more important that I get work.’ Greg supports his family (a wife at home and two teenage children) on $230 a week after tax, supplemented by $110 a week in Centrelink benefits. Greg lives in public housing, yet the rent is over half his total income.

For some, low pay also wreaks an emotional and psychological toll. Participants in a focus group of cleaners reported the constant tensions in their lives. 47-year-old Paul commented: ‘Oh pressure is all day, everyday. Pressure for money, get something, nice dress [for may wife]. I have no money, upset, start trouble. I feel squashed, can’t relax.’ 52-year-old Mike conveyed a similar sense of continual dread over making ends meet: ‘The money is all for bills, because you can’t pay water, electricity, gas. What can you do after tomorrow if it’s disconnected?’ Another cleaner remarked: ‘You spend less money at Safeway for the food, then keep that money for the savings, for the car insurance, medication.’ The arrival of an unexpected bill destroyed careful budgeting and meant having to rely on friends or family to borrow money, which led to further pressure to cut back expenditure.

Apart from gnawing stress and anxiety, the feelings of working poverty included anger, frustration, humiliation and injustice. Ebony remarked:

I got told by Centrelink the other day that I’m living beyond my means and I laughed. I thought I don’t need her to tell me that. ... we’ve got a credit card ... because I’m sick of bloody struggling and not having a bloody nappy at the end of the day when you want to put it on your baby ... there’s nothing worse than having that feeling. And I’ve been to the church many a times. ... and had food vouchers given to me and bread... It doesn’t make you feel the best. You don’t like to talk about it, but that’s where you have to go. ... Sometimes when I’ve had to go to the church for a loaf of bread it’s because I can’t ring [my parents] again. ... You feel like an absolute dickhead and a failure at the end of it...

Other respondents like Sally, a single, childless childcare worker in her twenties, may not have had to go to such lengths to survive, yet her pay level still affects her sense of self-worth. She failed to see why her work was considered of so little value compared to others.

I’ve got a friend that’s ... [in] telemarketing and I just think, well all you do is pretty much sit on your bottom all day and answer phones and get paid double, triple the amount I do for actually educating ... the kids of tomorrow...

Health
In some cases the health consequences of low paid work are obvious. Tanya, a childcare worker in her forties, recounted how the worry of being unable to secure her future, because of low wages, manifested itself in physical ways: ‘I’m struggling right now... I don’t have enough for [a house] deposit and stuff ... and my stomach is like
full of rocks. ... Very stressful. [It’s] hard to reach any other goals if your low paid.’ Fay stated that cleaning work was all she could manage due to chronic back pain:

I have permanently got a bad back, I’ve got three bulging discs. ... I’ve got osteoarthritis in four vertebrae in the top of my back. I’ve had an operation on my knee and one on my arm. ... You have children and you just do the best you can. ... with my back now it’s the only job I can do because I can’t sit for any more than 15-20 minutes.

Many low paid workers worry about ill-health because it means losing time from work. This is particularly problematic for casual low paid workers. Childcare workers also face the difficulty of not being allowed to work around children unless they are well, yet they are also exposed to greater health risks in the course of working with children. Many participants noted that they regularly exceed their paid sick leave entitlements, forcing them to take unpaid leave or use their annual leave to cover sickness. No allowance is made for the higher health risks and the subsequent impact on childcare workers’ wages.

Not just the worker: The impact on children

The burdens of low pay do not stop at the well-being of individual workers; they inevitably flow on to other household members. For many living in a low wage household means going without meals, home heating, clothing, healthcare and medicine, transportation, house repairs, sport, holidays, basic leisure activities, and educational opportunities (Robinson 2001; Australian Council of Trade Unions 2002; Saleh 2003 12; Senate Community Affairs Reference Committee 2004 70).

Paula, a cleaner, describes how she often went without in order to protect her children from the realities of her low wage,

How do I manage? I scrimped and saved, you know. Like I used to make sure the boys had lots to eat and I used to go home, or go to bed without much food, and it was really hard, really, really difficult, really difficult, yeah. Really difficult, because as long as they ate, I was happy, and I was just happy with bread and butter for example, and some vegemite ... as long as they ate.

Low paid workers report that their children miss out on education, recreation, sporting, family interaction and health needs because of their low pay. Pam, a childcare worker, described how her relations with her children are strained by her poverty, causing her son to leave home prematurely, while her other children miss out on social and sporting activities:

I think the pressures of having a low paid job, yeah, did end in one of the children leaving ... they’re constantly asking for this or that or you know what their friends have got, I guess, and it’s their frustration coming out with not having the money to be able to do the things, not being able to give them twenty dollars each to go to the cinema... My relationship with [my son] just deteriorated. ... So that was always thrown in your face ...if I had a bigger house ...one of my children would move back here with me. It sort of stops them from living with me. ... I think my daughters missed out due to me working and being a single parent. It’s getting them to the sports, etc., but also the cost.
Paula, a cleaner, shared similar anxieties: ‘with [school] excursions and that, it was very difficult. Sometimes they just didn’t go because I didn’t have the money for a school excursion or camps... The boys missed out on a few things like that.’

Balancing work and family life is a key concern of all participants. Some childcare workers saw their low wage as a trade off for family friendly working hours, despite the financial impact on their family’s wellbeing. Nonetheless, some childcare workers, such as Ebony, talked of working long hours to compensate for her low pay rate, and the guilt she subsequently felt at not spending enough time with her children. In general the operational requirements of childcare services limit overtime and family-unfriendly working hours.

Cleaners, however, face more problematic working time difficulties. Mercedes, a 54-year-old cleaner, has worked a 3am-8am shift for the past 20 years to combine child-raising with her husband’s day job in a factory. She is very aware that her early morning working hours have placed limits on the things she and her family can do;

Yes, there’s lots of things we can’t do because I have to wake up so early. I have to go to bed early. The children had to make sacrifices too. For instance, maybe they’d want to play soccer and go to training but I couldn’t take them to training.

Another cleaner, Fay, described the guilt she carried as a result of conflict between her working and parenting commitments:

‘I feel like a dreadful mother when I say this, but I used to be out of the door at 6am, I’d ring home at 7am to wake [the children] up. They would get ready for school and I would meet them on the way home.’

Social Exclusion

The effects of low pay are not limited to workers and their households alone. Many low paid workers describe changes in their social participation that have effects more broadly on social fabric. Interviewees described, for example, quitting gym memberships and book clubs, stopping church attendance and dropping out of sporting teams. Low paid workers commonly experience shortages of time and money that constrain involvement in all kinds of social and community life (Bradley, Crouchley & Oskrochi 2003 659).

For some workers maintaining social relationships is hindered by the cost of communication and travel. Some low paid workers cannot keep up visits to their extended family. Others must carefully manage their telephone contact or give it up. Fay, for example, had to change her phone to incoming calls only: ‘I rang up Telstra and I said “look I’m having problems. I can’t afford the high bills.”’ Childcare workers, Molly and Jenni, do not visit family and friends very often because of transport costs. Jenni remarks:

*I don’t catch up with as many of my friends as I’d like because I feel bad. Yeah, I can come out with you, you can go and have a drink, I’ll just sit there and drink water all night. I often do just order the water. ... I get judged... I don’t go out and visit my friends because that’s another twenty minute drive and I can’t afford that. ... I try to minimise my driving which, you know, affects my social life as well and because, you know, my friends say I’m always coming to see you. ...I can’t afford to keep [the car] running.

Whitney, another childcare worker, expresses similar constraints and disappointment:
When I was working in hospitality I had a hell of a lot more money to spend, to socialise with friends and get out a lot more than I do now…. just little things like not going out every weekend … and catching up with friends, like that’s a very rare occasion now.

In the case of Ann (a cleaner in her fifties), she and her husband’s working day spans eighteen hours. This means any involvement in the local community is impossible, as is any connection with their neighbourhood: ‘We don’t really get to meet the neighbours. We’ve met a couple of neighbours but we don’t talk to them, we don’t associate with them really…we don’t have time…’. These low paid workers experience serious difficulties maintaining a basic level of social engagement on a low wage. They would like to keep up these activities and often find avoiding them embarrassing or difficult. These informal social and family contacts and activities are the key ingredients of a healthy social fabric. Clearly, in many interviewees’ experiences they are greatly constrained by a lack of resources, which is undermining strong and healthy communities.

‘A different world…’

The consequences of such social exclusion affect more than social interaction. They cause indignity and shame. Interviewees describe not receiving invitations from friends or family to social events because it was known that they would not be able to afford it. Sally stated: ‘something as basic as going to the movies or going out for dinner … that people take for granted. … I actually seriously can’t afford to do that.’

Paula, a cleaner, also noted that her life consists only of the basics:

Oh no, no, I can’t afford to go on holidays to be honest with you. …just, you know, everyday things that people might take for granted, I sort of think, oh no, if I go to the pictures it means that’s less $20 for the food or… bills to be paid or something. So it restricts me in many ways.

The lack of understanding and empathy of others was keenly felt and resented by some participants. Ebony conveys a sense of living in different worlds when she was mixing with well-meaning, but higher paid, professionals:

They were going into the richer cafes at lunch to eat these … $12, $14 meals. And I’m used to going up the road and getting … $1.50 sausage roll … I actually sat there one day with a drink and I just thought … these people that have got a bit of money to flash … and I can’t even afford to buy myself a bloody meal. … that makes you feel bad.

These experiences illustrate how low pay is contributing to deepening social inequality and social division.

Myths and realities about low paid childcare workers and cleaners

Beyond the material difficulties of surviving on low wages – with its implications for health, housing and feeling valued – interviews with low paid childcare workers and cleaners contradict some tenacious or emergent myths about low paid workers that deserve direct attention. We deal with three in turn.

Myth 1: Low paid workers are cushioned by living in households with other earners

This myth is built around the assumption that low paid workers are protected from poverty by the fact that they live with other earners (Australian Industrial Relations
Commission 2005; Commonwealth of Australia 2005). This perspective relies on the sharing of resources in private households. This assumption takes for granted that the needs of the low paid are adequately met from household finances; that is, subsidised by other household members.

A small number of the childcare workers we interviewed reported no adverse financial effects of being low paid. These workers were all in couple households, with higher earning partners, no children to support, and in the 20-30 year old age range. Despite this, two of these supplement their low pay with a second job and another has access to subsidised housing through the defence force employment of her partner. In other words, even for low paid workers living in households with other sources of income, their standard of living is underpinned by working multiple jobs, receiving a higher social wage, or being free of dependents.

Without these ‘advantages’, or in the event of a relationship breakdown, their low paid jobs alone would likely see them in a similar situation to the other workers we interviewed who were suffering from financial hardship. Their security was fragile and dependent upon good health and steady relationships. Moreover, for some low paid workers, being young or partnered was no guarantee against personal hardship. Sally spoke of her difficulties meeting health expenses:

*I had to get my wisdom teeth out last year. … it was going to cost me $1,000. And I didn’t have that money … I put it back, … until … I was in that much pain that I had no choice but to get them out. And it took me ages to pay, like I was always getting final notices … And because I’ve got it done in the hospital… I didn’t have money to pay for my excess. I had to borrow that money so I could actually go into hospital that day to get them done as well.*

These workers still face difficulties saving and worry about the financial feasibility of starting a family. Moreover, they are in the vulnerable position of being financially dependent on their partners.

Many other partnered women on low pay suffer very real material deprivations that their partner’s incomes are no defence against. Some do not share the income of those they live with, or their total household income remains very low. For example, Ann is in her mid-fifties and works two part-time permanent cleaning jobs. She has worked as a cleaner for eighteen years, all of her post child-rearing working life. Ann’s husband is also a cleaner who works split shifts. Their children are grown up. Whilst Ann and her husband can afford a car and manage their household bills, she feels that:

*We live a good lifestyle but we don’t go overboard … We can’t afford to go out and buy a house, we’re renting. … because virtually to go and pay for a house now it’ll take up our full wages.*

While sharing income gives greater security to some, it is far from universal. Elizabeth’s remarks, for example, register the often tentative and conditional experience of resource-sharing in contemporary relationships, particularly in the early stages:

*I’ve only been living with my partner for three-four months now … and we still have separate incomes. We don’t have a joint account and we still pay everything separately. So obviously for me my income is the only income.*

Moreover, low paid workers who rely financially on other household members are poorly prepared to cope with the costs of living independently in the event of
household break-up. Having lived on low wages alone for some time prior to getting married, Donna’s comments are a caution against over-simplifying the relationship between individual and household economic wellbeing:

*Technically I guess I’m a second income earner but... I was single for many, many years and I was the main source of income and at that time I was paying the mortgage on my own.*

The strain of low paid work on household relations was a recurring theme. Jenni, a childcare worker in her twenties, conveyed how the unequal wages she and her partner earned generated tensions:

... I’d like to contribute half but there’s no possible way I can. ...And I feel like he ... occasionally resents me ... ‘well if you don’t pay half, you can do all the cleaning and earn your keep that way.’ ... And I’m like I don’t think so. And that actually has ended up us living separately. ... His response is go out and get another job that earns more money. ... [but] I like my job. I feel I’ve got a very rewarding job. And I feel that I won’t get that from anywhere else. But then I also think, well if I was to go out and get another job that pays a lot more, where do I start?

In Jenni’s household, wages are not pooled for everyone to share in equally. What is more, strain over different levels of earnings places her relationship under stress. In her relationship, groceries are bought according to each person’s ability to pay. Jenni buys cheaper and less food than her partner (with a dividing line down the centre of the shopping trolley) and she pursues less recreational activities than her higher paid partner. Her experiences challenge assumptions about the even distribution of household income.

It is sometimes said that the wages of the low paid, especially those of women, are peripheral ‘pin-money’ in households with other sources of income. However, this view finds no support in interviews with cleaners and childcare workers. We asked how essential their incomes were to household finances and whether interviewees could cope on either their partner’s or their own wage alone. All saw their low wage as essential to meeting basic needs such as housing, food, utilities and car repayments. For example, Mercedes disputes the notion of being a ‘second earner’: ‘We wouldn’t be able to live if I didn’t work as well. I work so that we (family with two children) can survive.’

On the prospect of living on her husband’s income alone, 52-year-old Deidre, offered a common response: it would be ‘absolutely daunting. We’d barely .. make ends meet.’ Ebony expanded on the significance of her low wage to the household finances, reinforcing the point that many low paid workers are the main or sole breadwinner in their household and that relationship breakdown is not uncommon:

*In this day and age obviously household occupancies change and it’s not just the man and woman, and the breadwinner and the mum that stays at home with the kids. There’s lots of single parents and also a lot of reversed roles. ... [In] my own [childcare] service, we basically have two people who are the secondary income earners for the household ... and all the rest of them are basically the individual sole income earners or they’re single themselves and so they can’t even afford to run a household...*
Myth 2: Low paid workers can supplement their income with second jobs or welfare

Suggestions that low paid workers can readily increase their income by taking on a second job or through social security do not take account of the complexities of living on low pay. In some industries and occupations, there is little scope for second jobs given the demands of existing work. Alongside this, many low paid cleaners and childcare workers have very variable incomes that make managing consistent social security income problematic – apart from the very strong resistance that many have to receiving social security.

Cleaning work appears to be configured in three alternative ways: short or limited hours (15-20 per week), necessitating the need for a second job or reliance on welfare for survival; unsocial hours (for example, Vicki and Mercedes worked 3am-8am shifts); or long hours (for example, Joe worked regular weekend overtime to earn enough to support his family). Childcare workers, on the other hand, tend to work full-time or longer part-time hours (often 35 hours per week) with fixed rosters that limit the possibility of multiple job holding. Moreover, the nature of working with children often leaves workers too fatigued to consider a second job.

Nonetheless, a number of the low paid cleaners and childcare workers we interviewed have second jobs. This does not end their struggle to stay out of poverty; there are other implications as well. Sally, for example, is a part-time permanent childcare worker in her twenties who regularly works 35 hours per week. She explains some of the difficulties and consequences of working a second job of up to 15 hours extra per week.

My cleaning [job] is only relief... I could go for months without having anything, and then I can have a week where I have to do like 15 hours. ...and I tell you what, it gets exhausting. I’m exhausted. ... I try for it not to affect my [childcare] work because ... it’s not fair on the children. I need to always give a hundred per cent. ... I had a set [childcare] shift where it was 7.30 to 2.30 every day and probably about two years ago ... I was made to quit my [second] job so I could do rotating shifts. ... I can’t do it all the time because of my working hours ... the times just don’t meet.

In this example, Sally’s second job is also low paying and therefore requires long hours to make up a living wage. These long hours inevitably affect not only Sally’s health, but also the quality of work she is able to perform in each job. Despite being low paid, these occupations carry significant responsibility and demand alertness and attention to detail; one requires attention to children’s safety, wellbeing and development and the other requires thoroughness in meeting public health standards.

Sally’s case also illustrates the reluctance of some employers to accommodate the working hours and requirements of multiple job holders. Moreover, the unpredictability of her working hours means that Sally finds budgeting and saving very difficult. Despite working two jobs, she cannot afford to live independently, forcing her to rely on cheap rent in her parental home. These circumstances raise serious concerns for her about forming a family of her own.

Despite financial hardship many low paid childcare workers and cleaners are reluctant to claim social security. Applying for social security was generally seen very negatively and something done as a very last resort. Mercedes proudly says how she has never relied on welfare,
Very hard, but he always (her husband), we working, ... we never claim dole in anything. We coming here to Australia in 1977 and I say NEVER any one day claim unemployment.

Paula recalls a time in between one of her jobs:

...because I didn’t have any more work at the restaurant, I had to do something, so I just asked the Centrelink, but that’s a horrible thing to go into. I hate that.

These views reflect workers fears of being similarly stigmatised as the non-working, and allegedly undeserving and unrespectable, poor.

For others, like Sonya, a childcare worker in her 40s, the complexity of juggling fluctuating wages and social security entitlements meant that she was often at risk of having no income at all. She explains problems associated with being struck off the Newstart allowance if a claim is not made within a three month period:

... you could have that period where you don’t have any money anywhere and you can’t get the payment because you’ve got to go through the interview process and it’s no longer like what it used to be where you could just go in and apply on the day and that was it. These days you go in and you’ve got to make an appointment. They’ve backdated to the first day that you put your name [down] but that could be two months down the track. ...I can understand where some people just ... where they’re still getting maybe two or three dollars [from] they’re welfare payments. That way they’re not cut off.

This bureaucratic trap can effectively encourage workers to actively remain on a lower wage level if their employment pattern is unpredictable. These accounts suggest that an easy assumption that welfare or a second job can offset low pay is mistaken. Many low paid workers already have second jobs but it has not protected them from serious financial difficulty or poverty. For others, juggling low pay and social security is hazardous and complex, and energetically resisted by many who want to live by their own efforts.

**Myth 3: A low paid job is a stepping stone to a better job**

A common perception of low paid work is that it provides an entry point or stepping stone to higher paid positions. While this may occur is some sectors, it does not apply for the majority of cleaning and childcare workers we interviewed. The age profile of cleaning workers alone dispels any suggestion that this is a job that is a stepping stone to something better.

Cleaning is an occupation largely undertaken by older workers. One in four cleaners is over 55 years of age (Australian Bureau of Statistics 2005). The majority of women working in cleaning (56 per cent), are 45 or older (Australian Bureau of Statistics 2005). Many of the women we interviewed had taken up cleaning on returning to the workforce after child-rearing, and for all of those women we interviewed this is where they have stayed. Paula, a cleaner and a 55-year-old single mother of two, explains her situation:

... because you’re happy to do a lower paid job, you know, they just keep you there ... and then you get older, with me anyway, they probably think oh, you’re too old, or they give someone, a younger person, a go because they’re...
younger and they don’t have responsibility. I don’t know why, I think they’re against old people.

Her concerns are exacerbated by worries that she is too old to get another job: ‘Especially at my age. I don’t particularly want to, you know, go and look for work. They won’t employ you over, oh, sometimes over 30, you’re considered old aren’t you?’

Fay, a 43-year-old school cleaner, works 15 hours per week and has similar anxieties about age discrimination trapping her in low paid employment or unemployment. Fay has been a cleaner for the past twelve years, since her marriage broke down. She has three children, with one still living at home. Fay lives in a council house in the outer suburbs of Melbourne and works in a neighbouring suburb. She is acutely aware that cleaning work is no stepping stone to a better life for her. After a short period in between contracts when she was out of work, she says:

*I was out of work for two months ... And I applied for I would say 200 jobs and I got one who told me I was a senior citizen and what am I doing applying for a waitress job... if you’re over 40 they don’t want to know you.*

Male cleaners interviewed also saw their age as a barrier to finding better paid jobs. Paul notes: ‘Where (am I going to find another job)? You ask everywhere, and everywhere say how old are you?’ These accounts of labour market immobility are in firm contradiction to the simple assumption that a relatively tight labour market creates mobility for workers. These workers – older and in relatively low skilled occupations - perceive that they have very little job mobility. The suggestion that they can easily shop around for a different employment contract, for example, is unsustainable.

Low paid workers face many other impediments to moving into higher paid work. Looking for, or moving to, a better paid job entails a range of costs that are out of reach for low paid workers. Time off work and increased travel costs are just the first of these barriers. While these issues present less of a problem in metropolitan Adelaide, the costs and time of transportation are a major problem in urban Melbourne. Fay, for example, cannot afford to own a car. She shares petrol costs with a colleague to get a lift to work, a journey that takes twenty minutes, but would take her up to two hours on public transport – time that eats into her potential earning time and time for her family commitments.

Lower levels of formal education also present a major obstacle. Paula left school early and feels her options are extremely limited, compounded by the limitations of her low paid job:

*I can’t better myself because I just can’t do it and because you know I don’t have a car as well because I can’t afford a car. So I mean there’s limited things I can go and look for work and do. Other things, you know, like more training or TAFE. It’s too difficult for me to get to. So I’m sort of stuck in a rut.*

Many childcare workers also noted the cost of education in terms of fees, travel, and time off work prevented them from gaining the qualifications they needed to move up the pay scale in their industry. Moreover, the minimal increase that they might gain would not compensate them for the time and money involved in achieving it.
For male cleaners the route to a cleaning job was somewhat different to that of the women, who tended to take up cleaning post child-rearing and remain there. In a focus group of eight male cleaners working for a medium size contracting firm, more than half of the men reported having worked in higher paid factory jobs before they became cleaners. These jobs had come to an end with factory closures and redundancies. Two men are trade qualified fitters. Joe, a 51-year-old cleaner working for a large cleaning contractor, had previously worked at a car manufacturing plant for seven years. He received a redundancy payout and has worked as a cleaner ever since. He manages to support his wife and two children at school by supplementing his five-day week with regular weekend overtime. He says: ‘No it is very difficult for my family. I have to work extra hours instead of resting and this is very hard.’

Greg is in his mid-forties and has worked as a cleaner for the five years since his arrival in Australia. He is a qualified fitter and turner, a job he held for 20 years in his country of origin. He notes the difficulty in getting a job as a fitter:

\[I\ have\ tried\ to\ apply\ for\ many\ jobs\ in\ that\ field\ of\ fitter\ and\ turner\ but\ the\ requirements\ are\ with\ the\ English.\ They\ have\ to\ be\ like\ high\ standard\ of\ English...and\ this\ is\ the\ difficulty\ I\ have\ had\ in\ the\ past.\ I’ve\ been\ to\ (over 20)\ interviews\ with\ different\ companies\ regarding\ a\ job\ but\ I\ haven’t\ been\ successful\ and\ I\ think\ the\ main\ problem\ would\ have\ been\ the\ English.\]

The circumstances of these male workers are a reminder that the stepping stones argument assumes there is a sufficient supply of skill-appropriate employment. Current skills shortages tend to be at the higher skilled end of the labour market. At the low paid, low-skilled end competition for work remains fierce. This leaves low paid workers vulnerable to age and cultural discrimination and maintains downward pressure on their wages and prospects for upward occupational mobility.

It certainly undermines any argument that such workers are in a seller’s market with power to shop around or assertively negotiate the terms of their employment. Many low paid cleaners and some childcare workers do not portray their employment situation or options in positive terms. Many struggle to negotiate any job security in the low paid jobs they have, let alone looking for better and brighter opportunities elsewhere.

**Transitory low pay or low pay and poverty into old age?**

For many childcare workers and cleaners, low pay is not a fleeting, transitory experience. It is a long term experience with long-term consequences for both personal and family wellbeing. This is particularly obvious amongst the older workers we interviewed in both the cleaning and childcare industries. For them the job did not represent a gentle slide towards retirement. Rather the idea of retirement was fraught with concerns about finances and much fear about the future. For example, fifty-two-year-old childcare worker, Deidre, expressed a common frustration at not being able to prepare for post-employment years: ‘None of that sort of, looking after your life, your retirement or anything - that’s not really possible on this income.’

For those suffering ill-health, the prospects of having to continue working beyond what their bodies could withstand was daunting. Paula’s remarks illustrate these anxieties: ‘I do [have super] but it’s not that much. I mean it’s not like I can retire now and be happy with it. ... so I always say I’ve got to work until I’m 80...’ At fifty-four and with a bad back, Mercedes is worried about how she can physically sustain working until retirement age. She states: ‘I don’t think I’ll be able to work for long.
another five years maybe... but we don’t have much money. But, we have a house to live in and that’s more important.’ Her husband plans to stay another seven years in his factory job and retire at 65. Forty-three-year-old Fay is also afflicted with chronic back pain, but she would rather endure this than suffer what she sees as the indignity of early retirement and welfare dependency. She says: ‘I was part dole until the (employer) took over my wages. And to be honest with you I feel better for it. I don’t want to be known as one of these dole bludgers.’

It is not just older workers who worry about living a lifetime on low pay. The inadequacy of employer-paid superannuation funds to support people in retirement was raised by people across the age spectrum. Forty-three-year-old childcare worker, Tanya, noted:

> We’re hearing some things like if you don’t pay extra there’s no superannuation anymore. ... How can I pay extra? ... I’m just on the border line of existence ... I would like to have a safe and secure retirement, but if I’m not able to pay, I can’t.

Donna, another childcare worker in her thirties, expressed similar concerns:

> ...my husband and I talk a lot about our superannuation and at the moment neither of us are putting any money voluntarily into our super fund but I think that’s the big drawback on our wages. ... on a long term plan I think we’re going to suffer a little bit. I feel that with financial planning we would really like to set up a long term savings plan where we can put $100 away every now and then so at least we’ve got a nest egg when we’re a little bit older or something. But at the moment we can’t even think about doing something like that.

Ebony, also in her thirties, holds out no hope for a decent post-employment standard of living. She says:

> I have nothing. I’ve got about $2,000 I think in my Australian retirement fund ... my husband ... he’s never really had solid employment so he’s got nothing and I just figured my mum and dad haven’t got heaps to leave to me and I just want them to live their life and I figured that well, you are just going to have to work.

Even workers in their twenties, like Jenni, are anxious about not being able to make the smallest voluntary contribution to superannuation. She remarked:

> I’m debating whether to put you know, an extra $5 a week away into my superannuation. At this stage, I’m needing that $5. So, I’m just hoping the next few years I do get a high increase rate and then start later on.

Far from being a temporary experience of young workers starting out, these interviews indicate that the consequences of low wages compound and reverberate across the life course. For these workers at least, the attempt to escape working poverty is expected to be a life long battle with few prospects of success. Not surprisingly, many found the idea of low paid work as a stepping stone to a better option a sad joke.

**Conclusion**

This paper has provided some insight into some of the experiences of childcare workers and cleaners who live on low pay. These experiences reveal that low pay
costs them a great deal: in gnawing worry, persistent anxiety about bills, ill-health, concern for their children and denial of participation in the kinds of activities that many Australians take for granted: sport, visiting friends, training, job search, the prospect of secure housing and hope for retirement without poverty.

For these workers, low pay narrows and constrains their social circles, restricts travel, and affects children’s access to school excursions and basic health - including dental services. Working poverty is associated with the deferral of family formation and relationship tensions around money in some households. Easy assumptions about shared household earnings protecting against individual poverty are not supported in many examples. Some low paid workers live with other low paid workers, or live in households with others where income is not shared.

Similarly, there are a number of examples where neither a second job nor social welfare have prevented poverty arising from low pay. Many low paid workers are working full-time or long hours with limited scope for supplementary jobs. They are especially time and income poor. The notion that low paid jobs are stepping stones to better jobs is a sad illusion in these cases. Upward labour market mobility is far from the experience of many of these workers.

These accounts confirm that low pay exacts a high price for those individuals who receive it. It's effects spillover onto those who depend upon them, especially children. Such working poverty, and the social inequality it feeds, extracts a social and economic price that reaches beyond individual cleaners or childcare workers. Their efforts are essential to the affluence of others in Australian society. The prospect of building rising prosperity, in part, upon the efforts of these workers, the buildings they clean and the care they provide, is strikingly unjust.

References


