COVS | Equity Sustainability Democracy



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Acknowledgments

For this report, COWS interviewed Milwaukee service sector workers about their jobs and working conditions. We are thankful to Thomas Wynn, Luther Rivers, and Lauren Stevens for taking time out of their schedules to share their perspective and experience with us.

This report would not have been possible without the support of a dedicated team of COWS staff including Adam Kanter, Alaina Knief, and Emily Miota. We would also like to thank the Economic Policy Institute (EPI) in Washington, DC for their support on ACS data and analysis.

About COWS

COWS is a nonprofit think-and-do tank, based at the University of Wisconsin-Madison, that promotes "high road" solutions to social problems. These treat shared growth and opportunity, environmental sustainability, and resilient democratic institutions as necessary and achievable complements in human development. Through our various projects, we work with cities around the country to promote innovation and the implementation of high road policy. COWS is nonpartisan but values-based. We seek a world of equal opportunity and security for all.

Introduction

Understanding economic opportunity in Milwaukee requires careful attention to low-wage service sectors, which employ an ever-greater share of the city's workers. In this report, we use the best available data and the insights of workers to draw a more complete picture of these jobs.

Low-wage service jobs will increasingly define economic opportunity for Milwaukee's workers. Without fundamental restructuring, these industries will continue to limit possibilities for working families and communities. As currently structured, these essential jobs rarely provide a decent standard of living for workers and their families.

For decades, workers alone shouldered the burden of unsustainably low wages and volatile income in these jobs. Throughout the recovery from the pandemic shutdowns, the difficulty in filling positions has brought increased public attention to service work. Tight labor markets and increased understanding of the essential nature of service work have the potential to substantially improve these jobs. Increasing the power of workers to shape these jobs, building a public policy framework to strengthen labor standards, and broad community commitment to making service work rewarding can improve these jobs. This, in turn, can build a more equitable and dynamic future for Milwaukee and its residents.

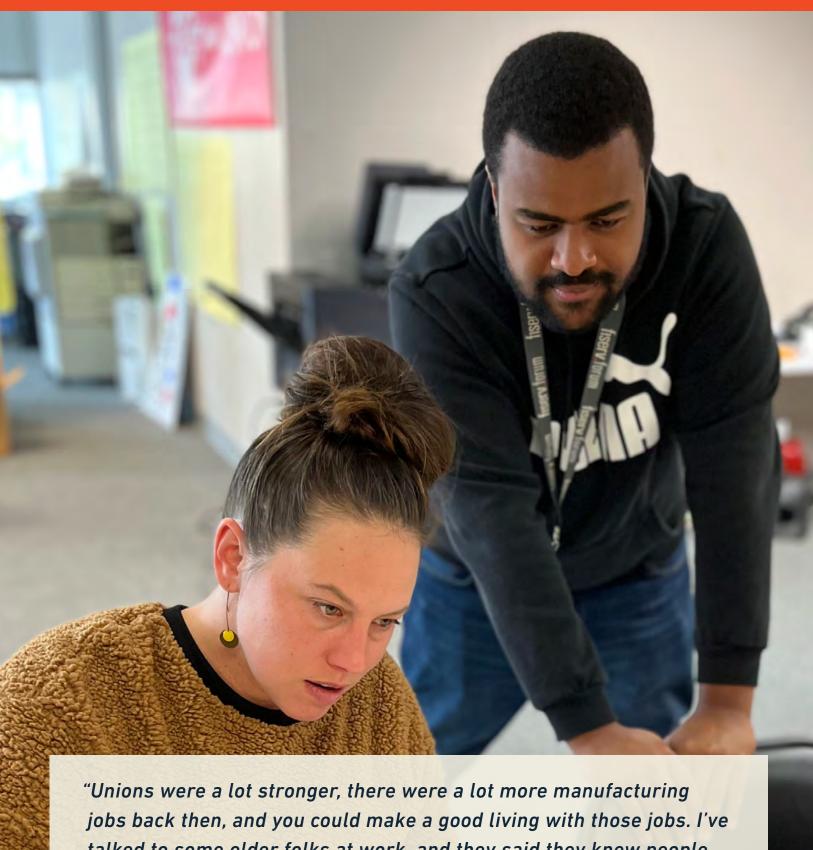
From World War II through the 1970s, manufacturing jobs built Milwaukee's middle class, providing opportunity for workers across the city. Though manufacturing jobs were once understood to be dangerous and low wage, workers and their unions fought and won a decent standard for industrial work. Not only did these jobs build the middle class, but they provided strong opportunity for Milwaukee's Black workers, who by the late 1970s earned wages exceeding national averages for Black workers.

Like manufacturing jobs before them, low-wage service jobs can be transformed into the same engine of opportunity and equity for Milwaukee in the 21st century. Janitors, waiters, dishwashers, clerks, bussers, and security guards need good jobs with decent benefits, predictable schedules, and wages that cover the cost of living. All of this is possible when workers have strong unions representing their interests, public policy focuses on improving job quality, and everyone, including political leaders, embraces the project of raising the standards of these jobs. Improving low-wage service jobs is a defining 21st century economic development challenge.

To motivate action to solve the crisis in Milwaukee's service jobs, this report profiles these jobs and workers that hold them.

"My previous jobs never had a union. First time I've seen it in the service industry. Made a whole world of difference, gave me the comfort knowing that co-workers wouldn't be fired on a whim."

-Luther Rivers. Concessions Cook



"Unions were a lot stronger, there were a lot more manufacturing jobs back then, and you could make a good living with those jobs. I've talked to some older folks at work, and they said they knew people who would drop out of high school to start working in manufacturing. Time hasn't been good in Milwaukee."

-Thomas Wynn, Security Guard

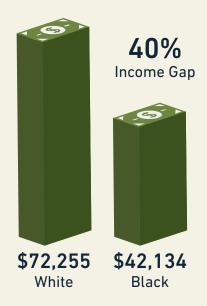
MILWAUKEE IN FOUR DECADES: RACIAL INEQUALITY UP, MANUFACTURING AND UNIONS DOWN

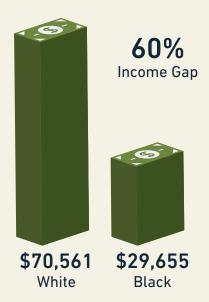
1979

2019

BLACK/WHITE HOUSEHOLD INCOME GAP INCREASES

Real Median Household Income





MANUFACTURING SHARE OF WORKFORCE **COLLAPSES**



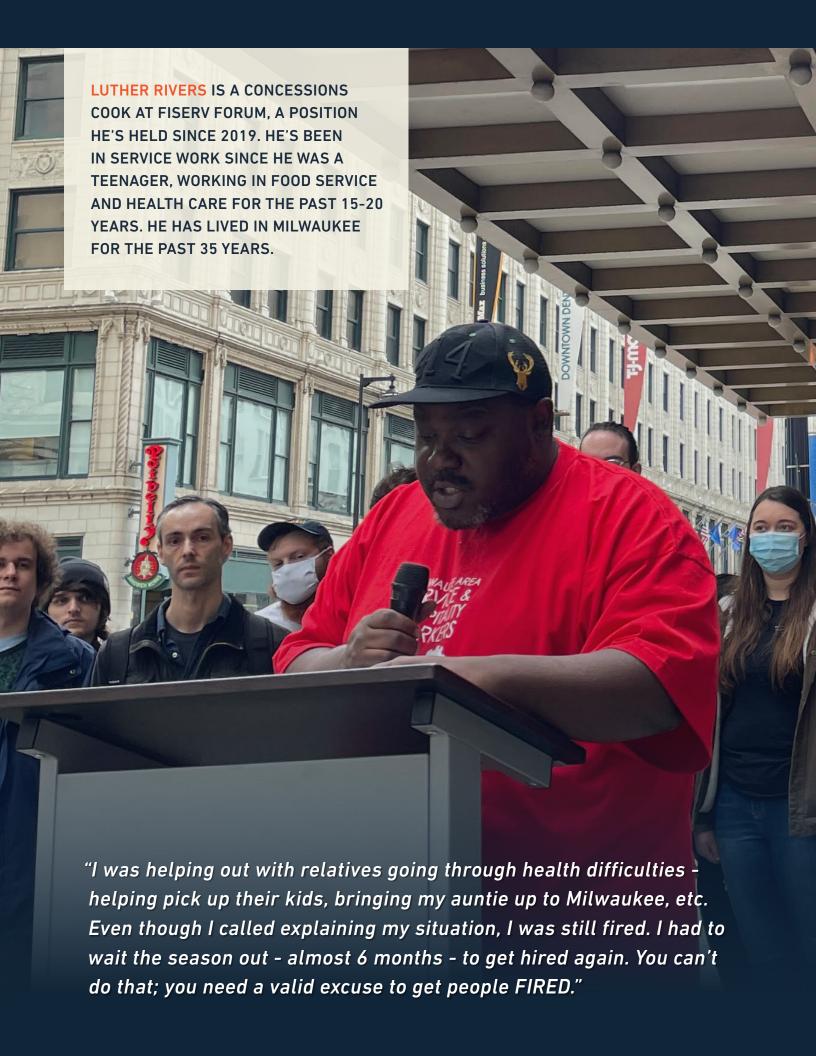
12% Manufacturing

UNION **MEMBERSHIP FALLS BY HALF**



24%

12%





The Crisis in Milwaukee's Service Industry

The Crisis in Milwaukee's Service Industry describes the crisis in service work in Milwaukee rooted in poor job quality. In food service, janitorial work, security services, and human and health services, wages are insufficient to cover the cost of living, hours are unpredictable and inadequate, and benefits are weak. These jobs must be dramatically improved. Service jobs with decent wages, predictable and adequate schedules, and good benefits can help workers, families, employers, and the city. The report argues that Milwaukee should use every policy action available to build a high-road service economy.

Crisis of Bad Jobs: Jobs that Pay Less Than \$15

This report uses \$15 per hour as the threshold for minimal job quality. Throughout the report, we use this threshold to identify bad jobs. Wages aren't the only problem in this type of work – jobs paying low wages also tend to provide very few benefits, insufficient hours of work, and unpredictable work schedules.

Throughout the report, we rely on the U.S. Census Bureau's American Community Survey (ACS) to draw the picture of work for those who reside in the city of Milwaukee, regardless of where they work. Our report relies on the 2019 ACS release and, given the size of Milwaukee and the occupations detailed in this report, we draw on the five-year sample.

Pandemic shutdowns in 2020 distort data on work. In the report we avoid this problem by ending our series in the last complete "prepandemic" data year.

According to the ACS data, there are 243,221 workers in the city of Milwaukee. This report is about these workers.

WHAT ARE MILWAUKEE'S **BAD JOBS LIKE?**

BAD JOBS

BETTER JOBS

MILWAUKEE WORKERS

TOTAL NUMBER

100,608

142,613

PERCENTAGE OF TOTAL

41%

59%

GETS HEALTH INSURANCE THROUGH EMPLOYER

47%

80%

AVERAGE HOURS WORKED PER WEEK

34

40

AVERAGE WEEKS WORKED IN PAST YEAR

46.3

49.5

Milwaukee's Bad Jobs

Of the 243,221 workers residing in Milwaukee, 100,608 of them work in bad jobs, meaning they are paid below \$15 per hour. This figure amounts to 41 percent of Milwaukee's working residents - or roughly 4 of every 10 workers working in bad jobs.

IN ADDITION TO LOW WAGES, THESE BAD **JOBS OFFER FEW BENEFITS.** Workers

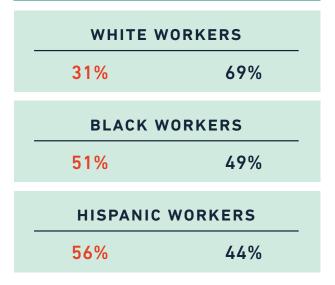
paid less than \$15 per hour are far less likely to receive health insurance through work compared to their peers working better paid jobs. Less than half of workers in bad jobs get health insurance through work, at just 47 percent. Of workers in better jobs, 80 percent receive health insurance through their work.

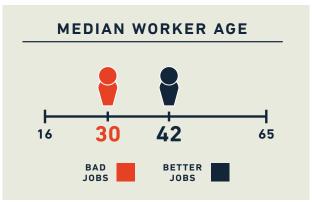
BAD JOBS FALL SHORT ON HOURS. Income is low in bad jobs because both pay and hours of work are low. Bad jobs provide an average of just 34 hours of work per week to Milwaukee workers, while higher wage jobs offer 40 hours per week on average. Weeks of work per year

are also lower in bad jobs. Workers in bad jobs had three fewer weeks of work each year than workers in better jobs.

Who holds Milwaukee's bad jobs?

AT A GLANCE: DEMOGRAPHICS IN MILWAUKEE JOBS **BETTER JOBS BAD JOBS**





Looking at specific demographics offers key insights into who exactly holds Milwaukee's bad jobs. The median worker age in Milwaukee's bad jobs is 30 years old. At 30, workers generally have several years of experience in work, and often have families and young children to support.

This goes against the popular narrative that teenagers or young adults are the primary holders of bad jobs, such as those in food service and retail. Just over 1 in 3 white workers have bad jobs, and over half of Black and Hispanic workers are in bad jobs. Racial disparities within the city's bad jobs will be a recurring theme of this report, especially within several key industries and occupations.

Industry vs. Occupation

In this report, we offer data on both on the industries and occupations that are key to understanding bad jobs in Milwaukee.

Industry is defined by a worker's employer, and that employer's main product or service. For example, all workers at hospitals, nursing homes, and schools are in the educational services, health care, and social services industry. These workers are in this industry regardless of the content of their work.

Occupation is defined by the content of a person's work. For example, food service workers mostly work in the food service industry. But a cafeteria worker employed by a hospital would be in the health care industry, and in the food service occupation.

Occupation and industry are two important ways to see work and we offer both lenses on work in this report.



60,000

OF MILWAUKEE'S BAD JOBS

ARTS, ENTERTAINMENT, ACCOMMODATION & FOOD SERVICE

RETAIL TRADE

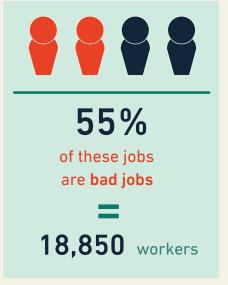
EDUCATION, HEALTH CARE & SOCIAL ASSISTANCE

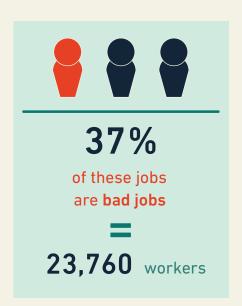












THESE 3 OCCUPATIONS ACCOUNT FOR MORE THAN

ZU.UU

OF MILWAUKEE'S BAD JOBS

FOOD SERVICE WORKERS

JANITORS

SECURITY GUARDS









80%

of these jobs are bad jobs



14,400 workers



70%

of these jobs are bad jobs



4,250 workers



64%

of these jobs are bad jobs



1,400 workers



Key Industries: Where are the bad jobs?

Three key industries stand out for their contributions to bad jobs: (1) educational services, health care, and social assistance; (2) arts, entertainment, recreation, accommodation, and food services; and (3) retail trade. Together, these industries account for 61 percent of Milwaukee's bad jobs (see industry data summary on page 8).

Jobs in these industries are 'essential' jobs that require being physically present at work to deliver critical goods or services. Even though the work is "essential" and requires physical interaction with customers, co-workers, clients, and students, fewer than half the workers in these industries get health insurance through their employment.

"The inhumanity of management is a major issue... If you wanted to hire robots, then you should have hired robots."

Luther Rivers. Concessions Cook



Educational Services, Health Care, and Social Assistance

The largest of the three featured in this report, this industry includes workers delivering care, education, and community support services, and alone accounts for nearly 1 in 4 of Milwaukee's bad jobs, totaling a staggering 23,760 workers. Black and Hispanic workers in this industry are almost twice as likely to have bad jobs when compared to their white peers.

This industry has a harder time raising wages, as these jobs – which include nursing assistants, home health and educational aides, school lunch staff, and workers providing social support in community and senior centers – are often dependent on public investment. These positions, which are critical to thriving, healthy, and safe communities, can become difficult to fill as labor markets tighten.



DEMOGRAPHICS OF MILWAUKEE'S EDUCATION, HEALTH CARE & SOCIAL ASSISTANCE INDUSTRY









For the purpose of this report, "Hispanic" is treated as an ethnicity category, not a racial category. Respondents who indicated their ethnicity as Hispanic have additionally identified with a separate race category, (i.e., "white," "Black," "other," etc.). Pie charts include Hispanic individuals who do not identify as white or Black, as well as those who identify as Asian, Pacific Islander, Native American, etc. Additionally, the categories of white and Black also include Hispanic individuals who identify as white or Black, respectively.

Arts, Entertainment, Recreation, Accommodation, and Food Services

This is the industry with the largest share of its workers earning less than \$15 per hour. Workers in this industry are especially important in keeping restaurants, bars, entertainment venues, and hotels running.

The median wage for a worker in this industry is just \$11.42, the lowest among the industries detailed in this report. An astounding 73 percent of workers in this industry make less than \$15 per hour.

With 19,000 bad jobs, the industry claims nearly 1 out of every 5 bad jobs in Milwaukee. Just over 60 percent of the industry's white workers are in bad jobs, while more than 80 percent of their Black and Hispanic peers work in bad jobs.



DEMOGRAPHICS OF MILWAUKEE'S ARTS, ENTERTAINMENT, RECREATION, ACCOMMODATION & FOOD SERVICE INDUSTRY









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Retail Trade

This industry also contributes significantly to low-wage work in Milwaukee. Retail trade workers are the 'essential' workers whose labor makes community access to groceries, medicine, clothing, and other necessities possible. More than half of workers in this industry make less than \$15 per hour.

Like the previous industry detailed in this report, retail trade accounts for nearly 1 in 5 bad jobs in Milwaukee. A little under half of all white workers in Milwaukee retail jobs work in bad jobs, but Black and Hispanic workers are far more likely to work in bad jobs, at 62 and 74 percent, respectively.



DEMOGRAPHICS OF MILWAUKEE'S RETAIL INDUSTRY

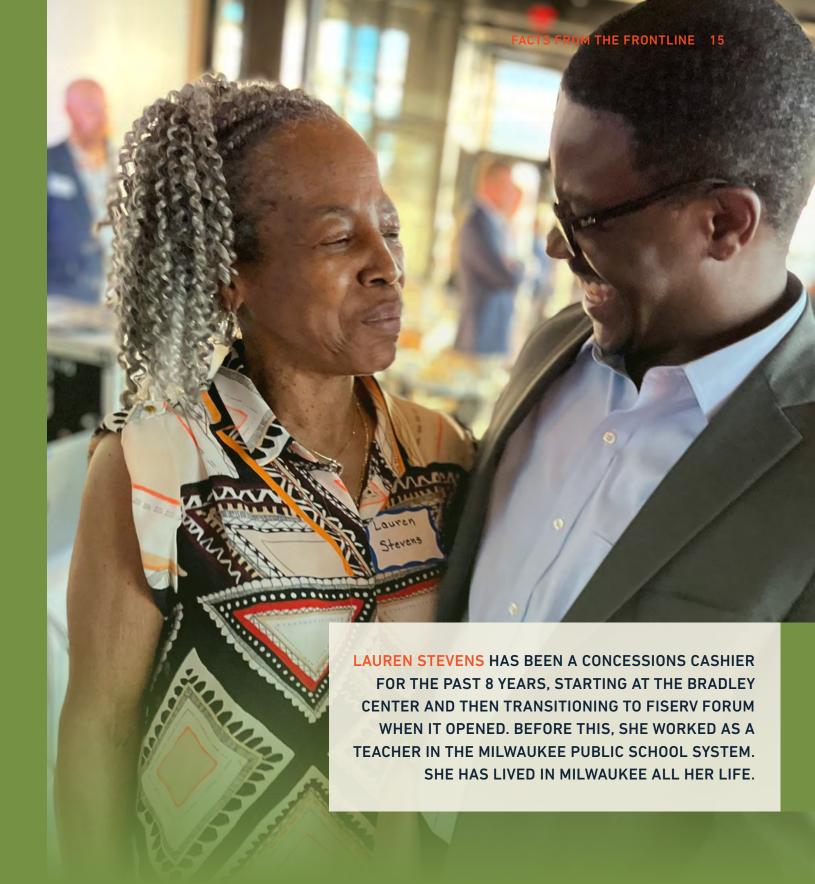








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"My thing is unionization and increasing pay. Everything is going up: food, gas — but salaries are not. The CEOs just don't want to put the money forward. Young people who've never had a job before aren't being fully trained. They're just putting bodies in these positions."

Featured Occupations in Milwaukee

Three occupations in particular contribute significantly to Milwaukee's low-wage workforce: service jobs held by food service workers, janitors, and security guards (see occupational data summary on page 9).

These service jobs are particularly abundant in the recent and ongoing developments in downtown Milwaukee's sports and entertainment venues, and therefore are important to highlight in this report.

Even though these jobs are vital to the operation of Milwaukee's entertainment sector, fewer than half the workers across these three occupations get health insurance through their employment.

-Lauren Stevens, Concessions Cashier

"They talk about all the jobs out there, being open to hire, but they don't talk about why people aren't coming back to work. They have committed staff people, but often they are working the job of two people, and they aren't being paid adequately for that, aren't receiving benefits, and not appreciated. I understand why people aren't coming back."

Food Service Workers

Food service work includes preparing food, waiting on and bussing tables, washing dishes, taking orders at fast food counters, cleaning, and maintaining facilities. Most food service workers are employed in restaurants and fastfood outlets.

Milwaukee's food service industry is dominated by bad jobs -4 in 5 of these jobs pay under \$15 per hour. Of the city's roughly 18,000 food service workers, 14,400 are paid less than \$15 per hour for their work.

Milwaukee food service workers of all racial backgrounds are highly likely to work in a bad job. More than 70 percent of all of Milwaukee's white food service workers and nearly 90 percent of the city's Black and Hispanic food service workers are in bad jobs.



DEMOGRAPHICS OF FOOD SERVICE JOBS IN MILWAUKEE









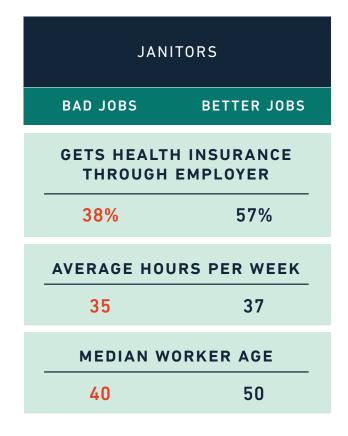
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Janitors

Janitors are responsible for keeping buildings, venues, and institutions clean. Their work includes heavy cleaning of floors, walls, and glass, trash removal, and often maintenance and monitoring of building systems.

Like food service jobs, this work, too, predominantly offers poverty wages — 70 percent of janitor jobs in Milwaukee pay under \$15 per hour. Roughly 4,250 of the city's 6,000 janitors are paid under \$15 per hour.

Significant racial and ethnic disparities exist in Milwaukee's janitorial jobs. Over half of white janitors in Milwaukee work in bad jobs, while approximately 3 of every 4 Black and Hispanic janitors work in a bad job.



DEMOGRAPHICS OF JANITORIAL JOBS IN MILWAUKEE









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Security Guards

Job duties for security guards include patrolling or monitoring premises to prevent violence, theft, or violations. Some security guards are also responsible for operating x-ray machines and metal detector equipment.

Nearly 2 out of every 3 Milwaukee security guards - 64 percent - work in bad jobs. Of the city's some 2,200 security guards, 1,400 of them are paid less than \$15 per hour.

As in other occupations detailed in this report, there are substantial racial and ethnic disparities in access to higher paying security jobs. Just under half of Milwaukee's white security workers earn less than \$15 per hour, while 3 in 4 of the city's Black security workers have wages this low. The sample of Hispanic security guards is small – Hispanic workers are just 6 percent of this workforce - but in the survey data all of Milwaukee's Hispanic security guards earned less than \$15 per hour.



DEMOGRAPHICS OF SECURITY JOBS IN MILWAUKEE









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Conclusion

For the past three years, the COVID-19 pandemic has exposed the essential nature of Milwaukee's frontline service jobs. Service work, especially the jobs highlighted in this report, could be a force to lift working people into the middle class and close Milwaukee's racial economic gap.

In the 1900s, manufacturing jobs became such a force in Milwaukee because workers and their unions demanded decent jobs. Service work can similarly be improved if our city leaders and the leaders in this workforce continue to relentlessly attend to improving these jobs.

For too long, working people in Milwaukee have dealt with bad wages, weak benefits, work volatility, and racial disparities in their workplaces. Workers like those profiled in this report are changing service work, demanding higher wages and better schedules, working with their employers to help solve problems, and raising the floor under service work. As these workers point out, such change is possible only when workers have voice in their jobs and the security allowed by a union contract. Milwaukee has always been a proud union city. Milwaukee's workers are taking that pride into the service sector, and are raising the floor under service work as they do.

Methods and Data

The infographic showing unionization, manufacturing jobs, and Black/white disparity from the late 1970s to present draws on data from three distinct sources: Unionstats, QCEW, and *The State of Black Milwaukee* by Marc Levine (2020).

Unionstats is an online data resource providing private and public sector labor union membership, coverage, and density estimates compiled from the monthly household Current Population Survey (CPS) using U.S. Bureau of Labor Statistics (BLS) methods.

The Quarterly Census of Employment and Wages (QCEW) program publishes quarterly employment and wage information reported by employers covering more than 95 percent of U.S. jobs, available by industry at the county, metro (MSA), state, and national levels. These data were accessed through the Wisconsin Department of Workforce Development (DWD) "Wisconomy" data access site.

Marc Levine's The State of Black Milwaukee (2020) is available at: dc.uwm.edu/ced_pubs/56.

The remainder of the report draws on the five year sample from 2019 American Community Survey (ACS), provided by the U.S. Census Bureau. We used the Milwaukee Super-Public Use Microdata Area (Super-PUMA), composed of four PUMAs coinciding with the city's borders, to delineate the report's geographical area of interest: the city of Milwaukee, excluding areas of Milwaukee County not part of the city proper. These data sets allowed us to focus the report on workers who reside in the city of Milwaukee, regardless of where they work.

EARN in the Midwest Collaboration

The Milwaukee Service and Hospitality Workers Organization (MASH), COWS, and Kids Forward are working together as EARN in the Midwest partners to transform service work across Wisconsin. The following series of reports addresses ongoing economic issues throughout the state, from Community Benefit Agreements to unions.

The Crisis in Milwaukee's Service Industry

Even before the COVID-19 pandemic, service work in Milwaukee was known to offer low wages, inadequate and often unpredictable hours, and weak benefits. This report calls on the City of Milwaukee to lead efforts in strengthening job quality, raising labor standards, and support and build a high-road approach to service work.

Playing with Public Money in Milwaukee: Data, Context, and Questions on Soccer Stadiums

In May 2022, Kenosha-based Bear Development and Kacmarcik Enterprises released a development plan for an "Iron District" on the southwestern end of downtown Milwaukee. This paper provides Milwaukee residents and political leaders background information and additional context as this proposal is considered, offering an overview of relevant research on the economic impact of sports arenas and information on recent public investment in soccer stadiums in five other cities.

Worker Power Levels the Playing Field: Community Benefits for Public Subsidies in the Iron District

In this second chapter of our work surrounding the Iron District development, a follow up to *Playing with Public Money in Milwaukee*, we look into Community Benefits Agreements (CBAs) – their history, what makes them effective, and their key role in securing true economic returns from large-scale private developments for the working people of Milwaukee.



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