

Nickel and Dimed: On (Not) Getting By in America
Barbara Ehrenreich
Henry Holt and Company, LLC (New York, 2002)

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Brief Summary

Can a successful writer with a PHD learn to survive on a low wage worker's salary? This is the question Barbara Ehrenreich sought to answer by spending three months living and working low wage jobs in three US cities (Key West, FL; Portland, ME; Minneapolis, MN). Prior to taking on this challenge, Ehrenreich established three rules for herself. First, she could not, in her search for a job, fall back on any skills derived from her education or usual work as a writer. Second, she had to take the highest paying job that was offered to her and do her best to hold it. And third, she had to take the cheapest accommodations she could find, at least the cheapest that offered an acceptable level of safety and privacy. Unlike most low wage workers, Ehrenreich would always have a car (no public transportation for her), she would never be homeless, and she would never go hungry, even if that meant exceeding her budget. Throughout the book, Ehrenreich describes the challenges she faced surviving on a low wage salary.

Facts and Findings

Financial Struggles in Finding a Job

In order to secure a job in each city, Ehrenreich struggled to find a job opening, submit an application, go through an interview, and (for almost all), submit to a drug test.

Finding a job opening seems simple enough: look online, look in the newspaper, and drive around for help-wanted signs. However, each job finding mechanism poses a challenge to potential applicants living in poverty. First, many do not have internet access, and thus searching for a job online may be impossible. Second, the newspaper's want ads are not reliable because often they do not reflect the actual current job openings. Rather, the want ads generally serve as "employers' insurance policy

against the relentless turnover of the low-wage workforce.” The ad is designed to obtain an applicant pool from which employers can draw from when one of their current employees is fired or quits. Finally, the majority of people living in poverty do not have access to a car; rather they rely on public transportation.

These challenges raise a few issues. First, the applicants are limited to jobs accessible by public transportation; second, they have to pay for transportation in order to search for a job; and finally, if they have a child they have to bring the child with them or find childcare while they look for a job.

If the applicant makes it through both the application and interview process, they are likely asked to submit to a drug test, which requires additional expenses on an already tight budget: one for childcare and one for public transportation to get to the site of the test. “Eighty-one percent of large employers now require pre-employment drug testing, up from 21% in 1987” (pg. 14). This seems a waste of time because “[s]tudies show that pre-employment testing does not lower absenteeism, accidents, or turnover and actually lowered productivity – presumably due to its negative effect on employee morale. . . . In 1990 the federal government spent \$11.7 million to test 29,000 employees. Since only 153 tested positive, the cost of detecting a single drug user was \$77,000” (pg. 128).

Budget Considerations

Ehrenreich was able to make it through this process and secure six jobs in three cities. However, the pay of each job was never enough to match her expenses, and therefore, if this were her “real life” situation, she would likely be homeless and in debt. Her income was limited to her paychecks, and her expenses included rent and food, but, if this were real life, she would likely also have to budget for childcare, public transportation, and healthcare.

Statistics show that “nearly one fifth of all homeless people work part or full time” (pg. 26). So, why was Ehrenreich unable to make enough money working, at times seven days a week and at other times two jobs, five days a week?

The main issue Ehrenreich struggled with was affordable housing. In Key West, she was unable to secure housing close to her job because it was too expensive. Instead, she was forced to rent an “efficiency” apartment 45 minutes away, and this was not a problem unique to Ehrenreich. After talking with fellow waitresses in Key West, Ehrenreich learned that Gail shared a downtown flophouse with one other person with rent of \$250 per week; Marianne and her boyfriend shared a one person trailer for \$170 per week; Tina and her husband paid \$60 per night at the Days Inn; and Joan lives in a van (pgs. 25-26).

Ehrenreich’s struggle for affordable housing was not confined to Key West. In both Portland and Minneapolis, she paid around \$200-\$250 per week to live in a hotel. Statistics show that “there has been a steady

decline in the number of affordable apartments nationwide,” and “more and more of the poor have been reduced to living in motels” (pg. 140). Ehrenreich observes that “[s]tarting conditions are everything” because if you are unable to pay the 2 months’ rent you need to secure an apartment, you end up paying a larger amount for a room by the week, which is what she was forced to do (pg. 27).

In addition to housing, Ehrenreich had to budget for food. The main staple of Ehrenreich’s diet over these three months was fast food. Fast food is often the main option for low wage workers for a few reasons. First, not all housing comes with a kitchen and/or appliances to cook and store food, as was the case with Ehrenreich when she lived in motels. Second, many low wage employees work long hours and do not have time to prepare meals. Finally, fast food is cheap and can be afforded on a low wage.

If this were real life Ehrenreich would have additional budget considerations such as childcare, transportation, and healthcare. In regards to childcare costs, one of Ehrenreich’s co-workers at The Maids paid a family friend \$50 per week to take care of her child, although she mentions that a “real day care” would cost \$90 per week (pg. 80). Ehrenreich did not have to account for this in her budget and she was still unable to stay within her budget.

The final major expense to consider is healthcare. There was a common theme in Ehrenreich’s low wage jobs of managers “squeezing employees to extract maximum productivity to the detriment of their health” (pg. 35). The problem was most evident in her job at The Maids. One morning, her boss, Ted, held a meeting on the subject of “working through it,” after one of the Maids called out with a migraine (pg.87). The boss stated that when he gets a migraine, he just pops 2 Excedrin and “gets on with (his) life... and that’s what the Maid should do – work through it” (pg.87). Another day, one of the maids, Helen, called out of work because she had a “bum foot. . . which Ted. . . blames on the cheap, ill fitting shoes, that, he implies, she herself chooses to wear” (pg.89). What Ted fails to realize is that the majority, if not all, of the women who work for him cannot afford a bottle of Excedrin on their salary, let alone a decent pair of shoes. Without healthcare coverage, it is difficult for low wage workers to maintain their health. Instead of addressing their health concerns, low wage workers are strongly encouraged to “work through” these problems, therefore perpetuating their health issues – sometimes until they become disabled and are forced to obtain government assistance in order to support themselves.

Now that the expenses have been examined, the other half of the budget must be considered: income. In various jobs her wage varied from \$2.83 per hour plus tips to \$7.00 per hour. The low income that resulted from these jobs required Ehrenreich to obtain a second job in certain cities to meet her expenses. This is not uncommon for low wage workers and Ehrenreich observed that of her fellow servers in Key West, “everyone

who lacks a working husband or boyfriend seems to have a second job” (pg. 39).

One of the most disturbing jobs Ehrenreich held, in terms of both wage and treatment, was with The Maids. She was paid \$6.67 per hour, but this would drop to \$6.00 for 2 weeks if she failed to show up for one day (pg. 61). Her first paycheck was withheld until she left or quit (pg. 101). She was told to get to The Maid’s office at 7:30, but the pay meter did not start until 8:00am, and there was no pay for the half hour at the end of the day during which the maids sorted, cleaned, and re-filled supplies (pg. 109). This is ridiculous, considering that The Maids company charged customers \$25 per maid per hour (pg. 72). The struggle just to “get by” on The Maids salary was highlighted by a fellow maid, Colleen, a single mother of two who stated “what I would like is to be able to take a day off now and then... if I had to... and still be able to buy groceries the next day” (pg. 119).

Recommendations and Implications

Throughout *Nickel and Dime*, Ehrenreich gives the reader an idea of the numerous changes that need to be made in order to help the working poor out of poverty. “In the rhetorical buildup to welfare reform, it was uniformly assumed that a job was the ticket out of poverty and that the only thing holding back welfare recipients was their reluctance to get out and get one. I got one and sometimes more than one, but my track record in the survival department is far less admirable than my performance as a jobholder” (pg. 196). Wages need to be increased so that the working poor can *work* their way out of poverty. The Economic Policy Institute found that a family of one adult and two children need, on average, \$30,000 per year, which amounts to \$14 per hour (pg. 213). However, currently 60% of American workers earn less than \$14 per hour (pg. 213). Ehrenreich argues legislation needs to be enacted to raise the *minimum wage* to a *living wage*.

Next, Ehrenreich highlights the need for businesses to become more responsible and keep in mind that their employees are *human beings*, not a product, and they needed to be treated as such. Businesses such as Wal-Mart and Circuit City prefer to pay a low wage and deal with the high turnover, rather than paying a living wage and reducing turnover and training costs. These businesses need to change their business plan and pay their employees a better wage. According to Ehrenreich, a living wage will result in less employee turnover, and subsequently a savings in the training costs for new hires.

Finally, Ehrenreich draws the reader’s attention to the urgent need for affordable housing. In Key West, Ehrenreich was only able to find affordable housing 45 minutes away from her job as a waitress, and in Portland and Minneapolis she was only able to afford a cheap motel room. Additional government grants and tax incentives need to be offered so

investors and developers have an incentive to build adequate affordable housing units.

Analysis / Critique

Barbara Ehrenreich does a wonderful job giving the reader a glimpse into the life and struggles faced by the working poor, and she effectively highlights the need for change. The main idea the reader leaves with is the critical need for a living wage and affordable housing. The people described in the book are not lazy and they do not stay at home waiting for a handout. They are working one, sometimes two jobs *just to get by*. The author sums it up best in the following statement, “Something is wrong, very wrong, when a single person in good health, a person who in addition possesses a working car, can barely support herself by the sweat of her brow” (pg. 199).