



# News Release

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**For Immediate Release**  
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## **New 2005 Poverty Guidelines Highlight Value of Minimum Wage Adjustment**

The 2005 Federal Poverty Guidelines released today highlight the importance to low-wage workers of adjusting the minimum wage for inflation each year, according to analysts at the Oregon Center for Public Policy (OCPP). The US Department of Health and Human Services published the new poverty guidelines for 2005 in today's *Federal Register*.

"As the cost of living rises, families need to earn more income to cover their basic needs," said Chuck Sheketoff, executive director of the OCPP. "That's why the poverty guidelines are adjusted each year to account for inflation. It is also why voters did the right thing in 2002 when they required the minimum wage to rise as the cost of living increases."

Following the 2002 ballot measure, the value of Oregon's minimum wage was increased in 2003 and each year since has been adjusted for inflation. On January 1, 2005, Oregon's minimum wage rose from \$7.05 to \$7.25 an hour.

Despite the annual adjustment, a minimum wage worker in Oregon supporting a three-person family by working full-time, year-round in 2005 will not escape poverty. Such a worker will earn \$15,080 in 2005, \$1,010 less than the poverty line for a family of three.

Sheketoff pointed out that the Oregon Restaurant Association is "dishing up Senate Bill 455 and House Bill 2331 to repeal the voter-approved minimum wage inflation adjustment."

"If these low-wage employers and their legislative allies succeed in overriding the will of voters, Oregon's minimum wage workers will take a step backwards relative to the poverty line each year," Sheketoff said.

"Today's increase in the poverty guidelines means more Oregonians are considered poor," noted Sheketoff. "We'd have even more poor today if we followed the Oregon Restaurant Association's recipe," he added.

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The Federal Poverty Guidelines, sometimes referred to as the “federal poverty level,” define who is officially considered “poor.” State and federal agencies use the guidelines to determine eligibility for a range of programs, such as National School Lunch Program, Legal Services, Food Stamps, and the Oregon Health Plan. The guidelines are not used for the state's cash assistance welfare program, called Temporary Assistance to Needy Families (TANF), or for determining eligibility for the federal or state earned income tax credits.

The Federal Poverty Guidelines are based on the size of the family and are applicable to the 48 contiguous states and the District of Columbia; the federal government sets different guidelines for Alaska and Hawaii. The “poor” are families with incomes at or below the poverty guidelines. While the term is not officially defined, “low income” often means families with incomes at or below 200 percent (twice) the poverty guidelines.

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### **Note to reporters and editors:**

Attached are tables showing the new 2005 Federal Poverty Guidelines, the 2004 guidelines, and a comparison of the 2005 Federal Poverty Guidelines with median family income.

### Federal Poverty Guidelines, 2005

Family Size	Yearly Income	Monthly Income	Hourly Income
1	\$9,570	\$798	\$4.60
2	\$12,830	\$1,069	\$6.17
3	\$16,090	\$1,341	\$7.74
4	\$19,350	\$1,613	\$9.30
5	\$22,610	\$1,884	\$10.87
6	\$25,870	\$2,156	\$12.44
7	\$29,130	\$2,428	\$14.00
8	\$32,390	\$2,699	\$15.57
Over 8 add per child	\$3,260	\$272	\$1.57

Source: *Federal Register* Vol. 70, No. 33, February 18, 2005, pp. 8373-8375. Monthly and hourly data calculated by OCPP and rounded to the nearest dollar and cent, respectively. The hourly rate is based on 40 hours of work per week for a full year (2080 hours).

### Federal Poverty Guidelines, 2004

Family Size	Yearly Income	Monthly Income	Hourly Income
1	\$9,310	\$776	\$4.48
2	\$12,490	\$1,041	\$6.00
3	\$15,670	\$1,306	\$7.53
4	\$18,850	\$1,571	\$9.06
5	\$22,030	\$1,836	\$10.59
6	\$25,210	\$2,101	\$12.12
7	\$28,390	\$2,366	\$13.65
8	\$31,570	\$2,631	\$15.18
For each additional person, add \$3,180 (yearly), \$265 (monthly), \$1.53 (hourly).			

Source: *Federal Register* Vol. 69, No. 30, February 13, 2004, pp. 7335-7338. Monthly and hourly data calculated by OCPP and rounded to the nearest dollar and cent, respectively. The hourly rate is based on 40 hours of work per week for a full year (2080 hours).

Median Family Income Compared to Federal Poverty Guidelines, 2005							
Number in Family	Annual Poverty Income	HUD Estimated Median Income	Median as Percent of Poverty Income	80% of Median Income	80% of Median as Percent of Poverty Income	50% of Median Income	50% of Median as Percent of Poverty Income
1	\$9,570	\$47,500	496%	\$38,000	397%	\$23,750	248%
2	\$12,830	\$54,333	423%	\$43,450	339%	\$27,150	212%
3	\$16,090	\$61,167	380%	\$48,900	304%	\$30,550	190%
4	\$19,350	\$67,833	351%	\$54,300	281%	\$33,950	175%
5	\$22,610	\$73,333	324%	\$58,650	259%	\$36,650	162%
6	\$25,870	\$78,833	305%	\$63,000	244%	\$39,400	152%
7	\$29,130	\$84,167	289%	\$67,350	231%	\$42,100	145%
8	\$32,390	\$89,667	277%	\$71,700	221%	\$44,800	138%
Over 8 add per child	\$3,260	n/a	n/a	n/a	n/a	n/a	n/a

Table sources: Poverty data from Federal Register Vol. 70, No. 33, February 18, 2005, pp. 8373-8375. Median Family Income data computed using Dept. of Housing and Urban Development data for the Portland-Vancouver, OR-WA Primary Metropolitan Statistical Area (PMSA) for federal fiscal year 2005.