

## Working But Still Poor

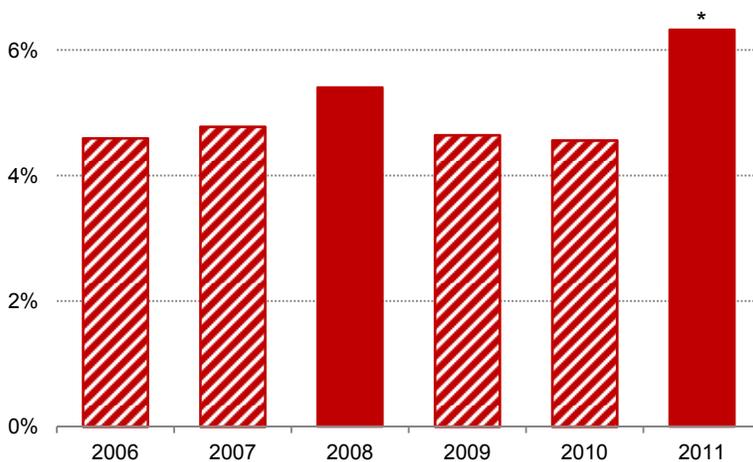
### *A View of the State of Working Oregon*

Work is not a sure path out of poverty. The official poverty line, based on a formula developed in the early 1960s, underestimates what it takes to make ends meet today. But even with the bar set too low by an outdated calculation, many working Oregon families are unable to rise above poverty.

Lawmakers can help make work pay for working families living in poverty. A top priority should be to renew and strengthen the Oregon's Earned Income Tax Credit. Lawmakers should also more fully fund programs that support working families, such as child care programs and the job training program for families with dependent children.

#### Poverty Rises in Families Working Full Time

(Rate of poverty among Oregon families with children with at least one parent working full time all year)



Asterisk (\*) indicates difference from previous year is statistically significant at a 90 percent confidence interval.

Stripes indicate years in which the difference from 2011 is statistically significant at a 90 percent confidence interval.

Source: OCPP analysis of American Community Survey data

The poverty rate among all Oregon families with children with at least one parent working full time has increased.<sup>1</sup>

In 2011, the most recent year with data available, 6.3 percent of Oregon families with children lived below the poverty line — \$18,530 for a family of three — despite having at least one parent work more than 35 hours per week.

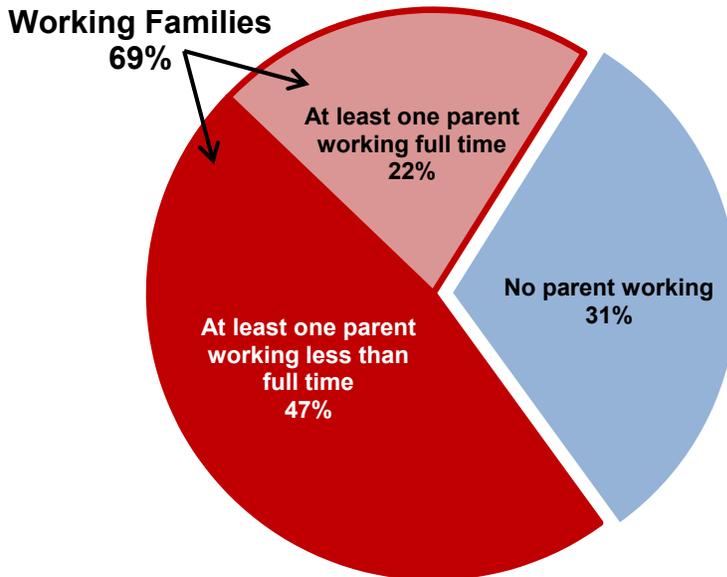
After years of no significant change, this was an increase over the previous year (2010) and over four of the five years since 2006, the year before the Great Recession began.

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*A View of the State of Working Oregon* is a series of occasional OCPP fact sheets published to help explain Oregon's economy from the perspective of working families.

## Most Families in Poverty Have Working Parents

(2011 share families in poverty by work experience of householder and spouse)



Source: OCPP analysis of American Community Survey data

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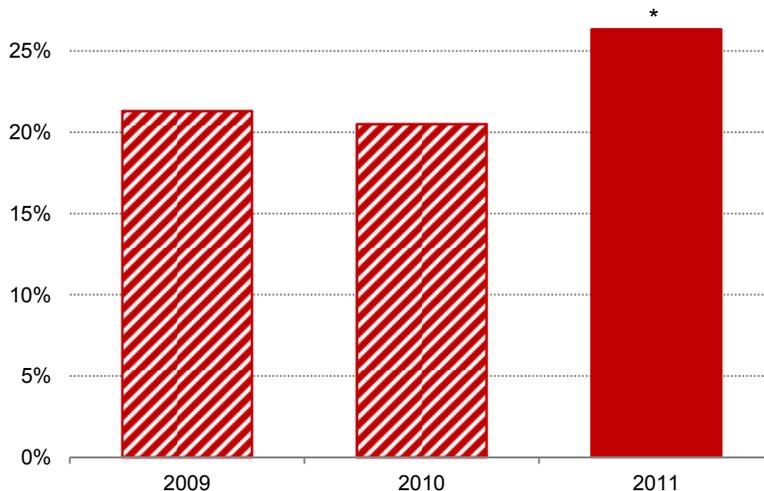
Most families with children living in poverty in Oregon are working families. In other words, a poor child in Oregon likely has a working parent.

In 2011, among Oregon's poor families with children, about 7 out of every 10 had at least one parent who worked. And more than a fifth (22 percent) had at least one parent who worked full time in 2011.

While the majority of poor families with children have a worker present, families living in poverty often confront barriers to employment, such as physical or mental health problems, children's health issues, domestic violence, and/or lack of affordable child care.<sup>2</sup>

## More Poor Kids Have Parents Working Full Time

(Share of children in poverty living in families with at least one parent working full time)



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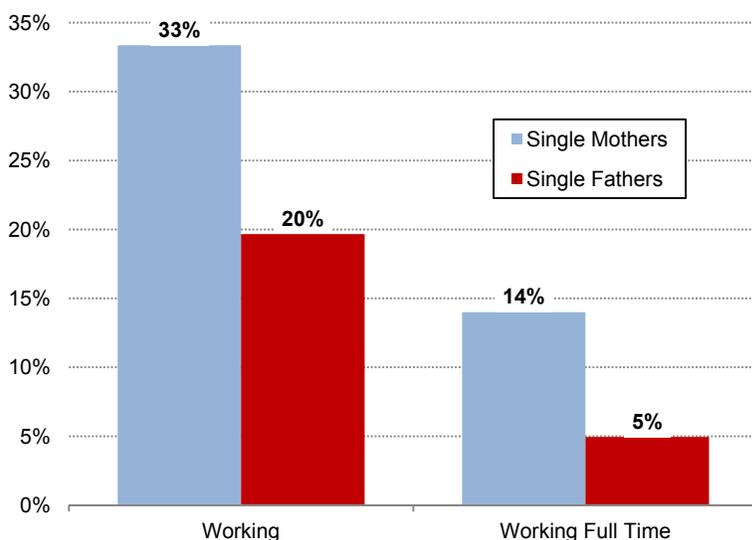
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Full-time work was less likely to be enough for a parent to lift her or his family above the poverty line in 2011 than it was in 2010 and in 2009, the year the recession officially ended.

In 2011, 26 percent of children in poverty lived in a home in which at least one parent worked full time.

## Single Working Mothers Face Higher Poverty Rates than Single Working Fathers

(2011 poverty rates among single headed households with children by work experience)



Source: OCPP analysis of 2011 American Community Survey data

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Single working mothers are more likely to live in poverty than single working fathers in Oregon.

In 2011, 33 percent of all single working mothers lived below the poverty line, compared to 20 percent of single working fathers. Among single parents working full time, 14 percent of single mothers and 5 percent of single fathers lived in poverty.

Women tend to earn less than their male counterparts. In addition, women are more likely to work in low-wage jobs, part-time jobs or temporary jobs.<sup>3</sup>

## Lawmakers Can Help Ensure that Work Pays for Poor Families

Lawmakers can help make work pay for families living in poverty. First and foremost, they should renew and strengthen the Oregon Earned Income Tax Credit. The credit allows low-income working families to keep more of what they earn to cover basic needs.

Second, lawmakers can better fund work supports for poor working families. For example, the Employment Related Day Care program, which subsidizes child care for low-income working families, is so poorly funded that eligible parents must first be on a waiting list.

Third, lawmakers can better fund the Job Opportunities and Basic Skills (JOBS) program, an employment and training program for very poor families with dependent children.

The majority of families with children living in poverty in Oregon are working families. Oregon can do more to help ensure that work pays for families who are poor despite their work efforts.

### Endnotes

<sup>1</sup> All data in this fact sheet are from OCPP analysis of American Community Survey data, unless otherwise noted.

<sup>2</sup> For a discussion of barriers to employment see: Heidi Goldberg, "Improving TANF Program Outcomes for Families With Barriers to Employment," Center on Budget and Policy Priorities, January 22, 2002, available at [http://www.cbpp.org/cms/index.cfm?fa=view&id=1476#\\_ftn](http://www.cbpp.org/cms/index.cfm?fa=view&id=1476#_ftn).

<sup>3</sup> For more on the gender pay gap, see: Jane Farrell and Sarah Jane Glynn, "What Causes the Gender Wage Gap?," Center for American Progress, April 19, 2013, available at <http://www.americanprogress.org/issues/labor/news/2013/04/09/59658/what-causes-the-gender-wage-gap/> and Francine D. Blau and Lawrence M. Kahn, "The Gender Pay Gap: Have Women Gone as Far as They Can?," *Academy of Management Perspectives*, February 2007, pp. 7-23.

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