

Working, But Still Poor

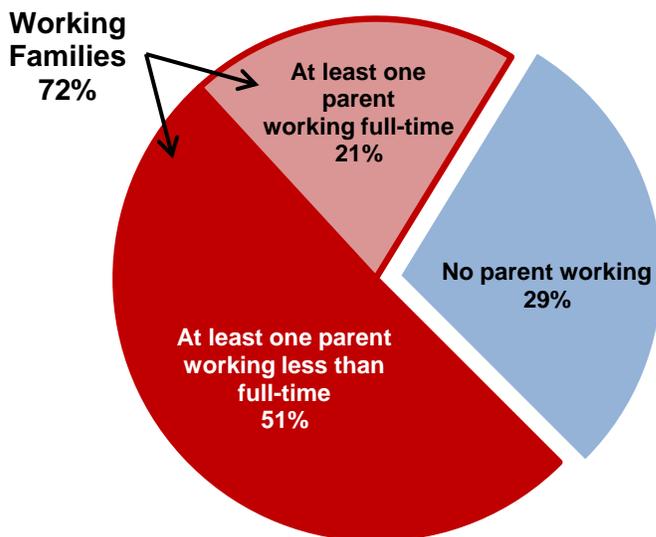
A View of the State of Working Oregon

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 But even with the bar set too low by an outdated calculation, some employers pay too little to lift many working Oregon families above the poverty line.

Lawmakers can enact policies that will lift low-wage workers out of poverty and help them get ahead. Lawmakers should increase Oregon's minimum wage and enact rules that better protect workers from dishonest employers who steal wages. They should also better fund services that help low-paid working families succeed, such as child care subsidies and job training for workers with dependent children.

Most Families in Poverty Have Working Parents

(2013 share of families in poverty by work experience of householder and spouse)



Note: figures rounded to nearest percent.
Source: OCPP analysis of American Community Survey data.

Families living in poverty often confront barriers to employment, such as physical or mental health problems, children's health issues, domestic violence and lack of affordable child care.¹

Nonetheless, 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.

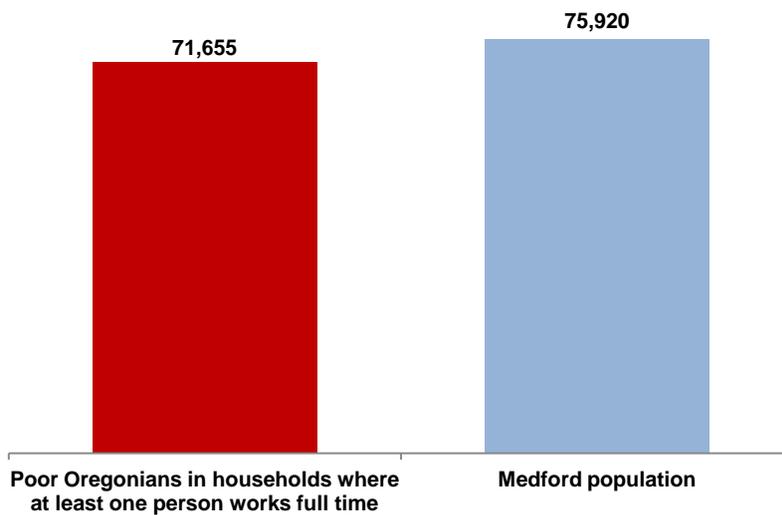
In 2013, among Oregon's poor families, more than seven out of 10 (72 percent) had at least one parent who worked.²

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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.

72,000 Oregonians Poor Despite Full-Time Work

(2013 estimated number individuals in poverty in households with at least one full-time worker and Medford population)



Source: OCPP analysis of American Community Survey data and Portland State University Population Research Center estimates as of July 1, 2013.

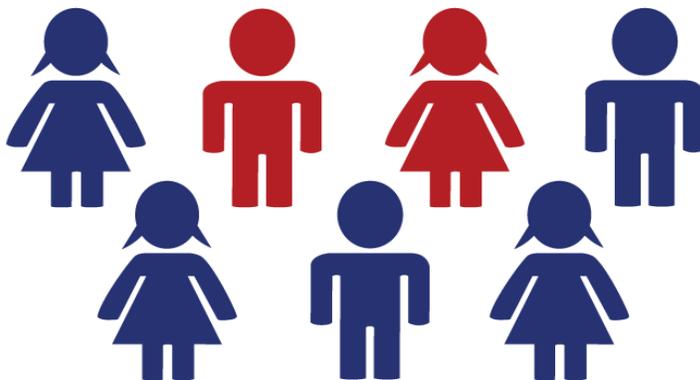
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In total numbers, there were nearly 72,000 Oregonians living in poverty despite belonging to a household with at least one full-time worker in 2013.

To put that in perspective, that is close to the entire the population of Medford (76,000), Oregon's eighth largest city.

Two out of Seven Poor Children in Oregon Have a Parent Who Works Full Time

(2013 share of children in poverty with at least one parent who worked full time)



Source: OCPP analysis of American Community Survey data.

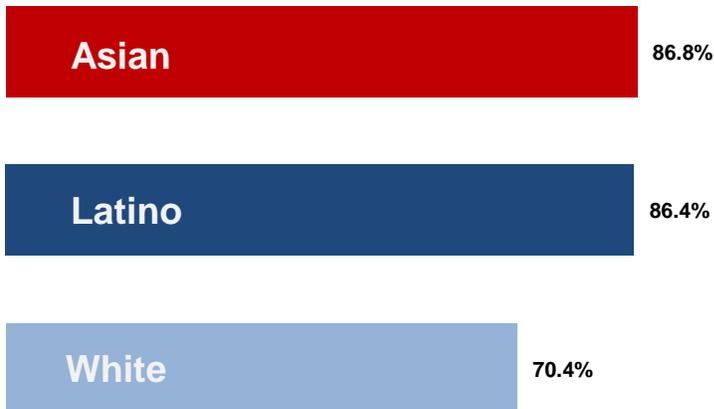
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Having a full-time working parent does not prevent children from growing up in poverty.

In 2013, among Oregon children living in poverty, two out of seven (28.8 percent) lived in a home in which at least one parent worked full time.

Asian and Latino Families Have Higher Rates of Working Poor

(2013 share of families with children with at least one working parent by race or ethnicity)



Note: Asian and Latino rates are statistically different from the white alone rate at a 90 percent confidence interval. All other rates were not statistically different due to small sampling sizes. Source: OCPP analysis of American Community Survey data.

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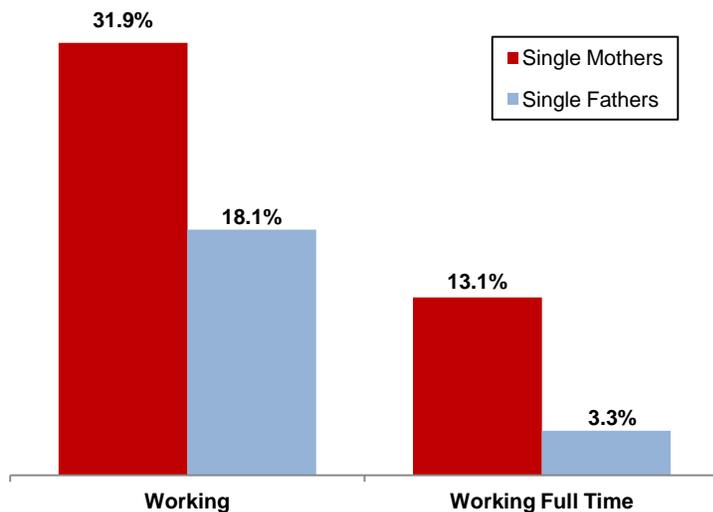
Rates of poverty among working families are particularly high among Asian and Latino families.

In 2013, nearly nine out of 10 Asian families (86.8 percent) and Latino families (86.4 percent) living in poverty had at least one parent working at some point during the previous year. By comparison, the figure was about seven out of 10 (70.4 percent) for non-Hispanic white families.

The rates of poverty among working families for other communities of color were not statistically different from the rate for non-Hispanic whites.

Single Working Mothers Experience Poverty More than Single Working Fathers

(2013 poverty rates among single headed households with children by work experience)



Source: OCPP analysis of 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 2013, 31.9 percent of single working mothers lived below the poverty line, compared to 18.1 percent of single working fathers. For those working full time, 13.1 percent of single mothers and 3.3 percent of single fathers lived in poverty.

Women tend to earn less than their male counterparts and are more likely to work in low-wage jobs.³

Lawmakers Must Help Ensure that Work Pays for Poor Families

To reduce poverty in Oregon, lawmakers must help make work pay for poor working families — which are the majority of the state’s poor families.

First and foremost, lawmakers should ensure employers pay a decent wage. In part, this means increasing the state’s minimum wage. Oregon’s minimum wage is not high enough to lift a full-time worker raising two children out of poverty. Workers deserve a substantial increase in the minimum wage, one that lifts families out of poverty.

Lawmakers also ought to enact strong protections against wage theft. A minimum wage counts for little when dishonest employers cheat workers out of the wages they have earned. Too often employers commit wage theft by forcing workers to work off the clock, stealing tips or not paying their workers at all. Lawmakers need to put in place new rules making it harder for dishonest employers to engage in wage theft and easier for the state and workers to enforce wage laws.⁴

Lawmakers should increase funding for services that help poor working families succeed on the job. For example, the Employment Related Day Care (ERDC) program, which subsidizes child care for low-income working families, is so poorly funded that eligible parents are often put on a waiting list and are unable to secure child care. Employment training programs such as the Job Opportunities and Basic Skills (JOBS) program, a program for very poor families with dependent children, currently serves a fraction of those who could benefit because of funding constraints.

Oregon lawmakers can act to make work pay and ensure working families are not poor despite their work efforts.

Endnotes

¹ 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.

² This analysis uses 2013 American Community Survey (ACS) Public Use Micro Sample (PUMS) microdata. The analysis focused on Oregon households living in poverty with a related child.

The ACS categorizes work experience as “full time in the past 12 months,” “less than full time work in the past 12 months,” and “did not work in the past 12 months.” Less than full time includes short-term and seasonal work. For example, a person who worked 40 hours per week for 10 weeks during the winter holiday season in a retail position would be considered to have worked less than full time by the ACS. This analysis looks at the share of households in poverty with children where at least the head of household or the head’s spouse had some work experience in the 12 months prior to the survey response.

While a person who worked “less than full time” could also be considered long-term unemployed by the Bureau of Labor Statistics (BLS), which defines long-term unemployment as joblessness for 27 weeks or more and actively looking for work during that time, that person is still correctly counted by the ACS as having worked less than full time during the past year. Similarly, a person who “did not work in the past 12 months” under the ACS survey might not be considered “long term unemployed” under the BLS survey if the person was not actively seeking work. One is a survey of who has been working and one is a survey of who has been unemployed; they are not meant to be mutually exclusive.

Unless otherwise noted, all data in this fact sheet comes from OCPP analysis of American Community Survey data.

³ 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.

⁴ For more on wage theft, see: *Oregon’s Wage Theft Problem Persists*, Oregon Center for Public Policy, January 14, 2013, available at <http://www.ocpp.org/2013/01/14/fs20130114-oregons-wage-theft-problem-persists/>.

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