

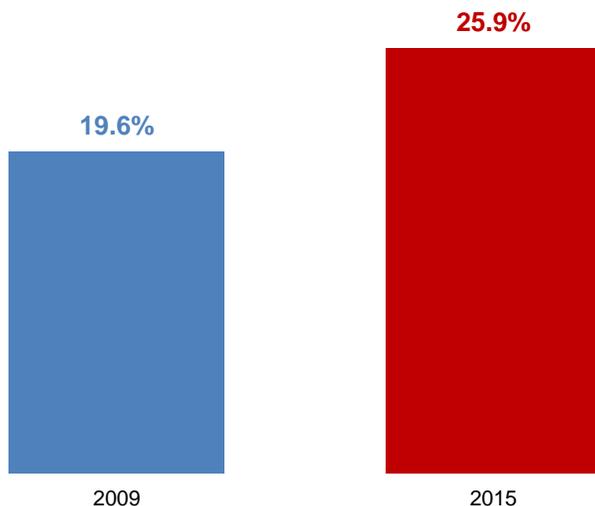
More Oregon Families Cannot Escape Poverty Despite Full-Time Work

A View of the State of Working Oregon

Work — even full-time work — is no sure path out of poverty. Most poor families in Oregon are working families, including many who have at least one full-time working parent. Indeed, even as the economy grew following the end of the Great Recession, the share of poor families with at least one parent working full time increased. Poverty despite work affects some demographic groups more than others: children, Latino families, and single-mother households.

That a growing number of families are poor despite working full time highlights the need for Oregon lawmakers to focus on reducing poverty.

More families in poverty despite full-time work



2015 share of families in poverty with at least one parent working full time.
Source: OCPP analysis of American Community Survey PUMS microdata.

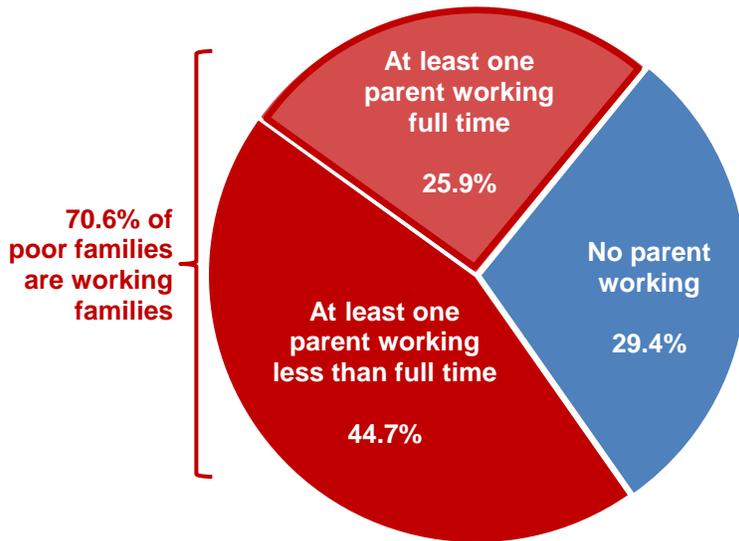
In 2009, the official end of the Great Recession, about 19.6 percent of Oregon families living in poverty had at least one parent who worked full time.¹

By 2015, the share of poor families with at least one full-time worker had grown. About 25.9 percent of poor families — about one in every four — had at least one parent who worked full time. That amounts to an increase of nearly one third during the recovery from the Great Recession.

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A View of the State of Working Oregon is a series of occasional OCPP fact sheets examining Oregon's economy from the perspective of working families.

Most families in poverty are working families



2015 share of families in poverty by work experience of householder and spouse.
Source: OCPP analysis of American Community Survey PUMS microdata.

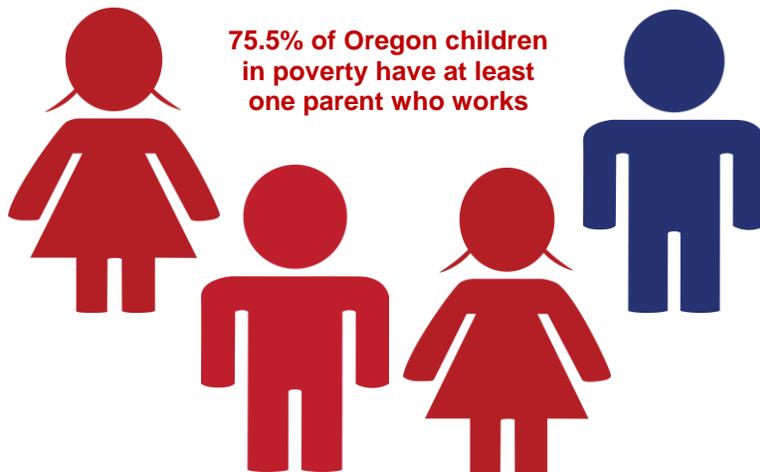
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Most poor families in Oregon are working families.

In 2015, 70.6 percent of Oregon families in poverty had at least one parent who worked. Some of these (25.9 percent) had at least one parent working full time, while others (44.7 percent) had at least one parent working part time.

Some poor families are unable to work. Families living in poverty can face barriers to employment, such as physical or mental health problems, children's health issues, domestic violence, and lack of affordable child care.²

3 in 4 poor children have a working parent



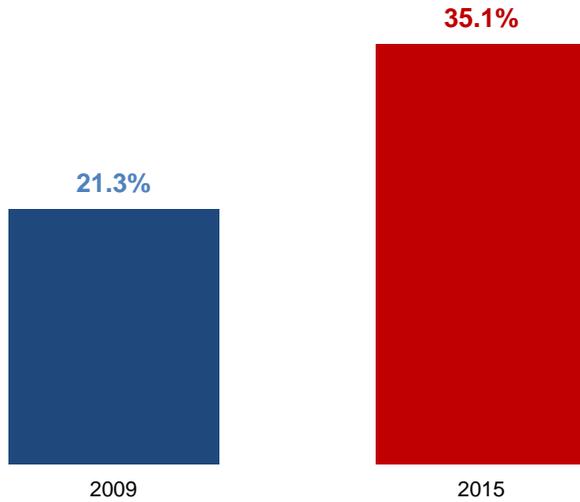
2015 share of Oregon children in poverty with a parent who works.
Source: OCPP analysis of American Community Survey PUMS microdata.

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In 2015, about three of every four poor Oregon children (75.5 percent) had at least one parent who worked.

Poverty, regardless of a parent's employment status, can harm a child's development, particularly in the early years. Research has shown that the stress caused by poverty during childhood can impact a child's cognitive development, their physical health, and their earnings as an adult.³

Share of poor children with full-time working parent rises



Share of Oregon children in poverty with at least one parent working full time.
Source: OCPP analysis of American Community Survey PUMS microdata.

Oregon children living in poverty are more likely to have a parent working full time than they were at the end of the Great Recession.

In 2009 — the year the Great Recession officially ended — about 21.3 percent of poor Oregon children had a parent who worked full time.

By 2015, the share of Oregon children in poverty with at least one parent working full time had risen to about 35.1 percent, an increase of nearly two-thirds.

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Number of poor children with full-time working parent about same as UO and OSU enrollment



Estimated number of Oregon children in poverty in households with at least one full-time worker and total University of Oregon and Oregon State University 2015 fall enrollment.
Source: OCPP analysis of 2015 American Community Survey Public Use Microdata.

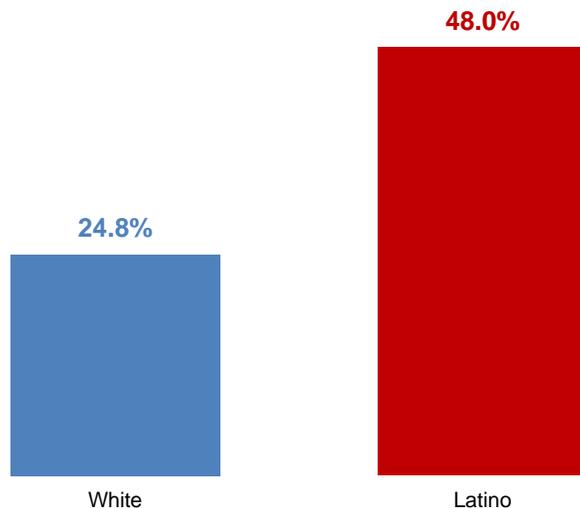
In 2015, the number of poor Oregon children living in a household with at least one full-time worker was about the same as the total number of students attending the University of Oregon and Oregon State University, combined.

Last year, there were about 52,500 Oregon children living in poverty despite having at least one parent working full time.

Meanwhile, there were 53,700 total students attending the University of Oregon and Oregon State University.

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Latino families in poverty about twice as likely to have a parent working full time



2015 share of Latino and non-Hispanic white families in poverty with at least one parent working full time. Source: OCPP analysis of American Community Survey PUMS microdata.

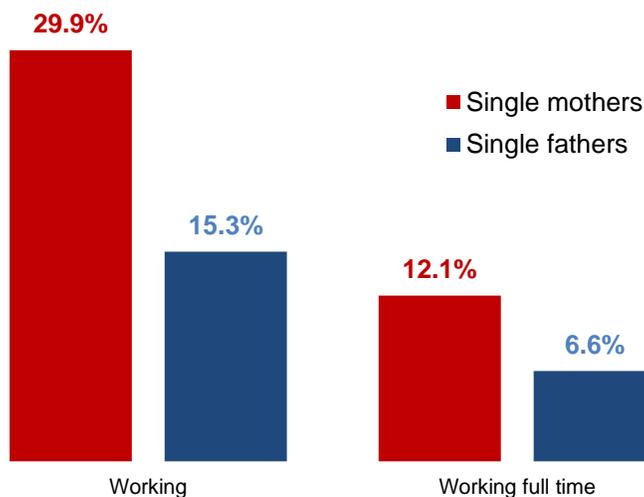
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Latino families in Oregon are more likely to live in poverty despite having at least one parent working full time than are white families.

In 2015, nearly half of all poor Latino families (48.0 percent) had at least one parent who worked full time.

By contrast, that was about twice the rate of white families. About 24.8 percent of white families living in poverty had at least one parent who worked full time.

Single working mothers about twice as likely to live in poverty as single working fathers



2015 Oregon poverty rates among single-headed households by work experience and sex. Single mother rates are statistically different from single father rates. Source: OCPP analysis of American Community Survey PUMS microdata.

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Single working mothers are about twice as likely to be poor than their male counterparts, even when they work full time.

In 2015, about 29.9 percent of single working mothers lived in poverty, about twice the poverty rate of single working fathers (15.3 percent).

Further, about 12.1 percent of single mothers working full time lived in poverty in 2015, about twice the poverty rate of single fathers working full time (6.6 percent).

Working Families Should Not Live in Poverty

When so many Oregonians struggle to make ends meet through no fault of their own, Oregon communities cannot thrive. To give all Oregonians a chance at economic opportunity, lawmakers should confront the problem that people are in poverty despite work by pursuing policies that will allow workers to take on more hours and boost their pay. Lawmakers were right to significantly raise Oregon's minimum wage in the 2016 legislative session, but more needs to be done. Among the policies that lawmakers should enact are:

- **Improving the Earned Income Tax Credit:**

The Earned Income Tax Credit (EITC) helps low-income working families get ahead. Together with the federal Child Tax Credit, the federal EITC lifted on average 129,000 Oregonians out of poverty each year from 2011 to 2013.⁴ Oregon's state-level EITC provides a needed boost to the annual incomes of low-income working families. Unfortunately, Oregon's EITC is too small. Of the 27 states with state-level EITC's, 21 offer larger credits than Oregon.⁵ Moreover, Oregon has one of the worst EITC participation rates among all states, meaning low-income workers leave tens of millions of federal dollars unclaimed each year.

Lawmakers can help low-income working families get ahead by increasing the Oregon EITC, ensuring the state does more to promote the credit, and supporting outreach efforts to make sure more eligible families claim the credit.

- **Expanding access to affordable child care:**

Child care in Oregon is among the least affordable in the country, forcing many parents who would prefer to work to drop out of the workforce to care for their children.⁶ Making investments that expand access to affordable child care would allow those parents to remain in the workforce while easing the burden that child care can have on family budgets.

- **Protecting workers against wage theft:**

Too often, low-wage workers are the victims of wage theft, a term referring to the many ways in which some employers cheat their workers out of wages they have earned. Whether by paying workers less than the minimum wage, forcing them to work off the clock, or stealing their tips, wage theft can undermine economic security for workers already living on the edge. By enacting strong wage theft protections, lawmakers would help ensure that Oregonians are paid for the work they perform.

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Endnotes

¹ This analysis uses 2015 American Community Survey (ACS) Public Use Micro Sample (PUMS) microdata. The analysis focuses on Oregon households living in poverty with a related child. The ACS categorizes work experience as “full time work 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 only 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 the other 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.

² 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/research/improving-tanf-program-outcomes-for-families-with-barriers-to-employment>.

³ *From Best Practices to Breakthrough Impacts: A Science Based Approach to Building a More Promising Future for Young Children and Families*, Center on the Developing Child at Harvard University, May 2016, available at <http://developingchild.harvard.edu/resources/from-best-practices-to-breakthrough-impacts/>.

⁴ *Expand Tax Credits to Promote Work and Fight Poverty*, Center on Budget and Policy Priorities, September 2016, available at <http://apps.cbpp.org/3-5-14tax/?state=OR>.

⁵ OCPP analysis of Center on Budget and Policy Priorities data. State EITC rates are as of January 19, 2016.

⁶ Oregon had the second highest average annual rate for center-based infant care and the fourth highest for four year-old care in 2014. *Parents and the High Cost of Child Care*, Child Care Aware of America, 2015, p. 27, available at <http://usa.childcareaware.org/wp-content/uploads/2016/05/Parents-and-the-High-Cost-of-Child-Care-2015-FINAL.pdf>.

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