The Project

This project is a part of a larger project funded by the Ford Foundation looking at working poverty and new entrants.

Working Poor Defined

**FULL TIME**
- 35 hours per week and 50 weeks per year (=1750 hours)
- 150% of the Federal Poverty Level

**POVERTY**
- family income as a percentage of the appropriate official poverty threshold

**INDIVIDUAL**
- Worked at least 35 hours/week and at least 50 weeks last year
- Below 150% of the Federal Poverty Level

**FAMILY**
- Total annual hours worked by all family members over the age of 16 is at least 1750 hours
- Family falls below 150% of the Federal Poverty Level
Working Poor Defined

• The Individual and Family-level definitions were selected from 24 tested definitions of working poor
• These two were chosen for their reliability

Selecting 15 Metros

THE DATA
• Data for PERE’s analysis came from three sources:
  1. 1990 PUMS 5 percent Census data
  2. 2000 PUMS 5 percent Census data
  3. 2005-2006 pooled IPUMS American Community Survey (ACS) data (weighted together to form a single “year”)

SELECTING METROS
• Of approximately 280 metros in the data set, 55 had consistently reliable data across all years
• The final 15 metros were selected based on:
  • Size of the working poor population
  • Demographic composition
  • Occupational and industry mix
  • Shifting demographics of the metro area
  • Regional (of U.S.) representation

Percent Working Poor in Selected Metros, 1990
WORKING POOR IMMIGRANTS

Labor Force Characteristics of the Working Poor by Nativity
2005/2006

<table>
<thead>
<tr>
<th>Nativity</th>
<th>Average Annual Hours Worked Per Household</th>
<th>Average Number of Family Members Ages 18 and Older</th>
<th>Average Annual Hours Worked Per Immigrant Age 18-64</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mexico</td>
<td>2,380</td>
<td>1.7</td>
<td>2,185</td>
</tr>
<tr>
<td>El Salvador</td>
<td>2,306</td>
<td>1.8</td>
<td>2,400</td>
</tr>
<tr>
<td>Guatemala</td>
<td>2,314</td>
<td>1.7</td>
<td>2,400</td>
</tr>
<tr>
<td>Honduras</td>
<td>2,314</td>
<td>1.7</td>
<td>2,400</td>
</tr>
<tr>
<td>Nicaragua</td>
<td>2,314</td>
<td>1.7</td>
<td>2,400</td>
</tr>
<tr>
<td>Venezuela</td>
<td>2,314</td>
<td>1.7</td>
<td>2,400</td>
</tr>
<tr>
<td>Total</td>
<td>2,314</td>
<td>1.7</td>
<td>2,400</td>
</tr>
</tbody>
</table>

Educational Attainment of Working Poor Immigrants

Findings about working poor immigrants:

- They are diverse in their ethnic backgrounds
- There has been a slowing progress for immigrants
- They are more likely to be larger and married households
- They tend to have more working family members contributing to the household income
- Over half have less than a high school degree
- A majority do not speak English or do not speak it well
WORKING POOR
AFRICAN AMERICANS

Percent and Percent Change of African Americans in Total Population

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>New York</td>
<td>20.3%</td>
<td>21.5%</td>
<td>1.2%</td>
<td>22.7%</td>
<td>1.2%</td>
</tr>
<tr>
<td>Miami</td>
<td>16.8%</td>
<td>16.4%</td>
<td>-0.4%</td>
<td>15.3%</td>
<td>-8.6%</td>
</tr>
<tr>
<td>St Louis</td>
<td>17.9%</td>
<td>19.1%</td>
<td>7.5%</td>
<td>18.7%</td>
<td>4.8%</td>
</tr>
<tr>
<td>Seattle</td>
<td>6.3%</td>
<td>6.9%</td>
<td>9.5%</td>
<td>6.8%</td>
<td>9.5%</td>
</tr>
<tr>
<td>Oakland</td>
<td>5.4%</td>
<td>6.6%</td>
<td>21.1%</td>
<td>7.1%</td>
<td>39.2%</td>
</tr>
<tr>
<td>Tucson</td>
<td>2.9%</td>
<td>2.7%</td>
<td>-7.4%</td>
<td>2.7%</td>
<td>-7.4%</td>
</tr>
<tr>
<td>World</td>
<td>6.1%</td>
<td>6.9%</td>
<td>13.7%</td>
<td>6.8%</td>
<td>11.3%</td>
</tr>
</tbody>
</table>

WORKING POOR
AFRICAN AMERICANS

Share of African Americans in the Labor Force and Working Poor in Selected Metro Areas
2005/2006

Demographic Characteristics of Working Poor African Americans
2005/2006
WORKING POOR
AFRICAN AMERICANS

Labor Force Characteristics of Working Poor African Americans
2005/2006

<table>
<thead>
<tr>
<th>Location</th>
<th>Average Annual Hour Worked</th>
<th>Average Annual Hour Worked 18-24</th>
<th>Average Number of Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baton Rouge</td>
<td>1,617</td>
<td>2,988</td>
<td>19.8</td>
</tr>
<tr>
<td>Dallas</td>
<td>1,590</td>
<td>2,988</td>
<td>19.2</td>
</tr>
<tr>
<td>Detroit</td>
<td>1,617</td>
<td>2,988</td>
<td>19.8</td>
</tr>
<tr>
<td>Los Angeles</td>
<td>1,617</td>
<td>2,988</td>
<td>19.8</td>
</tr>
<tr>
<td>Miami</td>
<td>2,003</td>
<td>2,988</td>
<td>19.8</td>
</tr>
<tr>
<td>New York</td>
<td>1,714</td>
<td>2,988</td>
<td>19.7</td>
</tr>
<tr>
<td>Philadelphia</td>
<td>2,003</td>
<td>2,988</td>
<td>19.8</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Location</th>
<th>Average Annual Hour Worked 25+</th>
<th>Average Annual Hour Worked 18-24</th>
<th>Average Number of Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baton Rouge</td>
<td>2,947</td>
<td>2,988</td>
<td>19.8</td>
</tr>
<tr>
<td>Dallas</td>
<td>2,947</td>
<td>2,988</td>
<td>19.8</td>
</tr>
<tr>
<td>Detroit</td>
<td>2,947</td>
<td>2,988</td>
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<tr>
<td>Los Angeles</td>
<td>2,947</td>
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<td>2,947</td>
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<td>2,947</td>
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<tr>
<td>Philadelphia</td>
<td>2,947</td>
<td>2,988</td>
<td>19.8</td>
</tr>
</tbody>
</table>

WORKING POOR
AFRICAN AMERICANS

Educational Attainment of Working Poor African Americans

Findings about working poor African Americans:

- Baton Rouge, Detroit, and St. Louis have the largest over-representation of working poor African Americans when compared to their representation in the labor force.
- They are more likely to be female-headed, single parent households.
- They tend to work fewer hours compared to other working poor groups.
- They have fewer working age family members that can contribute to the household income.
- A majority have a high school degree or less.
Largest determinants of working poverty based on the full regression model:

- Nativity/recency of migration
- Poor English proficiency
- Employment in building & grounds cleaning and maintenance and farming, fishing, or forestry occupations

Factors that reduce the odds of working poverty:

- Marriage
- A college education
- More full-time workers in the family
Notable findings from full regression model:

- Once we control for individual, human capital, labor force, and family characteristics, marginal effects decline more for APIs than other race/ethnic groups.
- Half of the marginal effects for African Americans and three-fourths of the marginal effects for Latinos can be explained through factors in our model.
- Other factors influencing outcomes for these groups may be attributable to tougher discrimination in the labor market, social network effects, etc.

**Correlates of Working Poverty by Metro Area**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Standard Error</th>
<th>Z Value</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income below poverty line</td>
<td>0.56</td>
<td>0.06</td>
<td>9.67</td>
<td><strong>&lt;0.001</strong></td>
</tr>
<tr>
<td>Education</td>
<td>0.43</td>
<td>0.05</td>
<td>8.56</td>
<td><strong>&lt;0.001</strong></td>
</tr>
<tr>
<td>Employment status</td>
<td>0.32</td>
<td>0.04</td>
<td>7.79</td>
<td><strong>&lt;0.001</strong></td>
</tr>
<tr>
<td>Marital status</td>
<td>0.28</td>
<td>0.04</td>
<td>7.01</td>
<td><strong>&lt;0.001</strong></td>
</tr>
<tr>
<td>Age</td>
<td>0.18</td>
<td>0.03</td>
<td>5.43</td>
<td><strong>&lt;0.001</strong></td>
</tr>
<tr>
<td>Gender</td>
<td>0.15</td>
<td>0.02</td>
<td>6.29</td>
<td><strong>&lt;0.001</strong></td>
</tr>
<tr>
<td>Family size</td>
<td>0.12</td>
<td>0.01</td>
<td>11.00</td>
<td><strong>&lt;0.001</strong></td>
</tr>
</tbody>
</table>

**Notes:**
- Significant at **<0.001** level.
Determinants vary by region

- Race/ethnicity matters. Those that are more likely to be working poor than Non-Hispanic Whites
  - African Americans in Miami (11%) and Baton Rouge (9%)
  - Latinos in Fresno (9%)
  - Asian Pacific Islanders in Dallas (7%) and New York (6%)
- Gender matters more in some metros. Women in Fresno, Greensboro, Stockton, Wichita, and Dallas are between 5% to 8% more likely to be working poor than men
- Recency of migration is the largest determining factor in Dallas, Greensboro, Los Angeles, and Tucson
- Returns to education are the greatest in Tucson and are the least in Seattle and Boston

Determinants vary by region

- Individuals that do not speak English well fare the worst in Stockton, Miami and Los Angeles
- The role of occupations varies by region
  - Baton Rouge – building & grounds cleaning and maintenance occupations (21.5%)
  - Fresno – farming, fishing or forestry (24.1%)
- Family size contributes more heavily to working poverty in Dallas (4.8%), Miami (4.9%), and Wichita (6.6%)

CONCLUSION

- Working poverty is a worsening problem
- Whereas in the past, a greater share of the working poor were younger workers, the population is now comprised of more older workers
- Working poverty is spreading to other regions as recent immigrants settle in non-traditional gateway cities
CONCLUSION

There is great diversity in the working poor experience

• It’s not just Latinos and immigrants
• Characteristics of the working poor vary by region
• Different segments of the population have specific needs
• Occupations matter

FUTURE TASKS

& IMPLICATIONS FOR PROJECTS, POLICIES, & POLITICS

PROJECTS
• A sub-regional analysis to look for clusters of working poverty in metro areas

POLICIES
• EITC
• Job mobility through job training
• Discrimination
• Unionization
• Females (& re-entry)
• Immigrants [ESL, accessible training, immigrant integration]

POLITICS
• A qualitative research piece to study the individuals and regional policies