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The Poverty of Hard Work: Multiple Jobs and Low Wages in Family Economies of Rural Utah Households

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The combination of paid work and poverty, or near poverty, is a growing problem in the United States, one of which is often accentuated by residence in rural, low-wage communities where underemployment is more prevalent than in metropolitan areas. This paper examines the experiences of sixty rural families with inadequate employment using data from ethnographic interviews with a particular focus on the strategies they use to meet their family's needs in spite of low-wage work.

"We make ends meet by working every minute we're awake."

"Five forty-seven [an hour] which is the slowest way I know to get up in the world because even if I worked eighty hours a week, I'd still almost be poverty."

Two women, both single parents, made the above comments to me during research interviews with low-wage workers. By current welfare policy standards, these women are success stories: they work hard at more than one job, maintain their households and children, and balance tight budgets well enough to satisfy the most frugal accountant. Their household income hovers above the official poverty line. Both households also used some form of social assistance during the year prior to the research: food stamps, school lunch programs, housing subsidies, or child care assistance. However, because they are working and their total income is above official poverty, they are part of a large group, the working near poor, who are often invisible to policymakers

and social workers. Yet their struggles to make “ends meet by working every minute” highlight policy issues that are important in this era of “welfare to work.” Precisely because the “successful” exits from TANF are likely to be low-wage workers, at least for a time, we need to understand better the contexts and struggles of this population in order to support their momentum away from poverty. Otherwise, as I argue below, these workers are likely to continue to experience sporadic spells of poverty.

While the combination of paid work and poverty is not new in the United States, there is evidence that it is a growing problem. From 1989 to 1997 the poverty rate of workers aged 18–64 rose from 10.4% to 10.9%. It is also noteworthy that the number of full-time year-round workers earning below the individual poverty threshold in 1998 increased by 459,000 persons over the previous year, the largest one-year jump on record (Center for Budget and Policy Priorities 1999). This increase points to a disturbing trend of the growth in inadequate employment nationally.

Poverty and low earnings have long characterized rural (or non-metropolitan) residents to a greater extent than they have urban residents. While rural people comprise only one-fifth of the total U.S. population, rural areas have one-third of all poor people (Duncan and Tickamyer 1988). Rural people are more likely to be unemployed or underemployed, or uninsured for health care when compared to their urban counterparts (Rodgers and Weiher 1986). Although they are more likely to be married and to have more than one person in the household employed, rural workers have higher rates of poverty and near poverty than do workers in urban households (Shapiro 1989; Duncan and Tickamyer 1988). As recently as 1998, the U.S. Census Bureau reported higher rates of poverty in non-metropolitan areas than anywhere else, except in central cities.

Gorham (1992) noted that in 1979, 32% of rural workers were “low earners,” defined as those whose hourly wage or salary did not allow them to support a family of four above the official poverty line even if employed year-round on a full-time basis. By 1987, fully 42% of rural workers fit this description and were almost 50% more likely than their urban counterparts to receive wages this low (Shapiro 1989; Levitan, et al. 1993). These rural workers, whom Gorham (1992) identified as the new rural poor,

tend to be those who have lost better-paying manufacturing or mining jobs, those who are trying to support households on lower wages, or those who have started in low-paying jobs and are unable to move into jobs with higher pay. Added to these categories are workers who cannot secure full-time employment, those who live and work in seasonal economies, and those who work a series of low-wage, part-time jobs.

The decline in earnings among rural workers is noteworthy. Average annual earnings by non-metropolitan workers were \$828 lower in 1987 than in 1979 when using constant 1987 dollars. A substantial part of the decline in rural workers' earnings is due to the drop in wages paid for each hour worked. By 1987, 32.2% of non-metropolitan workers earned less than \$4.35 per hour, and 11.8% earned minimum wage or less (Shapiro 1989; Gorham 1992). The prevalence of low-wage jobs provides rural workers with less protection from poverty, as well as a steeper path by which to exit poverty (Brown and Hirschl 1995).

Jensen et al. (1999) examine the nexus of low wages and poverty in rural areas more broadly by highlighting underemployment. As a general category of employment hardship, underemployment includes the working poor and near poor, as well as various types of inadequate employment. Across a 25 year period, from 1968 to 1993, they show that non-metropolitan areas have experienced higher rates of underemployment than metropolitan areas. In 1983 and 1993, underemployment in non-metropolitan areas reached rates of 29.3 and 24.5, respectively. Even more telling, non-metropolitan rates for underemployment have also exceeded those rates in the central cities. Jensen et al. (1999) note that rural location makes workers more likely to slip from adequate to inadequate employment, and less likely to exit once they are underemployed than urban workers. Not unexpectedly, rural women are doubly penalized for gender and place: they are less likely to be adequately employed, more apt to slip into underemployment, and more likely to stay underemployed than their urban male counterparts. The authors conclude, in part, that non-metropolitan workers are in a more precarious position economically when compared to metropolitan workers.

Inadequate employment puts workers in precarious straits not only because of low wages, however. Many of the underem-

ployed hold jobs defined as temporary or seasonal; many cannot get a full forty hour work week, either because of low demand or because the employer wants to avoid providing benefits or paying overtime. It must be noted, however, that many of these workers would remain near poverty even with increased hours and year round work, and thus cannot "work their way" out of poverty or near-poverty status (Kim 1998). Family businesses often employ relatives under circumstances similar to underemployment, as well, with low wages, sporadic hours and few, if any, benefits. In rural areas, employers may also control access to other resources, such as housing, leaving workers at risk for losing both shelter and wages, and giving employers a double advantage over workers in setting both wages and rent.

Rural researchers often rely on two theoretical explanations for the "rural disadvantage." Human capital theory argues that workers' wages reflect the skill, training, education, and experience that the workers bring to the labor market. Wages, then, are a "return" on a worker's investment in developing her set of capital; greater investments should yield greater returns, or wages. When researchers have compared workers with similar sets of skills across rural and urban labor markets, the rural workers earned significantly less than their urban counterparts. Dual labor market theory posits that urban and rural labor markets are substantially different, hence explaining wage and poverty differentials. Urban labor markets are more diversified across types of production, service, and retail, while rural economies often rely on one or two types of lower-wage employers, such as agriculture, tourism, or basic manufacturing, decreasing their ability to absorb downswings in those sectors of the economy. While aspects of both theories help us see why the working poor are disproportionately present in rural communities, they do not deepen our understanding of the ways in which rural families experience working poverty, nor do they make visible the strategies people use to compensate for "lower returns on human capital" or the disadvantage of rural labor markets.

Methods and Participants

Sixty households in five Utah counties chose to participate in this study. They were recruited from the Food Stamps Only and

Reduced Price School Lunch lists via mail which described the general objectives of the research. The respondents had to return by mail a consent card in order to be contacted for the project. All participants were interviewed in person during the spring and summer of 1996; the average interview lasted ninety minutes.

The Food Stamps Only and Reduced Price Lunch lists were selected because the recipients of these programs would have household incomes between 100% and 185% of the official poverty threshold. Thus, I aimed to interview workers in near-poor households in which most of the income would be earned from employment.

The five Utah counties represented in this study were selected because they vary along dimensions of development. Washington and Summit counties can aptly be described as developing areas in the state; to a lesser extent, Grand county may be considered developing as well. Duchesne county is a low-income and low development county, suffering from major losses in the petroleum industry. San Juan is a persistently poor county, having had more than 20% of the population officially poor in every census since 1960. In these last two counties, 50% or more of the population falls below 200% of official poverty, largely due to the prevalence of inadequate employment conditions.

The participants in this project represented a variety of family compositions. Thirty-two were married couple households and twenty-eight were solo parent/single adult households. All but three had children, ranging from one to six children living at home; fully half of the households had two or three children, and ten households had four. Nineteen participants were renting their current residence, while thirty-five were making mortgage payments. The residential circumstances of the remaining six show the variety of living arrangements among low-income workers: one family had their housing included as part of the job, two families were sharing residential space with other family members and shared some expenses, two young women and their children lived with their mothers, and one single woman lived in a rustic "family cabin" and did not pay rent but took care of the upkeep. Among those who "own" their residence are two families who do own the trailer they live in, but pay rent for the space where it is parked and for the use of utilities; among the

renters was one family who rented to a boarder in order to defray the high costs of rent.

As a group, the participants are fairly well-educated, and, in that way may be fairly similar to those who are able to exit TANF with employment. All but two had earned at least a high school diploma or its equivalent, and forty-two had post-secondary training. Ten individuals had completed a college degree, three of whom had also completed graduate training in a profession. In these last three households, near poverty was due to a combination of low wages and family size in two, and a voluntary frugal lifestyle in the third. For most of these families, then, their levels of education and training indicate that they do not lack basic job skills.

Inadequate Employment

"I don't really have a steady flow of income that I can count on for that week, that I'm gonna make this much money."

"I figure at some point in time I'll get enough money by the hour that I'll be beyond that [Food Stamps], but I haven't succeeded yet."

Underemployment encompasses four subgroups of inadequate work: the unemployed, discouraged workers, workers with low hours, and those with low income (Jensen et al. 1999). Among the sixty participants, the vast majority ($n = 51$) fell into the last two categories, with employment at reduced hours, wages that were too low for meeting basic needs, or a combination of both; three workers were unemployed.

Six households could be said to have adequate or close to adequate employment, earning more than \$10 per hour. In the latter group are those adults in households who may feel they have to budget tightly to meet their needs, but are basically 95% or more reliant on wages, and are only using the Reduced Price School lunch program. They had no spells in the year previous to the research in which they needed to use Food Stamps or unemployment insurance, receive assistance from a food pantry or church, and they had fairly reliable monthly incomes. By definition, these households were those with incomes closest to 185%

of the poverty threshold. All six households with adequately employed workers had access to private health insurance.

The majority (54) of participants were inadequately employed, usually because of a combination of less than full-time hours and low wages. The hourly wages of workers in this group ranged from \$4.75 to \$9.60 in the job the participant reported as her or his main employment, with most earning about \$7.50. The average hours worked hovered around 28 to 30 per week, with the range extending from 20 to 40. Thus, average gross income among those with inadequate employment extended from a low of \$142.50 to a high of \$288 per week, with most earning around \$225.

Particularly for low wage and low income workers, access to health insurance for the worker and her family make a critical difference to family well-being. Among the 54 households with inadequate employment, 22 had access to private health insurance through their employer, 8 had access to public insurance (Medicaid or IHS), and 24, or 44%, were completely uninsured. When combined with low wages, or low household income, the lack of insurance puts families at serious risk of not getting needed medical attention, of receiving inadequate medical attention, and of accruing long-term debt as a result of out-of-pocket medical expenses. Lack of access to health care jeopardizes a family's physical health as well as its fiscal health over time often creating a cycle of poor health, greater debt, less ability to work, and diminished ability to meet the family's needs. It is this cycle that can lead many families to slip in and out of poverty and toward greater reliance on forms of public assistance.

Family Economies

When work pays poorly and consumes a great deal of time, the pressing questions of family economics become even more important. By family economics, I mean the systems and strategies people use to gather and allocate resources such as time, money, skills and relationships to meet family needs. In this context, work is understood broadly to mean activities that reduce necessary expenses as well as those that generate income. A subsistence garden is an example of the former, a waged job is one of the latter; however, doing childcare in one's home while raising one or more

children may be an example of work that fits both purposes. How do people meet their family's needs when paid labor consumes a high amount of one resource (time) and generates low amounts of another (money)?

The households participating in this research answered this question in a variety of ways. Multiple job holding is a common strategy among these workers. Fully two-thirds of the sixty participants held more than one job for pay, and one single parent reported holding up to four jobs at one time. Jill, a single mother with four children, is a good example of multiple job holding.

At one time I was working four jobs. It was when I was first divorced . . . about four years ago. I was working for the bank in town . . . thirty five hours a week. And then because . . . I have problems getting child support, I was working also in the evenings about three or four days a week . . . for a convenience store for minimum wage. I was doing typing for an insurance agent. I was doing his billing and his correspondence at home on my computer and then on weekends I cleaned house for people.

That year, she told me, she "made \$9,000 total," several thousand dollars below the poverty threshold for her family; thus, while working four jobs, she qualified for AFDC. After a spell on AFDC, she wasn't eligible for Medicaid without a spend down or for Food Stamps because of her vehicle, and was uninsured for several years as a result. Two of her children have chronic medical conditions for which they need prescription medication, but health insurance through her job at the bank would have cost her over \$200 per month and "we needed that money to live on." Food was watched carefully during that time: "we had a gallon of milk . . . this has got to last all week, kids. I was really thankful that my kids could get like free lunches at school and free breakfast. So they could go to school and eat and then they'd get a good lunch and we'd work out dinner."

Jill was able to keep up that schedule for about two years because her oldest daughter assumed many responsibilities at home, including meal preparation and child care. But the strategy of multiple job holding exacted some heavy costs on the family. "I was really lucky because my oldest daughter was very, very responsible and one of the reasons I quit was because . . . we still

needed the money, but my daughter's grades were dropping in school because she was spending so much time helping" with the younger children. Jill quit the job at the convenience store in order to stay home in the evenings with the children. In addition to the effects on her daughter, Jill found those years took a toll on her, as well. "It was really hard emotionally. I really think I aged a lot in two years . . . just worrying. The stress of trying to carry on four jobs, make ends meet, you know, wondering how we were going to pay the next bill. . . . So I had no choice." During the years of multiple job holding, Jill also availed herself of some church-based assistance, mostly for groceries. In her case, low wage work meant she "balanced" her budget by devoting more time to paid employment, depending on family-provided child care, using local resources for groceries, and foregoing health insurance.

Like Jill, Marty is a single parent; she has three children, and had just moved into a rental house at the time of the interview. She was working 35 hours per week, going to college full-time, and raising three children between the ages of 5 and 14 years. She worked for the State of Utah in human services and was earning \$7.90 per hour, a "good" wage relative to the average wage of \$5.00 per hour locally. Marty and her three children had come through some hard times, though. While married, Marty was in a violent relationship; when her husband left, she "was on full AFDC and everything for three months. . . . I went over there and they made me feel like a dirt bag and it was terrible." Marty got a job and moved her family into a small, squalid two bedroom apartment where "the sewage overflowed quarterly" and the rent was \$400 per month. At the time, her monthly income was \$750.

As she worked herself into a better situation, Marty felt she was hampered by the constraints of the welfare system. The state finally made her job permanent and raised her wage to \$7.90 per hour, for a weekly income of \$276.50. Marty realized she was underpaid for the work she did, but the permanency and benefits of the job were a good tradeoff. As she put it, "Yes, I'm a real person now. I've a real job with benefits and everything. Yeah. Paid holidays. I know, I feel blessed. It's been a long time."

While her income and housing situation have improved, Marty still finds it hard to make ends meet. Through local con-

tacts she was able to rent a house with adequate space and in good condition; the rent, however, was \$750 per month, a fairly steep amount even with her new job. The only way she could manage financially was to rent out one bedroom and bathroom to a boarder for \$275 monthly. Her housing costs increased by only \$75 per month, but her budget was still tight. "I don't think it's gonna be much easier than it was before the job change, I really don't. Because I've lost most of my child care help from the state. I'll have to pay \$100 a month now. I lost \$324 in food stamps. . . . If you take my income how it was before, I had the Food Stamps on top of it, so now I have everything that was on top of it taken away, so I'm actually at really the same level. . . . I didn't get ahead at all." Marty found that earning \$200 more per month disqualified her from receiving Food Stamps, and required her to pay \$100 more in child care; she gained \$200 in income, and lost \$424 in assistance. The net result of slightly better employment is that she and her family are in more precarious economic straits than before; it is exactly what Marty calls working "like dogs and getting nowhere." Not unexpectedly, Marty's recommendations for how communities can support low income families includes the suggestion that state assistance reductions be more incremental in order to allow families "to get on their feet, . . . [they should] do a gradual thing to give you a chance to get caught up."

Underemployment for Marty has meant combining state financial and in-kind assistance with low paid work and renting house space. Like Jill, it has also meant being uninsured for periods of time that left Marty with debt. Prior to this new job, Marty and her family hadn't "had medical insurance for two years. . . . My son had to have [emergency surgery] a couple years ago, and Hill-Burton funds paid most of it. I only ended up having to pay off about \$2,000 myself. . . . Any spare dime I had went to that. I'm still paying off medical bills that we've accrued over the two years because I wasn't poor enough to qualify for medical." The combination of low wages and lack of access to health insurance resulted in debt that added to the financial stress of meeting the day to day needs in her family economy.

One half of the families interviewed were uninsured; virtually 90% had experienced significant time, at least one year or longer, without health insurance during their adult lives. Of the one-half

who were uninsured, the majority had accrued debts related to medical conditions, such as chronic illnesses, ongoing prescription costs, injuries, emergency conditions, and pregnancy and childbirth; among all households with outstanding debts, the vast majority owed money for medical expenses. The debts accrued precisely because they earned “too much” to qualify for Medicaid but were unable to afford or had no access to other avenues of insurance. This is not a new problem, but in the context of the family economy, it does indicate the importance of accounting for medical debts within the total financial picture of the household. That is, the low income worker is not only trying to meet basic daily needs for food, clothing and shelter for her family, but may also be trying to cover past indebtedness resulting from their lack of access to insurance.

The challenges of meeting daily needs with low wage work led most people to rely on social networks as part of the safety net for their households, too. Informal helping networks were a primary way of gaining access to goods and resources with minimal or no economic outlay, the main way in which expense reduction occurred. Among these households, there was scarcely a good or service not provided by an informal network. However, the main goods obtained from these networks were food, clothing, housing, and means of transportation. It was common among adults in households closer to the poverty threshold to talk about depending on grandma for groceries and meals; or, they acknowledged that the only way they could stay employed was to rely on grandma or another relative to provide free or low cost child care. While their children were still young, most working parents reduced clothing expenses by buying secondhand clothes, or availing themselves of free donated clothing.

Social support networks also provided help with major financial commitments, in some cases. Among the families making mortgage payments, many had received family help with the down payment on the house, or with the financing of the mortgage; in a few cases, families had received from their parents sizeable parcels of land on which to build houses. In one case, a young couple built most of their own home on their parent’s land and were able to have comparably low house payments. Thus, the combination of donated land and reliance on their own

labor resulted in stable, affordable, high quality housing. Another couple who “had tried for years to get a loan and couldn’t come up with the money” bought their house from her parents: “we bought it for cheap because my dad owned it. So we bought it for thirty-eight [thousand] but it’s appraised for sixty-three [thousand].” Their current house payment was \$346 per month, including taxes and insurance.

The main services people reported receiving were job connections, child care, medical services from local paraprofessional providers such as EMT workers, household repair, and car repair. Several of the adults who had better-paying jobs (\$9.00 per hour or more) located those jobs with the help of a friend or family member. In spite of hard times, most families provided help to other families, both relatives and friends, whenever they were able. One woman who was unemployed told me, “In the evenings we’d help the neighbors if they need help. There’s an elderly lady that always needs help with her yard or her house or something so I’ll go help them in the wintertime and go do their driveways. We keep busy and it’s helping other people a lot. It’s just the way we are.”

Helping each other out was the key to survival for Jan and Leah in southern Utah. They were sisters and single parents, and had left abusive relationships with eight children between them. They spent the winter in a bus on the remote periphery of a small town, and worked for the same local establishment for \$6.15 per hour. The jobs were seasonal, however, and provided about 35 hours per week during the seven month tourist season, and only about 20 hours per week during the other five months of the year. They also held part-time seasonal jobs in local motels. When they moved into town, they lived in two rented trailers on the same utility site and shared the space rental, and the electric and water costs associated with it. Leah had four young children and had a subsidy for housing and childcare; Jan, three of whose children were older, took as her second job the provision of childcare for her sister’s children, which was paid for by the state subsidy. During the off season, the lower demand at the store meant one sister would work at the store while the other provided childcare and received unemployment; both would receive Food Stamps. They shared transportation and repair costs as well. The only way

they could establish economically viable households at the time was to dovetail their paid work schedules outside the home with their needs for childcare, distribute the value of their subsidies, and divide expenses.

Single parents are not alone in facing the challenges of low wage work in rural areas, though. Tom and Linda have two children and were unemployed at the time of the interview. They had just been laid off from their jobs in a local grocery store where they had worked about six years. Linda had held a management position, and was paid \$6.00 an hour; Tom worked the night shift as a janitor and was also paid \$6.00 hourly. "So between the two of us we was making a pretty good wage, you know, twelve dollars an hour, but we were never home. Most of that went for babysitting." Linda's sister provided child care for them and "only charged half of what she normally charges." Tom and Linda paid about \$8 per day for child care while Linda worked. Their net income while working was about \$1200 per month; on unemployment, it has dropped to \$700. They had applied for Food Stamps, but were waiting for the application to be processed; in the meantime, she said, "if I didn't store food I wouldn't have no food right now." The transition period from working to unemployment had made Linda feel insecure; she wanted a job "that paid halfway decent. . . . There's no job security out here at all unless you own the business and then still there's no job security. . . . If they brought up the wages out here instead of paying people this minimum wage for years and years and years that they can get away with." Linda figured she needed to earn at least \$8 per hour as a "halfway decent" wage, but she worried that she'd only be able to find a job at minimum wage.

The cycles of underemployment and unemployment are difficult ones to exit, particularly in rural communities where workers may go from the vulnerability of low wage jobs to the precarious support of unemployment and Food Stamps. Like Marty and others, Linda and Tom have accrued medical debts from past periods without insurance which they are trying to repay in spite of being unemployed. Linda's efforts to manage a tight budget while they are unemployed center on expense reduction: not paying for childcare, using food storage for meals, and subsistence food production: "I've got a big garden out there which will help

us a lot this next year with the vegetables.” In addition, she and Tom take on odd jobs that others don’t want: “we find jobs in the hot part of the day, we’ll go out and see if we can find jobs or, you know, pick up on these leads and go out there and pick up on those.”

Both Tom and Linda have a high school education and have consistent work histories in semi-skilled employment. Despite their human capital, however, job-seeking in their rural community has proven challenging for them. Additional education is one possibility for improving their job opportunities and incomes, though it is not an option that comes easily to many low income rural residents. One young woman who worked as a waitress said “I’d like to have a regular nine to five office job. I’m waiting and saving to go to school. I’d like to have some sort of profession, at least.” While she has aspirations and plans for her future, she admitted that she could not go to school “anytime soon. I have to wait till I have the money and the time. And the two are—you know, if I’ve got the money, then it means I’m working and I don’t have the time.” This is precisely one of the major binds created by low wage work: if the worker takes on multiple jobs to get enough hours to make ends meet, there is very little surplus time (or energy) to get training or education to improve job skills. If the worker decreases hours to accommodate schooling, rarely will the income earned be sufficient to cover the costs of education, and the family as a whole suffers.

One single mother of four children managed to surmount this time bind of low wage work. When Pat was married, she supported her husband through four years of professional education working the midnight shift for a packaging company. “Then, when I got divorced, my settlement was good, but never, ever got collected on so I had no money. So I tried to look for a job and even though I had some college, it still was really hard to find a job. In fact, I couldn’t find a decent job.”

Pat and her family have cycled in and out of poverty, on and off of public assistance, primarily because of difficulty getting child support from her ex-husband who lives out-of-state. Twice she has gotten caught in the “transition” between receiving child support one month, getting off of state assistance, not receiving any support the next month and having no income at all. Pat

tried to stabilize her household income by working two part-time jobs, the only types of jobs she could find. "Actually I was trying just to find one good decent job and you just couldn't find one decent job. And at the clinic it's considered a good place to work and they started me at \$5.15 [an hour]. The convenience store is not a good way to make a living because they're just \$4.25 [an hour] and you bust your butt doing it." Neither job offered health insurance, but Pat's income was low enough to qualify her and her children for Medicaid while she worked more than forty hours per week.

State assistance provided cash, Food Stamps, and Medicaid for Pat's family; Farmer's Home Administration subsidized the mortgage on her house. But Pat felt she couldn't make any progress on public assistance.

"It seems like when I was on it the hardest thing was if I worked hard, and I worked hard at work, they'd take money away from me instead of giving . . . I couldn't get further. . . . And I would bust my butt to do what I believed to be right and to get myself out. Every time I did it would seem like I would get further behind. It seemed more practical to spend more time trying to get my education than to work hard. Not that education isn't working hard, but I could see it was just a dead end just to work. Whether I worked hard or whether I didn't work hard, it just didn't seem to work very well either way."

So Pat started to look for educational programs that would lead to a career in a "higher paying bracket than five dollars an hour." She was accepted into a health professions program, but the single parent program she was in "wouldn't back me up. They actually said they weren't an education oriented program and they probably aren't." But Pat was determined, and enrolled in school anyway. She commutes three hours per day to school and still works part-time on the weekends and full-time in the summer. She receives \$450 in state assistance, \$200 occasionally in child support, plus Food Stamps. The Jobs Training Partnership Act contributes to tuition expenses and occasionally to car repair costs; she has also received Pell grants for education expenses.

Like Jill who worked four jobs at one time to make ends meet, Pat's regular day starts at 4 a.m. with her commute to school. She

returns home by 6 or 7 p.m., and spends the evenings focused on her children and their activities. She acknowledges that time and money have been “really tight because even like when I get my income tax returns, I can earn through earned income credit, I can get \$2000 returned on my income tax which always gets taken away.” Pat is referring to income tax refunds that are garnished to cover debts incurred by her ex-husband. At the time of the interview, Pat had already completed one year of this program, and was planning on graduating by the following spring. With her degree and professional license in hand, she estimated she could earn \$20 to \$25 per hour, making the present sacrifices worthwhile.

With great determination, Pat is well on her way toward her goal of earning more per hour so she can spend time with her family. She wanted to get out of the entrapping rules of AFDC as well as escape the time-money bind of low wage work through education and self-improvement. Pat offered a sharp critique of welfare-to-work reform strategies:

“The state has really irritated me. They have been my lifesaver and yet when I was trying . . . when what I thought was a good option and a good way to get me ahead, it seemed like they were doing the opposite. They have tons of programs to get women’s self esteem up, people on poverty to pull themselves out, to get out in the job field. But it seems to me that their program is get them out working no matter what. It doesn’t have to be a good job. They feel successful if you’re working. I don’t agree with it. I think if you’re working and making a successful life without killing yourself then I’d say “Yeah.” And I’m just really pro-education and they’re not. So I disagree with them 100 percent. I don’t see how they cannot see me handing them a letter from a doctor who will hire me at \$20 to \$25 an hour is not a positive change for my family versus working my butt off at a clinic that is going to pay me \$5 an hour and stay on the program. I don’t see how they think that is a good thing.”

Low wage work, even with public assistance, is not progress; workers find the assistance demeaning and the employment a “dead end.” Low wage work without public aid entails many hours and still leaves families experiencing serious hardship. As Edin and Lein (1997) point out, many women realize that low wage work does not make economic sense for their families. Only

because Pat knew that education and training could change her employment options was she able to bypass the eligibility worker and other obstacles in human services to achieve her goals. In spite of the "system," Pat is successful by her definition: she is working toward a job with a salary and benefits that will allow her to generate income and care for her family in a way she thinks is responsible.

Policy Directions

"You shouldn't be poor honestly."

Pat made the above statement, commenting on the low wages prevailing in the local labor market; she believed a fair wage should not leave the worker eligible for poverty programs. She is in agreement with authors such as David Ellwood (1988) who argue that "we need to make work pay," underscoring the need for structural responses to the problem of inadequate employment. Yet recent welfare reform legislation does not focus on structural responses; instead, Congress passed and President Clinton signed the "Personal Responsibility and Work Act" of 1996, emphasizing human capital improvement for poor single mothers with the singular goal of reducing the number of recipients on AFDC, not the number in poverty. Welfare "reform" in this case also failed to address the structural problem of low wages, and allowed the government to abdicate any responsibility for intervening in the labor market.

Making work pay, however, is easier said than done. Raising the minimum wage is a common recommendation, and certainly is worthwhile as it would affect workers at the lowest hourly rates. But it is not likely to do much for the working poor and near poor who are struggling while earning \$7 or \$7.50 per hour. Several authors advocate increasing the range of workers served by the Earned Income Tax Credit. The EITC is an important supplemental source of income for many low income workers and their families. In this study, families reported using it to cover past debts, to accomplish major repairs on cars and houses, to purchase necessities such as clothing and bulk food items, and to pay for children's school activity expenses. While

no single recommendation will magically ease the burden of low income workers, a group of combined legislative changes may arguably have a more salutary effect. On the basis of the experiences and struggles shared by the workers in this study, I recommend a strategy that combines several of the above ideas with attention to critical areas of health, child care, and low cost loan programs.

The legislative "reforms" of welfare recently passed are problematic because the expectations are contradictory and place low income women in a bind. TANF requires most impoverished women to work in the paid labor force, regardless of the fact that the wage earned may keep her and her family below poverty, or hovering just above the poverty threshold. This is called self sufficiency, personal responsibility, or moving away from "dependence" toward "independence." Low wage work does not seem to bring "self sufficiency" to most workers because they have to rely on several forms of assistance to balance their budgets and meet their family's needs. Low wage work also leaves many families vulnerable to the hardships of poverty and near poverty: health crises, transportation problems, inadequate or unaffordable housing, and difficult choices regarding childcare. Thus the policy recommendations below stem from my assessment of the supports low income families need, particularly in rural communities, in order to maintain their households above the poverty threshold.

We need policy supports that buffer the working near poor from slipping into poverty, and that lift the working poor out of poverty. In short, we need a moral commitment to a fair wage that guarantees a full-time, year-round worker will not be impoverished. The Earned Income Tax Credit program should be expanded incrementally each year to help lift all working families above the poverty threshold. In addition, policies must incorporate adequate access to health care and health insurance, through public or private mechanisms. Access to health care must be considered a universal right for all workers, a benefit that could be taxed back at the upper income levels. Costs for childcare are currently subsidized for very low-income workers; yet the need for expansion exists, along with the need to fund high quality early childhood education. Again, this could be a

universal benefit, as it is in many western nations, with those able to contribute paying for some or all of the service. In rural areas and urban areas with poor transit systems, transportation is a major cost of employment for low income workers. Investment in public transportation would benefit local businesses and large employers as well as low-wage workers, yet the workers would be among the primary beneficiaries. At the very least, I would argue that debts incurred because of health and work-related transportation expenses be considered in the family's budget when determining eligibility for programs like Food Stamps.

Finally, the experiences of many of the participants indicates that low income workers may be quite diligent about debt repayment. As mentioned earlier, many families had accumulated debts related to medical costs that occurred during periods of under-insurance or no insurance. All of these families were repaying those debts, some as little as \$10 monthly. It may be worth considering a low-cost, small loan program that could help workers with the kinds of costs that often impede them from improving their circumstances: small loans in the areas of transportation, education, or even small business start-up funds could help improve the economic security of many workers and their families.

These recommendations are intended to support the current notion of personal responsibility for low income workers. However unpopular, we also need to consider the flip side of the coin, that of corporate responsibility. As a nation, it should be unacceptable to the American people and the government that employers can pay sub-poverty wages and/or not insure their workers for medical care. Fair wages and health insurance should be part of the requirements of doing business in the United States. Once that is established as a normative, corporate responsibility, it will make logical sense to emphasize personal responsibility and human capital improvement for all workers.

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