

THE WORKING POOR FAMILIES PROJECT

POLICY BRIEF ■ SPRING 2018

LOW-INCOME WORKING FAMILIES: RISING INEQUALITY DESPITE ECONOMIC RECOVERY

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THE WORKING POOR FAMILIES PROJECT

Strengthening State Policies
for America's Working Poor

Millions of American breadwinners work hard to support their families. But, despite their determination and effort, many are mired in low-wage jobs that provide inadequate benefits and offer few opportunities for advancement. In fact, nearly one in three American working families now earn wages so low that they have difficulty surviving financially.²

Launched in 2002 and currently supported by The Annie E. Casey, Joyce and W. K. Kellogg foundations, the Working Poor Families Project is a national initiative that works to improve these economic conditions. The project partners with state nonprofit organizations and supports their state policy efforts to better prepare America's working families for a more secure economic future.

For more information:
www.workingpoorfamilies.org

INTRODUCTION

While the U.S. economy has shown signs of recovery since the Great Recession, inequality among America's 33 million working families has increased. The unemployment rate has fallen from a post-recession high of 9.6 percent in 2010 to 4.4 percent in 2017—the lowest level since 2000.³ However, gains at the lower end of the income spectrum have been slower than those at the top.

The number of working families with income below 200 percent of the poverty level—termed low-income—fell slightly between 2015 and 2016 (from 10.3 million to 9.9 million).⁴ But despite recent improvements, there are more low-income working families today than there were at the onset of the recession in 2007 (9.5 million). Today, three in 10 working families in the United States may not have enough money to meet basic needs.

There is also a large and persistent economic divide among different racial/ethnic groups. In 2016, working families headed by racial/ethnic minorities were twice as likely to be poor or low-income (44 percent) compared with non-Hispanic whites (21 percent).⁵ Wealth gaps were even wider. Economic disparities among racial/ethnic groups present a critical challenge to ensuring economic growth and bringing opportunities to all workers, families, and communities across the United States.

Supported by the Annie E. Casey, Joyce, and W.K. Kellogg foundations, *The Working Poor Families Project (WFPF)* is a national initiative to strengthen state policies that can assist families striving to work their way into the middle class and achieve economic security. This data brief, based on 2016 data from the U.S. Census Bureau's American Community Survey, provides a national and state-by-state analysis of low-income working families in America. In particular, it highlights: 1) the growing economic divide between working families at the top and bottom of the economic ladder; and 2) the persistent economic disparities among working families in different racial/ethnic groups.

POLICY BRIEF HIGHLIGHTS

- Three in 10 working families in the United States are poor or low-income and may not have enough money to meet basic needs.
- Racial/ethnic minorities make up 60 percent of the 10 million low-income working families in America, despite only making up 41 percent of all working families nationwide.
- Working families headed by racial/ethnic minorities are twice as likely to be poor or low-income compared with non-Hispanic whites.
- Income inequality is rising, and the share of income going to the top 20 percent of working families is more than 10 times higher than that going to the bottom 20 percent of working families.
- Working families headed by racial/ethnic minorities are twice as likely to be poor or low-income compared with non-Hispanic whites.
- Working families are most likely to be low-income in parts of the South and Southwest, with New Mexico topping the list at 43 percent.

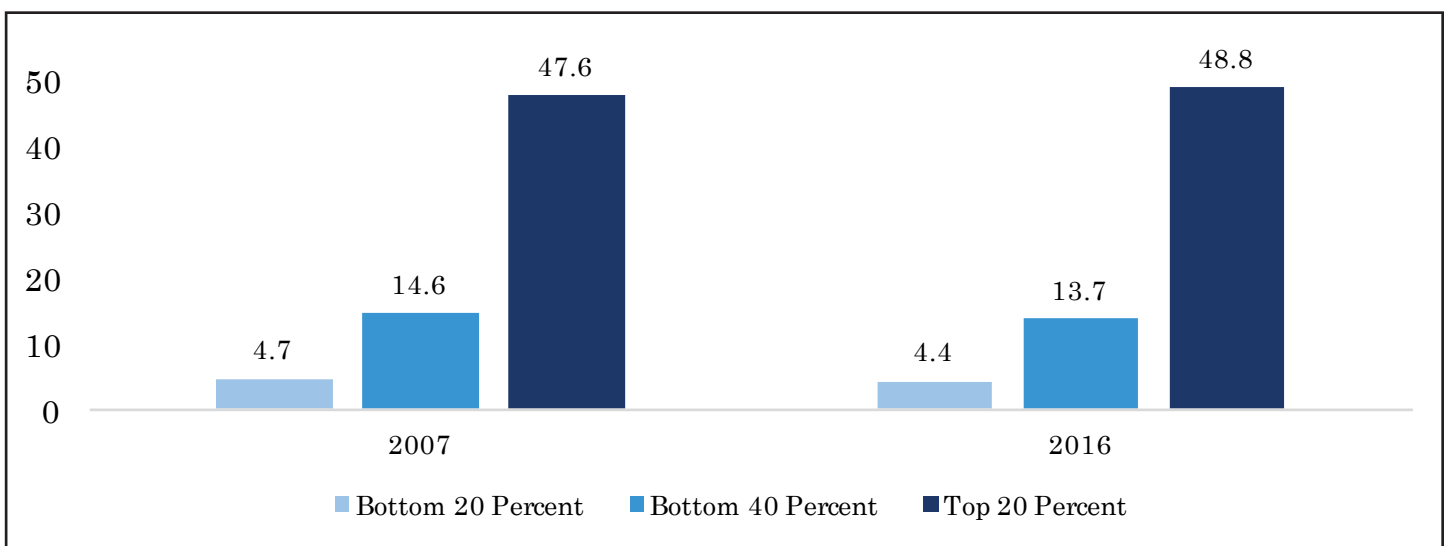
Meeting the needs of these workers and their children—and providing these workers with opportunities for better employment—is critical to putting the United States on a path toward economic stability and growth.

RISING INEQUALITY

In 2013, the Gini index of household inequality—which rises as inequality increases—reached the highest level recorded in the United States (0.482) since record-keeping began in 1967.⁶ The Gini index value in 2016 was virtually unchanged, at 0.481.

The data for working families tell a similar story. In 2016, the top 20 percent of working families received more than 10 times the total income received by the bottom 20 percent of working families. To put this another way, the richest 20 percent of working families took home nearly half (49 percent) of all income, while those in the bottom 20 percent received less than 5 percent of the economic pie (see Figure 1). As with the Gini index, the share of income received by the top quintile of working families peaked in 2013 and was virtually unchanged in 2016.

Figure 1: Share of Income Received by Selected Quintiles of Working Families



Source: U.S. Census Bureau, American Community Survey

WORKING, BUT STILL POOR

Research has shown that families need income at least twice the official poverty level, on average, to cover basic expenses.⁷ But in 2016, 30 percent of working families had income below 200 percent of the poverty level. This is slightly lower than the share who were low-income in 2012 (nearly 33 percent) but higher than it was in 2007—at the start of the recession (see Figure 2).

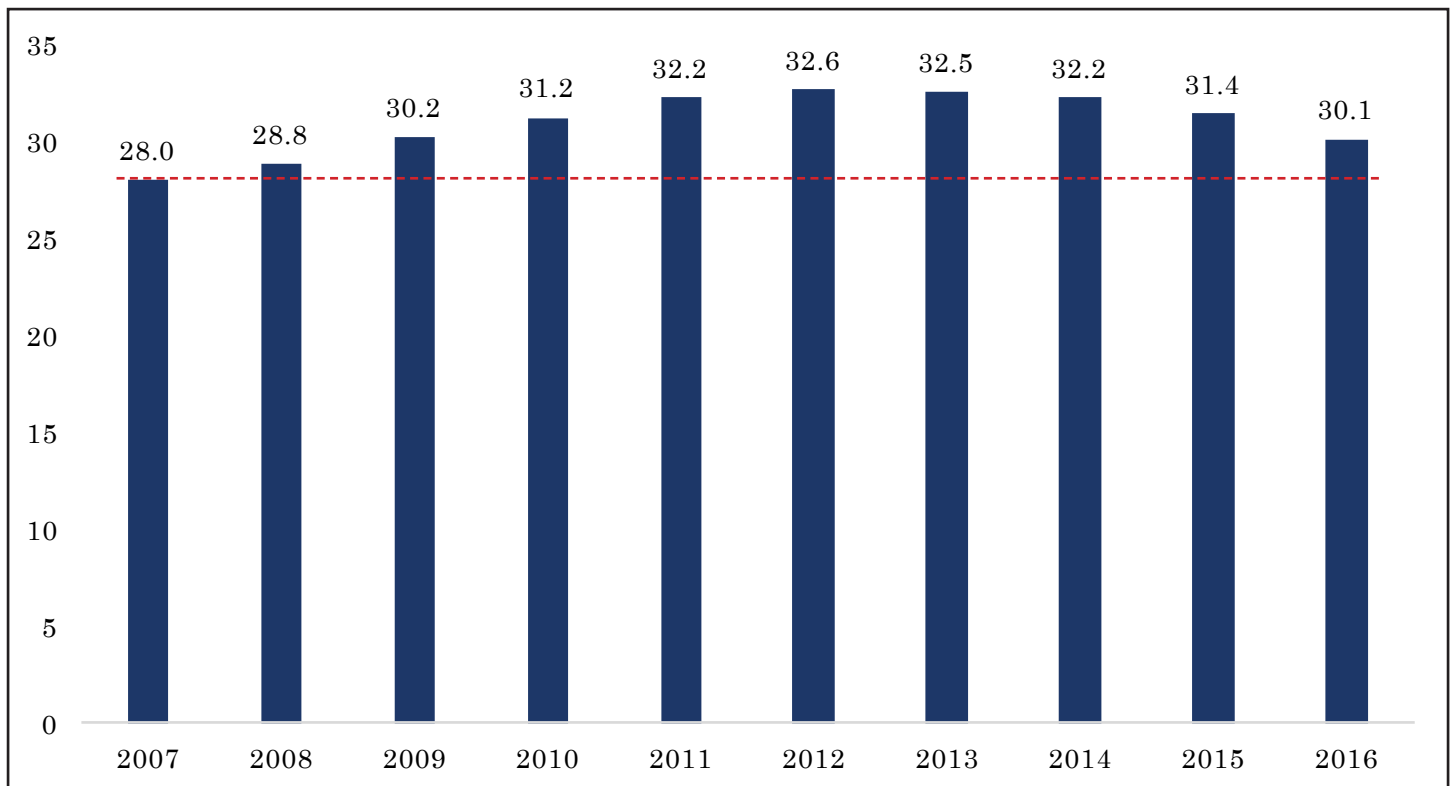
Why are so many families still struggling to earn a decent living? There is a common misconception that poor and low-income families prefer welfare over work.⁸ But in 2016, three quarters of low-income families and more than half of all poor families were working. They simply did not earn enough money to pay for basic living expenses. During the post-recession slump in 2010-2011, when unemployment rates were high, the share of low-income families that were working fell to just under 71 percent. In recent years, the share of low

income families who are working has risen and was higher in 2016 (75 percent) than it was at the beginning of the recession in 2007 (72 percent).

Part of the problem is that, despite the current low unemployment rate, many low-wage workers are involuntarily working part-time—often in multiple, temporary jobs.⁹ In addition, employment growth since the recession has been concentrated in lower-wage jobs, with slower gains in jobs that pay middle-class wages.¹⁰

Working families are faring better in some states than others. In a few states—Hawaii, Maryland, Massachusetts, and New Hampshire—fewer than one-in-five working families is low-income. Working families are most likely to be low-income in parts of the South and Southwest, with New Mexico topping the list at 43 percent. In 16 states and in Puerto Rico, more than one-third of working families are below 200 percent of poverty (see Appendix D).

Figure 2: Percent of Working Families with Income Below 200% of Poverty Level, 2007-2016



Source: U.S. Census Bureau, American Community Survey

RACIAL AND ETHNIC DISADVANTAGES PERSIST

Minority families face significant economic challenges, including occupational segregation, lack of access to health care, high housing cost burdens, and discrimination in the workforce. They are also disproportionately low-income. In 2016, families headed by racial/ethnic minorities represented 41 percent of all U.S. working families, but they accounted for 60 percent of low-income working families.

All racial/ethnic groups saw an increase in the share of working families who were low-income in the aftermath of the recession, and all have seen improvement in more recent years (see Figure 3). Yet disparities persist. In 2016, more than four in 10 minority working families had incomes that fell below 200 percent of the poverty level, compared with two in 10 non-Hispanic white families. Latino working families were the most likely to be low-income (50 percent) followed by African American families at 46 percent.

There are 15 states where more than half of minority working families fall below 200 percent of the poverty level (see Appendix II). Most of those

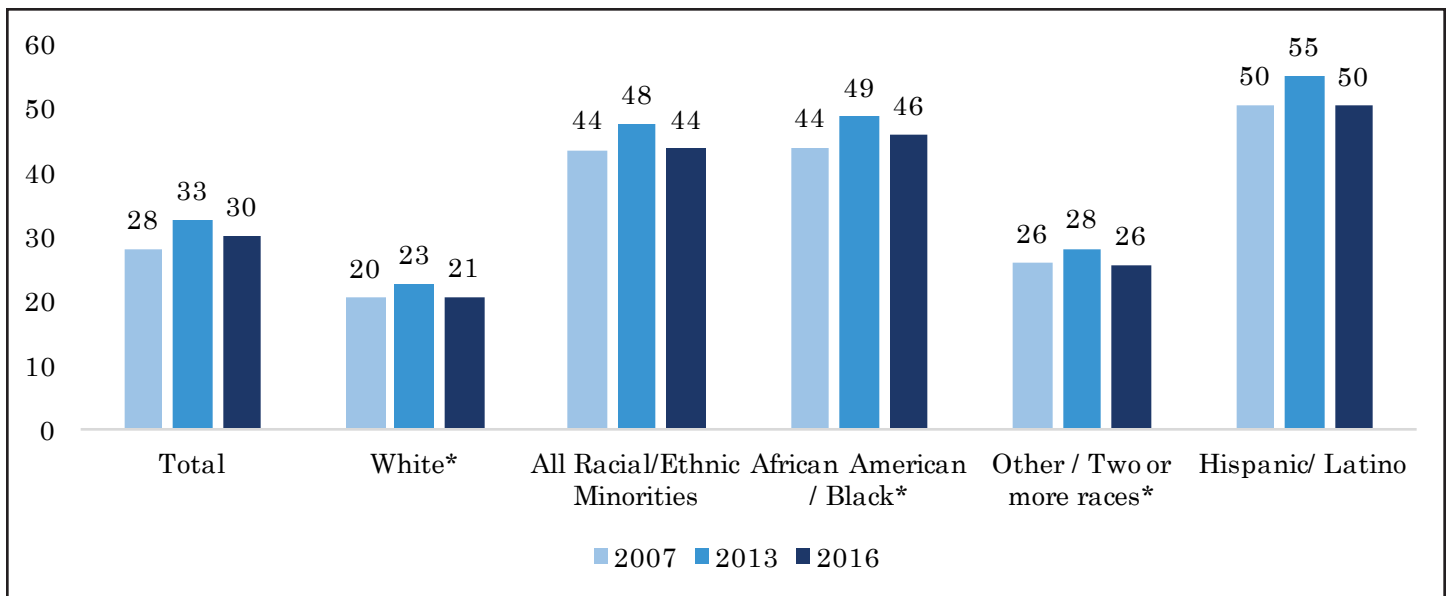
states (8 of the 15) are in the South, while no state in the Northeast exceeds the 50 percent threshold.

Gaps across racial/ethnic groups also vary widely by state. In Vermont and Wyoming, there is little minority/non-minority difference in share of working families below 200 percent of poverty. Conversely, there are nine states in which the share of minority working families who are low-income is at least 30 percentage points higher than the share of white working families who are low income (Arizona, Iowa, Louisiana, Mississippi, Nebraska, New Mexico, North Dakota, South Carolina, South Dakota).

Increasingly, the economic success of America’s working families depends on the ability of racial/ethnic minorities to find jobs with decent wages. The share of working families headed by minorities rose from 36 percent in 2007 to 41 percent in 2016, while the non-Hispanic white share fell.

The shifting racial/ethnic composition of working families—and the fact that minority working families are more likely to be low-income—has contributed to the increase in low-income working families since 2007. Researchers project that by 2032, minorities will make up over half of the U.S. working class (those without college degrees).¹¹

Figure 3: Share of Working Families with Income Below 200% of Poverty, by Race/Ethnicity: 2007, 2013, 2016



*Non-Hispanic. Source: U.S. Census Bureau, American Community Survey

SERVICE JOBS DOMINATE LOW-WAGE WORK

The recession made it difficult for families to find full-time work with good wages. Although many people are returning to work, employment growth has been concentrated almost exclusively in lower-wage jobs. By 2014, lower-wage industries—those paying less than \$13.34 per hour—employed 1.85 million more workers than at the start of the recession, while mid- and higher-wage industries had fewer jobs than at the start of the recession.¹²

Some of the fastest-growing jobs during the recovery have included those in retail, food services, and administrative and support services (including temporary help).¹³ However, median hourly wages in these industries are often not high enough to cover basic household expenses, even for families working full time.

Direct care workers—personal care assistants, caregivers, and home health care aides—make up a growing share of the U.S. workforce. The number of home health aides is projected to grow by 431,200 (47 percent) and the number of personal care aides is projected to rise by 777,600 (39 percent) between 2016 and 2026.¹⁴ But with median annual wages of less than \$23,000, earnings in these rapidly-growing occupations are often too low to support a family.¹⁵ A key factor in direct care workers' low income is that 60 percent work part time, most involuntarily.¹⁶

Many low-income working families are employed in the service sector, often in jobs that require working long hours and on nights or weekends, creating significant challenges for child care. In 2016, about one-fourth of adults (ages 16 and older) in low-income working families were employed in just eight occupations—cashiers, cooks, health aides, janitors, maids, retail salespersons, waiters and waitresses, or drivers. Among these eight occupations, almost all had average annual wages below \$28,000 in 2016 (drivers were the one exception, with mean annual earnings of \$38,900).¹⁷

Among adults in low-income working families, cashier is the most common occupation across all racial/ethnic groups (except among Latinos), with 2016 median wages below \$10 per hour.¹⁸

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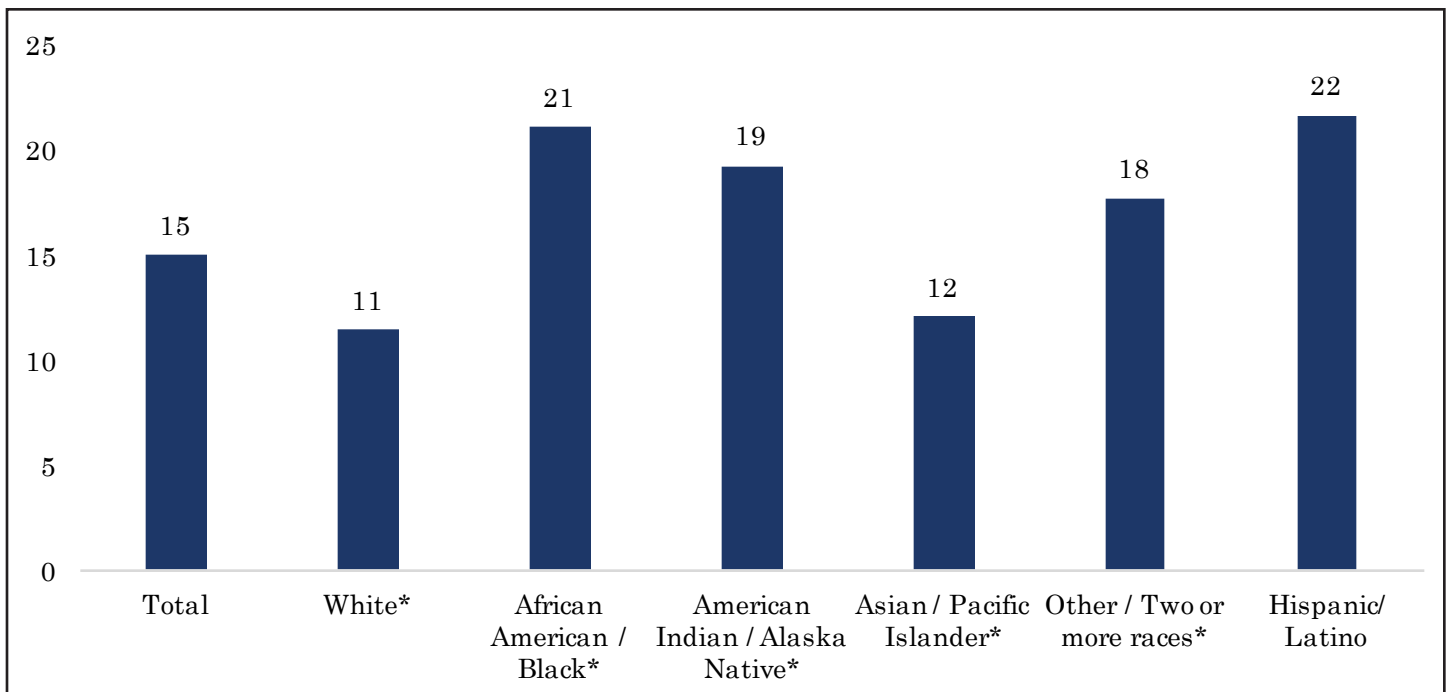
For Latino adults in low-income working families, the most common occupation is maid and housekeeping cleaner (with median wages below \$11 per hour), followed by cashier.¹⁹

For African American adults in low-income working families, the second most common occupation is nurse, psychiatric, and home health aide. For Asian Americans/Pacific Islanders, the second most common occupation is personal appearance workers.²⁰

Racial/ethnic minorities are not disproportionately low-income because of a lack of work effort, but because they are more likely to be working in low-paying occupations (see Figure 4 on page 6). In 2016, the share of workers in the eight most common low-wage occupations, among all working families, was about twice as high for Latino and African American working families compared with non-Hispanic white families (See Figure 4).

All these lower-wage jobs tend to have limited opportunities for advancement and offer few benefits such as health care, retirement benefits, and paid leave. Many require nonstandard work hours, creating issues for child care and transportation. Working nonstandard hours has been linked to marital instability and adds additional stress to families already stretched thin in terms of time and resources.²¹

Figure 4: Share of Adults in Working Families Employed in Eight Most Common Low-Wage Occupations, 2016



*Non-Hispanic. Note: Eight most common low-wage occupations: Cashiers, cooks, maids and housekeeping cleaners, nursing, psychiatric, and home health aides, janitors and building cleaners, retail salespersons, waiters and waitresses, driver/sales workers and truck drivers. Source: U.S. Census Bureau, American Community Survey.

MORE LOW-INCOME WORKING PARENTS HAVE HEALTH INSURANCE

Providing health insurance coverage is important not only so low-income families have access to affordable health care when they need it, but also because persistent health issues can affect parents’ ability to work and provide for their families. Nearly one-fourth of adults in low-income families have a physical, mental, or other limitation that affects the kind or amount of work they can do.²² In addition, health care costs are prohibitively high for many families. In 2016, approximately one-fourth of families had at least one adult who “put off or postponed getting health care they needed” because of cost concerns.²³ Perhaps unsurprisingly, people at lower income levels were more likely to report that they had put off getting health care than people at higher income levels. When asked about ability to pay an unexpected health care bill, lower-income individuals and the uninsured were more likely than other groups to report that they would not be able to pay the bill.²⁴

Several provisions of the Patient Protection and Affordable Care Act took effect in 2014, expanding access to health insurance coverage. Nationwide, the percentage of population with health insurance for the entire calendar year rose from less than 87 percent in 2013 to over 91 percent in 2016.²⁵

Despite recent gains in health insurance coverage, low-income families still face significant barriers to health care access, including lack of employer-sponsored coverage, lack of a regular source for health care, and high costs. In 2016, 25 percent of all low-income working families had at least one parent without health insurance, and that share was considerably higher in some states. At one end of the spectrum, less than 5 percent of working families had at least one parent without health insurance in Massachusetts and the District of Columbia. Conversely, in Texas—a state that did not participate in Medicaid expansion—nearly half (47 percent) of families had at least one parent without health insurance.

Implementation of the Affordable Care Act increased health insurance coverage across all racial/ethnic groups. Between 2008 and 2016, the share of low-income working families with at least one parent without health insurance fell by 14 percentage points or more for each racial/ethnic group. Yet coverage still varies widely across different groups. Among whites, 17 percent had a parent without health insurance, compared with 16 percent of blacks, 26 percent of American Indians, 15 percent of Asian Americans/Pacific Islanders, 18 percent of other racial groups, and 41 percent of Latinos (see Figure 5).

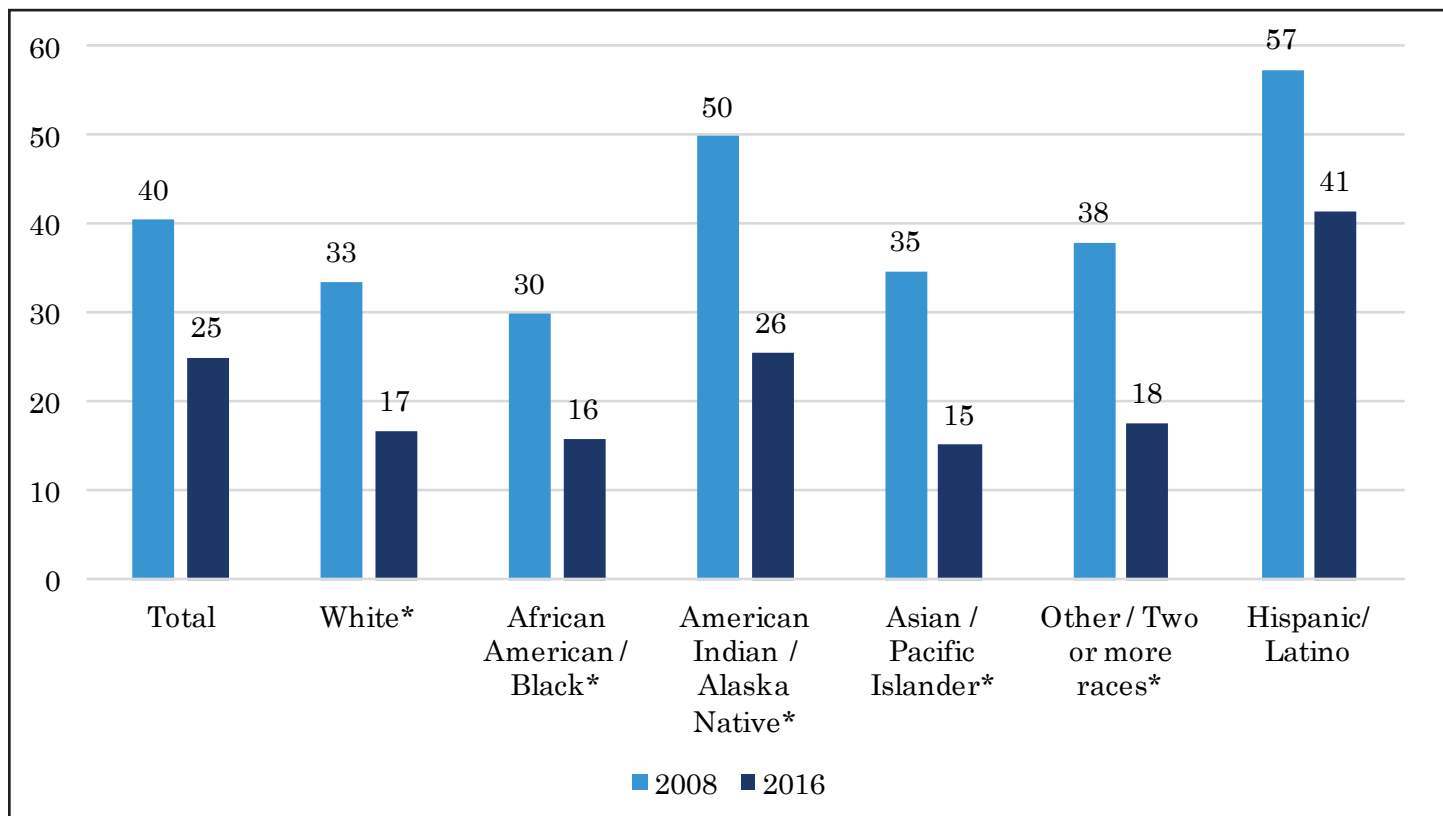
The high share of Latino parents without health insurance reflects their low average incomes and education, relative to other groups, as well as language and cultural barriers. New immigrants, some of whom are undocumented, face unique challenges because states may limit their access to Medicaid and other programs that benefit low-income families.²⁶

GROWING GAPS IN FINANCIAL SECURITY AND WEALTH

Gaps in household net worth, or wealth, are not reported as widely as differences in income, but in some respects, wealth is a better marker of family well-being. In the United States, the wealth gap is larger than the income gap, sharply dividing those at the top and bottom of the economic ladder. The Great Recession led to broad, across-the-board declines in wealth, but those at the top experienced smaller declines, in relative terms, compared with those at the bottom. As a result, the level of wealth inequality in the United States increased in the aftermath of the recession.²⁷

Differences in wealth by race/ethnicity are especially stark, and the chasm is widening. In 2016, the median net worth of white families was nearly 10 times higher than that of black families and more than eight times higher than that of Latino families.²⁸

Figure 5: Share of Low-Income Working Families with At Least One Parent Without Health Insurance by Race/Ethnicity, 2008 and 2016



*Non-Hispanic. Source: U.S. Census Bureau, American Community Survey

High levels of inequality pose a challenge for the nation. While unemployment levels have dropped sharply during the economic recovery, there are more low-income working families today than there were at the onset of the recession in 2007.

Between 2013 and 2016, the median wealth of Latino, black, and other minority families began to rise, after years of post-recession decline.²⁹ (White families saw an increase in median net worth beginning in 2010.) Yet despite gains in median net worth among minority groups from 2013 to 2016, the gap between minority and white families continued to grow. The difference in median net worth between white and black families increased by nearly \$21,000 between 2013 and 2016 (from \$132,800 to \$153,500), and the difference between white and Latino families increased by more than \$18,000 during the same period (from \$132,200 to \$150,300).³⁰

Even more discouraging is the large number of minority households with no wealth or savings to provide a financial cushion in case of an emergency (e.g., job loss, death of a spouse, or health issue). Two in 10 black households have zero or negative net worth (19 percent), compared with just over one in 10 white households (9 percent).³¹

The wealth gap manifests in several ways. White families are approximately twice as likely as black or Latino families to have retirement accounts and/or business equity.³² In addition, much of the wealth gap can be explained by differences in homeownership and home values between groups,

as well as higher levels of private transfers of wealth (e.g., through large gifts or inheritances) among whites compared with blacks and Latinos.³³ With higher incomes, white families are able to purchase homes eight years earlier, on average, compared with black families, generating more equity and potential for asset growth.³⁴

For most Americans—especially those in lower-income families—a home is the most valuable asset they will ever own. Homeownership provides a basic source of economic security and can shield families against material hardship by providing a cushion in the case of sudden loss of income. Owning a home also contributes to residential stability, civic engagement, psychological well-being, and children’s educational success.³⁵

Nonetheless, high housing costs have priced many families out of the market or into sub-standard housing. In 2016, nearly 57 percent of low-income working families paid 30 percent or more of their household income for housing. According to the 2015 American Housing Survey, one in 10 renters experienced disruptions in heat that left them in the cold for 24 hours or more, and a similar share experienced substantial plumbing problems.³⁶ For many low-income families, lack of affordable housing has become the “new normal,” contributing to frequent moves and families doubling up to share housing costs.³⁷

CONCLUSION

High levels of inequality pose a challenge for the nation. While unemployment levels have dropped sharply during the economic recovery, there are more low-income working families today than there were at the onset of the recession in 2007. In 16 states and in Puerto Rico, more than one-third of working families are below 200 percent of poverty. Income and wealth gaps between working families at the top and bottom of the economic ladder are close to all-time highs.

Disparities across racial/ethnic groups are especially persistent. In a little more than a generation, racial/ethnic minorities will make up the majority of the U.S. population and labor

force. Minority workers will play a critical role in keeping Social Security and Medicare solvent. But if current levels of inequality persist, younger workers and their families will not be able to move into the middle class and replace retiring baby boomers in the workforce.

Reducing these gaps will not be easy, but policymakers and employers can help by expanding programs and benefits that serve low-income working parents and their children—including providing access to education and skills training, affordable child care, health insurance coverage, and paid sick leave; enforcing discrimination laws to reduce earnings disparities; and expanding opportunities for retirement savings and providing tax incentives to support savings.

By improving economic conditions for working parents and their children, policymakers will generate a higher skilled workforce, fuel economic growth, and foster more viable families and communities across the country.

RECOMMENDATIONS

Policymakers and employers can help by expanding programs and benefits that serve low-income working parents and their children, including:

1. Providing access to education and skills training, affordable child care, health insurance coverage, and paid sick leave;
2. Enforcing discrimination laws to reduce earnings disparities; and
3. Expanding opportunities for retirement savings and providing tax incentives to support savings.

For questions about this policy brief or the Working Poor Families Project contact:
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Appendix I: Working Families Below 200 Percent of Poverty by State, 2007-2016

State	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016*
United States	28.0	28.8	30.2	31.2	32.2	32.6	32.5	32.2	31.4	30.1
Alabama	32.6	32.4	35.7	35.5	37.3	37.4	37.5	38.1	35.6	34.5
Alaska	20.2	19.6	19.5	20.1	25.9	22.3	20.7	22.0	22.0	21.3
Arizona	31.9	32.4	34.1	37.6	38.9	38.5	38.6	38.0	37.8	36.0
Arkansas	39.4	40.4	40.8	41.7	41.8	41.3	41.1	40.9	40.4	38.5
California	28.9	29.7	31.2	33.0	34.3	34.6	34.4	34.0	33.1	31.2
Colorado	25.1	26.2	26.3	27.2	27.6	28.1	28.8	27.1	25.3	24.2
Connecticut	16.0	16.9	18.3	18.5	21.1	20.0	20.3	21.5	20.0	20.6
Delaware	25.1	24.7	23.3	26.4	27.8	27.4	27.8	27.2	27.9	23.9
District of Columbia	30.6	26.4	26.8	27.1	23.2	27.1	28.2	26.9	27.3	24.7
Florida	30.6	31.8	35.1	35.8	37.3	38.2	37.8	38.1	37.7	35.4
Georgia	29.8	31.4	33.1	35.4	36.6	37.1	37.0	36.4	35.8	33.0
Hawaii	21.0	19.5	22.8	20.9	25.8	25.2	23.0	24.1	20.0	19.9
Idaho	33.7	35.3	35.8	39.0	38.6	40.5	38.6	37.6	37.9	35.2
Illinois	25.4	26.1	27.8	28.7	30.4	30.2	30.0	29.5	28.8	28.5
Indiana	27.5	29.0	32.0	33.6	31.9	33.9	34.0	33.9	32.3	31.8
Iowa	25.7	26.6	28.3	28.1	28.8	28.7	28.2	27.9	28.4	25.3
Kansas	28.1	29.8	31.2	31.8	32.0	33.0	30.5	30.3	30.4	29.7
Kentucky	32.6	32.2	34.0	34.5	34.1	34.3	33.5	34.5	34.5	35.1
Louisiana	34.9	34.6	33.1	35.3	36.3	37.6	36.1	36.6	36.1	35.1
Maine	26.6	27.6	28.9	29.4	30.4	32.2	32.6	30.0	28.5	26.6
Maryland	16.3	17.0	18.4	19.2	19.5	19.9	21.0	21.4	20.1	18.9
Massachusetts	16.4	17.5	17.3	19.0	20.1	20.1	20.2	20.4	20.4	18.4
Michigan	26.6	28.1	30.7	30.9	31.6	32.3	32.4	31.9	31.9	29.6
Minnesota	20.5	21.7	23.1	23.4	24.2	23.6	23.9	23.7	23.5	21.7
Mississippi	39.4	41.0	40.0	41.6	43.6	45.3	43.6	40.7	42.5	38.8
Missouri	29.7	30.2	32.5	32.7	32.7	33.7	34.1	32.0	31.8	31.4
Montana	33.3	31.3	33.7	33.6	36.0	37.1	34.5	34.1	30.1	32.2
Nebraska	28.4	27.5	30.8	30.8	31.1	32.4	32.3	30.5	29.2	28.4
Nevada	26.1	27.7	30.6	33.1	37.4	38.3	36.5	36.6	35.3	34.9
New Hampshire	15.4	15.8	18.2	17.0	19.7	20.3	20.0	20.3	16.1	18.4
New Jersey	17.2	17.9	19.2	19.8	21.2	21.9	22.5	22.4	22.5	22.3
New Mexico	40.0	39.8	40.6	41.2	43.0	42.8	42.3	42.2	42.4	43.0
New York	26.8	27.3	27.2	28.4	30.2	30.6	30.3	30.9	30.1	29.4
North Carolina	31.7	32.3	34.8	34.7	36.2	37.1	36.7	37.4	36.4	34.0
North Dakota	25.3	25.6	24.5	26.8	27.2	23.4	23.9	22.5	21.3	22.5
Ohio	27.2	27.8	30.2	30.8	31.8	31.7	32.3	31.5	31.1	29.1
Oklahoma	36.2	36.5	37.8	37.5	37.4	37.8	38.1	36.6	36.5	34.7
Oregon	28.9	29.7	30.8	34.3	33.9	33.9	34.0	34.3	31.8	30.1
Pennsylvania	24.0	25.3	25.7	26.1	26.0	27.0	27.3	27.3	26.1	26.2
Rhode Island	22.7	23.2	24.2	25.7	26.9	24.8	27.1	29.5	27.1	25.1
South Carolina	31.6	33.3	35.9	36.7	38.3	38.5	38.7	38.3	35.8	35.4
South Dakota	30.8	31.3	31.7	31.9	31.0	32.0	31.7	30.6	29.2	25.6
Tennessee	32.4	33.7	34.4	35.8	36.6	37.3	36.9	38.2	36.6	33.9
Texas	36.3	36.2	37.5	38.1	38.3	38.1	37.9	37.2	36.0	35.5
Utah	27.8	27.5	28.3	31.8	32.3	33.0	31.3	29.5	29.2	26.5
Vermont	24.9	22.0	23.0	26.6	26.2	28.3	24.0	24.5	23.2	24.3
Virginia	21.5	22.2	22.0	22.8	23.3	25.0	25.3	24.8	23.4	22.7
Washington	23.5	24.4	25.8	25.7	26.4	27.3	28.3	27.0	25.9	23.7
West Virginia	33.9	35.5	33.4	34.7	36.1	34.5	32.8	35.7	35.3	37.3
Wisconsin	24.1	25.1	27.1	28.0	28.7	28.1	29.6	29.0	26.9	25.2
Wyoming	25.7	26.9	26.5	25.8	28.1	28.6	24.9	27.8	24.7	25.6
Puerto Rico	63.6	67.7	67.7	66.6	67.6	67.8	68.6	67.3	67.3	68.2

*All years are collected using the Census Bureau's internal microdata. The 2016 estimates are from the Public Use Microdata Sample (PUMS).

Appendix II: Working Families Below 200 Percent of Poverty by Race/Ethnicity by State, 2016

State	Total	White*	All Racial/Ethnic Minorities	African American / Black*	Other / Two or more races*	Hispanic/Latino
United States	30.1	20.6	43.6	45.7	25.5	50.2
Alabama	34.5	24.6	52.8	53.2	28.3	66.9
Alaska	21.3	14.8	31.6	N/A	31.4	51.1
Arizona	36.0	20.7	51.2	43.8	41.5	54.7
Arkansas	38.5	30.7	57.5	56.8	33.9	68.5
California	31.2	14.6	39.8	36.1	19.5	48.4
Colorado	24.2	14.5	42.9	42.3	29.2	46.5
Connecticut	20.6	10.6	37.6	41.7	21.8	41.8
Delaware	23.9	14.3	35.4	30.0	12.1	64.2
District of Columbia	24.7	N/A	37.4	36.1	N/A	51.1
Florida	35.4	23.0	46.8	51.1	28.9	47.5
Georgia	33.0	22.5	44.0	43.1	24.8	57.8
Hawaii	19.9	17.4	20.5	20.3	18.9	30.4
Idaho	35.2	31.7	53.0	N/A	21.2	61.4
Illinois	28.5	18.7	42.8	48.3	20.8	47.5
Indiana	31.8	26.7	52.4	54.2	42.4	55.6
Iowa	25.3	20.1	52.7	69.6	38.8	54.2
Kansas	29.7	22.9	49.6	56.6	35.4	54.4
Kentucky	35.1	31.2	56.9	63.0	39.1	59.4
Louisiana	35.1	21.4	55.1	56.6	38.2	58.1
Maine	26.6	25.0	47.5	69.2	40.5	43.0
Maryland	18.9	11.2	26.3	25.9	15.5	36.7
Massachusetts	18.4	10.6	36.0	40.3	21.0	45.4
Michigan	29.6	23.8	47.3	53.5	26.8	54.9
Minnesota	21.7	16.0	42.9	54.3	32.9	44.5
Mississippi	38.8	24.9	56.0	56.8	53.0	50.0
Missouri	31.4	27.2	47.7	47.6	34.4	59.8
Montana	32.2	30.2	49.6	N/A	49.4	41.9
Nebraska	28.4	21.5	51.8	50.9	40.2	56.2
Nevada	34.9	20.2	46.9	50.5	30.3	52.0
New Hampshire	18.4	17.1	28.8	58.0	20.8	29.6
New Jersey	22.3	11.9	33.6	37.1	14.0	42.9
New Mexico	43.0	22.3	52.8	59.5	44.2	54.4
New York	29.4	19.0	41.3	35.1	36.8	48.0
North Carolina	34.0	23.4	51.2	50.7	31.1	63.2
North Dakota	22.5	17.1	47.5	52.5	49.0	40.8
Ohio	29.1	24.5	47.4	54.1	28.5	48.6
Oklahoma	34.7	26.4	50.5	56.6	38.6	63.7
Oregon	30.1	23.2	49.9	56.6	31.0	60.7
Pennsylvania	26.2	20.7	43.5	45.8	26.9	52.1
Rhode Island	25.1	16.3	43.9	35.5	27.1	52.3
South Carolina	35.4	23.6	55.1	55.8	35.9	62.2
South Dakota	25.6	20.1	58.3	55.1	60.3	53.9
Tennessee	33.9	27.9	49.6	50.7	35.6	54.5
Texas	35.5	18.0	46.9	42.4	21.2	52.4
Utah	26.5	20.4	49.2	64.1	33.5	53.7
Vermont	24.3	24.5	21.7	34.6	24.0	N/A
Virginia	22.7	16.4	32.4	40.1	15.8	43.7
Washington	23.7	18.7	33.9	45.9	20.9	45.8
West Virginia	37.3	36.7	45.9	59.5	38.9	57.5
Wisconsin	25.2	19.8	47.8	N/A	29.2	50.4
Wyoming	25.6	25.4	26.7	N/A	20.3	29.7

*Non-Hispanic. Note: Estimates are subject to both sampling and nonsampling error. Data for Asian Americans and American Indians are included in the "Other / Two or more Races" category because of their smaller numbers.
N/A = Not Available. Source: 2016 American Community Survey Public Use Microdata Sample (PUMS).

ENDNOTES

¹ Beth Jarosz and Mark Mather are demographers at the Population Reference Bureau, where they specialize in issues related to U.S. social and demographic trends, child and family well-being, and data from the U.S. Census Bureau. Brandon Roberts, manager of The Working Poor Families Project, edited the report.

² Working Poor Families Project, generated by Population Reference Bureau, analysis of 2016 American Community Survey. In this reference, low-income means a family with an income below 200% or double the threshold for poverty as defined by U.S. Census Bureau. <http://www.workingpoorfamilies.org/indicators>.

³ U.S. Department of Labor, Bureau of Labor Statistics. February 2018. Labor Force Statistics from the Current Population Survey. https://data.bls.gov/timeseries/LNU04000000?years_option=all_years&periods_option=specific_periods&periods=Annual+Data. Accessed February 22, 2018.

⁴ In this brief, a family is a primary married couple or single-parent family with at least one co-resident child younger than 18 years old. A family is defined as working if all family members ages 15 and older either have a combined work effort of 39 weeks or more in the prior 12 months, or all family members ages 15 and older have a combined work effort of 26 to 39 weeks in the prior 12 months and one currently unemployed parent looked for work in the prior four weeks.

In 2016, the low-income threshold for a family of four with two children was \$48,678.

Unless otherwise noted, data are from the Population Reference Bureau's analysis of the U.S. Census Bureau's American Community Survey (ACS) on behalf of the **Working Poor Families Project**. Estimates from the ACS are subject to both sampling and non-sampling error.

⁵ In 2016, the poverty threshold for a family of four with two children was \$24,339.

⁶ U.S. Census Bureau. December 2017. "Table H-4.Gini Ratios for Households, by Race and Hispanic Origin of Householder: 1967 to 2016." <https://www.census.gov/data/tables/time-series/demo/income-poverty/historical-income-households.html>. Accessed December 21, 2017.

⁷ Cauthen, N. K., & Fass, S. (2008). *Measuring income and poverty in the United States*. New York, NY: National Center for Children in Poverty, Columbia University, Mailman School of Public Health.

⁸ David Lauter, "How do Americans view poverty? Many blue-collar whites, key to Trump, criticize poor people as lazy and content to stay on welfare," *Los Angeles Times*, The Poverty Project, Aug. 14, 2016.

⁹ U.S. Department of Labor, Bureau of Labor Statistics. "Multiple jobholders by selected characteristics." <https://www.bls.gov/cps/cpsaat36.pdf>. Accessed February 23, 2018.

¹⁰ National Employment Law Project. April 2014. "The Low-Wage Recovery: Industry Employment and Wages Four Years Into the Recovery." <http://www.nelp.org/content/uploads/2015/03/Low-Wage-Recovery-Industry-Employment-Wages-2014-Report.pdf>. Accessed December 21, 2017.

¹¹ Valerie Wilson. "People of color will be a majority of the American working class in 2032." <http://www.epi.org/publication/the-changing-demographics-of-americas-working-class>. Accessed February 23, 2018.

¹² National Employment Law Project. April 2014. "The Low-Wage Recovery: Industry Employment and Wages Four Years Into the Recovery."

¹³ Ibid.

¹⁴ U.S. Department of Labor, Bureau of Labor Statistics. October 2017. "Fastest Growing Occupations." https://www.bls.gov/emp/ep_table_103.htm. Accessed March 23, 2018.

¹⁵ U.S. Department of Labor, Bureau of Labor Statistics. October 24, 2017. "Employment Projections: 2016-26 Summary." <https://www.bls.gov/news.release/ecopro.nr0.htm>. Accessed March 23, 2018.

¹⁶ Allison Cook. 2017. "Improving Job Quality for the Direct Care Workforce: A Review of State Policy Strategies." <http://www.workingpoorfamilies.org/wp-content/uploads/2017/12/Winter-2017-WPFP-Policy-Brief.pdf>

¹⁷ U.S. Department of Labor, Bureau of Labor Statistics. March 31, 2017. "May 2016 National Occupational Employment and Wage Estimates United States." https://www.bls.gov/oes/current/oes_nat.htm. Accessed February 8, 2018.

¹⁸ Ibid. For cashiers, the median hourly wage in May 2016 was \$9.71, and the average hourly wage was \$10.44. The annual average earnings for this occupation were \$21,710.

¹⁹ Ibid. For maids and housekeeping cleaners, the median hourly wage in May 2016 was \$10.49, and the average hourly wage was \$11.46. The annual average earnings in this occupation were \$23,830.

²⁰ The occupational category personal appearance workers does not appear in the top eight occupations, overall. This occupation had average annual earnings of \$28,210, slightly above average for occupations that are most common for other racial/ethnic groups.

²¹ Urban Institute, "Nonstandard Work Schedules and the Well-Being of Low-Income Families." (Washington, D.C.: Urban Institute, July 2013). <https://www.urban.org/sites/default/files/publication/32696/412877-Nonstandard-Work-Schedules-and-the-Well-being-of-Low-Income-Families.pdf>. Accessed March 23, 2018.

²² David Wittenburg. "A Health-Conscious Safety Net? Health Problems and Program Use among Low-Income Adults with Disabilities." (Washington, D.C.: Urban Institute, September 2004). <https://www.urban.org/sites/default/files/publication/57791/311065-A-Health-Conscious-Safety-Net-Health-Problems-and-Program-Use-among-Low-Income-Adults-with-Disabilities.pdf>. Accessed March 23, 2018.

²³ Henry J. Kaiser Family Foundation. "Data Note: Americans' Challenges with Health Care Costs." <https://www.kff.org/health-costs/poll-finding/data-note-americans-challenges-with-health-care-costs>. Accessed December 26, 2017.

²⁴ Ibid.

²⁵ U.S. Census Bureau. "Health Insurance Coverage in the United States: 2016." <https://www.census.gov/content/dam/Census/library/publications/2017/demo/p60-260.pdf>. Accessed December 26, 2017.

²⁶ U.S. Department of Health and Human Services, Assistant Secretary for Planning and Evaluation. "Overview of Immigrants' Eligibility for SNAP, TANF, Medicaid, and CHIP." (Washington, D.C.: ASPE, March 2012). <http://aspe.hhs.gov/hsp/11/ImmigrantAccess/Eligibility/ib.shtml>. Accessed March 23, 2018.

²⁷ M. Mather & B. Jarosz. 2014. The demography of inequality in the United States. Population Bulletin 69, no. 2. <http://www.prb.org/Publications/Reports/2014/us-inequality-backdrop.aspx>. Accessed December 26, 2017.

²⁸ Lisa J. Dettling, Joanne W. Hsu, Lindsay Jacobs, Kevin B. Moore, and Jeffrey P. Thompson. Federal Reserve Bank. September 2017. "Recent Trends in Wealth-Holding by Race and Ethnicity: Evidence from the Survey of Consumer Finances." <https://www.federalreserve.gov/econres/notes/feds-notes/recent-trends-in-wealth-holding-by-race-and-ethnicity-evidence-from-the-survey-of-consumer-finances-20170927.htm>. Accessed December 26, 2017.

²⁹ Ibid.

³⁰ Ibid.

³¹ Ibid.

³² Ibid.

³³ Signe McKernan et al., "Do Racial Disparities in Private Transfers Help Explain the Racial Wealth Gap? New Evidence From Longitudinal Data." *Demography* 51, no 3 (2014): 949-74.

³⁴ Thomas Shapiro, Tatjana Meschede, and Sam Osoro. "The Roots of the Widening Racial Wealth Gap: Explaining the Black-White Economic Divide" (Waltham, MA: Institute on Assets and Social Policy, Brandeis University, 2013).

³⁵ Robert Lerman and Signe-Mary McKernan. "Benefits and Consequences of Holding Assets," in *Asset Building and Low-Income Families*, ed. Signe-Mary McKernan and Michael Sherraden (Washington, D.C.: Urban Institute Press, 2008).

³⁶ U.S. Census Bureau, American Housing Survey, AHS 2015 Summary Tables. https://www.census.gov/programs-surveys/ahs/data/interactive/ahstablecreator.html#?s_areas=a00000&s_year=n2015&s_tableName=Table1&s_byGroup1=a1&s_byGroup2=a1&s_filterGroup1=t1&s_filterGroup2=g1&s_show=S. Accessed February 8, 2018.

Plumbing problems listed here include fixtures backed up or overflowed, pipes leaked, and broken water heater.

³⁷ Joy Moses. "The New Housing Normal for Low-Income Families." <https://www.americanprogress.org/issues/economy/news/2010/06/15/7952/the-new-housing-normal-for-low-income-families/>. Accessed February 23, 2018.