



Questions and Answers about Low Wage Workers: A Sloan Work and Family Research Network Fact Sheet

Introduction

The Sloan Work and Family Research Network has prepared Fact Sheets which provide statistical answers to some important questions about work–family and work/life issues. This Fact Sheet includes statistics about Low Wage Workers. (Last updated: August 2010)



How many low wage workers are in the United States?

- ✓ **Fact 1** The U.S. Census Bureau reported that in 2008, 39.8 million people (13.2 percent of the U.S. population) lived at or below the Federal Poverty Level (DeNavas–Walt, Proctor, & Smith, 2009).
- ✓ **Fact 2** “In 2008, about 8.9 million adults were among the ‘working poor,’ 1.4 million more than in 2007” (U.S. Bureau of Labor Statistics, 2010).
- ✓ **Fact 3** “In 2008, 5.7 percent of all people, or 17.1 million people, had income below one–half of their poverty threshold. This group represented 42.9 percent of the poverty population in 2008. The percentage and the number of people with income below 125 percent of their threshold was 17.9 percent and 53.8 million” (DeNavas–Walt, Proctor, & Smith, 2009).



What are the characteristics of low wage workers?

- ✓ **Fact 1** “The working poor are individuals who spend at least 27 weeks in the labor force (working or looking for work), but whose incomes still fell below the official poverty level. In 2008, the working–poor rate—the ratio of the working poor to all individuals in the labor force for at least 27 weeks— was 6.0 percent, up by 0.9 percentage point from the previous year’s figure” (U.S. Bureau of Labor Statistics, 2010).
- ✓ **Fact 2** “Among persons in the labor force for 27 weeks or more in 2008, 3.9 percent of those usually employed full time were classified as working poor, compared to 13.7 of part–time workers” (U.S. Bureau of Labor Statistics, 2010).
- ✓ **Fact 3** “People 16 years old and older who worked some or all of 2008 had a lower poverty rate than those who did not work at any time—6.4 percent compared with 22.0 percent” (DeNavas–Walt, Proctor, & Smith, 2009).



- ✔ **Fact 4** “In 2008, the poverty rate among fulltime, year-round workers was lower than the rate for those who worked part-time or part-year—2.6 percent compared with 13.5 percent” (DeNavas-Walt, Proctor, & Smith, 2009).
- ✔ **Fact 5** “Those who did not work in 2008 represented 43.0 percent of people in poverty and 25.8 percent of all people” (DeNavas-Walt, Proctor, & Smith, 2009).
- ✔ **Fact 6** “In 2005, just shy of 2 million rural workers earned less than \$7.25 per hour” (Smith, 2008).
- ✔ **Fact 7** “In 2008, 6.7 percent of the working poor experienced all three problems: low earnings, unemployment, and involuntary part-time employment” (U.S. Bureau of Labor Statistics, 2010).



What are the demographics of low wage workers?

- ✔ **Fact 1** “Although 71 percent of the working poor were White, Blacks and Hispanics continued to be more than twice as likely as their White counterparts to be among the working poor” (U.S. Bureau of Labor Statistics, 2010).
- ✔ **Fact 2** “In 2008, the poverty rate increased for non-Hispanic Whites (8.6 percent in 2008—up from 8.2 percent in 2007), Asians (11.8 percent in 2008—up from 10.2 percent in 2007), and Hispanics (23.2 percent in 2008—up from 21.5 percent in 2007). The poverty rate in 2008 was statistically unchanged for Blacks (24.7 percent)” (DeNavas-Walt, Proctor, & Smith, 2009).
- ✔ **Fact 3** In 2008, the working-poor rate continues to be higher for women (6.5 percent) than for men (5.6 percent) (U.S. Bureau of Labor Statistics, 2010).
- ✔ **Fact 4** “White working men and women who spent at least 27 weeks or more in the labor force were about equally likely to be poor (5.1 percent and 5.5 percent, respectively), as were Hispanic men (12.6 percent) and women (12.1 percent). In contrast, Black women had a working poor- rate of 12.7, higher than the rate for Black men (8.9 percent)” (U.S. Bureau of Labor Statistics, 2010).
- ✔ **Fact 5** “Among youths who were in the labor force for 27 weeks or more in 2008, 12.7 percent of 16- to 19- year-olds and 11.5 percent of 20- to 24-year-olds were in poverty, roughly double the rate for workers aged 35 to 44 years (5.8 percent)” (U.S. Bureau of Labor Statistics, 2010).



How does education affect the likelihood of an employed person living in poverty?

- ✔ **Fact 1** “In 2008, only 1.7 percent of college graduates who were in the labor force for at least 27 weeks were among the working poor, compared with 18.3 percent of those with less than a high school diploma” (U.S. Bureau of Labor Statistics, 2010).



✔ **Fact 2** “Among college graduates, the proportions classified as working poor were 1.8 percent and 1.2 percent for White women and White men, respectively. In contrast, Black women with less than a high school diploma were considerably more likely than their male counterparts to be among the working poor: 32.5 percent compared with 22.7 percent, respectively” (U.S. Bureau of Labor Statistics, 2010).

✔ **Fact 3** “Workers in occupations requiring higher education and characterized by relatively higher earnings—such as managerial, professional, and related occupations— were least likely to be classified as working poor (2.1 percent) in 2008 . . . Indeed, service occupations, with 2.9 million working poor, accounted for nearly one-third of all those classified as working poor” (U.S. Bureau of Labor Statistics, 2010).

✔ **Fact 4** “Employed mothers with less than a high school degree pay a higher proportion of their family income on child care than their counterparts with college degrees. This gap is more pronounced in rural than urban areas. Further, rural families with less maternal education shoulder a larger child care cost burden than corresponding urban families (16 percent compared with 11 percent)” (Smith & Gozjolko, 2010).



What are the characteristics of low wage families?

✔ **Fact 1** “The poverty rate and the number of families in poverty were 10.3 percent and 8.1 million in 2008—up from 9.8 percent and 7.6 million in 2007” (DeNavas-Walt, Proctor, & Smith, 2009).

✔ **Fact 2** “In 2008, 4.5 million families were living below the poverty level despite having at least one member in the labor force for half the year or more” (U.S. Bureau of Labor Statistics, 2010).

✔ **Fact 3** “Among families with at least one member in the labor force for 27 weeks or more, those families with children under 18 years old were more than 4 times more likely than those without children to live in poverty” (U.S. Bureau of Labor Statistics, 2010).

✔ **Fact 4** “The proportion of families with children aged 18 years and younger that lived in poverty was 10.6 percent, in contrast to 2.5 percent for families without children” (U.S. Bureau of Labor Statistics, 2010).

✔ **Fact 5** “For children under 18 years old, 8.5 percent (6.3 million) lived in families with income below 50 percent of their poverty thresholds and 25.0 percent (18.6 million) were in families with income below 125 percent of their thresholds” (DeNavas-Walt, Proctor, & Smith, 2009).

✔ **Fact 6** According to the U.S. Census Bureau, the weighted average poverty threshold in 2008 for a family of four people was \$22,025. ‘If a family’s total income is less than that family’s threshold, then that family and every individual in it are considered in poverty” (DeNavas-Walt, Proctor, & Smith, 2009).

✔ **Fact 7** “The bottom 30 percent of American families try to get by on a median annual income of \$19,000, earning less than \$35,000 dollars a year. Their median income has fallen 29 percent since 1979 (in inflation adjusted dollars)” (Williams & Boushey, 2010).



What are the characteristics of low wage single-parent families?

- ✔ **Fact 1** “Single-parent families are almost twice as likely to have low incomes compared to all families with children, and also three times as likely to have low incomes compared to married-could families with children” (The Urban Institute, 2009).
- ✔ **Fact 2** “Two-thirds, or 66 percent, of low-income families with children are headed by single parents today, compared to a little under half, or 47 percent, in 1979” (Williams & Boushey, 2010).
- ✔ **Fact 3** In 2008, more than 28 percent of low-income families (4.2 million) are headed by a female householder without a husband present. Almost fourteen percent of low-income families (723,000) are headed by a male householder without a wife present (DeNavas-Walt, Proctor, & Smith, 2009).
- ✔ **Fact 4** “When they [single parents] are able to work, low-income single parents work for lower wages; in 2006, single parents earned about \$10 an hour while married parents earned about \$11 an hour” (The Urban Institute, 2009).
- ✔ **Fact 5** “For married-couple families, both the poverty rate and the number in poverty increased to 5.5 percent and 3.3 million in 2008—up from 4.9 percent and 2.8 million in 2007” (DeNavas-Walt, Proctor, & Smith, 2009).
- ✔ **Fact 6** “Declining wages over the 1980s [for poor single and married mothers] overshadow gains since the 1990s [with a net loss between 1979 and 2006 of \$0.59 for urban married mothers, \$0.64 for urban single mothers, and \$1.31 for rural single mothers] except for wages for poor rural married mothers -- their wages are higher in 2006 than in 1979 due to large gains since 2000 [resulting in a net gain of \$0.39 between 1979 and 2006]” (Smith, 2008).
- ✔ **Fact 7** “Poor urban single mothers have the highest median hourly wages, but their wages are still low at \$7.14 per hour, especially in light of the \$14.42 per hour earned by all urban women (the median hourly wage is \$11.54 for all rural women)” (Smith, 2008).



What are caregiving issues for low wage families?

- ✔ **Fact 1** In 2005, “Low-income families, those living at or below 200 percent of poverty, spent 18 percent of family income on child care” (Smith & Gozjolko, 2010).
- ✔ **Fact 2** “Child care costs hit families with fewer economic resources harder. Families with young children living in poverty devote 32 percent of their monthly family income to child care, two times the share paid by families living just above the poverty level and nearly five times the percentage paid by families living at 200 percent of poverty or higher” (Smith & Gozjolko, 2010).



- ✔ **Fact 3** “Low-income families receiving child care subsidies spent a lower proportion of their family income on child care—14 percent compared with 19 percent of total family income among those not receiving a subsidy” (Smith & Gozjolko, 2010).
- ✔ **Fact 4** “Subsidies [for child care] are available only for low-income families and are scarce and sporadic even for them. About 30 percent of low-income families using center-based care, and 16 percent using an in-home care center for a child under age 6, receive subsidies. The percentage of middle-income families receiving subsidies is negligible” about 3 percent for an in-home care center” (Williams & Boushey, 2010).
- ✔ **Fact 5** “Work-family conflict is acute in low-income families in large part because they often have a higher load of family caregiving. Low-income families are more likely to be caring for a family member who is ill. One study found that nearly one-third, or 32 percent, of welfare to-work mothers are caring for children with chronic illnesses” (Williams & Boushey, 2010).
- ✔ **Fact 6** “In families below the poverty level, 7.5 percent of children aged 5 to 8 and nearly 14 percent of children aged 9 to 11 are latchkey kids. These children are often home alone in dangerous neighborhoods. More than half “55 percent” of families below the poverty line live in neighborhoods that parents report are a bad influence” (Williams & Boushey, 2010).
- ✔ **Fact 7** In her study of global working families Heymann found that, “two-thirds of poor families had left children home alone sick or lost needed pay to care for their children” (Heymann, 2006).
- ✔ **Fact 8** Poor families worldwide have fewer options than wealthier families with regard to routine care for their children, according to a recent study of global working families. Poor families were, “significantly less likely to be able to place their children in formal childcare centers (27 percent versus 52 percent)... [and] not only were the children less likely to be cared for in formal childcare centers, but they were markedly less likely to be taken care of by a paid adult in informal settings (22 percent versus 45 percent) and were far more likely to be cared for in an informal setting by another child, who was unpaid (21 percent versus 13 percent). As a result, children in poor families face wide-ranging disadvantages. They start school behind their peers and face threats to their health and development” (Heymann, 2006).
- ✔ **Fact 9** While researching the limitations that parents faced due to long work hours and inflexible schedules, Heymann found that “in those families where parents faced barriers to helping children with homework, 66 percent had children who were experiencing behavioral or academic difficulties at school (compared to only 31 percent of children in families where the parents were able to help with homework). Similarly, in those families where parents faced barriers to participating in school meetings and other school events, 58 percent of their children experienced behavioral or academic difficulties in school (compared to 33 percent of children in families where parents were able to become involved in the school)” (Heymann, 2006).

The Network has additional resources related to this topic.



1. Visit a topic page on Low Wage Workers at: <http://wfnetwork.bc.edu/topic.php?id=27>
Topic pages provide resources/information including statistics, definitions, overviews & briefs, bills & statutes, interviews, teaching resources, audio/video, suggested readings and links.
2. Visit our database of academic literature with citations and annotations of literature related to the issue of Low Wage Workers. You can connect to this database at:
http://library.bc.edu/F?func=find-b-0&local_base=BCL_WF



References

DeNavas-Walt, C., Proctor, B. D., & Smith, J. C. (2009, September). *Income, poverty, and health insurance coverage in the United States: 2008* (Report P60-236RV). Retrieved from the U.S. Census Bureau, Current Population Reports, <http://www.census.gov/prod/2009pubs/p60-236.pdf>

"The data in this report are from the Annual Social and Economic Supplement (ASEC) to the 2009 Current Population Survey (CPS). The population represented (the population universe) is the civilian noninstitutionalized population living in the United States. Members of the Armed Forces living off post or with their families on post are included if at least one civilian adult lives in the household. Most of the data from the CPS ASEC were collected in March (with some data collected in February and April), and the data were controlled to independent population estimates for March 2009" (DeNavas-Walt, Proctor, & Smith, 2009, p.1)

Heymann, J. (2006). *Forgotten families: Ending the growing crisis confronting children and working parents in the global economy*. New York, NY: Oxford University Press.

Forgotten Families reports on global studies that were conducted over the course of a decade. This book includes survey data from 55,000 households in seven countries and five regions, in-depth interviews of 1,000 families in six countries and five regions, and examinations of public policies in over 170 countries. While research has been conducted previously in North America, Europe and comparatively across the Organization for Economic Cooperation and Development (OECD), this is the first study of its kind on a global scale.

Smith, K. (2008). *Working hard for the money: Trends in women's employment 1970 to 2007*. Retrieved from: <http://www.carseyinstitute.unh.edu/publications/Report-Smith-WorkingHard.pdf>

"This report relies on data from the U.S. Census Bureau's Current Population Survey (CPS) March Supplements from 1970, 1980, 1990, and 1996-2007. The CPS provides a nationally representative sample of households and the individuals in those households, and collects demographic, economic, and employment information, as well as participation in select government assistance programs. Employment rates are calculated for civilians aged 16 to 64 who, during the previous year, were gainfully employed. Comparisons presented in the text are statistically significant at the 0.05 level. Several variables were not available in the 1970 data set and thus data on the following were presented beginning in 1980: race and ethnicity; employment rates among mothers with children under 6 years old; and median hourly wage numbers" (Smith, 2008, p.28).

Smith, K., & Gozjolko, K. (2010). *Low income and impoverished families pay more disproportionately for childcare* (Policy Brief No. 16). Durham, NH: Carsey Institute. Retrieved from http://www.carseyinstitute.unh.edu/publications/PB_Smith_LowIncome-ChildCare.pdf



"This brief uses data from the SIPP [Survey of Income and Program Participation] collected in the spring of 2005 by the U.S. Census Bureau. Following U.S. Census Bureau methodology, the percentage of monthly family income spent on child care is calculated as a ratio of average monthly child care payments (prorated from weekly averages) to average monthly family income. Low-income families include those living at or below 200 percent of the federal poverty level" (Smith & Gozjolko, 2010, p. 3).

The Urban Institute. (2009, June). Low-income working families: Updated facts and figures [Fact sheet]. Retrieved from http://www.urban.org/UploadedPDF/411900_LIWF_fact_sheet.pdf

"This fact sheet draws heavily from the *New Safety Net for Working Families* series, a collection of papers within the Urban Institute's *Low-Income Working Families* publication series." Factual information retrieved from the Urban Institute Fact Sheet on low-income working families was collected from the March 2007 Current Population Survey.

Additional information on low-income families is available at the Urban Institute web site, <http://www.urban.org/projects/newsafetynet>

U.S. Bureau of Labor Statistics. (2010, March). *A profile of the working poor, 2008* (Report 1022). Washington, DC: U.S. Department of Labor. Retrieved from <http://www.bls.gov/cps/cpswp2008.pdf>

"The data presented in this report were collected in the Annual Social and Economic Supplement to the Current Population Survey (CPS). The CPS is a monthly sample survey of about 60,000 households conducted by the U.S. Census Bureau for the Bureau of Labor Statistics. Data from the CPS are used to obtain the monthly estimates of the Nation's employment and unemployment levels. The Annual Social and Economic Supplement, conducted in the months of February through April, includes questions about work activity and income during the previous calendar year" (U.S. Bureau of Labor Statistics, 2010).

For a detailed explanation of the Annual Fiscal and Economic Supplement to the CPS, please view *Income, poverty, and health insurance coverage in the United States: 2008*, Current Population Reports, series P60-236 (RV,) (U.S. Census Bureau, September 2009), <http://www.census.gov/prod/2009pubs/p60-236.pdf>

Williams, J. C., & Boushey, H. (2010). The three faces of work-family conflict: The poor, the professionals, and the missing middle. Retrieved from the Center for American Progress website: <http://www.americanprogress.org/issues/2010/01/pdf/threefaces.pdf>

"This report looks for the first time in a comprehensive way at work-life conflicts across all families, with the exception of the very wealthiest. Through showing the three faces of work-family conflict, our analysis points toward how we can build a stronger coalition for policies to address work-family conflict. The support of the Ford Foundation and the Rockefeller Family Fund allowed us to break down the relevant data sets by income. Specifically:

- Low-income families, defined as the bottom one-third of families in terms of income
- Professional-managerial families, defined as families with incomes in the top 20 percent, in which at least one adult is a college graduate-13 percent of families in 2008
- Families in the remaining percent of incomes: the Missing Middle- 53 percent of families in 2008.

Our data encompass the late 1970s (1977, 1978, and 1979) to the late 2000s (2006, 2007, and 2008), and includes only families with an adult between ages 25 and 54. For simplicity, we draw comparisons between "today" and "30 years ago," although we are a few years off in each direction. We use data from the Current Population Survey Annual Social and Economic Supplement and the Survey of Income and Program Participation to examine income, hours of work, and childcare usage and costs across families" (Williams & Boushey, 2010, p. 3).