Media Coverage

Working Hard, Falling Short:
America’s Working Families and the Pursuit of Economic Security

Prepared by: The Hatcher Group
1. NATIONAL WIRE SERVICE COVERAGE

Associated Press Story (Page 5)
This story ran in more than 70 newspapers and on the websites of more than 100 radio stations and 110 television stations. (Many of these radio and television stations, we believe, covered the report in their broadcasts). The AP story appeared in such major daily newspapers as the Baltimore Sun, Charlotte Observer, Chicago Sun-Times, Columbus Dispatch, Denver Post, Indianapolis Star, Baton Rouge Advocate, Los Angeles Daily News, Miami Herald, Minnesota Star Tribune, Philadelphia Inquirer, Raleigh News and Observer, San Diego Union Tribune, Seattle Post-Intelligencer, and Seattle Times.

Chicago Tribune News Service (Page 7)
This story ran as the lead front-page story in the Chicago Tribune and in other newspapers, including the Houston Chronicle.

Reuters (Page 10)
This story ran internationally and in several newspapers in the United States including The Boston Globe and the New York Post.

Agence France (Page 12)
This story ran in newspapers all over the world, including newspapers in India, United Arab Emirates, and South Africa.

United Press International (Page 14)

2. OTHER NATIONAL NEWS COVERAGE

New York Times (Page 15)

U.S. News and World Report (Page 17)

Newsday.com (Page 19)
Complied from news reports. First posted online 10/14.

People’s Weekly World Newspaper (Page 20)
Tim Wheeler and Art Perlo, “Bushonomics: 39 million locked in poverty”. Published: 10/14/04
3. LOCAL NEWS COVERAGE

In collaboration with The Hatcher Group, most of the Working Poor Family sites prepared their own press releases and reached out to the local press. The coverage is organized by state. (Pages 22-54)

- Colorado: The Rocky Mountain News
- Idaho: a Knight Ridder story in the Times News
- Iowa: IA Daily Nonpareil
- Maine: Morning Sentinel and Portland Press Herald
- Maryland: Baltimore Daily Record
- Michigan: The Detroit Free Press, and Booth News Service (picked up by newspapers throughout Michigan)
- Missouri: The Kansas City Star (the same story ran in the Witchita Eagle)
- Pennsylvania: The Delaware County Times
- Wisconsin: Wisconsin State Journal, The Capital Times

(As noted above, many of the site newspapers published a wire service article).

4. RADIO SHOW INTERVIEWS

Brandon Roberts was interviewed on the following radio shows: Marketplace, CBS Radio, CNN Radio, Voice of America, Pacifica Radio Network, and New Black City Radio. The nationally syndicated “Don and Mike” show did an item on the report as well. He has an interview set up for WAMU, NPR station for the Washington, DC metro area.

Contacts at local sites have also been interviewed by local radio stations:

- Don Baylor, Center for Public Policy, interviewed by Houston Public Radio.
- Deborah Povich, Job Opportunities Task Force, interviewed by WEAA in Baltimore.
- Rhonda Simmons, the Seattle Jobs Initiative, interviewed by Seattle CBS radio affiliates.
- Brandon has been interviewed by Black America Web.com (Page 55), two local radio stations in San Francisco, and is scheduled to participate in a one-hour public radio show in Urbana, IL.
5. NATIONAL TELEVISION INTERVIEWS
Brandon also appeared live on CNNfn on October 12 (Page 57). Peter Jennings mentioned the report on ABC Nightly News and showed a graphic citing the Working Poor Families Project. Network televisions station websites, meanwhile, have also posted wire service stories about the report. Also, Brandon is being interviewed for a multi-part Dutch TV series on working families in America.

6. LETTERS & LOCAL OP-EDS (Pages 59-63)

7. PRESS RELEASES
- National Release
- Children’s Action Alliance – Arizona
- The Connecticut Association for Human Services
- The Bell Policy Center – Colorado
- Human Services Coalition of Dade County, Inc. – Florida
- Iowa Fiscal Partnership
- Chicago Jobs Council – Illinois
- Maine Center for Economic Policy
- Jobs Opportunity Task Force – Maryland
- The Women’s Union – Massachusetts
- Michigan League for Human Services
- North Carolina
- PathWaysPA – Pennsylvania
- Center for Public Policy Priorities – Texas
- Seattle Jobs Initiative – Washington
- Center on Wisconsin Strategy
WASHINGTON (AP) -- One in every five U.S. jobs pays less than a poverty-level wage for a family of four, according to a study by the nonpartisan Working Poor Families Project.

The result of so many low-paying jobs is that nearly 39 million Americans, including 20 million children, are members of "low-income working families" - with barely enough money to cover basic needs like housing, groceries and child care, the study found.

The study classified a "working family" as one in which there was one or more children and at least one family member had a job or was actively seeking work.

Besides staying current on bills, many of these folks also struggled to save up for a bigger home or for a child's college education, said Brandon Roberts, one of the report's authors.

"These 20 million children are the future of our workforce," Roberts said. "Their future economic abilities are at risk growing up in families that don't have the resources to support them."

The report said federal and state lawmakers should put more money into adult education and job training programs, increase the minimum wage and expand subsidized child care for low-income parents. Doing so would create more skilled workers who will make more money and, in turn, increase the tax base, the study said.

"We do not think that the current federal-state system designed to support these families is sufficient for the task," Roberts said.

The report is based on Census Bureau data from 2002 and was to be officially released Tuesday, the day before the third and final debate between President Bush and Democratic challenger John Kerry. That debate will focus on domestic issues, with an emphasis on jobs and the economy.

The government's poverty threshold varies depending the size of a family. For instance, a family of four with two children was considered impoverished if its income was less than $18,244 in 2002.
The study, sponsored by the Annie E. Casey, Ford and Rockefeller foundations, looked at working families with kids that earned no more than twice the poverty level. Anyone below that level was considered "low-income."

For a family of four, that threshold was $36,488. The median U.S. income for such families is $62,732.

About 28 million jobs in the United States provided less a poverty-level wage, which works out to about $8.84 an hour for a family of four, the study said. The median wage for a waiter was about $6.80 an hour; for a cashier it was $7.41 an hour.

That points to the need for the federal minimum wage to be raised from its current $5.15 an hour to ensure those in such positions can support their families, researchers said.

Besides child care, the report also suggested expansion of the federal earned income tax credit, as well as more incentives for states to offer similar refundable tax credits for such families.

The report also called on states to improve educational opportunities, such as adult education and literacy programs, for low-income workers who want to move on to higher-paying jobs.

Sheri Steisel, director of human services policy at the National Conference of State Legislatures, commended the study but said state lawmakers are hamstrung by tight budgets.

"It's not a lack of interest in the topic, but it's a question of financing," she said. "States have had to struggle on where to put their limited dollars."

The study urged federal and state lawmakers to work more closely to evaluate government policies and make better use of limited funding.

"Obviously under the current (economic) circumstances, that's going to be a very contentious issue, but we would suggest that it's a high priority issue," Roberts said.

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On the Net:

Annie E. Casey Foundation: http://www.aecf.org/initiatives/jobsinitiative/

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One of four working American families earns wages so low they struggle to survive financially, according to a report due out Tuesday.

These 9.2 million families include 20 million children. Their breadwinners work an average of 1.2 jobs. Most are in their prime working years. And 72 percent were born in the United States.

The study, funded by the Annie E. Casey, Ford and Rockefeller foundations, paints a portrait of janitors, cooks, cashiers and health-care aides who barely make ends meet in a nation where good-paying jobs are out of reach for many.

"One emergency--a broken-down car, rent increase or serious illness--can disrupt the family's precarious equilibrium and plunge them into financial chaos," the report states.

The non-partisan report spotlights a growing disparity between low-wage earners and the educated skilled workers that U.S. businesses increasingly demand.

Its release comes in the final weeks of a heated presidential campaign in which issues concerning low-income families largely have taken a back seat to those of the middle class and to worries about terrorism and the war in Iraq.

"What we haven't come to grips with is how large this number is" of working low-income families, said Brandon Roberts, co-author of "Working Hard, Falling Short."

"This is an issue of our national competitiveness. If these families are not poised to succeed, it should concern all of us."

President Bush's campaign stresses tax incentives to encourage businesses to hire new workers, while Sen. John Kerry has called for an increase in the $5.15 hourly minimum wage to $7 by 2007.

The report looked at families earning less than twice the federal poverty level, or less than $36,784 for a family of four. The U.S. median income for a family of four is $62,732.

They include families like that of Chicago's Miriam Perez, 39, a day laborer who worked double
shifts chopping vegetables or packing tomatoes to support her five children until that work dried up.

"Sometimes I don't sleep very much," said Perez, who earns the state mandated $5.50 hourly minimum wage. "When I can get (a double shift) I take it to get the overtime."

Illinois news mixed

Illinois, one of 12 states with minimum wages above the federal standard, gets a mixed report from the national study and a companion report.

A total of 23 percent of the state's working families are low income, slightly better than the national average of 27 percent.

Yet Illinois compared poorly in several important educational measures. Thirty-four percent of Illinois' low-income working families are headed by a parent without a high school diploma or the equivalent, ranking the state 40th nationally.

Illinois also spends less on education and training than the national average per adult without a high school diploma. The state spends $14.88 per non-degree adult compared with an average $58.99 nationally, ranking No. 33 among all states.

More alarming, less than one-third of Illinois adults enrolled in high school degree or equivalency programs are successful, according to a February report by the nonprofit Chicago Jobs Council and Women Employed Institute.

"It's going to be a challenge for Illinois to attract new jobs to the state" without a better record, said Rachel Unruh, senior policy associate at Women Employed.

The national report calls for increasing the number of low-income working adults who complete education and training programs.

More than one-third of working low-income families have a parent who didn't finish high school.

The report also calls for improving wages, benefits and supports for low-income working families and increasing the number of good jobs.

Poverty jobs nearly one-fifth

In Illinois, 18 percent of all jobs are in occupations where the median wage is less than the federal poverty threshold.

Yolanda Starling, 25, a single mother of three, works in one such job. She earns $7.14 per hour working for food service company Sodexho as a cashier at Chicago's Museum of Science and Industry.
Her hours recently were cut to 27 per week, providing her with less than $1,000 per month.

Her monthly rent is $500, placing her squarely in the majority of working low-income families who spend more than one-third of their income on housing.

"I need better wages," Starling said. "Other than that it'd be a good job."

Her goal is to attend night classes at Kennedy-King College to become a licensed practical nurse. "I'm trying to start back before Christmas," she said.

Perez, the day laborer, sets aside money from the combined $2,000 per month she and her 18-year-old son bring home to pay his tuition at Wilbur Wright College.

Ricardo Sanchez studied Monday morning in a computer lab at the nonprofit Goodwill Industries International Inc. after getting off his shift stocking shelves at a Jewel Food store at Ohio and State streets, where he makes $7.70 per hour.

The 21-year-old Chicago native is studying to complete his high school equivalency, but he's also looking for a second job to support his pregnant wife and her two children. His wife works at a Lane Bryant store.

They recently ate rice and bologna sandwiches for dinner when they ran short of cash.

"I'm looking for anything, I just keep looking," Sanchez said.

The national report cites a challenging environment.

One in five jobs in the U.S. was in an occupation that paid a median hourly wage less than $8.84 in 2002--roughly the federal poverty threshold.

Minimum-wage jobs have lost their ability to keep a family out of poverty since a high point in 1968. Then, annual earnings of a full-time minimum wage earner totaled 1.2 times the poverty threshold for a family of three, according to the report.

Last year, annual minimum wage earnings represented 74 percent of the poverty threshold.

Those at the bottom of the educational ladder are losing ground: Real wages for workers without high school diplomas declined 19 percent over the last 30 years, while real wages increased 16 percent for those with college degrees.

"Two related warning signals are sounding loudly and urgently," the report states. "First, millions of American families are living on incomes that inadequately meet their basic needs.

"Second, our economic structure faces a major challenge: finding skilled and well-educated workers, without whom U.S. businesses will be hard-pressed to compete."
WASHINGTON (Reuters) - More than a quarter of all working families in the United States -- including 20 million children -- are considered low-income or poor, an independent report said on Monday.

The non-partisan report was timed to coincide with the last weeks of the presidential campaign, and to add to the debate over problems for America's working families, according to Brandon Roberts, one of the report's authors.

"We think this is an important issue and that's why we're releasing it now, we make no bones about that," Roberts told Reuters. "We worked very hard to make this a non-partisan report ... The data that we have really present solid evidence that the problem is much larger than we ever imagined before."

There are gaps in federal and state efforts to help low-wage workers in such areas as scholarships, adult education and subsidized medical care, and there is wide variation in programs from state to state, the report found.

Citing U.S. Census data from 2002, the report found 9.2 million families, or 27.4 percent, of all families with at least one working adult and one child under 18, fall into the government's measure of low income. This means they earn less than the federal poverty threshold, or less than $36,784 in 2002.

Of those 9.2 million families, 2.5 million are officially living in poverty, earning less than $18,392 for a family of four. The U.S. median income was $62,732 in 2002.

The report said that 28 million jobs in the United States -- nearly a quarter of all jobs -- cannot keep a family of four above the poverty level.

Democratic presidential challenger John Kerry has emphasized the economic problems facing working families and stressed this theme on Monday.
"The cost of health care is up 64 percent. College tuition is up more than 35 percent. And the typical family is making $1,500 less each year -- while the cost of nearly everything continues to rise," the Massachusetts senator said at Santa Fe, New Mexico.

President George W. Bush, campaigning in Hobbs, New Mexico, said he planned to change the government's support systems for working people.

"The world in which we live and work is changing," Bush said. "Yet many of the most fundamental systems of our government -- the tax code, the health care, pension plans and worker training -- were created for a world of yesterday, not tomorrow."

These comments appeared in tune with the report's conclusion that current resources are no longer enough to meet the needs of low-income working families -- people Roberts described as "struggling to make ends meet on a daily basis and advance to the middle class."

The report recommended getting more working adults into education and training programs. It also recommended improving wages, benefits, support for low-income families and other measures to focusing national attention on the situation.

The report was produced by the Working Poor Families Project, which is supported by the Annie E. Casey, Ford and Rockefeller foundations. More information is available online at www.aecf.org/initiatives/jobsinitiative/workingpoor.htm.

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WASHINGTON, Oct 12 (AFP) - More than a quarter of US working families -- or nearly 39 million people -- have trouble making ends meet and can be qualified as poor due to a fast shrinking pool of well-paying jobs, according to a new report due to be released Tuesday.

The study comes on the eve of the third and final presidential election debate between President George W. Bush and his Democratic challenger, John Kerry. It is expected to add fuel to the already heated political campaign, during which Kerry has accused Bush of outsourcing good US jobs.

"The president does not seem to understand how many middle class families are being squeezed by falling incomes, and spiraling health care, tuition and energy costs," the Massachusetts senator said last week, pointing out that 1.6 million private sector jobs had been lost in the country during Bush's nearly four-year term.

Although the report, compiled jointly by the respected Annie E. Casey, Ford and Rockefeller foundations, refrains from apportioning direct partisan blame, it appeared to back Kerry's argument by stating: "Our society has not taken adequate steps to ensure that these workers can make ends meet and build a future for their families."

A total of 28 million jobs, or almost 25 percent of all those available in the country, can no longer keep a family of four above the poverty level, the study says.

Even education beyond high school and long working hours are not a shield against poverty any more.

As many as 3.9 million low-income working families have a member with some post-secondary education, the report says.

Moreover, the average low-income family is now putting in 2,500 work hours a year, which is equivalent to 1.2 full-time jobs. Families headed by a married couple worked 2,850 hours annually, which equals 1.4 full-time jobs.
Professions like those of cashier, health care aide, truck driver, waiter, cook and janitor are among those the most poorly paid.

To be considered low-income by government standards, a family of four had to earn less than 36,784 dollars in 2002. The median income for a family that size was 62,732 dollars that year.

Contrary to popular perception, most poor working families, or 53 percent, are now headed by a married couple.

Such families included 20 million children under the age on 18, six million of whom lived officially below the poverty line, according to the study.

Economists blame the plight of the working poor on a steady decline in relatively high-paying industrial jobs that require relatively little education.

The share of jobs held by assembly line employees, material movers, miners and construction workers fell from 44 percent of the total to 23 percent between 1960 and 2003, the report points out.

Moreover, the wages of the less educated section of the work force have significantly declined.

People with high-school diplomas have experienced a 18.5-percent decline in real wages over the past 30 years, while those with college degrees have enjoyed a 15.9-percent increase.

The report recommends a thorough study of the labor market that would enable policymakers to come up with solutions to correct the imbalances.

"Federal and state leaders should set policies that reward work through pay and benefits sufficient to support families," the authors say.
Study finds 1 in 4 U.S. families poor

A Maryland consulting firm has found one in four working U.S. families is struggling financially, the Chicago Tribune reported Tuesday.

The study, part of the Working Poor Families Project and funded by the Annie E. Casey, Ford and Rockefeller foundations, finds those 9.2 million families include 20 million children. Their "breadwinners" work an average of 1.2 jobs, and 72 percent were born in the United States.

"One emergency -- a broken-down car, rent increase or serious illness -- can disrupt the family's precarious equilibrium and plunge them into financial chaos," the report, produced by Brandon Roberts & Associates, said.

The report also found one in five U.S. jobs in 2002 was in an occupation that paid a median hourly wage less than $8.84 in 2002.

Minimum-wage jobs have lost their ability to keep a family out of poverty since a high point in 1968. Then, annual earnings of a full-time minimum wage earner totaled 1.2 times the poverty threshold for a family of three, according to the report.

Last year, annual minimum wage earnings represented 74 percent of the poverty threshold.
WORKING FOR A PITTANCE

By BOB HERBERT

8 October 2004
Late Edition - Final
English

Reality keeps rearing its ugly head. The Bush administration's case for the war in Iraq has completely fallen apart, as evidenced by the report this week from the president's handpicked inspector that Iraq had destroyed its illicit weapons stockpiles in the early 1990's.

Coming next week are the results of a new study that shows -- here at home -- how tough a time American families are having in their never-ending struggle to put food on the table and keep a roof over their heads. The White House, as deep in denial about the economy as it is about Iraq, insists that things are fine -- despite the embarrassing fact that President Bush is on track to become the first president since Herbert Hoover to preside over a net loss of jobs during his four years in office.

The study, jointly sponsored by the Annie E. Casey, Ford and Rockefeller Foundations, will show that 9.2 million working families in the United States -- one out of every four -- earn wages that are so low they are barely able to survive financially.

"Our data is very solid and shows that this is a much bigger problem than most people imagine," said Brandon Roberts, one of the authors of the report, which is to be formally released on Tuesday. The report found that there are 20 million children in these low-income working families.

For the purposes of the study, any family in which at least one person was employed was considered a working family. Very wealthy families were included.

The median income for a family of four in the U.S. is $62,732. According to the study, a family of four earning less than $36,784 is considered low-income. A family of four earning less than $18,392 is considered poor. The 9.2 million struggling families cited by the report fell into one of the latter two categories. And those families have one-third of all the children in American working families.

Not surprisingly, the problem for millions of families is that they have jobs that pay very low wages and provide no benefits. "Consider the motel housekeeper, the retail clerk at the hardware
store or the coffee shop cook," the report said. "If they have children, chances are good that their families are living on an income too low to provide for their basic needs."

Neither politicians nor the media put much of a spotlight on families that are struggling economically. According to the study, one in five workers are in occupations where the median wage is less than $8.84 an hour, which is a poverty-level wage for a family of four. A full-time job at the federal minimum wage of $5.15 an hour is not even sufficient to keep a family of three out of poverty.

Families with that kind of income are teetering on the edge of an economic abyss. Any misfortune might push them over the edge -- an illness, an automobile breakdown, even something as seemingly minor as a flooded basement.

For the families in these lower-income brackets, life is often a harrowing day-to-day struggle to pay for the bare necessities. According to federal government statistics, the median annual rent for a two-bedroom apartment in major metropolitan markets is more than $8,000. The annual cost of food for a low-income family of four is nearly $4,000. Utility bills are nearly $2,000. Transportation costs are about $1,500. And then there are costs for child care, health care and clothing.

You do the math. How are these millions of poor and low-income families making it?

(A lot of those families are going to get a shock this winter as price increases for crude oil get translated into big jumps in home heating bills.)

The economy relies heavily on the services provided by low-wage workers but, as the report notes, "our society has not taken adequate steps to ensure that these workers can make ends meet and build a future for their families, no matter how determined they are to be self-sufficient."

Mr. Roberts said he hoped the study, titled "Working Hard, Falling Short," would help initiate a national discussion of the plight of families who are doing the right thing but not earning enough to get ahead. "Seventy-one percent of low-income families work," he said. More than half are headed by married couples. But economic self-sufficiency remains maddeningly out of reach.

Even in a presidential election year, these matters have not been explored in any sustained way. We're quick to give lip service to the need to work hard, but very slow to properly reward hard work.
As he works the friendly crowds along his campaign trail, President Bush has come up with a novel argument in defense of his upward-tilted tax cuts. It boils down to this: No sense trying to raise taxes on the rich as my opponent wants. The rich will just hire more "lawyers and accountants," and you ordinary folks will end up paying the bill for them. Or, as he put it in Lima, Ohio, last month, "The rich dodge, and you get stuck with the bill."

Gee, how come then the unemployment lines aren't clogged with tax lawyers and accountants? After all, by the president's logic, the rich don't need so many of these functionaries now that his tax cuts have, as a recent Congressional Budget Office study shows, substantially reduced both their tax rates and their share of total federal taxes. And, come to think of it, if it's true that if you tax the rich more they end up paying less while the rest of us end up paying more, then why wouldn't it also be true that if you tax the rich less, they end up paying more while the rest of us end up paying less? And if that's so, why not just stop taxing the rich entirely, and none of us will have to pay taxes?

Before you dismiss this reasoning as absurd, consider that the president may well be sincere in this belief. After all, such a rationale is quite consistent with the apparent thrust of his further tax-cutting plans, which, cumulatively, would ultimately exempt the very affluent from most, if not all, federal taxation. Start with his goal of making the estate-tax repeal permanent. The GOP-dubbed "death tax" is now scheduled to vanish--but only for the year 2010 (book your exit flight now!). Contrary to popular belief, the estate tax already hits only the top 2 percent of inheritances, so the benefits of total repeal would be extraordinarily concentrated. Add to that the president's plan to create new tax-advantaged savings accounts that, experts say, would ultimately shield most high-bracket investment income from taxes. For while the president is fond of talking about America as an "ownership society," the plain fact is that the vast bulk of taxable capital income--dividends, gains, real-estate returns, and the like--nests at the tiptop of the income distribution.

Understandably, President Bush has shied away from a forthright call to exempt the investing classes from taxation. True, even liberal politicians, as well as Americans generally, are loath to criticize policies that favor the wealthy, lest they be accused of the dreaded "politics of envy." Still, one doesn't want to test the limits of public tolerance. So instead, the president talks about "reforming" and "simplifying" the tax code. And, indeed, there is much to recommend such an approach. All the current tax breaks for worthy purposes from educating kids to exporting tractors not only distort overall economic growth but encourage cheating. And when it comes to outright evasion, we're not talking petty change: Former Treasury Secretary Paul O'Neill puts the price tag on "owed but uncollected taxes" at a whopping $300 billion a year. Essentially, he says, this amounts to "government by deceit."
Top heavy. A case can also be made for jettisoning the corporate tax (which about a third of our biggest corporations often avoid entirely, a recent study finds). The likely replacement is a value-added (or national sales) tax, which is far easier to collect and can be levied on imports and rebated on exports under international trading rules. The problem is that these moves would make the U.S. income distribution even more top heavy. Never mind the politics of envy; even Federal Reserve Chairman Alan Greenspan--no wishy-washy liberal he--has taken note of the "increasing concentration of incomes in this country." And, he told Congress in June, "for a democratic society, that is not a very desirable thing to allow to happen."

It's especially undesirable if the big losers are "hardworking people who play by the rules," says Brandon Roberts, coauthor of a new study by the Working Poor Families Project. The study, funded by three foundations, details the plight of the more than 1 in 4 working families who, despite having on average more than one breadwinner in the labor force year-round, still can't make ends meet. Adding to the problem of federal tax regressivity, these families now fork over an average 11.4 percent of their income just in state and local taxes, compared with only 5.2 percent for the top 1 percent of families in income.

So, if the president is serious about reform, and not just about exempting his friends from the reach of the Internal Revenue Service, and if a fair and healthy democracy is also a priority, he will have to be thoroughgoing. And that, O'Neill warns, requires moving beyond "the compartmentalized thinking that artificially separates questions like payroll taxes and healthcare financing." You have to do it all together, which means taking on the hordes of lobbyists, financial interests, and, yes, do-gooders too, all of whom cherish the treasures buried in our labyrinthine tax code. Winning that fight calls for a firmness and consistency that could make conquering Iraq seem like a cakewalk.
One in every five U.S. job pays less than a poverty-level wage for a family of four, according to a study by the nonpartisan Working Poor Families Project in Washington, D.C., released this week.

The result of so many low-paying jobs is that nearly 39 million Americans, including 20 million children, are members of "low-income working families" -- with barely enough money to cover basic needs such as housing, groceries and child care, the study found.

Many of these families also struggled to save for a bigger home or for a child's college education, said Brandon Roberts, one of the authors of the report, which was based on 2002 Census Bureau data. The study looked at families that earned no more than twice the poverty level -- $18,244 for a family of four.
BUSHONOMICS: 39 MILLION LOCKED IN POVERTY

1 in 4 families are ‘working poor’
Report calls for minimum wage hike

Author: Time Wheeler and Art Perlo
People’s Weekly World Newspaper, 10/14/04

One in four working families in the U.S. “earn wages so low they have difficulty surviving financially,” charged a report released Oct. 12 by three nonpartisan foundations.

The report, titled “Working Hard, Falling Short,” found that 9.2 million U.S. families with 39 million members, including 20 million children, are locked in the ranks of the “working poor,” toiling at minimum wage jobs without benefits and with little hope of rising from poverty.

Larry Matheney, secretary-treasurer of the West Virginia AFL-CIO, said the report describes the plight of thousands in his state where the Labor Department reported in August that 44,000 West Virginians are unemployed and 10,000 have exhausted their jobless pay without finding a new job.

Thousands of the newly created jobs in the state, he said, pay less than the $8.84 hourly wage needed to cover the bare necessities for a family of four. The federal minimum wage is only $5.15 an hour. “The jobs in the expanding industries pay 34 percent less than the jobs that have been eliminated,” Matheney said. “That works out to be $12,000 less in yearly income. It’s absolutely terrible.”

George W. Bush, he said, “talks about the ‘new economy.’ He promised job training but then he tried to cut $1 billion from federal job training programs,” including $23 million in federal job training programs in West Virginia. “Not only has he taken away jobs, he’s taken away the hope of finding new jobs.”

Matheney branded as a “new low” leaflets linked to the Bush-Cheney campaign falsely claiming that Kerry will “ban the Bible.” He praised Kerry’s vow to close tax loopholes that reward corporate export of jobs and his support for “clean coal technology.” He added, “Beginning today, we are urging voters to vote early. We’re working hard to make sure that no voter is left behind and every vote is counted. We believe John Kerry will win in West Virginia.”

The 36-page report was prepared by the Working Poor Families Project and sponsored by the Annie E. Casey, Ford, and Rockefeller foundations. It calls for increases in the federal and state minimum wage, adding, “Working families are insufficiently served by federal and state policies in such areas as education, training, health care, and tax and wage policies.”
The report debunks stereotypes, pointing out that 71 percent of the poor are employed but simply do not earn enough to get by. More than one-fourth of all families are “low-income,” defined as a family of four that earned $36,488 in 2002, far below the median income of $62,732 for a family of four. They are disproportionately African American and Latino.

Brandon Roberts, one of the authors, called attention to the plight of poor children. “Just the basic necessities, clothing, shelter, food, consumes all these families’ disposable income. They are not sitting around the dining table discussing the funds they are setting aside for their children’s college education.”

He added, “We believe this report is objective and not driven by any partisan political agenda. Right now is the perfect time to consider and debate these issues.”

The Bureau of Labor Statistics employment report released Oct. 8 contained the final scorecard for the 2004 election season. In the presidential debate that evening, Bush boasted that 96,000 jobs were gained in September. Kerry countered that Bush is the first president since Herbert Hoover to end his first term with a net loss of jobs.

The Economic Policy Institute (EPI) points out that “96,000 is below the 135,000 to 150,000 jobs needed per month to absorb the growing population and keep unemployment steady.”

The official September unemployment rate, 5.4 percent, is down slightly only because more working-age people have given up looking for nonexistent jobs. This “missing labor force” has increased by more than a half million people in the last year. Lee Price, the EPI’s research director, told an Oct. 12 press conference that, factoring in the missing labor force, the real unemployment rate is 7.2 percent.

And the job picture for teenagers and African American men is especially bad — studies have shown that only about one out of every two adult Black men in New York City has a job.

This is the first time in over 70 years that employment failed to regain its pre-recession level after 42 months. Since January, over 2.5 million people have exhausted their six-month unemployment benefits without finding a new job. But the Bush administration allowed extended benefits to expire last December, leaving long-term jobless out of luck.

The administration claimed its trillions in tax cuts for the rich would generate 5.5 million jobs. So far, only 1.7 million have been created, 2.9 million short. EPI’s Lawrence Mishel notes that the fastest-growing industries pay 40 percent less than the jobs in industries that are shrinking as a share of the total job market.

These new low-wage, no-benefit jobs explain the surge in the working poor spotlighted in the “Working Hard, Falling Short” report. The bad news in these two reports could mean bad news for Bush Nov. 2.

The authors can be reached at pww@pww.org.
Report ranks Arizona amongst nation’s worst for working poor

PHOENIX (AP) -- Arizonans are 32 percent more likely than other Americans to hold jobs paying below the poverty line and 21 percent less likely to receive unemployment insurance benefits when out of work, according to a new national study.

The "Working Hard, Falling Short" report released Tuesday also said that nearly 41 percent of Arizona children are in low-income families and the poorest fifth of workers pay a higher percentage (12.5 percent) of their income in state and local taxes.

Nearly 40 percent of low-income families in Arizona have a parent without health insurance, the report added.

The study was produced as part of the Working Poor Families Project, an initiative funded by the Annie E. Casey, Ford and Rockefeller foundations.

The report said states like Arizona and the federal government need to invest more resources in programs to help families, such as job training, college grants, child-care assistance and tax credits.

More than 9 million American families work but still struggled just to get by with incomes less than $36,784 in 2002 for a family of four -- double the official poverty line, according to the study.
Arizona is failing families, study says
Amanda J. Crawford
The Arizona Republic
Oct. 13, 2004 12:00 AM

With one in three working families struggling to make ends meet, Arizona falls short in helping families obtain the American dream, says a national study released Tuesday.

"Working Hard, Falling Short," a national report timed to coincide with the presidential debate on domestic issues in Tempe tonight, ranks Arizona among the worst in the nation in several categories. It says states like Arizona and the federal government need to invest more resources in programs to help families, such as job training, college grants, child-care assistance and tax credits.

The report says more than 9 million American families work but still struggled just to get by with incomes less than $36,784 in 2002 for a family of four (double the official poverty line). Cashiers, health care aides, truck drivers, maids, cooks, janitors, laborers, retail workers and food-service employees may form the backbone of the American economy, but they have little opportunity for advancement in a global economy.

In Arizona, things are worse:

• Arizonans are 32 percent more likely than other Americans to hold jobs paying below the poverty line and 21 percent less likely to receive unemployment insurance benefits when out of work.

• Nearly 41 percent of children are in low-income families.

• The poorest fifth of workers pay a higher percentage (12.5 percent) of their income in state and local taxes.

• With no state support for need-based college educational grants, the state ties for last in the nation.

• Nearly 40 percent of low-income families have a parent without health insurance.

Produced as part of the Working Poor Families Project, an initiative funded by the Annie E. Casey, Ford and Rockefeller foundations, the report was intended to spur a national conversation about issues affecting the working class, authors said.

Carol Kamin, president and CEO of Phoenix's Children Action Alliance, said it points to things that need to be done to give U.S. families the opportunities to advance.
Report: 1 in 3 Ariz. families considered 'working poor'

THURSDAY, OCTOBER 14, 2004

SHERYL KORNMAN
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Arizona ranks 41st among states in the number of working poor families, a study says.

The study comes just as federal officials announced a decline in welfare recipients nationwide and in Arizona.

One in 3 Arizona families is among the working poor, and nearly 41 percent of Arizona children live in low-income families with at least one person over age 15 working 39 or more hours in the prior 12 months, the study found.

The Annie E. Casey Foundation conducted the study with support from the Ford and Rockefeller foundations. It was released Tuesday.

Nine million families nationwide struggle to make ends meet, says the Phoenix advocacy group Children's Action Alliance.

At the same time, the federal government has reduced families on welfare, said Health and Human Services Secretary Tommy Thompson.

In December 2003 in Arizona, 52,170 Arizona families received Temporary Assistance for Needy Families. By January 2004, that number was 51,183. By March 2004, the latest figures available, it was 49,967.

But federal reforms have shortened the time families can get temporary assistance and require adults on it to sign up for job training leading mainly to low-paying jobs.

More than one-fourth of working families are low-income, the "Working Hard" report says.

It notes that Arizona working parents are 32 percent more likely to hold jobs paying below the poverty threshold than other Americans and 21 percent less likely to get unemployment insurance if they lose jobs.

In Arizona, nearly 47 percent of minority families are low income, according to the report. Low income is defined as having income less than 200 percent of the federal poverty threshold, which varies depending on family size.
Study: Aid for poor 'inadequate'

State falls behind others in help for low-income families

By Jeff Kass, Rocky Mountain News
October 12, 2004

Colorado isn't doing enough to boost its low-income working families, according to a study to be released today.

That is especially troubling, say those who are involved in the research project, because Colorado is considered a relatively affluent state.

"If you're not doing well in Colorado, you're basically receiving a very low level, an inadequate level, of state support and services to assist you in earning a better wage and finding a job," Spiros Protopsaltis, of the Bell Policy Center in Denver, said Monday. The Bell Center has worked with the Maryland-based Working Poor Families Project, which is releasing today's study and aims "to assess state efforts to assist the working poor."

But the idea of more government subsidy was criticized Monday by Colorado Springs anti-tax advocate Douglas Bruce. He specifically zeroed in on a proposal mentioned by Protopsaltis to both guarantee and increase the state earned income tax credit to poor families.

"That's just another welfare handout that creates more government dependency," Bruce said.

The study, titled "Working Hard, Falling Short," ranked all 50 states on 16 indicators.

Colorado's best ranking in the study came in the category concerning the number of jobs paying below poverty - 13.4 percent, fourth among the states in the fewest jobs below poverty. The study used 2002 census figures, the latest year for such numbers, according to study co-author Brandon Roberts. "Below poverty" is defined as a job that pays less than $18,392 annually. On the other hand, Colorado ranked 48th for the amount of state money given to adult education programs for those without a high school diploma or general equivalency diploma. The $5.54 spending per adult in Colorado compares to Florida, which had the number one ranking, with $194.07.

The study called on the federal and state governments to form new policies, including raising the minimum wage, to aid low-income families. The study found that nationally, "more than one out of four American working families now earn wages so low that they have difficulty surviving financially."
A helping hand for the working poor

How Colorado ranks in the nation on issues affecting "low-income working families"*

- Rank: 4 in jobs paying below poverty
- Rank: 9 in non-minority working families that are low income
- Rank: 11 in working families that are low-income • Rank: 45 in low-income working families with a parent without a high school diploma
- Rank: 47 in unemployed not receiving unemployment insurance benefits
- Rank: 48 in state adult-education funds per adult without a high school or general-equivalency diploma

*On A Scale Of 1 To 50, 50 Being The Worst
CHICAGO -- One out of every four working American families earns wages so low they struggle to survive financially, according to a report due out Tuesday.

These 9.2 million families include 20 million children. Their breadwinners work an average of 1.2 jobs. Most are in their prime working years. And 72 percent were born in the United States.

The study, funded by the Annie E. Casey, Ford and Rockefeller foundations, paints a portrait of janitors, cooks, cashiers and health care aides who barely make ends meet in a nation where good-paying jobs are out of reach for many.

"One emergency -- a broken down car, rent increase or serious illness -- can disrupt the families precarious equilibrium and plunge them into financial chaos," the report states.

The nonpartisan report spotlights a growing disparity between low-wage earners and the educated skilled workers that U.S. businesses increasingly demand.

Its release comes in the final weeks of a heated presidential campaign in which issues concerning low-income families largely have taken a back seat to those of the middle-class and to worries about terrorism and the war in Iraq.

"What we haven't come to grips with is how large this number is" of working low-income families, said Brandon Roberts, co-author of "Working Hard, Falling Short."

"This is an issue of our national competitiveness. If these families are not poised to succeed, it should concern to all of us."

President Bush's campaign stresses tax incentives to encourage businesses to hire new workers, while Sen. John Kerry has called for an increase in the $5.15 hourly minimum wage to $7 by 2007.

The report looked at families earning less than twice the federal poverty level, or less than $36,784 for a family of four. The U.S. median income for a family of four is $62,732.

The national report calls for increasing the number of low-income working adults who complete education and training programs. More than one-third of working low-income families have a parent who didn't finish high school.

The report also calls for improving wages, benefits and supports for low-income working families and increasing the number of good jobs. The national report cites a challenging
environment.

One in five jobs in the U.S. was in an occupation that paid a median hourly wage less than $8.84 in 2002 -- roughly the federal poverty threshold.

Minimum wage jobs have lost their ability to keep a family out of poverty since a high point in 1968. Then, annual earnings of a full-time minimum wage earner totaled 1.2 times the poverty threshold for a family of three, according to the report.

Last year, annual minimum wage earnings represented 74 percent of the poverty threshold.

Those at the bottom of the educational ladder are losing ground: Real wages for workers without high school degrees declined 19 percent over the last 30 years, while real wages increased 16 percent for those with college degrees.

"Two related warning signals are sounding loudly and urgently," the report states. "First, millions of American families are living on incomes that inadequately meet their basic needs.

"Second, our economic structure faces a major challenge: finding skilled and well-educated workers, without whom U.S. businesses will be hard-pressed to compete."
Wealth eludes many Iowans
Phil Rooney, Staff Writer  10/14/2004

About one in four working families in Iowa qualifies as low-income, according to a new national report; and an Iowa State University economist says there is little the state can do to help reverse the trend.

Low-income in terms of the study means a family of four earning less than $36,784 per year.

The study was conducted as part of the Working Poor Families Project, a national initiative created in 2001 by the Annie E. Casey Foundation to assess whether state policies and program practices are effectively positioned to help working poor families achieve economic self-sufficiency. The project now also receives support from the Ford and Rockefeller foundations.

The study, "Working Hard, Falling Short," used figures from 2002, the most recent year for which survey data was available, according to Elaine Ditsler, a research associate for the Iowa Policy Project who studied the report.

Low-income is considered about twice the poverty level or a wage considered to be self-sufficient, Ditsler said.

"Not poverty, but not even close to well-off, either," she said.

About one in four Iowa jobs pays $9 per hour, or at the poverty level of around $18,000 for a full-time worker, Ditsler said. Iowa families earning less than $14,000 annually pay 10.6 percent of their income in state and local taxes, she said.

Iowa's working parents have higher education levels and full-employment levels are high relative to other states, Ditsler said. All of the families involved in the study have at least one working parent, she said.

"That needs to translate into higher pay or else it's not really meaningful," she said. "We all get an education to make a better life for ourselves."

Dave Swenson, a researcher in economics at Iowa State and an instructor in community and regional planning, said that may not happen.

"It's very, very unrealistic to think that state policies are going to affect the rate of economic growth," he said.

The state has to compete with talent pools like Minneapolis, Omaha, Kansas City, St. Louis, Peoria and Chicago, he said.
Iowa is stuck in the middle trying to compete with some real "economic powerhouses" in those communities.

"What's going on in Iowa is we've had a systematic erosion of wages," Swenson said.

In 1980 the average non-farm working person in Iowa earned about 92 percent of the national average, he said. That percentage had dropped to 80 percent by 1990 and 74 percent by 2002, Swenson said.

The state has picked up manufacturing jobs but not the best quality jobs, he said. Manufacturing workers made 102 percent of the national average in 1980, but just 80 percent by 2002.

Iowa grew about as fast as the rest of the Midwest in recruiting technology-related jobs during the 1990s, but had lower quality jobs, paying about half of what jobs in the same field paid in Illinois and a third of what they paid in Nebraska, he said.

That was because Iowa tended to attract lower-level technology jobs that had people sitting at desks and punching keys, not scientists and technicians in the development areas, Swenson said.

High-paying manufacturing jobs in the state - like John Deere, Maytag and Amana - are now at risk from global competition, he said.

"We've really had a huge change in the value of work," he said. The result of that is more Iowans are working and more Iowans are working more jobs, working harder and working longer hours.

The problem is much worse in the nonmetropolitan areas, he said.

The bright side is there are pockets of robust growth, like West Des Moines, Iowa City and Cedar Rapids, Swenson said. Even the Quad Cities are growing at a robust level and Council Bluffs seems to be benefiting from growth caused by the casinos and massive growth on the Omaha side, he said.

"The Omaha economy is so darned healthy, it's just a great place for Council Bluffs people to go to work," Swenson said.

Swenson said Iowa's political leaders try everything, including state funds and business incubators; but there's really little a state can do to promote itself, and there isn't a formula that has proven to work for attracting high-paying jobs.

Some policies may even work against the advantages the state can claim.

"We have to use our local and state government resources to attract new business," he said.

That takes away from education and other public services that also attract business.
"In the long run the economy decides where it's going to grow," he said. "Firms go to where they expect to find workers, and workers go where they expect to find jobs."

That automatically makes larger better, Swenson said.

"It's a great big economy, and Iowa is really quite puny," he said.

The state needs to educate its workforce and promote its advantages, such as great transportation and education systems, low crime and a productive workforce. Iowa's taxes are also competitive.

"Those are probably the main things," he said.

Which comes as little consolation to Ditsler who said it's hard to quantify the impact on society from the numbers in the study.

Crime usually increases, putting a greater burden on the public sector; and quality of life falls when people are forced to live in poverty, she said. Health care and educational opportunities are also compromised when people are forced to live in difficult financial circumstances.

"We have to be concerned about poverty itself, not just 'Will those people start stealing my car?" Ditsler said.

Society will never be perfectly fair, she said, but there is a need to be concerned about poverty and working families.

Where "Working Hard, Falling Short" ranks Iowa, with first meaning best and 50th meaning worst:

- Iowa ranks 25th nationally in the percentage of working families that are low income (one in four) and 19th in the percentage of children that live in low-income working families. One out of three children in working families lives in a low-income family.

- Iowa ranks 37th in the percentage of minority working families that are low-income. About 46.5 percent of all minority working families are low-income.

- Iowa ranks 26th in the percentage of state and local taxes paid by the lowest-earning 20 percent of families.

- Iowa ranks 29th in the percentage of jobs paying below the poverty threshold of approximately $9 an hour. About one in four jobs pays poverty-level wages or less.

- Iowa spends 36 cents in state dollars on need-based post secondary aid for every $1 of federal Pell Grant aid. That ranks 15th best in the country, but is less than one-half of what Illinois spends.
Maine lags in job quality
Wednesday, October 13, 2004

By CHUIN-WEI YAP
Staff Writer

A new study Tuesday found that a quarter of the jobs in Maine do not pay enough for a family of four's basic needs in housing, transport, education and food. About half of the jobs here provide no pensions or sick leave.

The findings echo recent evidence of the lower quality of service-industry jobs, compared to the manufacturing positions they replaced. One in 12 Mainers now holds more than one job, compared to the national average of one in 20, the report said.

"The very high percentage of working families (below poverty level) is really alarming -- it's bigger than we imagined," said Lisa Pohlmann, associate director of the Maine Center for Economic Policy and co-author of the report.

Pohlmann and economic policy consultant Frank O'Hara wrote the report, "Access to Education and Good Jobs: The Way Life Should Be." The document is the state's expansion on a national report, "Working Hard, Falling Short," funded by the Annie E. Casey, Ford and Rockefeller foundations.

The national report found that one in four working families is regarded as low-income, meaning a family of four earning less than $36,784 in 2002. More than half of these families pay more than a third of income for housing; more than a third have a parent without health insurance.

Both reports fault the declining quality of jobs and benefits, and poor access for the low-income to the post-secondary education and workforce development.

"This is a structural problem, evolving over many years," said Brandon Roberts, co-author of the national report. "This is an issue reflective of the changing nature of our economy and international competition. Increasingly, we need workers that have higher levels of education and skills."

The findings underline a period of teething structural changes in Maine's economy, as manufacturing gives way to service-oriented jobs. Many here cannot fill new jobs because of skills mismatch, said John Dorrer, director for the state's Labor Market Information Services.
Dorrer said last month that the state would add 68,000 new service positions to the economy by 2012, but manufacturing would have lost nearly 25,000 between 2001 and 2012. The average wage of industries gaining jobs is $27,290, compared with $35,529 for those losing jobs, Dorrer said.

The Maine report focuses on these issues of structural unemployment and argues that raising the minimum wage would help the economy.

"The premise of taking the 'high road' is that if workers are being compensated adequately, they feel respected and more productive," Pohlmann said. "In the long run it really does save companies more money."

Pohlmann contends that companies don't base business decisions solely on minimum wage considerations, and higher wages mean more access to education.

In Maine, only 25 percent of the 25-to-64 age group have college degrees, compared to 35 percent for New England and 29 percent for the nation, according to Pohlmann's report. And it would take half of a low-income earner's salary to pay for four years of college in Maine, even if financial aid is given, according to the National Center for Public Policy and Higher Education.

But the emphasis on structural unemployment may belie a debate on how much a minimum wage drags economic performance. Maine is one of only 12 states in the nation whose minimum wage exceeds the federal rate.

"(Some) economists ... don't see minimum wages as impeding job growth," Dorrer said. "The argument goes that minimum wage is for the most part paid to young people and we're paying a whole lot more to most people anyway."

But, in economic theory, classical unemployment faults minimum wages as a culprit. "In terms of Maine, we really have no detailed studies which side the situation falls on," Dorrer said. "Clearly, as you look at it in Maine, the minimum wage has been higher than the federal wage. But we've had a rate of job production that exceeded New England, that suggests job growth can occur with minimum wage that we have."

Pohlmann's report also offers 16 specific policy recommendations, divided into three areas: Education, economic development and work support.

Among them:

1. Implement the Maine Compact for Higher Education, which includes proposals on scholarship funding and support more education for low-income earners.

1. Require employers to provide paid sick leave. Peg minimum wage to inflation and raise it regularly.

1. Improve the state Labor Department's CareerCenters.
"We don't have enough training resources to help all who are laid off get training and post-secondary education," Pohlmann said. "Many Maine workers are eligible for training, but many don't know they are eligible. That's one of the things we want CareerCenters to start screening for."

Dorrer said that CareerCenters in their current form have existed for only about five years. The centers have been strained by sharp increases in demand for their services, without receiving more resources to cope with this demand, he said.

But the consensus among economists is that the face of the economy itself is changing. Some think the changes echo the shift from an agrarian to an industrial economy a century ago, Dorrer said.

"Look at the enormous transitions, massive dislocation, massive changes in skill requirements around the turn of the century," Dorrer said. "All of that is very painful. Things are simply moving faster, and it's not dissimilar to what's going through most of the industrialized world right now."

Chuin-Wei Yap -- 861-9253

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Maine could break a boom-and-bust cycle that has plagued it for decades by finding ways to better educate and train its work force, a new study concludes.

"Access to Education and Good Jobs: The Way Life Should be in Maine," by the Maine Center for Economic Policy (MECEP) argues that Maine needs a new strategy to deal with a continuing decline of good-paying manufacturing jobs and its large proportion of working poor.

The center suggests making education and training more accessible and affordable; expanding programs that make it easier for workers to get an education; and adopting laws that could lead to higher pay and better benefits for workers.

The report admits that those kinds of recommendations are easy to make and hard to follow, because they are expensive and the payoffs are prospective, not guaranteed.

But make the changes, the report says, and a well-trained, better-educated work force will attract more investment and better employers, even if there's a lag between the former and the latter.

Lisa Pohlmann, one of the authors of the study, said Maine has a history of backing efforts that may take years to pay off, including a long-term push for a better K-12 education system.

"That commitment is there and that has proved fruitful in our high school graduation rates," which are among the highest in the country, Pohlmann said. "We really believe that high-quality employers are looking for an educated work force."

Pohlmann said Maine is making some advances in moving that commitment to education to the next level - colleges and universities - but that it can be a sometimes painfully slow process.

For instance, the state has transformed its vocational and technical colleges into community colleges. But it's still difficult for most workers to find the time and the money to fit in classes around work schedules and family commitments.

"Our community college system, try as it might, is still too expensive for our low-income workers," she said.
Pohlmann points to the state's "Parents as Scholars" program as a model that could address that problem.

It provides cash benefits and benefits for transportation, child care and health care for parents working toward two- or four-year college degrees.

The program helps about 800 parents - mostly single mothers - each year, and expanding the eligibility could boost that number.

Pohlmann said Maine's economy can benefit from more of a focus on specific problems to solve. It's no surprise that MECEP, which has definite liberal leanings, would focus on the working poor.

Pohlmann, however, said the state needs to start somewhere, just as it chose to improve education by looking initially at boosting primary and secondary education.

"We've got to shift a substantial part of our focus on (working) adults and trying to move them up and get a higher education," she said. "These people are working and still not getting ahead."

*Staff Writer Edward D. Murphy can be contacted at 791-6465 or at: emurphy@pressherald.com*
J’Nair Chatman, a wife and mother of two small children, knows she can’t get a job with “decent” benefits. The 18-year-old didn’t finish high school and doesn’t have a general equivalency diploma.

With any full-time, low-skill, minimum-wage job, she guesses she’d make about $900 per month after taxes, and she wouldn’t be eligible for Medicaid.

Maryland provides Medicaid to those who earn less than 41 percent of the federal poverty threshold, the 11th most restrictive limit in the country, according to a national report entitled “Working Hard, Falling Short America’s Working Families and the Pursuit of Economic Security.” The report is to be released today by the Working Poor Families Project, a national initiative supported by the Annie E. Casey, Ford and Rockefeller foundations.

“It’s a whole bunch of rules that make no sense,” Chatman said from Sarah’s House, a transitional housing program in Fort Meade. Chatman, her husband and two children comprise one of more than 100,000 low-income working families in the state.

More than one out of six working families in Maryland earns so little they have difficulty surviving financially, the report found. One in five Maryland jobs pays less than a poverty-level wage.

Nationally, one in four working families is low income, the study showed.

State government needs to make investments in adult education, health care and financial assistance for post-secondary education, said Deborah Povich, executive director of the Baltimore-based Job Opportunities Task Force, which advocates for better skills, jobs and incomes.

Maryland ranked well in terms of having among the fewest low-income families, according to the study. The authors doubled the federal government’s poverty threshold to make their calculations because they believed the federal mark to be unrealistically low. Maryland also ranked favorably in terms of children of working adults in low-income families.
But despite the rosy picture, Povich warned of omissions.

“The interesting thing about a state-by-state comparison is that it doesn’t take into account the high cost of living in Maryland,” she said. “So although we recognize the strengths of this report — that it looks comprehensively at different state programs — it costs more to live in Maryland, so that calculation masks the challenge that people face when they’re paying for housing.”

The state ranked a stark 39th for income disparity, a measure that compares the incomes of the top fifth of families against the bottom fifth.

“We have a high income disparity, but that makes an awful lot of sense for Maryland,” said Richard Clinch, director of economic research at the University of Baltimore’s Jacob France Institute. “We have Potomac and Hunt Valley, as well as East Baltimore. So we have this wide variance.”

There simply aren’t enough middle-skill jobs in the state’s historically poor areas, such as Baltimore City, Western Maryland and the Eastern Shore, he added.

“This is the biggest challenge structurally in Maryland to help low-income workers,” Clinch said. “There’s not a whole lot of places for them to go. There’s lot of jobs on one end, and lots of jobs on the other end, but not much in the middle.”

Such jobs typically exist in the suburbs, but low-skill workers have trouble getting to those jobs because of lacking public transportation.

“Northrop Grumman cannot take someone off the street and teach them how to make the most advanced radar systems in the world,” Clinch said. “Well, I guess they could, but it’s not economical.”

Yet he did applaud state efforts to train low-skill workers for the anticipated jobs at Baltimore’s biotech parks.

The national report echoes findings of a Job Opportunities Task Force report released early this year that found that nearly 118,000 working families in the state, or 17 percent of the working population, had incomes below twice the federal poverty threshold in 2001.

“It’s just stressful now only having two pairs of pants; you know, stuff like that,” explained Chatman, who recently had her second child. “My daughter only has one pair of shoes.”

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SMALL BUSINESS: Program helps others while needing help

Funding cut, but it manages to empower people

October 18, 2004

BY JEWEL GOPWANI
FREE PRESS BUSINESS WRITER

President George W. Bush and Sen. John Kerry have each preached the role of small businesses in the economic upturn. They create jobs and wealth, the candidates have said in debates and speeches.

But one local group that builds and fosters small businesses is struggling to serve its clients despite the politically favorable environment toward entrepreneurship.

The 14-year-old Detroit Entrepreneurship Institute Inc., which has seen record demand for its services recently, is trying to fill a $125,000 shortfall in its $2.5-million budget after the City of Detroit cut its funding.

The funding gap won't affect the institute's next round of classes, which start next month. Those 11-week classes for southeastern Michigan residents include free daytime classes for those who need financial assistance and a $300 night course. Both courses train small-business owners in marketing, networking, leasing and tax preparation.

"Some people who have been either laid off or for some reason have lost their jobs look at this as an opportunity to go after a dream they've had for a long time," said Cathy McClelland, the institute's president and CEO.

Aside from the funding shortfall, the group has prospered.

The institute moved into its own three-story building on Antietam last month, helped mainly by a loan from the Nonprofit Facilities Center.

It is rolling in earmarked grants, which have bought equipment for a new computing center, will pay for improvements to its $1-million building and turn its print shop, resale store and commercial kitchen into resources for its start-up business owners.

It also counts on the Charles Stewart Mott Foundation and the City of Detroit for ongoing help.
The city's Employment and Training Department pays for the institute's daytime courses, which are reserved for people receiving financial assistance.

Those classes were the group's focus when it started as the federally funded Detroit Self Employment Project.

In the past the city also gave the institute $200,000 in a Community Development Block Grant, federal money that municipalities distribute, to help pay for the $300 night courses.

But the institute started applying for more than a dozen grants in August when it learned that $125,000 of its funding from the city would be cut.

Earlier this year Mayor Kwame Kilpatrick, responding to a federal report that the city lacked focus in its block-grant distribution, scaled back the number of groups that would receive those dollars.

McClelland said she is grateful for whatever funding the city can provide. She says she hopes the mayor's Office of Targeted Business Development would help.

"I think the Detroit Entrepreneurship Institute is a very important piece of the puzzle and that we can certainly aid the city in developing business owners and creating job opportunities here," McClelland said.

With 800 people waiting for a spot in the institute's night course, it has arguably one of the longest waiting lists in the country among its peers.

"It has a lot to do with the economy and with the kinds of jobs that are available," McClelland said.

Lower-paying jobs, she said, have caused a boost in the group's demand. "You start looking at your options and you start looking at your own skills and talents," she said.

That's what Alisha Funderburk, 30, of Detroit, did when she started her business. Funderburk stopped doing temporary work to start Divine Delicacies Cheesecake out of her home in 1999.

Three years into her own business, Funderburk took the institute's course, which helped her modify her business plan. "I felt very supported, and it was a very nurturing program," she said.

The institute's consultants helped Funderburk find a spot at Gratiot Central Market, a move that led Funderburk to become profitable.

The demand for the kind of services the institute provides is increasing across the country, said Bill Edwards, president of the Arlington, Va.-based Association for Enterprise Opportunity, a national umbrella organization for groups like McClelland's.
It's no surprise to Edwards or McClelland. Nationally, one in five U.S. jobs pays less than a poverty-level wage for a family of four, according to a survey released this week by the Working Poor Families Project.

"Self-employment has become more and more attractive to a lot of people," he said.

"If you create your own business and you're successful, you certainly have job security."

Contact JEWEL GOPWANI at 313-223-4550 or gopwani@freepress.com.
David Patterson of Flint Township understands first-hand the struggles of the working poor in Michigan.

Patterson said he and his wife, Danette, earn slightly more than the income level deemed working poor - $36,784 for a family of four - so he's all too familiar with the problems they face.

"We don't have a whole lot of money extra," said Patterson, an auto technician, noting his two children always take priority. "I'll purchase stuff for them, and I'll do without."

A report released today indicates one in four working families in Michigan are considered low income.

The report also said Michigan families are more likely than those elsewhere in the country to be hamstrung by state policies and economic conditions that keep job training, state-provided health care and affordable housing out of reach.

Nationwide, 27 percent of working families made less than $36,784 for a family of four in 2002, according to the report, "Working Hard, Falling Short: America's Working Families and the Pursuit of Economic Security." The study was produced by Working Poor Families Project, a national initiative funded by the Annie E. Casey, Ford and Rockefeller foundations.

Seventeen states, including Wisconsin and Pennsylvania, had a lower percentage of working poor than Michigan's 25 percent.

Patterson said paying for health care cuts deep into the family's income. His wife works about 30 hours a week as a nursing assistant at an assisted living facility.

"Out of my paycheck, I pay about $100 a week for health insurance," he said. "And that's still not even a good plan."

Steven Walker, executive director of the Genesee County Community Action Resource Department, said the myth is that the poor don't have jobs.

"The reality is that the employment wage isn't sufficient to keep them out of poverty," he said.
Sharon Parks of the Michigan League for Human Services, an advocate for the poor, said the state needs to do more.

"We're talking about families that are working hard, playing by the rules, and it just isn't enough to make sure they get what they need," Parks said.

Among the Michigan findings:

Families with the lowest incomes in Michigan pay more of their money in state and local taxes (13 percent) than poor people in all but two states (Florida and Washington).

The Michigan income tax rate is 3.9 percent for all income levels. Parks said the flat rate is part of the problem and suggested that a graduated rate, such as the federal income tax, would be better. A state Earned Income Tax Credit to complement the federal credit also would help.

Michigan also is one of only a handful of states that taxes incomes below the poverty level; in 2002, it taxed families starting at $13,200.

Michigan's low-income working families also have trouble retaining government-provided health care, the report found. Thirty states allow workers to make more money than Michigan does before paring Medicaid benefits.

"It's a huge problem because the threshold is so low," Parks said. "We could raise that and draw federal matching dollars, but it would mean an appropriation here," and the state is strapped for funds.

Paul Reinhart, the state Medicaid director, said his program's caseload is at a record 1.4 million, up 200,000 from the previous record set in 1994.

Most of Michigan's low-income working families (51 percent) pay more than one-third of their income for housing, a larger percentage of families than in all but 19 other states.

"People are working hard, but housing is gobbling up their income," Parks said.

Her group is pushing for a housing trust fund to improve the supply of low-income housing and expanded support for individual savings accounts that are matched with public or private resources for down payments.

The report also found that just 36 percent of Michigan's unemployed served by the federal Workforce Investment Act Adult Program are receiving job training, worse than in 40 other states.

"Michigan needs to do a much better job in targeting those dollars (at local the level). There's a role for the state to step in," Parks said, noting that low-income workers are not a high priority in every community.
Poverty

Many living on the edge

Millions of Americans work hard and play by the rules, but find themselves slipping further into poverty and despair.

That's the sobering conclusion of two new studies showing that for many Americans, the American dream remains far out of reach.

A national study by the Working Poor Families Project reported that 1 in 4 working families earn wages so low that they struggle to make ends meet. The report also found that of those 9 million low-income families, some 2.5 million were officially in poverty, earning less than $18,392 for a family of four.

Often these families don't have health insurance, sick leave or other benefits that provide a buffer in hard times. So when something does go wrong -- a child gets sick, a car breaks down -- they find themselves on the brink of disaster.

Another just-released study, by the Kansas Association of Community Action Programs, helps complete the disturbing state picture (see online at www.kacap.org):

Between 1999 and 2003, Kansas lost more than 40,000 well-paying construction and manufacturing jobs; 18,000 Kansans have exhausted unemployment benefits, their economic desperation no longer reflected in official statistics.

The federal government's official formula for determining poverty levels identifies only the poorest of the poor, about 11 percent of Kansans; when the real costs of food, housing, child care, etc., are factored in, however, more than 1 in 4 Kansans qualify as poor.

Kansas suffers a shortage of safe, affordable housing. Many Kansans living in poverty spend more than one-third of their income on rent alone.

To address these problems, KACAP is calling for a statewide summit of government officials, service providers and low-income Kansans themselves to help identify solutions.

Among its recommendations:

Build on the recent Kansas Prosperity Summit by following through on work force development programs and supporting nontraditional student education and training.
Provide quality, affordable child care to all low-income families, through increased funding for Head Start and other programs.

Implement Gov. Kathleen Sebelius' proposal to offer state mortgage bonds that would lower the costs of home mortgages and down payments for low-income families.

Raise awareness among poor families about Medicaid, HealthWave for low-income children, and other programs that could help them face health problems.

There is a lot at stake, said Tawny Stottlemire, executive director of KACAP: "Will the American dream of a self-sufficient life with the necessary resources to raise a family, own a home and save some money ever be truly possible for Kansas low-income citizens? Or will they always need to live on the edge of that dream?"

It's a question that demands some soul-searching from state officials, and a plan for action.

For the editorial board, Randy Scholfield
Ohioans' dreams out of reach

State's working poor have diplomas, but aren't earning financial security

By Jim DeBrosse

Dayton Daily News

DAYTON | In Ohio, having a high school diploma no longer guarantees your family's financial security, according to a report on the nation's working poor.

One out of four working families with children in Ohio is struggling to make ends meet, even though most of Ohio's working poor have at least a high school diploma or GED, according to a report released Tuesday by the Working Poor Families Project, a nonpartisan collaboration of the Annie E. Casey, Ford and Rockefeller foundations.

The 30-page report, "Working Hard, Falling Short," ranked Ohio 20th among 50 states in its percentage of low-income working families (26.2 percent), but found it ranked 12th in the percentage of poor families whose wage earners had at least a high school education (78.6 percent).

Nationally, more than one-fourth of working families (27.4 percent) can be classified as low income, earning less than $36,488 for a family of four in 2002, the report said. That was about half the median U.S. income that year of $62,732 for a family of four.

The report was aimed at drawing national attention to the growing number of jobs that pay poor wages and provide no benefits, as well as the lack of training and support for Americans hoping to advance into better paying jobs.

Working hard is no longer a guarantee of reaching the American dream — the average working low-income family puts in 2,500 hours a year, equal to 1.2 full-time jobs, and still has trouble paying for basic necessities such as housing, groceries and health care, the report said.

"Those who work should be able to support a family with confidence that continued hard work will lead to a brighter future," the report stated.

The authors stressed that the prevalence of low-income, low-skilled workers weakens the economy and makes America less competitive globally. "We must act now to ensure that our investments generate enough skilled workers to keep the economy thriving. Doing so will lead to an increased tax base, in effect a return on our investment, and reduce the costs imposed by low wages and poverty."
Brandon Roberts, one of the report's four authors, said the timing of its release on the eve of the presidential debates on domestic policy was intentional. But "it's not written to advance anyone's political agenda, or to suggest that the problems of the working poor are attributable to any one officeholder or economic condition," he said.

The authors found that the percentage of low-income working families varied widely from state to state — from 14 percent in Massachusetts to 40 percent in Mississippi. State policies, such as a higher minimum wage and more need-based college scholarships, can help make the difference, the authors said.

Given Ohio's decline in manufacturing jobs, a high school diploma won't secure a family's well-being, yet the state falls short in the percentage of workers who have post-secondary degrees needed for higher-skilled, higher-paying jobs, said Roberta Garber, executive director of Community Research Partners, a Columbus-based nonprofit alliance that will release a more detailed report on Ohio's working poor in mid-November, sponsored by the same foundations.

Ohio is 39th among states in the percentage of adults with bachelor's degrees, Garber said. The percentage of Ohioans ages 25 to 54 who have either an associate or bachelor's degree, or who are studying to get one, is 33.6 percent, compared to the national average of 36.7 percent, she said.

Garber noted that the National Center for Public Policy and Higher Education recently gave Ohio an "F" on college affordability.

The report concludes that the federal government must take the lead in helping the working poor. States also must improve the availability of college tuition aid, job training and subsidized child care to help low-income workers advance.

Contact Jim DeBrosse at 225-2437.
High school diploma no longer enough in Ohio

Tuesday, October 12, 2004

DAYTON — In Ohio, having a high school diploma no longer guarantees your family’s financial security, according to a new report on the nation’s working poor.

One out of four working families with children in Ohio is struggling to make ends meet, even though most of Ohio’s working poor have at least a high school diploma or GED, according to a report released Tuesday by the Working Poor Families Project, a non-partisan collaboration of the Annie E. Casey, Ford and Rockefeller foundations.

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*Cox News Service*
ISSUES 2004: TAXES ARE LOWER BUT PRICES HAVE RISEN
By Kathleen E. Carey, 10/18/2004

On the surface, Americans are paying less taxes than four years ago. Yet how that will impact the citizenry, especially for the middle and lower classes, remains open to debate as the country grapples with how to pay for the tax cuts amid some of the largest spending in the United States’ history.

The 2001 tax cuts that Congress last month voted to extend past the Dec. 31 deadline have resulted in smaller tax payments for all.

"It's actually a lower burden for everybody," Kenn (CQ) Tacchino, Widener University financial planning professor, said. "We all are paying less taxes."

Even the Center on Budget and Policy Priorities, a research policy group that aims to impact governmental policy impacting low- and moderate-income families, outlined the savings realized by each socioeconomic level.

Based on information from the Urban Institute-Brookings Institution Tax Policy Center, households in the middle fifth of the income spectrum are slated to receive an average tax cut of $162 in 2005 from the extended tax legislation.

Those in the top fifth are expected to receive an average tax cut of $1,317 as households with incomes between $200,000 and $500,000 can plan to receive an average $2,390.

"As a result of this action to extend the tax cuts, most middle-class families will have lower tax bills over the next several years than they would have if the tax cuts were allowed to expire," Robert Greenstein and Isaac Shapiro wrote for the Center on Budget and Policy Priorities. "Yet it is far from clear that middle-class families will be better off over the longer term."

That’s because there’s question over how to pay for these tax cuts, which are currently being paid for through borrowing, as well as how to pay for existing and expanding programs, such as Medicare and defense spending.

"The situation," Greenstein and Shapiro said, "is analogous to that of a consumer who charges a major purchase to a credit card: The charge postpones but does not eliminate the need for the ultimate payment."

The Government Accountability Office warned current spending levels leave only two solutions for a balanced budget by 2040: Cutting total federal spending in half or doubling federal taxes.

And, although economic growth has been forecast, GAO representatives warn that it would have
to occur in the double-digit range every year for the next 75 years to close the long-term fiscal gap.

In an opinion piece printed in the New York Times in February, Comptroller General David M. Walker warned, "Although the administration and the (non-partisan) Congressional Budget Office show declining deficits in the years ahead, and an improving economy will reduce deficits further, the long-term projected gap is now so large we will not be able simply to grow our way out of the problem."

Last month, the Congressional Budget Office reported that the federal deficit - how much federal spending exceeded incoming revenues in any given year -- would top $422 billion this year. Next year, it’s expected to reduce to $348 billion, which is expected to be the third worst ever in the nation’s history, based in dollar amounts.

The office contended that the Bush tax cuts would require another $2.2 trillion through 2014, if they continue to be extended, and the wars in Iraq and Afghanistan would cost another $1.4 trillion over the next decade.

And, there’s concern about providing services, especially for the expanding retirement pool that will peak when the baby boom generation enters that realm.

For example, Walker outlined the cost of the Medicare prescription benefit as hovering in the $8 trillion range, or four times the amount of the entire federal budget.

And, all this comes as working families continue to struggle, especially here.

The national initiative Working Poor Families Project released a report last week saying almost 20 percent of working families in Pennsylvania earn so little --with one in five jobs in the state paying less than a poverty-level wage -- they have a hard time surviving financially.

The poverty threshold is $18,850 for a family of four and Pennsylvania ranks 24th in the national with the numbers of jobs that rank below that.
Too many Americans -- including Wisconsin residents -- are working but still struggling to make enough money to feed and house their families, a pair of studies released Wednesday said. And minority residents are much more likely to fall into that category.

More than one of every five Wisconsin families -- 22.8 percent -- are low-income, according to the UW-Madison Center on Wisconsin Strategy. Those families say they often have to choose between buying food and paying rent, said Laura Dresser, center research director.

Nationwide, 27.4 percent of families fall into the low-income category, said the national report, part of the Working Poor Families Project.

"We spend all sorts of time ... thinking that connecting to work is enough for people to be self-sufficient," Dresser said. "The undiscussed secret is that work does not make a family self-sufficient."

Wisconsin's percentage of working poor is the 11th lowest in the nation, and, in fact, the state is tops nationwide for providing health insurance for low-income working families with about one in eight, or 12.4 percent, uninsured.

But a comparison by race shows "things look substantially worse," Dresser said. Among the state's minority families, 43.7 percent are low-income, which is higher than the nationwide average of 40.9 percent, the center's study showed.

"One of the principal reasons is the unique decline of Milwaukee manufacturing and its disproportionate effect on blacks in that city," Dresser said.

Sammis White, a UW-Milwaukee professor of urban planning, is often at odds with studies by the Center for Wisconsin Strategy. White conducts research for the Wisconsin Policy Research Institute, a conservative think tank in the Milwaukee suburb of Thiensville.
But White said Wednesday, this time he agrees with the center's conclusions.

"We do have problems," White said. "We still do have a large share of individuals who are in the work force, working hard, and not earning very respectable incomes," even though they are working longer hours than the norm.

White pointed to relatively low levels of college, or even high school, graduates, particularly among minority residents.

According to the national study -- "Working Hard, Falling Short: America's Working Families and the Pursuit of Economic Security" -- high school dropouts earn, on average, $18,900 a year, compared to $25,900 for high school graduates and $45,400 for workers with a college degree.

"I think we have to do considerably more in finding solutions (to) what works in inner-city education," White said.

Both White and the Center on Wisconsin Strategy called for expanded tax credits and reduced tax rates for lower-income families. They also support increased education and training and a higher state minimum wage. A state legislative panel recently turned down a proposal to raise the minimum wage from the federal level of $5.15 an hour.

"We (also) need to grow new and stronger businesses in the state so that there are more jobs available for those seeking them, and hopefully those jobs can pay more," White said.

Contact Judy Newman at jdnewman@madison.com or 252-6156.
ONE-FIFTH OF STATE CALLED "LOW INCOME"

Thursday, October 14, 2004
A NEW REPORT FROM THE LIBERAL UW-MADISON CENTER ON WISCONSIN STRATEGY (COWS) SAYS 22.8 PERCENT OF STATE FAMILIES ARE LOW-INCOME. THAT COMPARES TO 27.4 PERCENT NATIONALLY, THE REPORT SAID.

The COWS report said despite high rates of labor force participation in Wisconsin, many state residents are stuck in jobs that do not provide wages and benefits sufficient to support a family.

In addition, nearly 44 percent of minority working families in Wisconsin are low-income -- more than twice the share of non-minority working families that are low-income.

"When it comes to supporting low-income families, Wisconsin has some excellent policies in place," said COWS Research Director Laura Dresser. "But if we truly expect work to bring self-sufficiency, then we have to do more -- strengthen investment in our technical college system and other educational institutions, support higher wages, and keep programs like child care subsidies safe from the budget ax."
Study: Black Poor working hard, but earning less

Date: Wednesday, October 13, 2004
By: Tonyaa Weathersbee, BlackAmericaWeb.com

Black people make up more than 13 percent of the U.S. population. But they make up 20 percent of the 9.2 million families who work for wages so low that day-to-day survival is a struggle, according to researchers who compiled a report released Tuesday by a group of national non-profit organizations.

The report, titled “Working Hard, Falling Short: America’s Working Families and the Pursuit of Economic Security,” was compiled by the Working Poor Families Project – a project of the Annie E. Casey, Ford, and Rockefeller Foundations. The report, which was based on 2002 census data, provides a riveting picture of the world of working, low-income wage earners.

Among other things, project researchers found that one in five U.S. jobs are concentrated in occupations that pay less than a poverty-level wage for a family of four. It also found that black and Hispanic families were twice as likely as whites to be headed by a low-income wage earner, and that of all black working families, 43 percent were headed by low-income breadwinners.

Black children also made up 4 million of the 20 million children living in low-income working families, they found.

Those findings don’t shock Cheryl Hill Lee, research analyst at the National Urban League Institute for Opportunity and Equality.

They do, however, trouble her.

“Much of this [a disproportionate number of black people among the low-income workers] is the direct result of so many manufacturing jobs going overseas,” Lee told BlackAmericaWeb.com. “A lot of jobs have been leaving the manufacturing sector, and are now being concentrated in the service sector.”

“A lot of black people had those [manufacturing] jobs. These jobs [in the service sector] aren’t giving them the benefits that they had before in manufacturing.”

Lee said the siphoning of jobs is having a drastic impact on black workers. For example, she said, in February of 2001, 28.7 percent of black workers were employed in service industries – in jobs that typically pay low or minimum wages. By June of this year that percent had risen to 32.5. Among whites, that percent rose from 19.7 percent in February of 2001 to 20.3 percent in June.
During that same period, the percentage of black people in manufacturing jobs declined from 13.4 percent to 10.1 percent, while the percentage of whites in those jobs declined 14.6 percent to 11.9 percent. Also, the percentage of blacks in business and professional jobs dropped dramatically during that period – from 20.6 percent to 16.7 percent – while the percentage of whites dropped from 20.4 percent to 20.1 percent.

Many of the jobs that were lost, Lee said, aren’t coming back, and that situation likely has forced many people to take on low-wage work.

If that situation doesn’t change, it could hold ominous implications for the future of black families, she said.

“One of the scariest things about this report is the impact that all of this is going to have on the children,” Lee said. “because what they’re seeing is a hard-working, non-rewarded parent. That will have a negative impact on children…they’ll say: ‘Why can’t we do better when you work so hard every day?’”

“Most of these households this report is focusing on are two-parent households…It [working for low-income wages] destroys black families who are trying to stay together…for the man, the reasoning becomes ‘you can do better on assistance, you can do better on TANF [Temporary Assistance to Needy Families].’”

The report, however, recommends and urges changes to address the problem – including more need-based scholarships, subsidized day care and the creation of better-paying jobs that can enable people to support their families.

“Those who work should be able to support a family with confidence that continued hard work will lead to a brighter future,” the report states. “For far too many American families, that notion remains appealing but remote. In this exceedingly prosperous society, we can and must do better.”
SHOW: STREET SWEEP 03:00 PM Eastern Standard Time

HEADLINE: Results of Study On Working Poor, CNNfn

GUESTS: Brandon Roberts

BYLINE: Christine Romans

BODY:

CHRISTINE ROMANS, CNNfn ANCHOR, STREET SWEEP: Just in now, Intel (Company: Intel Corporation ; Ticker: INTC ; URL: http://www.intel.com/) third quarter earnings and after hours the stock is up 2.8 percent. Revenue in the quarter $8.5 billion. That's up about 8 percent from the prior quarter and up 15 percent year-over-year. And the earnings, 30 cents a share and that includes 3.6 cents of a tax benefit. So 30 cents a share, but keep in mind there is a tax benefit according to the company in there. Intel shares, as I said, up. We'll keep a close eye on this one. Still of course waiting for Yahoo! (Company: Yahoo! Inc.; Ticker: YHOO; URL: http://www.yahoo.com/) as well.

Now, don't be surprised if a new study on working families finds its way into tomorrow night's presidential debate on the economy. That study says 39 million Americans, most of them children are now members of so-called low income working families. It says one out of four families now earn wages so low they have trouble staying afloat. Here to talk about his study, Brandon Roberts, manager of the Working Poor Families Project. He joins us now from Washington. Thank you for joining us.

BRANDON ROBERTS, WORKING POOR FAMILIES PROJECT: Thank you Christine for having me.

ROMANS: Tell me a little bit about these results and we've already seen some results showing more people entered poverty, more children entered poverty in the last available period for measuring these things. But what does this tell you about the working poor family and how that's different from just the poor component of the American economy?

ROBERTS: Well, Christine, we think our study is quite unique because for the first time, we really focus on working families. And when we've taken a look at working families, we found that one in four, 9.2 million American working families, can be considered low income. These are families that are struggling to get by, struggling to advance to the middle class and we think that's a very significant finding and one that really has not been recognized in the past.

ROMANS: What is driving this part of the economy? Why is there this problem sort of stuck with stagnant wages and you know, low wage jobs?
ROBERTS: Well, I think, Christine, what we're seeing is that, as we all know, the economy has changed. We're now in a global economy and one of the key things about that as a result of that as well as technological innovation is that our economy values people who have higher education and skills. And for many Americans, way too many, in fact, they don't have the education and skills necessary to actually compete and advance in the economy of today.

ROMANS: What do you propose to help those people compete and advance in this economy?

ROBERTS: Well, I think two things. One of the things we have to do, just as we've worked hard over the last 15 years to bring significant reforms and we're continuing to work at dealing with our K through 12 education system. We also really need to take a serious look at our adult education and training systems, our community colleges, our training programs and work to strengthen those programs so that they can better serve these workers who work hard, play by the rules and want to do nothing else but have their families succeed and be able to advance to the middle class like everyone else in this country. So that's number one. That's an important thing. The second thing I think is we have to recognize that not everybody's going to be in a position to advance. And one of the things I think a serious discussion we need to have in this country is to what extent are we prepared to reward hard work by providing these workers a sufficient pay so that they can support their families?

ROMANS: From an investment point of view, from a Wall Street point of view, of course, this is what we talk about when we talk about the Wal-Mart phenomenon. We talk about low costs and value in retailing in this country. Because there is, you know, such a -- I don't know, such an important drive in this part of the stratosphere for the economy for low cost. Tell me a little bit about gas prices and some of these issues and how they might affect this group and how that could filter into the rest of the economy?

ROBERTS: Well, your point's very well taken there. And just to highlight the significance here, the Federal minimum wage is $5.15. If you're talking about a family of four with two adult earners where both of the adults go to work five days a week, 40 hours a week, and in fact work full time year round earning the minimum wage, together combined they will earn $21,424 before taxes, Christine. And that is something that a family is very difficult to live on these days. As you say, with rising oil prices, escalating health care costs. I mean, how does a family actually survive on that? One of the issues that you think about is the children in those families and as you said at the outset, 20 million children. So what is their economic future?

ROMANS: We have to leave it there, Brandon Roberts. Thank you so much for joining us today.

ROBERTS: Thanks for having me.
October 15, 2004

Working Families
To the Editor:

Bob Herbert ("Working for a Pittance," column, Oct. 8) highlights a critical finding of our report: that more than one in four working families with children in America are struggling to make ends meet and advance to the middle class.

It should be noted that our data-driven research does not point fingers at particular officeholders or try to advance a partisan agenda. But we do hope that it will inspire a national discussion on how one of the wealthiest countries in the world values and rewards work.

Brandon Roberts
Chevy Chase, Md., Oct. 11, 2004

The writer is a co-author of "Working Hard, Falling Short."
Arizona is a place for bootstrappers, not welfare queens. But what happens when the bootstraps are worn, broken or non-existent?

A new report from the Annie E. Casey Foundation shows that the working poor in Arizona suffer one of the poorest climates for opportunity in the nation. That the report will be quickly forgotten is as predictable as our state's rotten showing. We have wide-open spaces of denial. But the study should be one of the biggest mountains on our horizon.

Thirty-three percent of Arizona families are considered low-income. Only seven states perform worse. In Colorado, our intermountain West competitor, only 23 percent of families fit that classification. Twenty-seven percent of Arizona's jobs pay below the poverty threshold. In Colorado, it's 13 percent. Nearly 41 percent of Arizona children are in low-income families.

The economic reality behind the data is ominous. Too many jobs here pay poorly and lack benefits. What the report says about our future should make business leaders and everybody else shudder and leap to action.

These are "families teetering on the edge of the abyss," said Carol Kamin, president of the Children's Action Alliance. Sickness, car trouble or job loss is catastrophic. One consequence: Children miss class and are moved from school to school as their parents search for affordable rent. These are prescriptions for failure in school.

We face not a problem of handout-seekers but people who are working hard and trying to keep their families together. As the economy has changed, the ladder up has lost more and more rungs, leaving many low-skilled workers trapped. If we can't find the institutions and programs to allow them to move ahead, we will grow an underclass of frightening proportions.

Let me put it this way: It will hurt everybody's property values, everybody's business.

Proven programs such as health care for poor children and day-care subsidies for the working poor have been defended by Gov. Janet Napolitano. She has also launched one of the state's most consequential initiatives, all-day kindergarten. But all continue to be under attack. And much more is needed.

Kamin said, "I wish our business leaders would look at this elephant in the middle of our room and confront it rather than having meeting upon meeting upon meeting."
Good journalism requires me to find a "real person" to illustrate this plight. I meet them all the time, but most are understandably reluctant to allow their names in the paper. They're private and proud and afraid their employers might see it.

They might have a child who lives in daily fear of the rent coming due. The child watches his mother set aside items at the checkout line because the money won't go far enough. Christmas is always a time of crisis, bills coming due and crushed hopes. He wonders if he can ever graduate from high school, much less get to college. I was that child when my mother became chronically ill in Arizona in the late 1960s.

That she was strong enough to keep our ship afloat doesn't change the essential lesson: There but for the grace of God go any of us. The working poor are not a "them" that we can smugly dismiss as morally inferior. "They" will be a big part of our future for good or ill.

If only some imported multimillionaire would claim this issue and crusade with ferocity to resolve it.

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A new study of the working poor reveals that one in every five jobs in this nation pays less than it costs to lift a family of four out of poverty. But, during this presidential elections, too little attention is being paid to the state of the poor.

Yet 39 million Americans are classified as members of low-income working families. That's more people than live in California, the nation's most populous state. Sadly, it includes 20 million children, whose families are barely providing the basics: groceries, housing and child care.

The information comes from a nonpartisan operation called the Working Poor Families Project and the findings are based on 2002 Census Bureau data.

The report suggests that states should invest more in adult education and job training, increase the minimum wage and expand subsidized child care for low-income parents. Yet many states are financially strapped, so the chances of that are slim.

Both state and federal governments will have to invest to relieve these families. If they don't, those 20 million children will be an unemployable and under-educated generation. America can pay now or it can pay later. But isn't it better to adopt policies that help the poor so they can pay into the tax base, not drain it?
What about the poor?

A NEW study of the working poor reveals that one in every five jobs in this nation pays less than it costs to lift a family of four out of poverty. But, during one of the most important and closest presidential elections in history, nobody seems to be talking about the state of the poor, much less what do to about it.

Politicians act as though they are unaware of the fact that the nation is full of people with low-paying jobs. Yet 39 million Americans are classified as members of low-income working families. That's more people than live in California, the nation's most populous state. The information comes from a nonpartisan operation called the Working Poor Families Project. The findings are based on 2002 Census Bureau data.

Sadly, that includes 20 million children, whose families are barely providing the basics: groceries, housing, and child care.

How can they be expected to put money aside to pay for a better home or fund their children's college education?

Indeed, the report suggests that states invest more in adult education and job training, increase the minimum wage, and expand subsidized child care for low-income parents. Yet nearly every state is financially strapped, so that seems unrealistic.

The fact is this: Both state and federal governments will have to invest to relieve these families. If they don't, those 20 million children will be an unemployable and an under-educated generation. Some will land in the prison system. That will cost society more than if they had been sent to Harvard.

Like the TV commercial said, we can pay now or we can pay later.

Isn't it better to guide the poor into positions where they can pay into the tax base, not drain it?