

---

# WORKING HARD STILL FALLING SHORT

## New Findings on the Challenges Confronting America's Working Families

---

The American Dream is grounded in the belief that hard work leads to economic advancement and self-sufficiency. Today, the stark reality is that too many American families, despite working hard, earn incomes too low to achieve economic security.

- ➔ More than **one out of four** working families with children is low-income. In all, a total of 42 million adults and children struggle to get by.<sup>1</sup>
- ➔ The number of low-income working families increased by 350,000 between 2002 and 2006.
- ➔ Income inequality among working families increased by almost 10 percent from 2002 to 2006.<sup>2</sup>

This new analysis of U.S. Census data shows that America faces a major challenge—helping working families achieve economic success in the 21st Century. The economic turmoil of 2008 is creating even greater challenges for these families and making economic advancement more difficult. Yet government has generally failed to strengthen public policies to effectively serve working families. The Working Poor Families Project is based on the conviction that federal and state policies must do a better job of supporting families seeking to work their way into the middle class. This includes adopting public policies that build the education and skills of adult workers; generate more well-paying jobs with benefits; and provide the supports needed to ensure that work pays. Government must work for working families and restore the promise of the American Dream.

# More Hard-Working Families are Falling Behind

**A**merica's low-income working families typically include men and women who work as cashiers, custodians, child care workers, health care aides and security guards—workers who constitute the backbone of an increasingly service-based economy. They work hard, pay taxes and strive to achieve a brighter economic future for their families. But they lack the earnings necessary to meet their basic needs<sup>3</sup>—a struggle exacerbated by soaring prices for food, gas, health care and education.

One out of four working families with children—a total of 9.6 million working families—is low-income. As shown in the bar graph below, these families pay a higher percentage of their income for housing than other working families, are far less likely to have health insurance, and often lack the education and skills that enable others to succeed in today's skills-driven economy.

At the same time, low-income working families, contrary to popular myth, work hard. Adults in low-income working families worked on average 2,552 hours per year in 2006, the equivalent of almost one and a quarter full-time workers. Despite working hard, too many American families are struggling to get by, advance to the middle class and provide a secure future for their children.

Since the Working Poor Families Project's last report in 2004, the conditions for working families in America have worsened. As shown in the following table, the number of low-income working families with children has increased by more than 350,000. This increase is alarming as it occurred at a time of solid national economic growth.<sup>4</sup>

Income inequality increased among working families by

almost 10 percent in recent years as indicted by the widening gap between the share of income received by the highest-earning working families and the share received by the least affluent ones.<sup>5</sup> This growing disparity between poor and wealthy families affects more and more children, with more than 21 million children living in a low-income working family. And more low-income working families find it difficult to secure affordable housing or access to health care.

One key factor is that America's educational systems continue to poorly prepare workers for jobs requiring higher skills. At the same time, the economy is comprised of a larger share of low-paying jobs, with an increase of 4.7 million jobs paying a poverty-level wage from 2002 to 2006.<sup>6</sup>

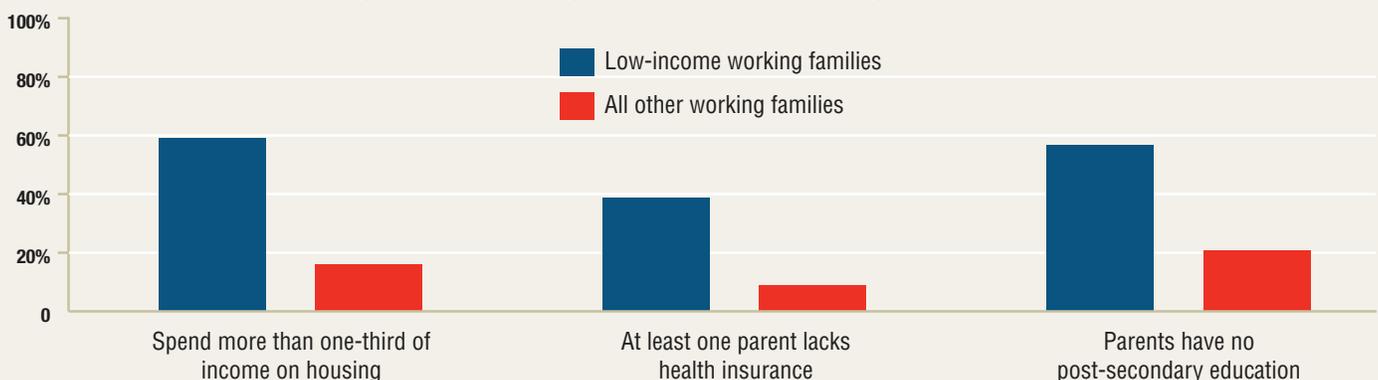
A major challenge moving ahead will be to raise the education and skills of America's workers to meet the needs of the changing economy.

Almost one-half of all job openings require more than a high school education,<sup>7</sup> yet as noted in the *Report of the National Commission on Adult Literacy*, 88 million adult workers are not prepared for these positions;<sup>8</sup> 25 million of these adult workers lack a high school degree or its equivalent. At the same time, combined federal and state government resources for such programs as adult education or skills development serve approximately one-tenth of the need.

Experience shows that public policies that promote education and skills development, quality jobs, health care and family leave are effective ways to foster family economic security. With elections preparing to reshape administrations in Washington and many state capitals, fresh and immediate attention to these issues is needed.

## More than 21 million children live in low-income working families.

### Challenges Confronting Low-Income Working Families in 2006<sup>2</sup>



# Myths & Facts About Low-income Working Families



The economy is comprised of a larger share of low-paying jobs, with an increase of 4.7 million jobs paying a poverty-level wage from 2002 to 2006.

**MYTH** Low-income families do not work.

**FACT** 72% of low-income families work.

**MYTH** Low-income families do not work hard.

**FACT** The average annual work effort for low-income working families is 2,552 hours, roughly one and one-quarter full-time jobs.

**MYTH** Low-income working families are headed by single parents.

**FACT** 52% of low-income working families are headed by married couples.

**MYTH** Low-income working families are headed by immigrants.

**FACT** 69% of low-income working families have only American-born parents.

**MYTH** Low-income working families have very young parents.

**FACT** 89% of low-income working families have a parent between the ages of 25 and 54.

**MYTH** Low-income working families are overwhelmingly minority.

**FACT** 43% of low-income working families have white, non-Hispanic parents.

**MYTH** Low-income working families are dependent on public assistance.

**FACT** 25% of low-income working families receive food stamp assistance.

## Changed Conditions from 2002 to 2006<sup>2</sup>

	2002		2006	
	Number	%	Number	%
Working families below 200% of poverty	9,202,890	27.4	9,572,450	28.2
Children in working families below 200% of poverty	20,208,334	32.3	21,061,465	32.8
Working families spend more than a third of income on housing	4,615,876	51.9	5,537,965	59.5
In working families at least one parent without health insurance	3,382,083	36.7	3,772,324	38.7
Adults 25–54 high school degree/GED or less	51,205,868	41.7	53,615,975	42.2
Jobs paying below poverty threshold	24,702,000	19.4	29,390,000	22.2

# A Fifty-State Economic Issue

A new administration in Washington will have the opportunity to strengthen federal policies on behalf of America's working families. But state resources and policies remain critical to the economic prospects of working families. And states have many reasons to devote attention to these families' needs.

## The problem is sizeable.

**As measured in 2006, all states have a significant number of low-income working families.** California and Texas each have more than a million low-income working families, while Florida and New York each have more than 500,000. Even the five states with the smallest percentage of such families (New Hampshire, Maryland, Connecticut, Massachusetts and New Jersey) are home to roughly 500,000 of these families collectively.

**In 13 states, 33 percent or more of working families are low-income,** and two states, Mississippi and New Mexico, have 40 percent or more. In eight states, 40 percent or more of the children of working adults reside in low-income families.

## Economic opportunity is not equally shared.

**In 13 states, 50 percent or more of minority working families are low-income.** By comparison, there is not one state where white working families represent half of the low-income population. At most, in West Virginia, one-third of white working families are low-income.



**In seven states, more than one-third of low-income working families have a parent without a high school degree, with one state, California, exceeding 50 percent.** Among working families that are not low-income, only 10 percent nationally have a parent who did not complete high school.

## Too many jobs offer low wages and inadequate benefits.

**Nationally, more than one in five jobs, or 22 percent, is in an occupation paying wages that fall below the federal poverty threshold.** In eight states, more than one-third of all jobs are in poverty-wage occupations.

**Nationally, 39 percent of low-income working families include a parent without health insurance.** Fifteen states have 40 percent or more; two states, Texas and New Mexico, have 50 percent or more.

Conditions in the states vary substantially across the country as do state commitments to working families. State policies related to the minimum wage, taxes, financial aid for postsecondary education, health care and paid family leave affect the ability of working families to prosper and achieve economic advancement. All states can strengthen their policies to better serve low-income working families.



## Characteristics, Conditions and Challenges of Low-income Working Families in the States (2006)\*

	Working Families that are Low-Income		Children in Low-Income Working Families		Income Inequality of Working Families: Top Quintile Income/Bottom Quintile Income		Minority Working Families that are Low-Income		Non-Minority Working Families that are Low-Income	
	%	Rank	%	Rank	Ratio	Rank	%	Rank	%	Rank
Alabama	33	<b>38</b>	37	<b>37</b>	8.6	<b>32</b>	50	<b>38</b>	25	<b>35</b>
Alaska	21	<b>7</b>	26	<b>11</b>	7.0	<b>5</b>	31	<b>7</b>	15	<b>7</b>
Arizona	33	<b>38</b>	40	<b>43</b>	8.5	<b>30</b>	47	<b>28</b>	20	<b>18</b>
Arkansas	38	<b>48</b>	43	<b>47</b>	7.9	<b>18</b>	52	<b>47</b>	33	<b>49</b>
California	29	<b>26</b>	35	<b>32</b>	9.9	<b>47</b>	37	<b>12</b>	13	<b>5</b>
Colorado	26	<b>17</b>	30	<b>19</b>	8.7	<b>34</b>	44	<b>23</b>	16	<b>10</b>
Connecticut	16	<b>2</b>	19	<b>3</b>	10.2	<b>49</b>	32	<b>8</b>	10	<b>1</b>
Delaware	22	<b>8</b>	25	<b>8</b>	8.8	<b>37</b>	33	<b>10</b>	16	<b>10</b>
District of Columbia	28	—	38	—	15.3	—	35	—	4	—
Florida	31	<b>35</b>	35	<b>32</b>	8.9	<b>41</b>	41	<b>19</b>	21	<b>22</b>
Georgia	30	<b>32</b>	35	<b>32</b>	9.3	<b>44</b>	44	<b>23</b>	20	<b>18</b>
Hawaii	22	<b>8</b>	26	<b>11</b>	7.8	<b>17</b>	22	<b>2</b>	26	<b>37</b>
Idaho	35	<b>43</b>	39	<b>42</b>	7.2	<b>11</b>	55	<b>48</b>	31	<b>46</b>
Illinois	25	<b>16</b>	29	<b>15</b>	9.2	<b>43</b>	39	<b>16</b>	16	<b>10</b>
Indiana	28	<b>25</b>	32	<b>25</b>	7.3	<b>13</b>	44	<b>23</b>	24	<b>28</b>
Iowa	26	<b>17</b>	29	<b>15</b>	7.1	<b>7</b>	47	<b>28</b>	24	<b>28</b>
Kansas	29	<b>26</b>	32	<b>25</b>	8.0	<b>20</b>	45	<b>26</b>	25	<b>35</b>
Kentucky	30	<b>32</b>	34	<b>30</b>	7.9	<b>18</b>	47	<b>28</b>	28	<b>43</b>
Louisiana	35	<b>43</b>	40	<b>43</b>	9.5	<b>46</b>	55	<b>48</b>	24	<b>28</b>
Maine	27	<b>21</b>	30	<b>19</b>	7.0	<b>5</b>	51	<b>46</b>	26	<b>37</b>
Maryland	16	<b>2</b>	19	<b>3</b>	8.0	<b>20</b>	23	<b>3</b>	10	<b>1</b>
Massachusetts	17	<b>4</b>	18	<b>2</b>	8.8	<b>37</b>	33	<b>10</b>	11	<b>4</b>
Michigan	26	<b>17</b>	30	<b>19</b>	8.3	<b>28</b>	40	<b>17</b>	22	<b>23</b>
Minnesota	20	<b>6</b>	23	<b>6</b>	7.6	<b>16</b>	43	<b>22</b>	15	<b>7</b>
Mississippi	40	<b>49</b>	44	<b>49</b>	8.7	<b>34</b>	58	<b>50</b>	27	<b>41</b>
Missouri	31	<b>35</b>	35	<b>32</b>	8.2	<b>25</b>	47	<b>28</b>	27	<b>41</b>
Montana	34	<b>42</b>	38	<b>41</b>	7.2	<b>11</b>	48	<b>34</b>	32	<b>48</b>
Nebraska	29	<b>26</b>	32	<b>25</b>	7.3	<b>13</b>	50	<b>38</b>	24	<b>28</b>
Nevada	27	<b>21</b>	32	<b>25</b>	7.1	<b>7</b>	37	<b>12</b>	16	<b>10</b>
New Hampshire	15	<b>1</b>	17	<b>1</b>	6.6	<b>1</b>	17	<b>1</b>	15	<b>7</b>
New Jersey	18	<b>5</b>	21	<b>5</b>	9.4	<b>45</b>	28	<b>4</b>	10	<b>1</b>
New Mexico	41	<b>50</b>	46	<b>50</b>	8.8	<b>37</b>	48	<b>34</b>	26	<b>37</b>
New York	27	<b>21</b>	31	<b>23</b>	11.5	<b>50</b>	38	<b>14</b>	18	<b>15</b>
North Carolina	32	<b>37</b>	37	<b>37</b>	8.8	<b>37</b>	50	<b>38</b>	22	<b>23</b>
North Dakota	26	<b>17</b>	29	<b>15</b>	6.9	<b>3</b>	48	<b>34</b>	24	<b>28</b>
Ohio	27	<b>21</b>	31	<b>23</b>	8.2	<b>25</b>	42	<b>20</b>	23	<b>27</b>
Oklahoma	37	<b>46</b>	42	<b>46</b>	8.7	<b>34</b>	50	<b>38</b>	31	<b>46</b>
Oregon	30	<b>32</b>	34	<b>30</b>	8.3	<b>28</b>	49	<b>37</b>	24	<b>28</b>
Pennsylvania	24	<b>13</b>	28	<b>13</b>	8.1	<b>24</b>	40	<b>17</b>	20	<b>18</b>
Rhode Island	22	<b>8</b>	25	<b>8</b>	8.0	<b>20</b>	46	<b>27</b>	14	<b>6</b>
South Carolina	33	<b>38</b>	37	<b>37</b>	8.5	<b>30</b>	50	<b>38</b>	22	<b>23</b>
South Dakota	29	<b>26</b>	36	<b>36</b>	7.1	<b>7</b>	50	<b>38</b>	26	<b>37</b>
Tennessee	33	<b>38</b>	37	<b>37</b>	8.6	<b>32</b>	50	<b>38</b>	28	<b>43</b>
Texas	37	<b>46</b>	43	<b>47</b>	10.0	<b>48</b>	50	<b>38</b>	19	<b>16</b>
Utah	29	<b>26</b>	33	<b>29</b>	6.9	<b>3</b>	47	<b>28</b>	24	<b>28</b>
Vermont	23	<b>12</b>	24	<b>7</b>	6.6	<b>1</b>	29	<b>6</b>	22	<b>23</b>
Virginia	22	<b>8</b>	25	<b>8</b>	9.0	<b>42</b>	32	<b>8</b>	16	<b>10</b>
Washington	24	<b>13</b>	29	<b>15</b>	8.2	<b>25</b>	38	<b>14</b>	19	<b>16</b>
West Virginia	35	<b>43</b>	40	<b>43</b>	8.0	<b>20</b>	42	<b>20</b>	34	<b>50</b>
Wisconsin	24	<b>13</b>	28	<b>13</b>	7.4	<b>15</b>	47	<b>28</b>	20	<b>18</b>
Wyoming	29	<b>26</b>	30	<b>19</b>	7.1	<b>7</b>	28	<b>4</b>	29	<b>45</b>
U.S.	28		33		9.2		41		20	

\*The state with the best outcome or condition is ranked number one.

## Characteristics, Conditions and Challenges of Low-income Working Families in the States (2006)\*

Low-Income Working Families with Parent No High School/GED		Low-Income Working Families with Parent No Postsecondary		Low-Income Working Families with Housing Cost Greater than 1/3 Income		Low-Income Working Families with Parent No Health Insurance (avg. 2005-07)		Percent of Jobs in Occupations Paying Below Poverty in 2006		
%	Rank	%	Rank	%	Rank	%	Rank	%	Rank	
29	<b>34</b>	55	<b>23</b>	46	<b>9</b>	39	<b>32</b>	35.2	<b>45</b>	Alabama
18	<b>9</b>	48	<b>13</b>	54	<b>23</b>	32	<b>16</b>	7.6	<b>1</b>	Alaska
42	<b>48</b>	60	<b>45</b>	58	<b>29</b>	45	<b>44</b>	23.7	<b>26</b>	Arizona
27	<b>25</b>	55	<b>23</b>	44	<b>7</b>	38	<b>30</b>	36.1	<b>47</b>	Arkansas
52	<b>50</b>	66	<b>50</b>	72	<b>47</b>	43	<b>39</b>	17.5	<b>14</b>	California
35	<b>46</b>	55	<b>23</b>	69	<b>40</b>	49	<b>47</b>	13.8	<b>6</b>	Colorado
21	<b>11</b>	56	<b>34</b>	70	<b>44</b>	27	<b>9</b>	10.8	<b>3</b>	Connecticut
24	<b>19</b>	61	<b>47</b>	65	<b>38</b>	33	<b>19</b>	22.7	<b>25</b>	Delaware
29	—	62	—	55	—	19	—	7.3	—	District of Columbia
29	<b>34</b>	56	<b>34</b>	70	<b>44</b>	46	<b>46</b>	25.0	<b>30</b>	Florida
32	<b>42</b>	60	<b>45</b>	56	<b>25</b>	40	<b>36</b>	29.3	<b>39</b>	Georgia
17	<b>8</b>	49	<b>16</b>	64	<b>37</b>	14	<b>1</b>	20.6	<b>20</b>	Hawaii
27	<b>25</b>	41	<b>3</b>	51	<b>21</b>	38	<b>30</b>	27.3	<b>36</b>	Idaho
32	<b>42</b>	55	<b>23</b>	65	<b>38</b>	31	<b>13</b>	20.7	<b>21</b>	Illinois
26	<b>24</b>	56	<b>34</b>	51	<b>21</b>	34	<b>22</b>	24.6	<b>29</b>	Indiana
21	<b>11</b>	43	<b>7</b>	46	<b>9</b>	30	<b>12</b>	25.5	<b>33</b>	Iowa
27	<b>25</b>	49	<b>16</b>	46	<b>9</b>	33	<b>19</b>	25.3	<b>31</b>	Kansas
28	<b>31</b>	57	<b>38</b>	44	<b>7</b>	34	<b>22</b>	24.3	<b>27</b>	Kentucky
29	<b>34</b>	58	<b>39</b>	47	<b>12</b>	49	<b>47</b>	34.8	<b>44</b>	Louisiana
14	<b>5</b>	47	<b>12</b>	49	<b>16</b>	20	<b>5</b>	16.5	<b>12</b>	Maine
25	<b>20</b>	55	<b>23</b>	69	<b>40</b>	39	<b>32</b>	17.5	<b>13</b>	Maryland
27	<b>25</b>	55	<b>23</b>	73	<b>49</b>	19	<b>3</b>	8.5	<b>2</b>	Massachusetts
22	<b>15</b>	48	<b>13</b>	62	<b>34</b>	29	<b>11</b>	19.1	<b>17</b>	Michigan
21	<b>11</b>	46	<b>11</b>	58	<b>29</b>	26	<b>8</b>	15.4	<b>10</b>	Minnesota
28	<b>31</b>	55	<b>23</b>	48	<b>14</b>	39	<b>32</b>	36.9	<b>49</b>	Mississippi
25	<b>20</b>	51	<b>20</b>	50	<b>18</b>	36	<b>28</b>	28.6	<b>37</b>	Missouri
13	<b>2</b>	36	<b>2</b>	47	<b>12</b>	42	<b>37</b>	35.6	<b>46</b>	Montana
22	<b>15</b>	44	<b>9</b>	49	<b>16</b>	34	<b>22</b>	22.4	<b>24</b>	Nebraska
41	<b>47</b>	64	<b>48</b>	69	<b>40</b>	35	<b>27</b>	18.8	<b>16</b>	Nevada
15	<b>6</b>	44	<b>9</b>	71	<b>46</b>	34	<b>22</b>	14.0	<b>7</b>	New Hampshire
29	<b>34</b>	58	<b>39</b>	79	<b>50</b>	43	<b>39</b>	13.7	<b>5</b>	New Jersey
34	<b>44</b>	55	<b>23</b>	42	<b>4</b>	50	<b>49</b>	36.6	<b>48</b>	New Mexico
31	<b>41</b>	58	<b>39</b>	69	<b>40</b>	25	<b>7</b>	17.9	<b>15</b>	New York
30	<b>39</b>	54	<b>21</b>	50	<b>18</b>	43	<b>39</b>	24.4	<b>28</b>	North Carolina
12	<b>1</b>	30	<b>1</b>	36	<b>2</b>	32	<b>16</b>	28.7	<b>38</b>	North Dakota
22	<b>15</b>	55	<b>23</b>	57	<b>28</b>	27	<b>9</b>	21.4	<b>22</b>	Ohio
28	<b>31</b>	55	<b>23</b>	43	<b>5</b>	44	<b>43</b>	32.2	<b>40</b>	Oklahoma
30	<b>39</b>	48	<b>13</b>	60	<b>33</b>	45	<b>44</b>	14.8	<b>9</b>	Oregon
20	<b>10</b>	56	<b>34</b>	56	<b>25</b>	31	<b>13</b>	22.1	<b>23</b>	Pennsylvania
34	<b>44</b>	54	<b>21</b>	72	<b>47</b>	18	<b>2</b>	15.8	<b>11</b>	Rhode Island
25	<b>20</b>	58	<b>39</b>	48	<b>14</b>	36	<b>28</b>	32.3	<b>42</b>	South Carolina
13	<b>2</b>	42	<b>5</b>	32	<b>1</b>	31	<b>13</b>	34.3	<b>43</b>	South Dakota
27	<b>25</b>	58	<b>39</b>	50	<b>18</b>	32	<b>16</b>	26.7	<b>34</b>	Tennessee
46	<b>49</b>	64	<b>48</b>	56	<b>25</b>	57	<b>50</b>	32.2	<b>41</b>	Texas
25	<b>20</b>	41	<b>3</b>	59	<b>31</b>	33	<b>19</b>	25.5	<b>32</b>	Utah
13	<b>2</b>	43	<b>7</b>	62	<b>34</b>	21	<b>6</b>	14.5	<b>8</b>	Vermont
27	<b>25</b>	55	<b>23</b>	55	<b>24</b>	39	<b>32</b>	20.0	<b>18</b>	Virginia
29	<b>34</b>	50	<b>18</b>	62	<b>34</b>	34	<b>22</b>	11.8	<b>4</b>	Washington
23	<b>18</b>	58	<b>39</b>	40	<b>3</b>	43	<b>39</b>	38.5	<b>50</b>	West Virginia
21	<b>11</b>	50	<b>18</b>	59	<b>31</b>	19	<b>3</b>	20.1	<b>19</b>	Wisconsin
16	<b>7</b>	42	<b>5</b>	43	<b>5</b>	42	<b>37</b>	26.7	<b>35</b>	Wyoming
33		57		60		39		22.2		U.S.

\*The state with the best outcome or condition is ranked number one.

# A Call For Stronger Policies

Federal policy has not adequately addressed the array of issues critical to low-income working families, and too few states have focused on the needs of working families or quality of jobs. However, some states have taken actions that provide direction for other states to follow.

## States are developing innovative policies.

State governments are strengthening policies that affect low-income working families in two key ways: 1) investing in programs to advance the skills of adult workers; and 2) helping to meet the basic household needs of working families.

States are investing in adult workers primarily by improving education and skill-development policies that help workers compete in the new economy. This includes working with employers to raise the basic education and literacy levels of workers and allocating financial aid to adults seeking to attend community colleges. Nationwide efforts, including the National Governors' Association *Pathways to Advancement*, C.S. Mott Foundation's *State Sector Strategies*, Ford Foundation's *Bridges to Opportunity* and the Joyce Foundation's *Shifting Gears* initiatives, have supported comprehensive policy reform at the highest levels of state government.

To meet the needs of working families, states are strengthening policies related to pay and benefits. Half of the states now maintain a minimum wage above the federal wage standard, and some states are doing more to provide paid parental leave for family and medical needs and to lower tax rates on the working poor. A number of states have recently created commissions to identify better policies to reduce family poverty.<sup>9</sup>



## Implications for Federal Policy

State actions are only part of the answer. The federal government has a role and responsibility to ensure that all hard-working families have a true opportunity for economic advancement and success. It also has a responsibility to help keep American businesses competitive by investing in a higher-skilled labor force.

**The nation requires a federal commitment to honor and support the efforts of all working families. That commitment should focus on four key goals:<sup>10</sup>**

- **Increase the number of working adults enrolled in and successfully completing education and skills-development programs.**
- **Improve wages, benefits and supports for low-income working families and increase the number of good jobs.**
- **Regularly assess the challenges of America's working families and government policies on their behalf.**
- **Focus the nation's attention on increasing economic opportunities for low-income working families.**

The nation cannot afford to ignore the declining conditions of working families. To renew the promise of the American Dream, federal and state governments must strengthen policies to better prepare working families for the economic challenges of the 21st Century. The time to act is now.

# The Working Poor Families Project

The increasing challenges confronting America's working families prompted national leaders to launch the Working Poor Families Project in 2002. With assistance from the Annie E. Casey, Ford, Joyce and C.S. Mott Foundations, this national initiative annually examines the conditions of America's working families and supports state nonprofit organizations to strengthen state policies in order to promote economic advancement and success. To learn more, see [www.workingpoorfamilies.org](http://www.workingpoorfamilies.org). The Working Poor Families Project in 2008 operates in 24 states and the District of Columbia, working with these nonprofit partners:

**Alabama:** Arise Citizens' Policy Project

**Arkansas:** Southern Good Faith Fund

**Colorado:** The Bell Policy Center

**Connecticut:** Connecticut Association for Human Services

**District of Columbia:** DC Appleseed Center for Law and Justice

**Georgia:** Georgia Budget and Policy Institute

**Illinois:** The Chicago Jobs Council

**Indiana:** The Institute for Working Families

**Kentucky:** Mountain Association for Community Economic Development

**Maine:** Maine Center for Economic Policy

**Maryland:** Job Opportunities Task Force

**Massachusetts:** Crittenton Women's Union

**Michigan:** Michigan League for Human Services

**Mississippi:** Mississippi Economic Policy Center

**Nebraska:** Appleseed Center for Law in the Public Interest

**New Jersey:** Rutgers' Center for Women and Work and the New Jersey Policy Perspectives

**New Mexico:** New Mexico Voices for Children

**New York:** Schuyler Center for Analysis and Advocacy and the Center for an Urban Future

**North Carolina:** North Carolina Budget and Tax Center

**Ohio:** Community Research Partners

**Pennsylvania:** PathwaysPA

**Texas:** Center for Public Policy Priorities

**Utah:** Voices for Utah Children

**Washington:** Seattle Jobs Initiative and the Statewide Poverty Action Network

**Wisconsin:** Center on Wisconsin Strategy

## Endnotes

1. Data are derived from the American Community Survey 2006 using the following definitions: A *family* is defined as a primary married-couple or single-parent family with at least one child under age of 18. *Work* is defined as a combined family work effort of 39 or more weeks in the last 12 months or a combined work effort of 26 weeks and at least one currently unemployed parent looking for work in the previous four weeks. *Low-income working family* is defined as a family earning less than 200 percent of the poverty income threshold as defined by the U.S. Census Bureau for 2006, which was \$41,228 for a family of four. Earnings at 200 percent of poverty are used for low-income as a number of studies, including from the National Research Council, have concluded that the poverty threshold is an inadequate measure of economic self-sufficiency as it fails to consider the realistic costs of basic needs for families today.

2. Unless otherwise noted, data presented in this report are based on analyses from the Current Population Survey (health insurance), U.S. Bureau of Labor Statistics (Jobs Paying Below Poverty) and the U.S. Census Bureau's American Community Survey. The analysis of the CPS and ACS were generated by the Population Reference Bureau.

3. Families seeking economic self-sufficiency today must have income to cover an ever increasing array of household basic needs such as housing, child care, health care, food, transportation and taxes. After meeting these expenses, far too many families have little or no income for other family needs such as education and retirement.

4. According to the U.S. Bureau of Economic Analysis, the real per capita gross domestic product increased 8.3 percent from 2002 to 2006.

5. The ratio of income inequality between the top quintile of working families and bottom quintile increased from a ratio of 8.4 in 2002 to 9.2 in 2006.

6. In 2006, \$9.91 is the hourly wage a full-time worker needs to meet the poverty threshold for a family of four.

7. Holzer, Harry and Robert Lerman, *America's Forgotten Middle-Skill Jobs: Education and Training Requirements in the Next Decade and Beyond*. The Workforce Alliance, Washington, D.C. 2007.

8. Report on the National Commission of Adult Literacy, *Reach Higher America: Overcoming the Crises in the U.S. Workforce*. National Commission on Adult Literacy, June 2008, pg. 10.

9. Case, Annette, *Securing State Commitments to Family Prosperity*. Working Poor Families Project, Spring 2008.

10. Waldron, Tom, Brandon Roberts and Andrew Reamer, *Working Hard, Falling Short: America's Working Families and the Pursuit of Economic Security*. Working Poor Families Project, October 2004, pgs. 28–29.

## Acknowledgements

*Still Working Hard, Still Falling Short* represents the efforts of many, particularly the staffs of the 25 state nonprofit organizations that participate in the Working Poor Families Project. Without their support and commitment to strengthening state policies to better benefit low-income working families, this report and the Project would not be possible.

Thanks are offered to a number of people who provided excellent insights and comments in the development of this report: Andrew Reamer, Tom Waldron, Ed Hatcher, and Laura Hayes. Jean D'Amico of the Population Reference Bureau generated the data for this report; her contributions to this final product are invaluable.

Thanks also go to Bob Giloth and Beadsie Woo of the Annie E. Casey Foundation, Helen Neuborne, Hector Cordero-Guzman and Rick McGahey of the Ford Foundation, Jennifer Phillips and Whitney Smith of the Joyce Foundation and Jack Litzenberg of the C.S. Mott Foundation for their ongoing support of the Working Poor Families Project. Their vision provided the impetus and guidance for this report.

*Still Working Hard, Still Falling Short* was written by Brandon Roberts and Deborah Povich. It was designed by Staci Daddona of Daddona Graphic Design and edited by Susan Loyd of The Hatcher Group. Photos on pages three and four are courtesy of Steve Cagan.