

Working and poor in the United States

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"Working Hard But Staying Poor: A National Survey of the Working Poor and Unemployed" is the latest in the "Work Trends" series, a quarterly report compiled by researchers at Rutgers University and the University of Connecticut. Published in late July 1999, the report presents a picture of a daily struggle for simple survival among large numbers of workers, as well as a steady increase social inequality in the US.

Since the last recession in 1991, "despite high productivity, low inflation, low unemployment, and a booming stock market, the large gap between rich and poor begun in the 1980s has widened," the report states. The academic researchers point to the "current heated economy which has produced a plenitude of jobs." They show that the wages of lower income workers have, in fact, stagnated or declined during what they characterize as the longest peacetime economic expansion in history. "If the economy slows and unemployment levels start to rise, earnings for low-skill workers may further deteriorate," they note.

Today a greater number and a greater percentage of US workers maintain regular jobs while living in daily destitution than did 20 years ago. In 1979, with an unemployment rate over 7 percent nationwide, the poverty rate among all workers was 5.7 percent. In 1996, while unemployment had dropped below 5 percent, the poverty rate among all workers actually rose to 6.7 percent. During that same period, the number of families with children in which a parent worked while the family remained poor rose dramatically, from 2.2 million to 3.6 million. In 1996, 15.1 million people lived in a family whose income was below the federal poverty line and had at least one working parent.

Unlike other studies that have focused on the poor in government poverty programs, such as welfare or Medicaid, this study concentrated on the broader working poor and unemployed population. The survey

was compiled from a national sample of 500 adults. About three-fourths (72 percent) of the respondents in the study reported household earnings of \$25,000 a year or less. While 15 percent of the national sample were unemployed, nearly one-third of those surveyed had incomes below the official poverty line.

In 1964 the government's poverty level was arbitrarily set at three times the estimated cost of modest food purchase requirements for a family. The official rate is now below the amount required for basic necessities, and far below what is needed to function adequately in society. Families with incomes at various levels up to twice the rate can be eligible for minimal supplemental resources provided by states and the federal government via means-tested assistance programs.

In 1997 there were approximately 34,859,520 families with an income under \$25,000 a year, or roughly twice the poverty level. The typical employed person labeled by the researchers as "working poor" (with an income below 200 percent of the federal poverty level) is a far cry from the common stereotype. She is a single white woman between 30 and 49 years old who works one full-time job 40 hours a week. She has held the job for at least a year and has a child under the age of 18. Minorities make up 45 percent of the working poor.

Most of these low-paid workers have been on their jobs more than a year and 42 percent have been in the job for more than three years. Despite this relative employment stability, almost half have no paid vacation days and another 18 percent have a week or less of paid vacation each year.

The survey of the working poor provides a further glimpse of the daily struggle tens of millions of families in the US must go through to provide for their children. Eighty-seven percent of the respondents reported they are concerned about earning enough

money to support their family, 55 percent reported having difficulty paying all their bills, and 72 percent indicated they were concerned about personal job security.

In a key section of the report, entitled "The Technology Gap: Will the Working Poor be Ready for the 21st Century?" the researchers assert that "in addition to the well-documented wage gap, a serious and growing technology gap is emerging." More than three-fourths of better-paid workers use a computer at work or school compared to half of the working poor and unemployed, and only 42 percent of those living below the poverty line. Three-fourths of the "working non-poor" have access to a computer at home; less than a third of those below the poverty line have access.

The report concludes that the working poor and unemployed are working harder, but are falling further behind. Most of those surveyed reported needing an additional \$200 per month to meet their family's needs. But researchers point out that this amount of money would require a substantial increase in hours worked at low wages, approximately one additional workweek per month.

The report concludes by outlining a series of moderate proposals, including raising the minimum wage and providing additional job training, daycare facilities and low-cost transportation to suburbs where many jobs have relocated. It is a measure of how far the political establishment has moved to the right over the last three decades that such limited reforms are not even seriously considered in Washington today, where political debate centers on how many billions more in tax breaks will be provided for the affluent.



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