

More than 10 million Americans among the working poor

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17 April 2013

More than 46 million people, or about 15 percent of the US population, lived below the official poverty level in 2011, according to the US Census Bureau. A new report from the Bureau of Labor Statistics (BLS) shows that the “working poor” account for 10.4 million of this number, or nearly a quarter of all those living in poverty according to government guidelines.

The statistics revealed by the BLS report are a stunning indictment of the current state of the US economy and demonstrate how the so-called recovery is playing out in the everyday lives of workers and their families. Corporations, backed by the policies of the Obama administration and both big business parties, have seized on the jobs crisis in the wake of the recession to drive down workers’ wages and boost productivity.

Despite being employed for at least 27 weeks out of the year, individual and household earnings still placed large numbers of US working families below the poverty line in 2011. The overall rate of working poor has climbed significantly since before the recession, rising from 5.1 percent in 2006 to 7 percent in 2011.

The 2013 federal poverty guideline (FPG) is already set absurdly low: \$11,490 annually for an individual and \$23,550 for a family of four. A worker as the sole earner in a four-member family would need to earn \$11.32 an hour and work 40 hours a week to top the FPG. Many of the jobs created in the wake of the recession barely reach this hourly rate, and occupations expected to see the most growth in the coming period will pay even less.

More than 14 percent of the estimated 25 million part-time workers currently in the labor force are classified as working poor, according to the BLS, compared to 4.2 percent of full-time workers. Working women, African Americans and Hispanics, as well as young

workers and those with lower levels of education, were also more likely to be poor. Families with children under age 18 were about four times more likely to live in poverty than those without children.

The BLS report shows that 3.3 million service workers fell below the official poverty level in 2011, accounting for nearly one-third of all those classified as working poor. More than 15 percent of all women in service occupations, as well as 24.8 percent of black women in service jobs, were among this group. In construction-related occupations, 10.6 percent were employed but poor; 17 percent of those working in fishing, farming and forestry were living below the poverty guidelines.

Workers aged 20 to 24 who worked 27 weeks or more saw the highest rate of poverty of any age group: 14 percent. Nearly one third of African American women this age were classified as working poor. The poverty rate for 16- to 19-year-old workers stood at 11.3 percent.

A recent study from the Economic Policy Institute finds that high school graduates in 2013 face a 29.9 percent jobless rate, compared to 17.5 percent in 2007. The underemployment rate among this group—which includes the jobless, those who want a job but have given up looking, and those involuntarily working part-time—stands at a staggering 51.6 percent, compared to 29.4 percent in 2007.

The direct intervention of the Obama administration in the bailout of the auto industry has led to workers’ wages plummeting to levels barely keeping large numbers of them out of the ranks of the working poor. In the last year alone, according to the BLS, the average auto worker’s wage has fallen by 57 cents an hour, to \$20.82. However, it is important to note that this is only an *average*.

Under two-tier wage systems at the former Big Three automakers, newly hired workers are paid \$15.00 and temporary workers even less. As the sole worker in a four-person household, working 40 hours a week, a second tier worker earns only \$31,200 a year, barely enough to keep his or her family out of poverty.

With the complicity of the United Auto Workers union, auto companies are also working to put an end to the 40-hour week, which was won in bitter struggles by workers. At Chrysler and Ford, the Alternative Work Schedule establishes regular 10-hour work days with no overtime pay at the carmaker's stamping, assembly and parts plants throughout the country.

Millions of US workers are employed in occupations where their wages classify them as the working poor. According to BLS data for 2010, retail sales workers earned an average of \$10.99/hour, with a median annual income of \$20,990, while the average wage for janitors and building cleaners was \$10.68 an hour, or a median of \$22,210 annually. Food service workers' wages average just \$8.72 an hour, with a median annual income of \$18,130. Agricultural workers earned \$9.12/hour, or a median of \$18,870 annually.

Of the job classifications expected to see the biggest growth in the coming period, many will pay poverty wages. A large proportion of them will be for unskilled workers in the health care sector. Positions for home health aides, expected to increase by 48.7 percent by 2016, will pay an average of only \$9.70 an hour, or \$20,100 annually. Personal and home care aide jobs, which are projected to see a 50 percent jump, will pay an average wage of just \$8.75 an hour, or \$18,180 annually by 2016.

While jobs in information technology—such as systems analysts, software engineers and database administrators—are expected to increase in demand, these positions require skills and education out of reach for many under conditions where job training programs are being scaled back or eliminated and tuition costs for higher education are skyrocketing.

The US federal minimum wage stands at an abysmal \$7.25 an hour, unchanged since 2009. The Obama administration has proposed raising it to only \$9.00. At this wage, a worker working 27 weeks out of the year—what the Bureau of Labor Statistics counts as “full-time”—would earn only \$9,720 a year, well below the threshold for an individual to be classified among the

working poor.



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