



Questions and Answers about LOW WAGE WORKERS: A Sloan Work and Family Research Network Fact Sheet

Introduction

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



How many working poor families are in the United States?

- ✔ **Fact 1** Of the 9.2 million working families who are considered low–income, 2.5 million of these families are officially living in poverty. The official poverty indicator is annual earnings that total \$18,392 or less for a family of four (Waldron et al., 2004).
- ✔ **Fact 2** One fifth of all jobs in the United States, approximately twenty–four million jobs, do not provide enough annual compensation to keep a family of four above the poverty level. The majority of these jobs also provide limited or no benefits (Waldron et al., 2004).
- ✔ **Fact 3** As reported by the Working Poor Families Project, “one out of four American working families now earn wages so low that they have difficulty surviving financially” (Waldron et al., 2004, p. i).
- ✔ **Fact 4** According to the United States Bureau of Labor Statistics, one in five jobs in 2002 paid an average wage of less than \$8.84 per hour. This wage amounts to an annual income of \$18,387, which reflects the poverty threshold for a family of four (Cheeseman Day & Newburger, 2002).



Who are the low wage families?

- ✔ **Fact 1** In order for a family of four to be considered low–income, they must have earned less than \$36,784 in 2002, an amount that totals far less than the median income (\$62,732) of a family of four (Waldron et al., 2004).
- ✔ **Fact 2** A common myth regarding poor families is that they do not work. However, Waldron et al. report that 71 percent of low–income families work an average of 2,500 hours per year, which equals 1.2 full–time jobs. When low–income working families with a married couple are considered, the annual number of hours worked rises to 2,850 hours, or 1.4 full–time jobs (Waldron et al., 2004).



- ✔ **Fact 3** Waldron et al. found that 3.4 million low-income working families, or 37 percent, had at least one parent in their household who was not covered by health insurance. (2004)
- ✔ **Fact 4** The federal guidelines for poverty-level income state that housing costs should absorb one third of a family's income. However, three quarters of low-income families direct more than a third of their income toward housing costs (Waldron et al., 2004).
- ✔ **Fact 5** Contrary to the myth that low-income working families are predominantly headed by single parents, married couples compose over 53% of low-income working families in the United States. Single women head 38 percent and single men are the head of 9 percent (Waldron et al., 2004, p. 10).
- ✔ **Fact 6** A common myth regarding low-income working families is that they are predominantly headed by immigrants. However, "seventy-two percent of low-income working families have American-born parents only" (Waldron et al., 2004, p. 7).
- ✔ **Fact 7** While popular myth assumes that low-income families are predominantly led by minority parents, 53% of low-income working families include a minority parent while 47 percent include a white, non-Hispanic parent. Twenty-eight percent of low income working families include at least one Hispanic parent and 20 percent include at least one African American parent (Waldron et al., 2004).
- ✔ **Fact 8** Findings of Waldron et al. illustrate that "forty percent of minority working families are low-income, twice the percentage of white working families" (2004, p. ii).



How does a worker's education affect income?

- ✔ **Fact 1** Due to the ever-shrinking manufacturing sector and growing professional/technology sector, over the past 30 years workers in the United States who do not hold a high school degree have experienced an 18.5 percent decline in their wages. Workers with a college degree, however, have experienced a 15.9 percent increase in their wages. On average, college graduates earn \$45,400 annually, while high school graduates earn \$25,900. Individuals who do not complete high school earn significantly less at \$18,900 annually (Cheeseman Day & Newburger, 2002).



What type of leave benefits do low wage working families receive?

- ✔ **Fact 1** A study by the Urban Institute reports that only four out of every ten low-income working families receive paid parental leave. Of those with paid leave, 31.8 percent receive one work-week of paid leave or less (Phillips, 2004).



Which work and home supports help working class families to care for their sick children?



- ✔ **Fact 1** In her study of global working families Heymann found that, “two-thirds of poor families had left children home alone sick or lost needed pay to care for their children” (2006, p. 91).
- ✔ **Fact 2** In her study of global working families Heymann found that, “at times women lost income and lost their jobs because inadequate working conditions and social supports created real – though preventable – conflicts between their paid work and caregiving roles. These conflicts were made more frequent by the fact that women had worse working conditions, less paid leave, and less flexibility than men. Thirty-six percent of women had no access to paid leave compared to 25 percent of men. Twenty-four percent of women lacked both paid leave and flexibility compared to 19 percent of men” (2006, p. 126).
- ✔ **Fact 3** In her study of global working families Heymann found that, “families who had both paid leave and flexibility rarely needed to leave sick children home alone. In fact, they were less than one-quarter as likely to leave their children home alone sick as families that did not have both of these workplace benefits. The ability to get paid leave from work or flexibility on the job also significantly reduced – by one-half – the risk that parents would have to send a child to school or day care sick (15 percent versus 29 percent)” (Heymann, 2006, p. 107).
- ✔ **Fact 4** While researching paid and unpaid leave benefits of global working families, Heymann found that “parents who lacked support at home and at work were more likely to have to leave a school-age child home alone. Eighty percent of single and married parents who had no paid leave, no other caregivers in the household, and no regular family support had left a school-age child home alone compared to 45 percent of other parents. Eighty-eight percent of parents who were single, had no paid leave, and did not have other caregivers in the house had left a school-age child home alone compared to 47 percent of other parents” (Heymann, 2006, p. 51).



What factors influence the development of behavioral or academic difficulties among children from low wage families?

- ✔ **Fact 1** While researching the childcare realities of global working families, Heymann found that “when families used formal childcare, their children were less likely to develop behavioral or academic difficulties than when they used informal childcare. Parents with preschool children who used unpaid children to provide informal care were significantly more likely to have children with behavioral or academic difficulties (39 percent versus 22 percent)” (Heymann, 2006, p. 43).
- ✔ **Fact 2** Poor families worldwide have fewer options than wealthier families with regard to routine care for their children, according to a recent study of global working families. Poor families were “significantly less likely to be able to place their children in formal childcare centers (27 percent versus 52 percent)... [and] not only were the children less likely to be cared for in formal childcare centers, but they were markedly less likely to be taken care of by a paid adult in informal settings (22 percent versus 45 percent) and were far more likely to be cared for in an informal setting by another child, who was unpaid (21 percent versus 13 percent). As a result, children in poor families face wide-ranging disadvantages. They start school behind their peers and face threats to their health and development” (Heymann, 2006, p. 137).



❑ **Fact 3** While researching the limitations that parents faced due to long work hours and inflexible schedules, Heymann found that “in those families where parents faced barriers to helping children with homework, 66 percent had children who were experiencing behavioral or academic difficulties at school (compared to only 31 percent of children in families where the parents were able to help with homework). Similarly, in those families where parents faced barriers to participating in school meetings and other school events, 58 percent of their children experienced behavioral or academic difficulties in school (compared to 33 percent of children in families where parents were able to become involved in the school)” (Heymann, 2006, p. 60).

The Network has additional resources related to this topic.

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



References

Cheeseman Day, J., & Newburger, E.C. (2002). *The big payoff: Educational attainment and synthetic estimates of work-life earnings*. Washington, DC: United States Census Bureau.

Data for this report was derived from the 1998, 1999, and 2000 United States Census Bureau Current Population Survey (CPS).

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

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

Phillips, K.R. (2004). *Getting time off: Access to leave among working parents*. Washington, DC: The Urban Institute.

The Urban Institute explores social and economic problems in the United States to encourage policies and programs that promote the economic well-being of the nation's citizens.

Data for this study was retrieved from The 2002 National Survey of America's Families.

For more information about the Urban Institute please visit: <http://www.urban.org/index.cfm>.

To link to the full text of this study, please visit: <http://www.urban.org/publications/310977.html>.



Waldron, T., Roberts, B., & Reamer, A. (October 2004). *Working hard, falling short: America's working families and the pursuit of economic security: A national report by the Working Poor Families Project, sponsored by the Annie E. Casey, Ford, and Rockefeller Foundations*. Baltimore, MD: The Annie E. Casey Foundation.

The report explores the conditions of low income working families with children across the nation and public policies that may encourage their economic security. For more information on the Working Poor Families Project visit:

<http://www.aecf.org/initiatives/jobsinitiatives/workingpoor.htm>.

For a direct link to the PDF please visit: http://www.aecf.org/publications/data/working_hard_new.pdf.
