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Fact Sheet: Employment and Poverty

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Facts: (600-700 words)

1. **Of the [40.6 million](#) Americans living in poverty in 2016, 56.1 percent were working-age adults, 18 to 64.**
2. **Among the poor aged 18 to 64, 40.8 percent worked for some part of the year and many of those not working reported barriers to paid work or engagement in other productive activities in 2014.**

18.9 percent of the poor ages 18 to 64 did not work due to disability, 10.6 percent were in school, and 5.9 percent were unemployed and looking for work, based on tabulations from the Current Population Survey.

3. **The poverty rate among those who work for more than half of the year is much lower than for the population as a whole.**

According to the U.S. Bureau of Labor Statistics (BLS), the working poverty rate was 5.6 percent, compared to a total poverty rate of 13.5 percent in 2015. This means that an estimated 8.6 million people were [working poor](#) or had income below official poverty thresholds despite working (or looking for work) for more than half the year.

4. **Among families with children, the working poverty rate is substantially higher, reflecting the higher poverty thresholds associated with larger families.**

In 2015 the working poverty rate was 11.1 percent for households with children under age 18. For single-female headed families with children the working poverty rate was 24.8 percent.

(The official U.S. poverty measure takes into account a household's pre-tax income based on household size. In 2016, a family of four earning less than \$24,300 [would be considered poor](#))

5. **Official poverty thresholds do not take into account childcare costs, which have a large impact on disposable family income.**

[Child-care costs can make up a substantial fraction of household expenses for low-income families.](#) Among families who paid for any childcare, average annual childcare spending from 2012-2015 was \$6,558, or 8.8 percent of total income. Among poor families who paid for childcare, spending was \$2,547, and accounted for nearly 20 percent of total income.

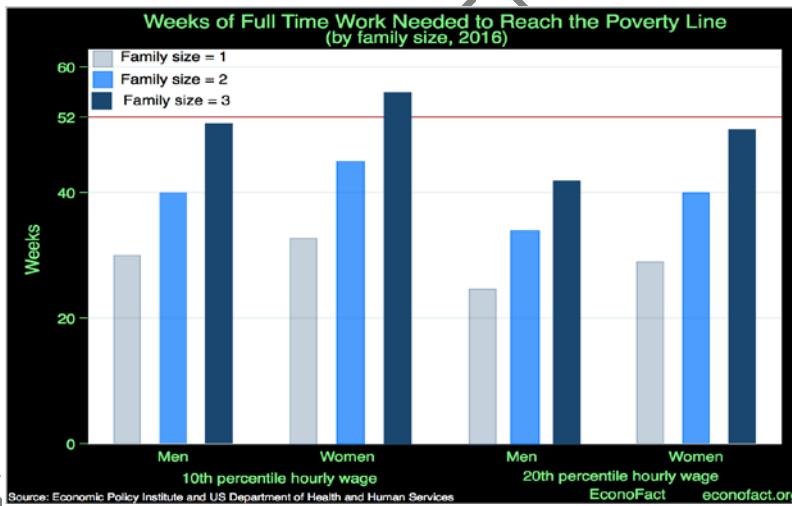
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6. **Part-time (and part-year) employment- common among the working poor- is driven by both economic and non-economic factors, including family and health needs.**

In 2016 approximately 17 percent of part-time workers reported working only part-time due to economic reasons. These workers wanted to work full-time but could not find full-time employment due to business conditions or other reasons. Non-economic [reasons for part-time work](#) included caring for children or family obligations (17 percent); health or medical limitations (3 percent); and school enrollment (18 percent).

7. **Being in low wage jobs, working less than full time, and working less than year-round increase the risk of poverty.**

For the bottom 10 percent of wage earners, 30 weeks of full-time work per year would be needed to reach poverty line earnings for an individual. For a family of three, 50 or more weeks of full time work would be required to reach the poverty line. The chart below shows the relationship between weeks of work at different wage levels and the poverty threshold for different family sizes.



**Commented [AS1]:** This is the Econofact style figure—they converted it to their format from my original. We should make our own in a more suitable color scheme for our briefs.

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