Working and poor in 1990

The proportion of workers living in poverty increased slightly, after remaining relatively constant during the late 1980's; poverty among workers was usually linked to unemployment, involuntary part-time work, or, most often, low earnings

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For many years, policymakers, analysts, and workers have been interested in the relationship between work and the poverty status of families. Interest in poverty escalated in the 1960's when many poverty-reduction efforts were put into place for the first time.[1] In the early 1980's, the Bureau of Labor Statistics began analyzing the relationship between work and the economic status of families, and published data annually from 1982 to 1987 in bulletins titled *Linking Employment Problems to Economic Status*.

In 1989, BLS researchers Bruce Klein and Philip Rones developed a new method for linking individuals' labor market efforts to the poverty status of their families.[2] This was a complex task, as poverty is usually defined in a family context, while work is the result of efforts of individual family members. Klein and Rones defined the "working poor" as *persons who devoted more than half of the year to working or looking for work and who lived in families with incomes below the official poverty level.* A 27-week minimum was used as the period of labor force activity needed to develop meaningful linkages between an individual's work or workseeking efforts and the economic status of the individual's family.

This article uses Klein's and Rones' definition of the working poor, and analyzes the incidence and causes of poverty among U.S. workers and their families using data for 1990, the most recent available. It focuses on families maintained by single women, in particular, because they are likely to have the most difficult time making ends meet.[3]

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The working poor in 1990

In 1990, when the official poverty threshold for a family of four was $13,359 a year, 6.6 million workers in the labor force more than half the year lived in families whose incomes fell below the poverty level.[4] That number represented 5.5 percent of all persons in the labor force most of the year. Both the number of such working poor individuals and the poverty rate of workers rose slightly from previous years due to the onset of recession in July 1990.

From 1987 to 1989, the final 3 full years of the most recent economic expansion, the number of working poor persons had stayed relatively constant at about 6.2 to 6.3 million. Because the overall number of persons in the labor force increased rapidly during that period, the poverty rate of workers had edged down from 5.6 percent in 1987 to 5.3 percent in 1989. The poverty rate did edge back up to 5.5 percent in 1990, but the recession's impact on poverty was not fully felt in 1990. The economic deterioration that deepened in the final months of the year continued into 1991.

Gender. In 1990, as in previous years, the working poor included more men than women. (See table 1.) Despite their majority, however, men

were underrepresented among the group when compared with their share of workers in the labor force more than half the year. The poverty rate among women in the labor force was actually higher than that for men, 6.0 versus 5.2 percent. That higher rate was due largely to two factors: women were much more likely than men to head families on their own; and, on average, women supported their families with lower earnings than did men.

Race. Blacks with at least 6 months of labor force activity were much more likely to be poor than were whites. In fact, blacks' poverty rate of 12.1 percent in 1990 was 2-1/2 times that for whites with similar labor force activity (4.8 percent). One reason for higher poverty rates for blacks is that they generally have completed fewer years of education than have whites. In fact, in 1990, 20 percent of blacks in the labor force more than half the year had not completed high school, compared with 14 percent of whites; similarly, a much smaller proportion of blacks than of whites had completed 4 years of college, 14 versus 25 percent. Lower educational attainment typically is associated with lower levels of labor force participation, higher rates of unemployment, greater difficulty finding full-time work, and, most importantly, lower wages. Undoubtedly, some black workers also experience racial discrimination when they seek jobs and promotions, which also may contribute to lower earnings.[5]

Aside from education, the family structures of black workers are often more conducive to poverty than those of white workers. In 1990, 48 percent of black workers in the labor force more than half the year lived in husband-wife families, compared with 70 percent of white workers. (See table 2.) Married-couple families often have more than one worker whose earnings can shelter the family

Table 1. **Poverty status of workers in the labor force for more than half of the year, by selected characteristics, 1990**

[Numbers in thousands]

Characteristic	Total	At or above the poverty level	Below the poverty level	Poverty rate (percent)[1]
Age and sex				
Total, 16 years and older	118,825	112,233	6,592	5.5
16 to 19 years	4,582	4,134	448	9.8
20 to 24 years	12,197	11,070	1,127	9.2
25 to 34 years	34,108	31,831	2,277	6.7
35 to 44 years	31,787	30,285	1,502	4.7
45 to 54 years	20,372	19,657	715	3.5
55 to 64 years	12,047	11,635	412	3.4
65 years and older	3,732	3,621	111	3.0
Men	65,806	62,384	3,421	5.2
Women	53,019	49,848	3,171	6.0
Race and Hispanic origin				
White	102,376	97,494	4,883	4.8
Men	57,353	54,649	2,704	4.7
Women	45,023	42,845	2,178	4.8
Black	12,465	10,962	1,502	12.0
Men	6,249	5,641	608	9.7
Women	6,216	5,322	895	14.4
Hispanic origin	8,921	7,748	1,173	13.1
Men	5,446	4,696	750	13.8
Women	3,475	3,052	423	12.2
Family relationship[2]				
Husbands	40,145	38,484	1,661	4.1
Wives	29,177	28,491	686	2.4
Women who maintain families	6,622	5,472	1,150	17.4
Men who maintain families	2,172	1,983	189	8.7
Relatives in families	18,061	17,344	717	4.0
Unrelated individuals	22,221	20,157	2,064	9.3

[1] Number below the poverty level as a percent of the total in the labor force 27 weeks or more in 1990.

[2] Excludes persons in unrelated subfamilies.

NOTE: Detail for race and Hispanic origin groups will not sum to totals because data for "other races" are not presented. Hispanics are included in both the white and black population groups. See text footnote 4 for definition of poverty level.

from poverty. The majority of black workers lived in other types of families, however. Black women often maintained families on their own, while many black men lived alone or with unrelated individuals.[6] Workers in these households headed by single people typically were responsible for their own support and, if they had them, for the support of their families. Thus, they were particularly vulnerable to poverty if they had low earnings or work interruptions.

Hispanic origin. In 1990, the poverty rate for persons of Hispanic origin with more than 6 months of labor force activity was 13.1 percent. This rate was much higher than that for whites (regardless of ethnicity). (See table 1.) Hispanic workers, on average, also had completed fewer years of school than had whites. In 1990, more than 4 of 10 Hispanics in the labor force for more than half of the year had less than a high school education; of these workers, the majority had not gone beyond the eighth grade.

Nearly two-thirds of Hispanic workers lived in married-couple families during 1990. While these families typically provide some protection from poverty, Hispanic workers in married-couple families had a relatively high poverty rate of 11.0 percent in 1990. (See table 2.) That rate compared with 3.0 percent for white workers in such families and 6.2 percent for black workers. The higher rate among Hispanic workers reflected low labor force participation by Hispanic wives (48 percent were in the labor force for more than half of 1990, versus 55 percent for white wives and 64 percent for black wives) and the low earnings of Hispanic workers in general.

Workers in other Hispanic families also had high poverty rates. About 1.1 million, or 13 percent, of Hispanics in the labor force for more than half of 1990 lived in families maintained by women, and about 20 percent of these workers were poor. An additional 1.5 million Hispanics in the labor force for most of the year lived alone or with unrelated individuals, and 570,000 lived in families maintained by men. The poverty rates among workers in the last two groups were 17.3 and 10.3 percent. The poverty rates for blacks in these categories were of similar magnitude: 14.2 percent for those workers living apart from their families and 10.1 percent for those living in families maintained by men.

Age. Poverty rates among workers under age 25 were much higher than for those 25 and older. (See table 1.) The youngest workers in 1990 (aged 16 to 19) had the highest poverty rate, just under 10 percent. These workers may have been children in poor families or may have been heading their own families. Typically, however, they were new workers in entry-level jobs or students working only part time or part of the year.

Workers just a little older, 20 to 24 years, also had a relatively high poverty rate—9.2 percent. At those ages, workers often are still in school or may be just starting families. Low entry-level wages, including those from part-time jobs, also may have

Table 2. **Poverty status of persons in the labor force for more than half of the year, by family relationship, race, and Hispanic origin, 1990**

[Numbers in thousands]

Family relationship	Total				Below the poverty level				Poverty rate[1]			
	Total	White	Black	Hispanic origin	Total	White	Black	Hispanic origin	Total	White	Black	Hispanic origin
Total persons	118,825	102,376	12,465	8,921	6,592	4,883	1,502	1,173	5.5	4.8	12.0	13.1
In married-couple families	80,397	71,732	5,940	5,674	2,623	2,151	368	622	3.3	3.0	6.2	11.0
Husbands	40,209	36,239	2,680	2,892	1,683	1,412	205	441	4.2	3.9	7.6	15.3
Wives	29,212	25,994	2,226	1,704	690	558	101	110	2.4	2.1	4.5	6.4
Relatives	10,976	9,499	1,034	1,078	250	181	62	71	2.3	1.9	6.0	6.6
In families maintained by women	12,162	8,455	3,351	1,127	1,662	908	711	224	13.7	10.7	21.2	19.9
Householder	6,907	4,829	1,886	611	1,242	701	507	160	18.0	14.5	26.9	26.1
Relatives	5,255	3,626	1,465	516	420	207	204	64	8.0	5.7	13.9	12.4
In families maintained by men	4,045	3,171	605	573	242	167	61	59	6.0	5.3	10.1	10.3
Householder	2,206	1,776	312	283	191	128	52	41	8.7	7.2	16.5	14.3
Relatives	1,839	1,395	293	290	51	39	9	18	2.8	2.8	3.0	6.2
Unrelated individuals	22,221	19,018	2,568	1,548	2,064	1,655	364	267	9.3	8.7	14.2	17.3

[1] Number below the poverty level as a percent of the total in the labor force 27 weeks or more in 1990.

NOTE: Detail for race and Hispanic-origin groups will not sum to totals because the data for "other races" are not presented. Hispanics are included in both the white and black population groups. Data for persons in unrelated subfamilies are not shown separately. See text footnote 4 for definition of poverty level.

Table 3. **Poverty status and types of labor market problems of full-time wage and salary workers in the labor force for more than half of the year, 1990**

[Numbers in thousands]

Labor market problem	Total	At or above the poverty level		Below the poverty level		Poverty rate[1]
		Total	Percent	Total	Percent	
Total, full-time wage and salary workers	90,620	87,220	100.0	3,400	100.0	3.8
No unemployment, involuntary part-time employment, or low earnings	68,792	68,393	78.4	400	11.8	.6
One labor market problem only	16,485	14,875	17.1	1,611	47.4	9.8
Unemployment only	7,634	7,161	8.2	474	13.9	6.2
Involuntary part-time employment only	2,608	2,564	2.9	44	1.3	1.7
Low earnings only	6,243	5,150	5.9	1,093	32.1	17.5
More than one labor market problem	5,344	3,953	4.5	1,390	40.9	26.0
Unemployment and involuntary part-time employment	1,777	1,620	1.9	157	4.6	8.8
Unemployment and low earnings	1,805	1,141	1.3	664	19.5	36.8
Involuntary part-time employment and low earnings	967	686	.8	280	8.2	29.0
Unemployment, involuntary part-time employment, and low earnings	795	506	.6	289	8.5	36.4
Low earnings, total	9,810	7,483	8.6	2,326	68.4	23.7
Unemployment, total	12,011	10,428	12.0	1,584	46.6	13.2
Involuntary part-time employment, total	6,147	5,376	6.2	770	22.6	12.5

[1] Number below the poverty level as a percent of the total in the labor force 27 weeks or more in 1990.

NOTE: See text footnote 4 for definition of poverty level.

kept these workers from earning enough to stay out of poverty.

Poverty rates are lower for workers over age 25 and decline for each successive age group. As they age, workers typically attain additional education, work experience, or job stability that often lead to higher wages. In addition, more older than younger workers live in multiple-worker families. In contrast to the poverty rates among workers, *overall* poverty rates (regardless of work activity) increase for people aged 55 and older. One reason for the higher levels of overall poverty among these older workers is the large number of widows aged 55 and over. The great majority of these women do not participate in the labor force and thus do not figure into a poverty rate for workers; those who do work have lower incomes than do other older men and women.

Family relationship. Single women in the labor force more than half the year who maintain families face the greatest risk of becoming poor. (See table 1.) Their poverty rate, 17.4 percent in 1990, was twice as high as that for single men who maintained families (8.7 percent) and more than four times higher than the rate among husbands in married-couple families (4.1 percent). The lowest poverty rate was among working wives; only 2.4 percent of them lived in poor families in 1990, as the vast majority were in families with at least two earners.

Labor market problems. Klein and Rones identified three major labor market problems that hinder workers and sometimes keep their earnings below the poverty line. These are unemployment, involuntary part-time work, and low earnings. Low earnings originally were estimated by Klein and Rones by averaging minimum wage levels in effect from 1967 to 1987, expressed in 1987 dollars. For this analysis, that figure was adjusted for inflation using the Consumer Price Index for All Urban Consumers (CPI-U). This procedure, which attempted to develop a more meaningful wage figure than the often-used minimum wage, resulted in a low earnings value of $4.18 per hour in 1990. Assuming a 40-hour workweek, the low weekly earnings figure was $192.40.[7]

Most workers who experience labor market problems live in families with incomes above, rather than below, the poverty level. Unemployed workers, or those working part time, often rely on the earnings of other family members to stay out of poverty. But for about 3.4 million full-time wage and salary workers, their earnings were not enough to bring their families' incomes above poverty. The data in table 3 show labor market problems for full-time wage and salary workers. Other workers, such as those working part time, are not included, as that would require too many arbitrary assumptions to produce a reliable low-earnings calculation.

As shown, most workers living below the poverty threshold in 1990 experienced at least one of the three labor market problems (88 percent). Furthermore, multiple labor market problems were far more common among poor than nonpoor workers. In many cases, low earnings, which affected about two-thirds of poor workers, went hand-in-hand with unemployment or involuntary part-time employment. The share of workers in poverty who experienced more than one labor market problem edged up in 1990, a result of the recession that began at midyear. Forty-one percent of workers in poor families experienced more than one problem during 1990, compared with 39 percent in 1989; 9 percent experienced all three problems—unemployment, involuntary part-time employment, and low wages—versus 7 percent a year earlier.

A family perspective

Although individual family members' characteristics can lead to poverty, there are attributes of the family itself that can put it and its members at risk. A family is classified as living in poverty if the combined income of all related individuals in a family is less than the official poverty threshold.

Of the 54.4 million families with at least one member in the labor force for more than half of 1990, 3.5 million, or 6.4 percent, had incomes below the poverty level. (See table 4. Persons living alone or with unrelated individuals are not included.) The number and proportion of families that were poor despite the presence of working members had changed little from 1987 to 1989, but edged up with the onset of the recession in 1990.

The majority of the 3.5 million working poor families were married couples in 1990, totaling 1.9 million. The dominance of married-couple families among the working poor reflected their sheer numbers in the country overall; in 1990, they represented nearly 81 percent of all families with a member in the labor force more than half of the year. Most of the remaining poor families with workers were maintained by women (1.4

Table 4. **Poverty status of families by number of family members in the labor force for more than half of the year, 1990**

[Numbers in thousands]

Type of family and labor force participation of family members	All families	At or above the poverty level	Below the poverty level	Poverty rate[1]
Total primary families	66,221	59,135	7,086	10.7
With no members in labor force	11,813	8,210	3,603	30.5
With one or more members in the labor force	54,408	50,926	3,482	6.4
With one member in labor force	21,894	19,148	2,746	12.5
With two or more members in labor force	32,514	31,778	736	2.3
With two members	26,774	26,114	661	2.5
With three or more members	5,740	5,664	75	1.3
Married-couple families	52,047	49,078	2,969	5.7
With no member in labor force	8,170	7,123	1,047	12.8
With one or more members in the labor force	43,878	41,955	1,922	4.4
With one member in labor force	14,906	13,552	1,353	9.1
Husband	11,818	10,692	1,126	9.5
Wife	2,414	2,228	187	7.7
Relative	673	632	41	6.1
With two or more members in labor force	28,972	28,403	569	2.0
With two members	23,956	23,445	511	2.1
With three or more members	5,015	4,958	58	1.2
Families maintained by women	11,268	7,500	3,768	33.4
With no member in labor force	3,261	847	2,414	74.0
With one or more members in the labor force	8,007	6,653	1,354	16.9
With one member in labor force	5,454	4,245	1,209	22.2
Householder	4,343	3,315	1,028	23.7
Relative	1,111	931	180	16.2
With two or more members in labor force	2,553	2,408	145	5.7
Families maintained by men	2,907	2,557	349	12.0
With no member in labor force	382	240	142	37.2
With one or more members in the labor force	2,525	2,317	206	8.2
With one member in labor force	1,535	1,350	184	12.0
Householder	1,233	1,062	170	13.8
Relative	301	288	14	4.7
With two or more members in labor force	990	967	22	2.2

[1] Number below the poverty level as a percent of the total in the labor force 27 weeks or more in 1990.

NOTE: See text footnote 4 for definition of poverty level.

Table 5. **Poverty status and selected labor market problems of women maintaining families who were in the labor force for more than half of the year as full-time wage and salary workers, 1990**

[Numbers in thousands]

Labor market problem	Total	At or above the poverty level	Below the poverty level	Poverty rate[1]
Total, women maintaining families	5,324	4,695	628	11.8
No unemployment, involuntary part-time employment or low earnings	3,902	3,827	74	1.9
One labor market problem only	969	691	278	28.7
Unemployment only	370	302	68	18.4
Involuntary part-time employment only	109	107	2	1.8
Low earnings only	490	282	208	42.4
More than one labor market problem	454	179	275	60.6
Unemployment and involuntary part-time employment	82	63	19	23.2
Unemployment and low earnings	159	39	120	75.5
Involuntary part-time employment and low earnings	131	60	71	54.2
Unemployment, involuntary part-time employment, and low earnings	82	17	65	79.3
Low earnings, total	862	398	464	53.8
Unemployment, total	693	421	272	39.2
Involuntary part-time employment, total	404	247	157	38.9

[1] Number below the poverty level as a percent of the total in the labor force 27 weeks or more in 1990.

NOTE: See text footnote 4 for definition of poverty level.

million) and an additional 205,000 such families were maintained solely by men. The highest poverty rate was for families maintained by women, while the lowest rate was among married-couple families.

Influencing factors. The probability of a family living in poverty is influenced by three primary factors: the size of the family, the number of workers in that family, and the characteristics of the earners. The addition of a child, for example, puts an increased financial strain on a family and increases its risk of poverty.[8] The poverty rate for married-couple families with workers rose from 1.8 percent for families with no children to 29.1 percent for those with five or more children in 1990. The comparable figures in families maintained by women were 4.7 and 76.3 percent.

As the number of earners in a family increases, the probability of living in poverty declines. The presence of a second earner in a family, for example, reduced the poverty rate from 12.5 percent for families with one earner to just 2.5 percent for those with two earners. (See table 4.)

The likelihood of having a second earner is, of course, greatest in married-couple families. Fifty-six percent of these families had more than one earner in 1990, compared with 23 percent of families maintained by women. Second earners in married-couple families reduced the poverty rate from 9.1 percent to 2.1 percent. The poverty rate for families maintained by women with two or more earners was 5.7 percent, versus 22.2 percent with one earner.

Differences in the characteristics of earners also affected family poverty rates. In married-couple families, the primary earner—the person who had the highest earnings in the family—typically was the husband. Men, on average, have higher earnings than women and their earnings are less likely to be at the very low end of the earnings distribution. Thus, in poor families, a husband's earnings alone were more likely to be quite close to the poverty line than were the earnings of a woman maintaining a family on her own. Hence, married-couple families could be pushed out of poverty more easily by the presence of another earner.

The person with the second highest earnings in married-couple families was usually the wife. In families maintained by women, in contrast, the second earner was often a child under age 18. Wives typically have higher earnings than young people and are more likely to contribute enough to bring the family's income above the poverty threshold. In poor families maintained by women, 16- and 17-year-olds (the only children under age 18 for whom BLS has data) were slightly more likely to work in 1990 than were their nonpoor counterparts. Teens in these poor

Table 6. **Poverty status of mothers maintaining families who were in the labor force for more than half of the year, by selected characteristics, 1990**

[Numbers in thousands]

Characteristic	Total	At or above the poverty level	Below the poverty level	Poverty rate[1]
Total, mothers maintaining families	4,583	3,472	1,112	24.3
Age				
16 to 19 years	32	9	22	(2)
20 to 24 years	312	145	167	53.4
25 to 34 years	1,818	1,272	546	30.0
35 to 44 years	1,898	1,597	301	15.8
45 to 54 years	470	407	63	13.3
55 years and older	54	40	14	(2)
Race and Hispanic origin				
White	3,135	2,501	634	20.2
Black	1,327	881	445	33.6
Hispanic origin	401	264	138	34.3
Marital status				
Never married	1,057	669	388	36.7
Divorced	2,300	1,930	370	16.1
Widowed	250	219	31	12.5
Married, spouse absent	976	654	322	33.0

[1] Number below the poverty level as a percent of the total in the labor force 27 weeks or more in 1990.
[2] Data not shown when base is less than 75,000 persons.

NOTE: Detail for race and Hispanic-origin groups will not sum to totals because data for "other races" are not shown. Hispanics are included in both the white and black population groups. See text footnote 4 for definition of poverty level.

families contributed fewer dollars to their families' incomes than did nonpoor teens; however, the teens' earnings in poor families accounted for a larger share of family income—14.3 versus 6.8 percent.

Families maintained by women

Discussion on the connection between work and poverty in recent years has included a debate on the role of employment for the welfare-eligible population. Families maintained by women have been of particular interest, as they make up the vast majority of the Nation's welfare population.

A history. The number of families maintained by women increased steadily from 1970 to 1990, partly because of rising divorce rates and partly because of increases in the number of children born to unmarried women. It has been hypothesized that the more lenient welfare rules, increased benefits, and new assistance programs initiated during the late 1960's and early 1970's had a role in pushing up the count of families maintained by single women.[9]

In 1970, 6.0 million, or 11.5 percent of *all* families (regardless of work activity) were maintained by women.[10] This number had nearly doubled to 11.8 million by 1990, and represented almost 18 percent of all families. The proportion of these families who lived in poverty stayed at around one-third over the two decades. In contrast, the poverty rate for married-couple families declined between 1970 and 1990.[11]

Of the families maintained by women with at least one member in the labor force for most of 1990, about 1 of 6 were poor. For families maintained by women who spent less than half the year working, about 6 of 10 were poor.

Reasons for poverty. As with all workers in poverty, for women maintaining families the gap between their earnings and the poverty standard may result from spells of unemployment, having to work part time when full-time work is preferred, low earnings, or a combination of these factors. (See table 5. Because of difficulty in computing accurate wage rate data for part-time workers, the numbers in the table are limited to women who typically work full time in wage and salary jobs.)

Nearly 3 of 4 poor women who maintained families in 1990 had low earnings. Not only were low earnings pervasive, but their impact on poverty was dramatic. The poverty rate for women maintaining families whose only labor market problem was low earnings was more than twice that for woman who experienced unemployment only—42.4 versus 18.4 percent. This suggests that women who maintain families fall into poverty more frequently because they earn low wages, rather than because they cannot find (or keep) a job. For about half of the poor women maintaining

families, however, it is some combination of the three labor market problems that pushes their incomes below the poverty threshold.

Nine of ten working poor families maintained by women in 1990 included at least one child under age 18, compared with 6 of 10 for their nonpoor counterparts.[12] Because women with children under age 18 were the most likely to experience difficulty making ends meet, the more in-depth demographic profile that follows focuses solely on *mothers* maintaining families. (Data for this group are shown in table 6, with the universe again including those in the labor force 27 weeks or more.)

Mothers maintaining families. In 1990, 1.1 million mothers who maintained families and worked or looked for work for more than half of the year did not earn enough to keep their families out of poverty. Despite the fact that more than half of all working poor mothers maintaining families were white (57 percent), black mothers were disproportionately represented. Black mothers accounted for 40 percent of poor mothers maintaining families, but only 29 percent of the mothers maintaining families who were in the labor force more than half of the year.

About a third of all poor mothers without a spouse had never been married. These working mothers had the highest poverty rate, 36.7 percent. Divorced mothers represented a similar proportion of the working poor mothers maintaining families, but their poverty rate was substantially lower, at 16.1 percent. Married mothers who worked and lived apart from their husbands made up most of the remaining third, and they had a poverty rate of 33.0 percent.

The lower poverty rate for divorced mothers reflected the fact that these mothers, on average, were older, had more education and work experience, and earned higher wages than their never-married counterparts. Also, the children of divorced mothers were more likely to be old enough to work and contribute to the family's income than were the children of never-married mothers. The higher poverty rate for married mothers maintaining families but living apart from their husbands—because they were abandoned or separated (legally or more informally)—probably reflected the transition from a family headed by a married couple to one maintained by the mother alone.

Mothers aged 20 to 24 who maintained families had a very high poverty rate of 54 percent in 1990. As previously stated, these young workers have relatively limited education and work experience that lead to low-paying jobs. Young working mothers faced with work-related costs of child care, clothing, and transportation might receive more income by accepting welfare payments in the form of Aid to Families with Dependent Children (AFDC) than by working.[13] The working poverty rate was much lower for mothers aged 35 and older, probably because low earnings and child-care costs were less prevalent.

IN SUMMARY, the number and percentage of individuals and families who lived in poverty despite substantial labor force efforts increased slightly in 1990. About 6.6 million such workers in 3.5 million families were poor. The overall poverty rate among these workers edged up to 5.5 percent from 5.3 percent in 1989.

Workers who experienced labor market problems, particularly low earnings, were at the greatest risk of living in poverty. For families, a small number of earners often increased the risk of poverty. Families maintained by women—especially those with children—had the highest poverty rate. □

Footnotes

[1] See Gary Burtless, "Public Spending for the Poor: Trends, Prospects, and Economic Limits," in Sheldon H. Danziger and Daniel H. Weinberg, eds., *Fighting Poverty: What Works and What Doesn't* (Cambridge, MA, Harvard University Press, 1986), p. 18.

[2] See Bruce W. Klein and Philip L. Rones, "A profile of the working poor," *Monthly Labor Review*, October 1989, pp. 3–13.

[3] This analysis uses data from the March 1991 supplement to the monthly Current Population Survey, a survey conducted by the Bureau of the Census for the Bureau of Labor Statistics. The supplement includes questions on employment, unemployment, time out of the labor force, earnings, and income. The restriction to more than half the year devoted to labor market efforts includes any weeks in the labor force totaling 27 or more during a calendar year.

[4] Poverty thresholds are income levels that vary by family size. Families with incomes lower than the thresholds—which are determined annually by the Bureau of the Census—are considered poor. The poverty threshold was $8,445 for a two-person family with no children in 1990, $10,520 for such a family with one child, $15,598 with three children, and $19,561 with five children. Similarly, the threshold was $6,652 for a single adult with no children, $9,008 with one child, $13,301 with three children, and $17,137 with five children. See *Poverty in the United States: 1990, Current Population Reports*, Series P-60, No. 175 (Bureau of the Census, 1991), p. 162.

[5] The relationship between education and earnings among black workers is a complex one and substantial racial differences exist even among college graduates. See Joseph R. Meisenheimer II, "Black college graduates in the labor market, 1979 and 1989," *Monthly Labor Review*, November 1990, pp. 13–21.

[6] See *Marital Status and Living Arrangements: March 1990, Current Population Reports*, Series P-20, No. 450

(Bureau of the Census, 1991), pp. 25–26. In determining poverty status, each unrelated individual is treated as a separate economic unit. For some, though, the combined income of individuals in a household may serve as a safety net much in the same way it does for married-couple families.

[7] The low-wage calculation was first used by Klein and Rones and was applied to data for 1987. The calculation begins with the year 1967 because that was the first year in which minimum-wage legislation covered essentially the same broad group of workers that are currently covered. Once the average real value of the minimum wage over the 21-year period was established as a benchmark for the low earnings measure, subsequent low-earnings levels were inflated based on the change in the CPI-U. This allowed the measure to maintain the same real value it held in 1987. The alternative of adding additional years of minimum wages to the calculation (thus making it a 22-year average for 1988, 23-year for 1989, and so on) could have led to some perverse results. During any period in which the minimum wage did not change, or rose less than the CPI-U, the low-wage threshold could have actually fallen.

[8] This is not only because the family must support an additional person, but is also the result of adjustments in poverty thresholds by family size. For example, a married-couple family with no children and with an income of $9,500 per year would be living above the poverty threshold of $8,445 for such a family. If they had one child, however, and their income did not change, the family would fall into poverty, as the threshold for a family of three with one child was $10,520 in 1990.

[9] William Julius Wilson and Kathyrn M. Neckerman, "Poverty and Family Structure: The Widening Gap Between Evidence and Public Policy Issues," in Danziger and Weinberg, eds., *Fighting Poverty*, p. 247.

[10] *Handbook of Labor Statistics*, Bulletin 2340 (Bureau of Labor Statistics, August 1989), table 61, p. 254.

[11] *Poverty in the United States: 1990*, p. 20.

[12] Families maintained by women without children under 18 typically included older mothers living with their adult children (over 18) or adult relatives (such as two siblings) living together.

[13] Data on AFDC recipiency are published in *Characteristics and Financial Circumstances of AFDC Recipients, FY 1989* (Washington, Department of Health and Human Services, Family Support Administration).

A note on communications

The *Monthly Labor Review* welcomes communications that supplement, challenge, or expand on research published in its pages. To be considered for publication, communications should be factual and analytical, not polemical in tone. Communications should be addressed to the Editor-in-Chief, *Monthly Labor Review*, Bureau of Labor Statistics, U.S. Department of Labor, Washington, DC 20212.