



Working poverty in southern California: towards an operational measure

Pascale Joassart-Marcelli*

Department of Economics, University of Massachusetts, 100 Morrissey Blvd. Boston, MA 02125, USA

Available online 26 February 2004

Abstract

As a result of welfare-to-work, discussions on working poverty have sprouted among urban scholars and policy makers. Yet, there is little consensus on how to define working poverty, limiting both knowledge of such populations and ability to inform policy. Using 19982000 CPS data for southern California, we compare twelve definitions of work and poverty in an attempt to provide a better understanding of who the working poor are and suggest an operational measure of working poverty that is both empirically simple and realistic. Results indicate that working poor families represent a diverse group of people, which varies significantly depending upon the definitions used. However, as expected, we find a dominance of families with young children and fewer adult workers, most of whom are Latino, work in service or laborer occupations, have lower educational attainment and very low unionization rates, and earn hourly wages close to the legal minimum.

© 2004 Elsevier Inc. All rights reserved.

Keywords: Working poverty; Poverty definition; Welfare; Low-wage; Southern California

1. Introduction

The last few years have witnessed a blooming of research on “working poverty”—the condition of people who are working and earning an income, but fail to earn enough to keep themselves and their family out of poverty (Acs et al., 2000; Boushy et al., 2001; Elwood, 1999; Iceland, 2000; Kim, 1998; LAANE, 2000; Wertheimer, 1999). This expansion is no doubt related to the Personal Responsibility and Work

* Fax: 1-617-287-6976.

E-mail address: pascale.joassart@umb.edu.

Opportunity Reconciliation Act of 1996 (PRWORA) that promoted the entry of thousands of welfare recipients into the labor force. These “work first” reforms led a number of scholars and policy advocates to question whether former welfare recipients were improving their economic conditions or merely entering working poverty. The growth of studies on working poverty is also linked to the rising evidence that the benefits of the 1990 economic expansion have not been equally shared among wage earners, and until recently, had not led to declines in overall poverty. This was especially true in the first half of the decade when workers at the bottom 20% of the wage scale earned approximately 10 times less than those in the top 20%, and actually saw their real wages continuously decline by an average of 0.9% a year (Mishel et al., 2001).

Existing studies however lack a common definition of who the working poor are. Because different estimation methodologies are employed, results often seem contradictory and comparisons between geographical areas and time periods are difficult. The resulting confusion has hampered the development of policies such as raising the minimum wage, enforcing a living-wage, expanding the earned-income tax credit, or improving child care, transportation, health and housing services to working families.

The purpose of this paper is to systematically compare alternative definitions of working poverty in an attempt to adopt an operational definition that is both relatively simple to implement empirically and accurate in capturing the economic deprivation of the poor. While this is unlikely to end the debate regarding the definition of working poverty, it provides researchers with the tools to understand differences in results of existing studies as well as suggests an operational measure for future research. In the process, it also generates current estimates of the number and characteristics of working poor in southern California, the site of our analysis.

In the next section we discuss the data used in this paper and the context of our analysis. In the following section, we review existing definitions of working poverty and compare estimation methodologies relying on alternative definitions of work and poverty. We then turn to the empirical comparison of working poor populations and identification of key predictors of working poverty based on 12 different resulting definitions. We conclude with suggestions for future research.

2. Data and site selection

The paper relies on the March Supplement files of the Current Population Survey (CPS). While Census data like the Public Use Micro Sample (PUMS) may be more appropriate to analyze poverty issues at a regional level given the larger sample size, these data are only available every 10 years and do not allow to track poverty on a yearly basis. In contrast, the annual samples of CPS data afford researchers more flexibility. To maximize the number of observations, we combine data from 1998, 1999, and 2000. The CPS provides individual and family level information regarding annual income, family size, number of children, hours, and weeks worked, as well as estimates of taxes and benefits received. These variables are used to compute

متن کامل مقاله

دریافت فوری ←

ISIArticles

مرجع مقالات تخصصی ایران

- ✓ امکان دانلود نسخه تمام متن مقالات انگلیسی
- ✓ امکان دانلود نسخه ترجمه شده مقالات
- ✓ پذیرش سفارش ترجمه تخصصی
- ✓ امکان جستجو در آرشیو جامعی از صدها موضوع و هزاران مقاله
- ✓ امکان دانلود رایگان ۲ صفحه اول هر مقاله
- ✓ امکان پرداخت اینترنتی با کلیه کارت های عضو شتاب
- ✓ دانلود فوری مقاله پس از پرداخت آنلاین
- ✓ پشتیبانی کامل خرید با بهره مندی از سیستم هوشمند رهگیری سفارشات