



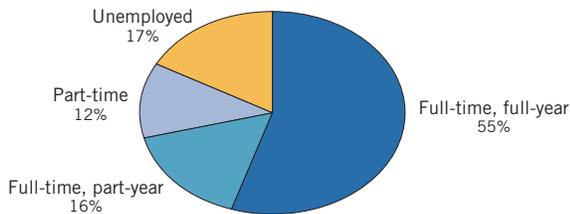
## Parental Employment in Low-Income Families (DECEMBER 2004)

With the decline in real wages and increase in under-employment over the past few years,<sup>1</sup> the number of children living in low-income families is on the rise. Programs that provide income and work supports for low-income parents can increase employment, income, and child well-being.

### Most children in low-income families have parents who are employed full-time and year-round.<sup>2</sup>

- 55% of all children in low-income<sup>3</sup> families—14.7 million—have at least one parent who works full-time and year-round, down from 56% in 2002.
- 28% of children in low-income families—7.6 million—have at least one parent who works part-time or full-time, part-year, no change from 2002.
- 17% of children in low-income families—4.6 million—do not have an employed parent, up from 16% in 2002.

Percent of low-income children by parents' work status



### Many low-income parents who work part-year or part-time are unable to find full-time/year-round employment.

- Over half (54%) of low-income parents only working full-time for part of the year reported they could not find full-year work, up from 53% in 2002.
- 40% of low-income parents working part-time reported that they did so because they could not find full-time work,<sup>4</sup> up from 37% in 2002.

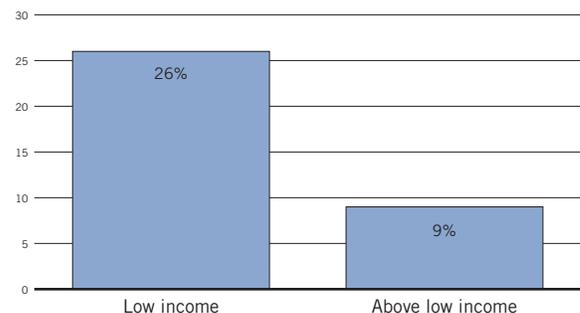
### Most low-income parents who did not work at all last year were either disabled or taking care of their families.

- Almost half (44%) of low-income parents with no employment reported they were not working because they were taking care of their families, down from 45% in 2002.
- An additional 30% of low-income parents with no employment reported they had an illness or disability that kept them from working, down from 31% in 2002.

### Low-income parents who work are more likely to be employed in service occupations.

- Workers in service occupations are not only likely to have lower earnings and fewer opportunities for full-time employment, but they are also less likely to receive benefits such as health insurance, paid vacation, or holidays.<sup>5</sup>

Percentage of working parents employed in service occupations, by income status



## Policy Implications

Public policy can support low-income working parents—and therefore their children—by making work pay through providing relief from work-related expenses (such as child care and transportation), increasing income, and strengthening the safety net for temporary unemployment spells.

Policy strategies include:<sup>6</sup>

- **Protect and expand the federal EITC.** In the absence of higher wages, low-income parents need ways to increase the value of their work. The EITC—Earned Income Tax Credit—increases the value of low-wage work, rewards work, and lifts millions of people out of poverty every year.
- **Raise the minimum wage.** The current federal minimum wage of \$5.15 an hour has remained unchanged for six years. Its real value is 25% less than it was in 1978.<sup>7</sup> In response to the declining value of the federal minimum wage, 12 states plus the District of Columbia have passed a state minimum wage that is higher than the federal one—the highest of which is \$7.16 an hour.<sup>8</sup>
- **Help low-income working parents with child care costs.** Despite the expansion of child care subsidies in the 1990s, coverage rates remain low, especially for families with incomes above the poverty level. To maintain employment, working parents need affordable, stable arrangements for their children.
- **Strengthen unemployment insurance for unemployed low-wage workers.** The current structure of unemployment insurance programs disadvantages low-wage workers, especially those who work part-time and those who are new to the labor force (recent wages are not counted in determining eligibility in the majority of states). Some states have started to expand access to unemployment insurance to make it easier for these groups to qualify, but many others have not.<sup>9</sup>

## Endnotes

*This fact sheet is part of the National Center for Children in Poverty's demographic fact sheet series and is updated annually. Important changes are noted in the text. Estimates were prepared by Ayana Douglas-Hall and Heather Koball of NCCP based on the Current Population Survey, Annual Social and Economic Supplement, March 2004.*

1. Mishel, L.; Bernstein, J.; & Allegretto, S. (2005). *The state of working America: 2004/2005*. Ithaca, NY: Cornell University Press <[www.epinet.org/content.cfm/books\\_swa2004](http://www.epinet.org/content.cfm/books_swa2004)>.
2. Parental employment is the employment level of the parent in the household who maintained the highest level of employment in the previous year. Full-time/year-round is defined as working at least 50 weeks and 35 hours per week for the majority of those weeks. Part-time is defined as working less than 35 hours per week for the majority of weeks worked. Full-time, part-year is defined as working fewer than 50 weeks and working full-time in the majority of weeks worked.
3. Low income is defined as twice the federal poverty level, or \$37,700 for a family of four (2004).
4. Parents experiencing slack work (i.e., the company is not providing full-time work, but the employee maintains a formal attachment) are included in this statistic.
5. Nelson, J. I. (1994). Work and benefits: The multiple problems of service sector employment. *Social Problems*, 41(2), pp. 240-256.
6. The policy strategies enumerated below are drawn from Cauthen, N. K. & Lu, H. (2003). *Employment alone is not enough for America's low-income children and families* (Living at the Edge Research Brief 1). New York, NY: National Center for Children in Poverty, Columbia University Mailman School of Public Health <[www.nccp.org/pub\\_lat03a.html](http://www.nccp.org/pub_lat03a.html)>.
7. See The Finance Project. (2004). *Minimum wage legislation & living wage campaigns* (Making Wages Work, Information for Decision Making) <[www.financeprojectinfo.org/mww/minimum.asp](http://www.financeprojectinfo.org/mww/minimum.asp)>.
8. See National Center for Children in Poverty. Minimum wage standards <[nccp.org/policy\\_index\\_10.html](http://nccp.org/policy_index_10.html)>.
9. See National Center for Children in Poverty. Unemployment insurance <[nccp.org/policy\\_index\\_11.html](http://nccp.org/policy_index_11.html)>.

For state-level parental employment data, see the National Center for Children in Poverty 50-State Demographics Database Wizard.  
<[nccp.org/wizard/wizard.cgi?action=B](http://nccp.org/wizard/wizard.cgi?action=B)>