



Top 10 Findings from Half in Ten's Inaugural Report Tracking Our Progress Reducing Poverty

Where We Are Today and What We Need to Do to Cut Poverty in Half in 10 Years

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The Half in Ten campaign released today their first annual report that establishes a baseline for tracking progress toward their goal of cutting poverty in half over the next 10 years. The report, "Restoring Shared Prosperity: Strategies to Cut Poverty and Expand Economic Growth," reveals where the nation stands in three core areas that are essential to progress and provides policy recommendations to move the dial in the right direction.

Here are the top 10 findings from the report, which are categorized into the three core areas Half in Ten identified as central to success in cutting poverty.

Creating good jobs

1. **Since 1970 real wages have not kept pace with employee productivity.** Since 1973 worker productivity has nearly doubled, and Americans 25 and older have achieved higher levels of high school and college educational attainment. Unfortunately, increases in these areas have not translated into increased wages for workers across the board. Only workers with already-high wages experienced big wage gains.
2. **In 2010 people with disabilities had an employment rate of 18.6 percent, which was just one-third that of people with no disabilities (63.5 percent).** People with disabilities account for a larger share of working-age adults living below the poverty line than any other major demographic group with a heightened risk of poverty. Poverty among people with disabilities is driven by a combination of labor market exclusion and inadequate social insurance.
3. **Between 1979 and 2007 overall direct expenditures by the federal government on education, training, and employment services fell by half, from 8.8 percent of GDP**

to **4.3 percent**. Increasing high school and college graduation rates and investing in job training for middle-skill workers must be a part of a comprehensive poverty reduction strategy that also includes major economic reforms and incorporates wages, nonwage benefits, and other components of job quality.

- 4. The transportation sector provides new opportunities for equitable job growth.** The report shows that investments in the transportation sector provide the dual impact of improving access to employment and creating jobs at the same time. More than 14 million jobs—about 11 percent of civilian jobs in our nation—are estimated to be transportation related. This presents new opportunities for Americans living in poverty to obtain good jobs without displacing current workers.

Strengthening families

- 5. Poverty rates for households headed by a single mother drop from 40.7 percent to 14 percent when the mother has full-time, year-round employment.** This underscores the importance of job creation and flexible workplaces, as well as work supports such as child care in enabling single mothers to move their families out of poverty.
- 6. Only 4 percent of households with more than one earner are in poverty as compared to 24 percent of households with a single earner.¹** In modern American society, marriage is an important route, but not the only one, for low-income families to achieve financial stability. Recognizing and encouraging multiple incomes in whatever form they exist has a significant impact on families' poverty status.
- 7. Among those facing employment challenges, more than one-third (35 percent) had home or family reasons for not working all or part of the year, such as a sick child or parents, and disruptions in child care.** The report shows that 80 percent of low-wage workers have no paid sick leave, and there are waiting lists for child care assistance across the country. In order to connect low-income families to employment opportunities, it is critical to address these barriers to work.

Promoting economic security

- 8. African Americans and Latinos are more than five times more likely than whites to be “unbanked.”** One in five African American (21.7 percent) and Latino (19.3 percent) households were “unbanked,” or without checking and savings accounts in 2009. This is more than five times the rate experienced by whites (3.3 percent). Assets help families weather periods of unemployment or economic hardship, climb the economic ladder, and solidify their spot in the middle class.

9. **High poverty rates among families with children cannot simply be explained by low work effort.** Low-income parents work more hours than those in many other developed countries, but a parent working full time (40 hours a week, 50 weeks a year) earning \$10 an hour would only bring home only \$20,000 annually—less than the official federal poverty level for a family of four and not nearly enough to pay for decent housing, food, child care, transportation, and health care. That’s why “work support” benefits such as earned income tax credits, child care assistance, and public health insurance coverage are a critical component of policy efforts to reduce poverty.

10. **In 2009 the earned income tax credit lifted 6 million people—half of them children—out of poverty.** The child poverty rate would have been nearly a third higher without it. The credit is also a powerful work incentive for single parents as research shows that 60 percent of increased labor force participation among single mothers from 1984 to 1996 can be attributed to an expansion of the EITC.

Perhaps the most important finding from the report is that we have both the experience and the policy tools necessary to cut poverty in half.

Between 1964 and 1973, under both Democratic and Republican administrations, the U.S. poverty rate fell by nearly half (43 percent) as a strong economy and effective public policy initiatives expanded the middle class. Similarly, between 1993 and 2000, shared economic growth combined with policy interventions such as an enhanced earned income tax credit and minimum wage increase worked together to cut child poverty from 23 percent to 16 percent.

We can’t do this alone. Join the movement to reduce poverty in America. Use the findings in today’s report to hold your elected officials accountable. Urge them to pursue an agenda that creates good-quality jobs, strengthens families, and expands economic security for all.

It is possible to restore shared prosperity. Let’s start today.

Endnotes

1 For households, we examined the subfamily level, defined by the Current Population Survey data as “a couple, married or unmarried, with or without children, or a single parent with one or more own never-married children.”