

Work Details

New York outpaces other states in aid to low wage earners—and makes it very, very hard to sign up for help.

By Tracie McMillan

NEW YORKERS ALWAYS want the best. And usually, we get it. We've got the tallest buildings, the tastiest street food, the lowest crime, the hottest ball teams. But when it comes to making sure poor people can stay afloat on meager paychecks, New York is not always at the top of the heap.

Our poor can get job training, tax breaks, health insurance and other resources to help them get by. We offer one of the nation's most generous state tax credits for the working poor, and New York City just upped the ante by adding its own. We offer high-quality public child care. And two-thirds of qualified adults are enrolled in public health care programs—well above the national average.

As anyone who's ever tried to get that kind of help can tell you, the problem isn't that the programs don't exist. It's that there isn't enough to go around. What aid does exist can be nearly impossible to obtain without professional assistance, and it's generally earmarked for people already in "the system." "There's no way into these systems unless you're on welfare," says Barbara Zerzan, vice president for programs at WHEDCO, a Bronx organization that trains and supports low-wage workers. "Even if you're eligible for a housing subsidy, you can't get it. Even if you're eligible for a child-care subsidy, you can't get it."

Diana Dorch could tell you a few things about that. Formerly homeless, the single mother of two made her way off of welfare and into a clerical position at a law firm. Today, her rent of \$980 would eat up most of her monthly check of \$1,575 if she didn't have public housing subsidies. She and her children also get public health insurance, and she still gets some help with child care. Add food stamps and a tax credit for the working poor, and she's just barely able to keep it together—though she's not always sure it's worth the trouble. "I don't feel better to be working," she laments. "I like my job and the fact that I earn money, but I'm within the same budget, actually."

If Dorch is to move on up, what she needs, quite simply, is more money, and that takes higher wages. Moving up within the company is



one option, but an increasingly rare one. "The idea of somebody going to a firm...and then moving up a career ladder in that firm is kind of old-fashioned," says Diane Baillargeon, president of Seedco, a nonprofit that runs programs for low-wage workers. "That's not the way the job market works anymore."

The prospects for increasing pay for most low-skill work aren't good, either. Efforts to raise the minimum wage have met formidable hurdles, and unions—the driving force that turned manufacturing into stable, middle-class employment—are struggling to survive, much less expand.

Since wages for low-skill jobs are unlikely to rise, it makes sense to train workers for higher-skill, better paying positions. In 1998 the feds created the Workforce Investment Act, the nation's main education and job training program. Roughly four out of every five participants find jobs that last for at least six months—not

bad. Yet it's moved at a glacial pace, and funding has withered under the Bush administration.

Across the country, then, the working poor are finding it a struggle to earn more and live better. On the following pages you'll find data from California, Illinois, New Jersey, Ohio and the U.S. overall. Is it any different in New York? In this town that thrives on excellence, we shouldn't even have to ask that question. ●

This article is adapted from research for the report "Between Hope and Hard Times: Working Poor Families in New York," a joint project of the Center for an Urban Future and the Schuyler Center for Analysis and Advocacy. It is part of the national Working Poor Families project, from which data on other states was drawn.

Take the Interstate

New York has a flood of immigrants, a healthy rural-urban mix and a rapidly expanding population. Here's how the Empire State compares when it comes to aiding the working poor.

WHO ARE THE WORKING POOR?

	NY	CA	IL	NJ	OH	USA
Percent of workers in low-wage jobs	32	25	23.4	26.2	23.4	23.8
<i>NYers are more likely than other Americans to earn low wages.</i>						
Percent of poor families that work	41	51.5	45.3	43.7	43.1	46.3
<i>2 in 5 NY families under the federal poverty line have at least one working member.</i>						
Percent of poor families in which a parent lacks a high school diploma	41.2	62.2	38.2	20.7	23.6	41.2
<i>In NY, a large share of the poor have low levels of education...</i>						
Percent of poor families in which one parent attended college	36.3	27.4	36.9	39.6	35.6	34
<i>...but higher education is still no guarantee against poverty.</i>						
Percent of poor working families with one parent age 25-54	88.1	91.1	86.8	89.7	81	85.3
<i>Most of the working poor are adults, not teens at burger joints.</i>						

DO WORKERS HAVE OPPORTUNITIES TO INCREASE EARNINGS?

	NY	CA	IL	NJ	OH	USA
Percent of graduates of federal job training who stayed employed for 6 months	78.9	80.8	86.1	83.9	82.9	N/A
<i>NY's federal job training programs get most of their graduates jobs that last...</i>						
Of adults without HS diploma, percent graduated from job training program	0.34%	0.30%	N/A	N/A	0.49%	N/A
<i>...but they reach few of those who need training...</i>						
Education counts toward welfare work requirement	No	No	No	No	No	Yes in 19 states
<i>...and NY has strict rules limiting welfare recipients' ability to enter them.</i>						
Unionized jobs ¹	24.6	16.8	17.9	19.5	16.7	12.9
<i>Unions raise wages by roughly 20 percent, but they're struggling to retain membership.²</i>						

WHAT ELSE IS GOVERNMENT DOING TO HELP THE POOR GET BY?

	NY	CA	IL	NJ	OH	USA
Maximum Earned Income Tax Credit (family of 4)	\$1,261	No EITC	\$210	\$841	\$207	\$4,204
<i>NY offers a generous tax refund to the working poor, on top of a federal credit.</i>						
Highest income eligible for Medicaid (family of 4)	\$15,080 ³	\$20,170	\$13,572	\$8,294	\$18,850	N/A
<i>NYers have to be quite poor to qualify for free health insurance from the feds.</i>						
Percent eligible workers receiving Medicaid	67	49	N/A	57	N/A	54
<i>NY does do a good job making sure those who qualify for federal health assistance get it.³</i>						
Annual child care copay, one child, (family of 3, income of \$28,275) ⁴	\$2,748	\$528	\$1,608	\$1,596	\$2,280	N/A
<i>NY's public child care is fairly affordable. It's targeted to families on welfare.</i>						
Highest income eligible for public child care, (family of 3) ⁴	\$31,340	\$35,100	\$27,936	\$30,520	\$23,505	N/A
<i>Once NY families leave poverty, they soon become ineligible for help with child care.</i>						

WHAT ARE THEY UP AGAINST?

	NY	CA	IL	NJ	OH	USA
Share of income received by middle 20% vs. bottom 20%	3.1:1	3.1	3.0	3.0	2.9	2.9
<i>NY's gap between the middle class and the poor is the second-worst in the country...</i>						
Share of income received by most affluent 20% vs. poorest	9.9:1	9.3	8.5	8.5	7.4	8.4
<i>...and the gap between its richest and poorest is the worst.</i>						
Percent of working families making less than twice the federal poverty line	26.5	29.6	23.0	17.4	26.2	27.4
<i>1 in 4 NY families that aren't officially poor are still struggling.</i>						
Minimum wage	\$5.15	\$6.75	\$6.50	\$5.15	\$5.15	\$5.15
<i>NY's minimum wage is the lowest allowed by the feds.</i>						
Percent of poor working families spending more than 1/3 income on rent	78.9	80.4	82.3	83.2	71.6	75.4
<i>Yet the proportion of poor NYers paying unaffordable rent is close to the national average, thanks to federal subsidies.</i>						

DEFINITIONS **FEDERAL POVERTY LINE** Less than \$18,979 a year, or \$9.49 per hour, for a family of four. The poverty line is widely regarded as an inadequate measure of income needed to get by. Doubling it—\$37,700—is considered a more accurate gauge of who can benefit from aid. **LOW-WAGE** Wage below full-time, annual income, adjusted to local cost of living, required to keep a family of four out of poverty. **POOR** Falling below the federal poverty line.

SOURCES AND NOTES: Unless noted otherwise, data is drawn from the Working Poor Families Project, which is supported by the Annie E. Casey, Ford and Rockefeller foundations. 1. Bureau of Labor Statistics. 2. Economic Policy Institute. 3. This does not include NY's Family Health Plus, which allows families with incomes under \$28,284 to qualify for less comprehensive coverage. 4. National Women's Law Center.