

30% EARN POVERTY WAGE; STATE'S WORKING POOR GROWING, WITH WOMEN AND BLACKS HIT HARDEST

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Byline: By Judith Davidoff The Capital Times

Body

Despite Wisconsin's **booming** economy, the number of workers earning poverty wages is on the rise, says a new report released today by three research organizations.

Women and black workers, the study also found, make up a disproportionate share of the state's **working poor**.

"Barely Getting By: Wisconsin's **Working Poor**" was produced collaboratively by the Center on Wisconsin Strategy, the Institute for Wisconsin's Future and the Wisconsin Council on Children and Families.

Drawing on labor statistics and profiles of **working** families, the study found that three out of 10 Wisconsin workers held poverty-wage jobs in 1997 -- defined as earning less than \$ 8.20 an hour. That's about 750,000 people, said Joel Rogers, director of the Center on Wisconsin Strategy, in a telephone news conference.

"That's a substantial number of people **working** hard and not being able to get out of these poverty jobs," he said. In 1979, one in four Wisconsin workers held such jobs.

The report also found that the number of **poor working** families with children nearly doubled over the last two decades -- from 4.6 percent in the late 1970s to 8.9 percent in 1997. That leaves 182,000, or 13 percent, of Wisconsin children living in poverty.

Hardest hit are women and black workers. In 1997, for instance, nearly four out of 10 white women and black men in Wisconsin held poverty-wage jobs. Among black women, the situation was even more grim: Six out of 10 held poverty-wage jobs.

"African-Americans have seen a sharp decline in their opportunities for earning decent wages -- more so than in the nation as a whole," the report's researchers write.

"We are now at a point where nearly half of the **working** black population does not hold a job that pays above the poverty line."

The study didn't break down the data into any other racial or ethnic categories. But Rogers said that "it's not a black-only problem by any means." Among white men, he pointed out, the percentage of those earning poverty wages increased by 50 percent since 1979.

And he chalked up those results to the shift of **work** in Wisconsin from manufacturing to lower-paid service sector jobs over the last two decades.

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Other factors, according to the report, leading to the problem of the working poor in Wisconsin: the lack of full-time, year-round work and the fact that low-wage jobs tend to trap workers and lead to low-wage careers.

Dane and out: The report found that Dane County, despite its record-breaking low unemployment figures, joins Milwaukee, Waukesha, Brown and Outagamie counties in making up a majority of the state's working poor.

Almost 8 percent of the state's working poor lived in Dane County in 1997 and about one-third of all Dane County workers received poverty wages in 1997.

Said Laura Dresser, research director of Center on Wisconsin Strategy: "It's easy to imagine this as somebody's else's problem. In fact, it's an urban problem and Dane County problem because such a considerable number of people in this county bring home too little to support a family."

But she added that it's also a rural problem; the report found that a high share of workers in rural areas make poverty-level wages. "In some rural counties, more than one-half of the work force does," she said.

The problem of low-paying jobs, Dresser said, is a "challenge to working families throughout the state."

But Rachel Biittner, spokesperson with the state Department of Workforce Development, said the report leaves out the good news because its data went only through 1997, before the state's new welfare reform program, W-2, could be assessed.

"There have been significant changes in the state for low-income families since then," Biittner said. "We have seen a significant difference for people entering the work force through W-2."

Biittner added that the state's benefit package to low-income families is "one of the most generous in America."

But Rogers said the number of working poor "dwarfs the W-2 population." And Karen Royster, executive director of the Milwaukee-based Institute for Wisconsin's Future, said that as families move up the income scales, there are points at which they suddenly lose health and child care benefits and they actually end up with less household income, despite earning higher wages.

"As they begin to make these incremental changes and become more secure, they hit these arbitrary income lines," Royster said.

She recommended that the state raise these cut-off levels -- currently \$ 33,790 for a family of four -- and make the loss of benefits more gradual.

Biittner declined to comment on the specifics of Royster's initiative but said it was something the state could consider.

"The department is always willing to look at ways of getting people into work," she said.

Other policy recommendations included in the report:

- *Offer better training so people can move into family-supporting jobs.

- *Increase the state minimum wage.

- *Adjust the federal Earned Income Tax Credit so it doesn't immediately cut off people who are making more money, and expand the credit for married, two-earner couples. The Education Factor

Less educated workers suffer the most from the expansion of poverty-wage jobs. The percentages of Wisconsin workers earning poverty wages in Wisconsin in 1997, by level of education attained:

Less than high school	77.2 percent
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High school grad	32.6 percent
Some college	28.7 percent
College graduate	9.2 percent

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