



Poverty, Labor Markets & Financial Health

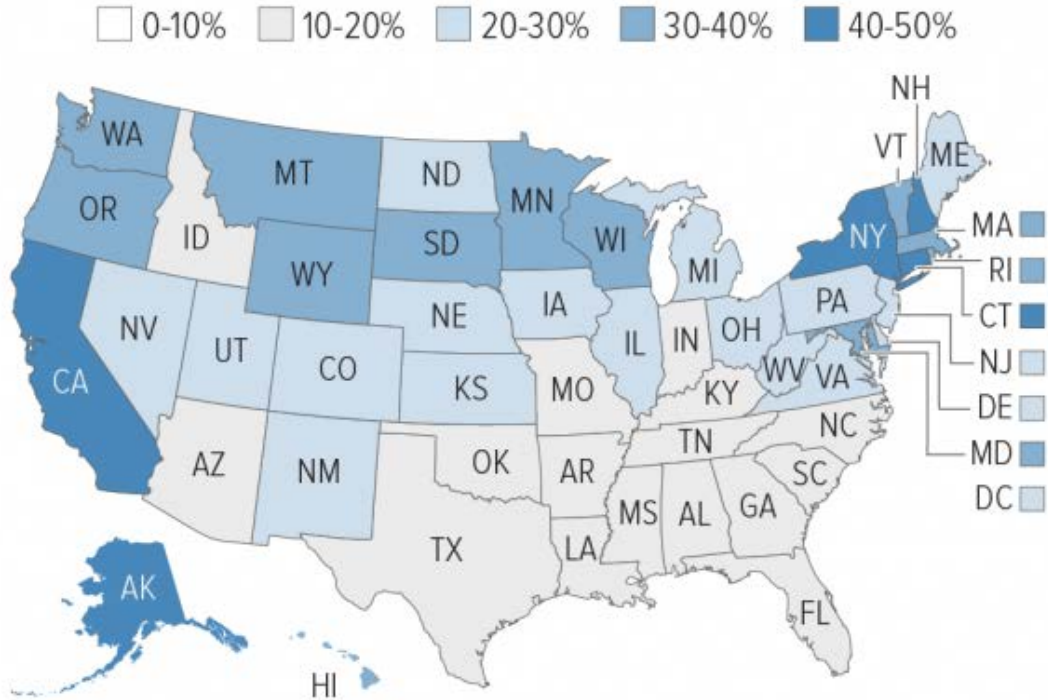
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Key Facts

- **We measure poverty poorly**
 - Do not count many resources as income
 - Do not account for work-related expenses
 - Do not update poverty thresholds in light of economic growth
- **Safety net programs provide less than poverty-level income**
- **Wages at bottom of labor market provide less than poverty-level income**
- **Low wages and part-time/part-year earnings go together**

Maximum TANF Benefits Leave Families Well Below the Federal Poverty Line (FPL)

Maximum TANF benefit as a percent of FPL (for a family of three)



Note: TANF = Temporary Assistance for Needy Families. The federal poverty level (FPL) for a family of three in 2015 is about \$1,674 per month in the 48 contiguous states and Washington, D.C.; Alaska and Hawaii have higher poverty levels

Source: Calculated from 2015 Health and Human Services Poverty Guidelines and CBPP-compiled data on July 2015 benefit levels.

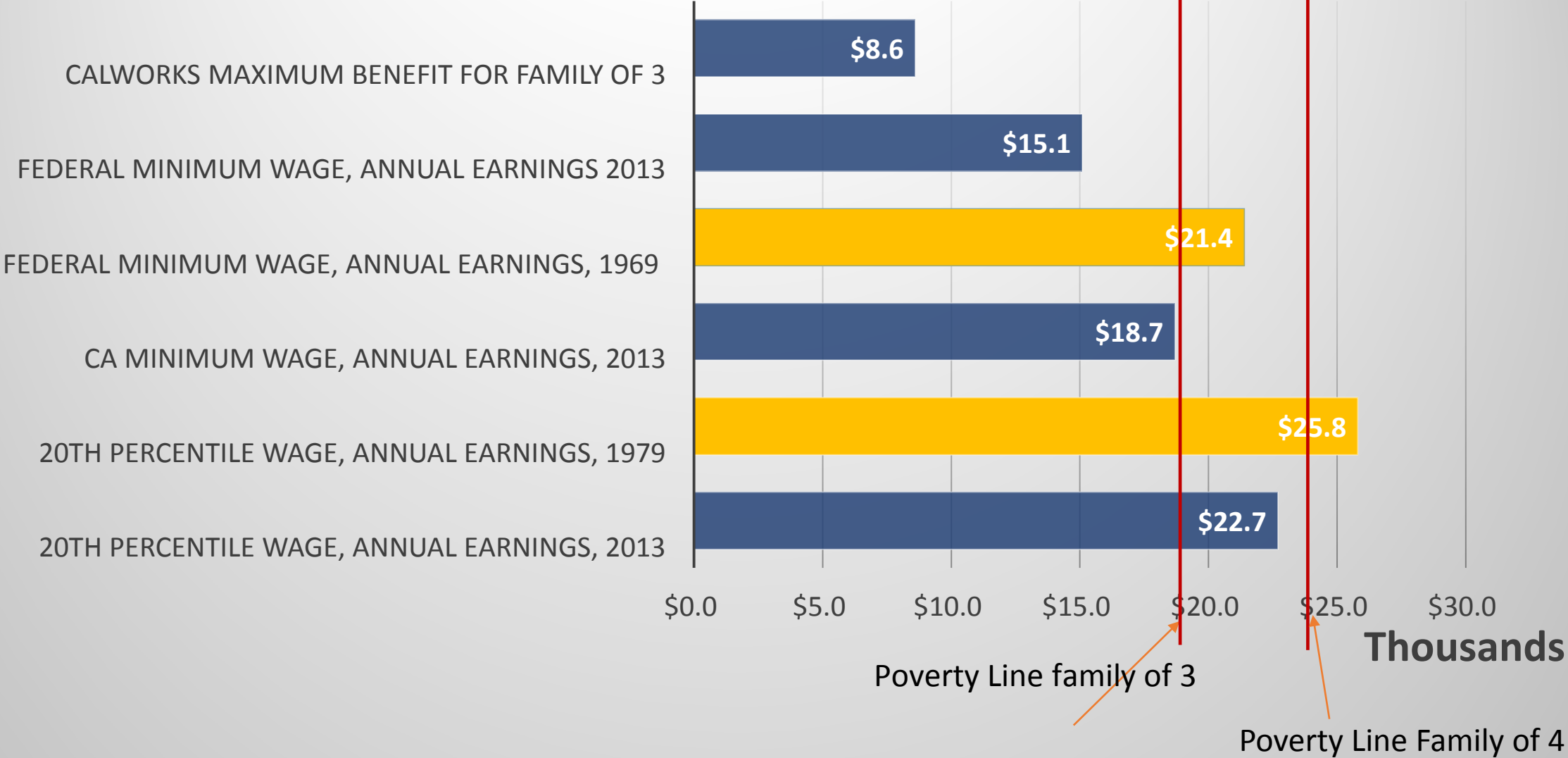
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With SNAP benefits, 48/50 states are still below 75% of FPL

Housing benefits push some up further, but only around 3.3 million families live in public housing or receive Section 8 vouchers

Since 1996:
 --poor single parents are far more likely to be in the labor force
 --benefits have been cut, by >30% in half of states

Real Earnings, Benefits & Poverty Thresholds



Low earnings and overall financial health

- **Low wages often mean part-time, part-year work, no benefits, no leave**
- **Low wages and income are persistent**
 - Single parents qualifying for EITC remain eligible, on average, > 5 years
- **Scarcity and associated stress can lead to short-term focus that affects financial decision-making**
- **Low wages co-exist with four decades of dramatic economic growth and rising standards of living**