



Where the Ends Don't Meet:
Measuring Poverty and Self-Sufficiency Among Oregon's Families

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This report uses the Self-Sufficiency Standard developed by Dr. Diana Pearce at the University of Washington to analyze the extent to which Oregon households earn enough money to meet their basic needs without a public subsidy. This standard, a vast improvement on the federal poverty level, accounts for differences in the cost of living based on family structure, age of children, and county of residence. Dr. Pearce has defined the income required to meet basic needs for every county in Oregon and a number of household types.

A large number of Oregon households not considered poor by the federal poverty level nevertheless do not earn enough income to meet their basic needs. In this report, we use census data to sort households into those that meet versus those that don't meet the Self-Sufficiency Standard and describe how basic socioeconomic factors such as family structure and householder sex, race/ethnicity, education, and work affect the extent to which households earn enough to make ends meet.

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PREFACE

The Self-Sufficiency Standard used in this report was developed by Dr. Diana Pearce, who was, at the time, director of the Women and Poverty Project at Wider Opportunities for Women (WOW). The Ford Foundation provided funding for its original development. Worksystems, Inc. funded the calculation of the Self-Sufficiency Standard for Oregon.

This report is modeled on similar reports prepared for other states by Dr. Pearce and partner organizations. It has been prepared by the Institute of Metropolitan Studies at Portland State University. The data and tables were compiled and analyzed by Danan Gu, Sheila Martin, Webb Sprague, and Melissa Rowe. We are grateful to Mary King for a critical review and very helpful comments.

INTRODUCTION

During this period of increased economic stress caused by persistently high unemployment and the ongoing national recession, many families in Oregon are struggling to make ends meet. Increasing income and wage inequality in recent decades has resulted in the rich becoming richer and the poor becoming poorer, whereas the middle class is often said to be “shrinking” (Center on Budget and Policy Priorities, 2008; Leachman & Margheim, 2007; Oregon Center for Public Policy, 2006). In terms of real purchasing power, wages have been stagnant or falling for the bottom three quarters of the population because of factors such as declines in unionization, the minimum wage, and the number of high-wage manufacturing jobs; globalization as reflected in the immigration of groups with relatively little education and the increase in trade with low-wage countries; and automation (Freeman, 1994; Hoynes, Page, & Stevens, 2006; Mishel, Bernstein, & Shierholz, 2009). It is important to consider the effect of these conditions on national poverty rates: Has poverty increased over time as a result of increasing income inequality, or has it decreased because of the strong labor market in the 1990s and changes in public assistance programs?

Studies show that national poverty rates have not changed significantly since leveling off in the years following the 1960s’ War on Poverty.¹ Today, the national poverty rate for families is about 10% (U.S. Census Bureau, 2008). In spite of many factors that could potentially affect the level of national poverty (e.g., macroeconomic conditions, reformed welfare provision, and policies such as wage subsidies), the percent of families officially defined as poor by the federal government has not increased or decreased substantially over the past four decades (Blank, 2000, 2002). Poverty rates dropped somewhat during the 1990s but have risen again since the last two recessions, remaining persistently high in certain types of places such as central cities, inner suburbs, and remote rural areas (Jargowsky, 2003; Partridge & Rickman, 2006). In addition, poverty rates for children have remained persistently high: 19% in 2008 versus a high of 25% in 1960. The largest drop in poverty has been among seniors 65 years and older, who experience much less poverty today (about 10%) than they did in the 1960s (nearly 30%).²

Many people do not realize that U.S. poverty rates, particularly rates of extreme poverty and child poverty, are much higher than those in other affluent nations. The main reason is that antipoverty programs in the United States do much less than programs in other countries to reduce the levels of poverty generated by the economy. For instance, the child poverty rate in France in the year 2000, 27.7%, was higher than the U.S. rate of 26.5%; however, after accounting for the impact of taxes and government benefits, the child poverty rate was reduced to 7.5% in France but only 21.9% in the United States (Mishel, Bernstein, & Shierholz, 2009).

The federal government’s definition of poverty is important to the economic well-being of the country because it is used as a standard and determines eligibility for programs and services that are designed to support households with insufficient incomes. The methodology used to determine the federal poverty level (FPL) has not changed since it was put in place in 1964, and many people believe it is outdated and intrinsically flawed. In response to the shortcomings of the FPL, several alternative methods of measurement have been developed, including the Self-Sufficiency Standard used in this report. Dr. Diana Pearce, who was, at the time, director of the Women and Poverty Project at Wider Opportunities for Women, created the Self-Sufficiency Standard in the mid-1990s as a measure of economic well-being that takes into account many variables that the FPL does not. The Standard offers a more detailed and realistic picture of poverty than does the FPL and has been calculated for most U.S. states.

This report is an analysis of the Self-Sufficiency Standard for the state of Oregon. Whereas the federal measure indicates that 10% of Oregon families have incomes below the FPL, this analysis shows that 27% of Oregon families cannot meet their basic needs. Because eligibility for many public aid programs is tied to the FPL or multiples thereof, a large and diverse group of families experiencing economic distress may be routinely overlooked and left without assistance. The report begins with a description of the FPL and the Standard, then presents the Standard for each of Oregon’s counties and household types and describes the results of a demographic

¹U.S. Census Bureau (2008), see Table B-3: Poverty status of families by type of family 1959 to 2008.

²U.S. Census Bureau (2008), see Figure 4, Poverty Rates by Age: 1959 to 2008.

and geographic analysis of households in Oregon. The next sections summarize the characteristics of households that do not meet the Self-Sufficiency Standard, including family composition and householder race/ethnicity, sex, education, and occupation. The report concludes with a profile of Oregon households with inadequate income and possible policy implications of these findings.

A policy brief released on the Institute of Portland Metropolitan Studies web site³ in June 2009 offered a preview of the results of this analysis and made many of the data, tables, and charts available for download.

The Federal Poverty Level

The FPL was developed in 1964 by economist Mollie Orshansky of the Social Security Administration as a measure of the adequacy of a household's income for providing its most basic needs. The methodology was based on an analysis of consumption data that showed that families of three or more persons in 1955 spent about one third of their after-tax income on food. Orshansky developed the FPL thresholds based on this assumption and the cost of the Department of Agriculture's Economy Food Plan.⁴ The thresholds vary by size of household and number of related children below 18 and are adjusted over time for inflation. Poverty rates are calculated using before-tax income, which includes public assistance but not capital gains, the Earned Income Tax Credit, or in-kind assistance like Medicaid.

The FPL methodology does not account for cost variations that are due to the age of children or regional cost of living.⁵ Furthermore, the spending assumption on which the methodology was based—that multiplying the food budget by 3 results in an income amount that is adequate to meet a household's basic needs—is outdated. According to the 2008 Consumer Expenditure Survey, U.S. households spend an average of about 13% on food. Even very low-income households spend only 16% of their budgets on food, which is about half of the one third assumed in the methodology for calculating the

FPL thresholds.⁶ Whereas food prices have fallen over the past four decades, the costs of housing, transportation, and medical care have risen substantially. Poor and low-income people paid less in taxes in the 1960s than they do now, and the current tax and transfer system often pushes people below the poverty line rather than raising them above it. Finally, today's poor and low-income families have to pay for child care much more frequently than they did in the 1960s, when mothers of young children were less likely to work and there were fewer children being raised by single parents (Citro & Michael, 1995).

For all these reasons, the FPL methodology is often criticized by researchers and policy analysts as being an out-of-date and inadequate measure of financial stress (Blank, 2008; Citro & Michael, 1995; Ruggles, 1990; Willis, 2000). Some believe that the guidelines overestimate poverty by failing to include all types of income (e.g., food stamps and publicly provided health insurance). Others argue that the FPL vastly underestimates poverty rates by continuing to assume (a) that households spend a full third of their income on food and (b) that simply multiplying the cost of food by 3 instead of factoring in other family budget items (housing, transportation, taxes, health care, child care, etc.) is a reasonable measure of household spending. Because the FPL considers income but not assets, a revision that took note of assets would change our perceptions of the poor because it would include far more young families and fewer older people. Furthermore, the lack of cost-of-living adjustments in the FPL contributes to inaccurate perceptions about poverty and potentially inefficient use of government funds. One study applied a cost-of-living index to the poverty rates of 15 metropolitan areas and found that accounting for regional cost-of-living differences would have a significant impact on defined poverty levels of metropolitan areas and the subsequent eligibility of families for social support programs: eligibility rates would increase in high-cost areas and decrease in low-cost areas (Curran, Wolman, Hill, & Furdell, 2008).

³<http://www.pdx.edu/ims>

⁴See *How the Census Bureau measures poverty* at <http://www.census.gov/hhes/www/poverty/povdef.html>

⁵The only exception is that thresholds for Alaska and Hawaii are different from those of the 48 contiguous states and the District of Columbia.

⁶See current expenditure share tables of the Consumer Expenditure Survey, <http://www.bls.gov/cex/>

⁷The Census has developed several alternative poverty measures in response to the criticisms. See Dalaker (2005).

If the FPL is an inaccurate measure of poverty, it is possible that many families who actually experience economic distress are not officially considered poor.⁷ Even though most federal and state safety net programs that use the FPL to determine eligibility actually use

multiples thereof (such as 150% or 200% of the FPL), some households who are in economic distress still might not be receiving assistance. A more comprehensive approach to measuring poverty has the potential to dramatically change the face of the poor in this country.

Examples of programs that use federal poverty guidelines or percentage multiples to determine eligibility:*

Head Start

Household income must be below 100% of the FPL
<http://www.ode.state.or.us/search/results/?id=41>

Supplemental Nutrition Assistance Program (SNAP) (formerly Food Stamp Program)

Household income must be below 130% of the FPL
http://www.fns.usda.gov/fsp/applicant_recipients/eligibility.htm#income

School Lunch Program

Household income must be below 130% of the FPL for free meals and below 185% of the FPL for reduced-price meals
<http://www.fns.usda.gov/cnd/Governance/notices/iegs/IEGs09-10.pdf>

Low-Income Home Energy Assistance

Household income must be below either 150% of the FPL or 60% of the state median income
http://www.oregon.gov/OHCS/SOS_Low_Income_Energy_Assistance_Oregon.shtml

Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)

Household income must be below 185% of the FPL
<http://www.fns.usda.gov/wic/howtoapply/incomeguidelines.htm>

Employment Related Day Care (child care subsidy)

Household income must be below 185% of the FPL
<http://www.oregon.gov/DHS/children/childcare/subsidy.shtml>

Children's Health Insurance Program

Household income must be below 200% of the FPL
http://www.oregon.gov/DHS/healthplan/app_benefits/main.shtml

Oregon Health Plan

Household income must be below 200% of the FPL
http://www.oregon.gov/DHS/healthplan/app_benefits/main.shtml

Means-tested programs that typically do not use federal poverty guidelines to determine eligibility:**

Temporary Assistance for Needy Families (TANF) and its predecessor, Aid to Families with Dependent Children (AFDC)
Supplemental Security Income (SSI)
Earned Income Tax Credit (EITC)
State/local-funded general assistance
Large parts of Medicaid
Section 8 low-income housing assistance
Low-rent public housing

*Percentage multiples apply to most families but each program has exceptions. Income eligibility is usually determined using gross income.

**These programs use their own eligibility rules or standards, such as local median household income.

See also <http://aspe.hhs.gov/poverty/faq.shtml>

The Self-Sufficiency Standard

Dr. Diana Pearce, director of the Center for Women's Welfare at the University of Washington, has developed an alternative measure of income adequacy called the Self-Sufficiency Standard.⁸ The Standard defines the amount of income required to meet basic needs, including taxes, without public subsidies (such as public housing, food stamps, Medicaid, and child care assistance) or other private or informal assistance (such as shared housing arrangements, food from food banks, or free babysitting by a friend or family member). It includes many variables that are ignored by the FPL, such as the cost of housing, child care, health care, and transportation, and it reflects differences in the cost of these items by geography. It also varies by the ages of children in a household to reflect how a household budget changes as needs for child care, health care, and food vary with the age of children. The methodology assumes that all able adults in a household work, thus taking into account transportation costs for all adults. Finally, the Standard includes the effect of taxes and tax credits on household income.

With funding provided by Worksystems, Inc.,⁹ Dr. Pearce calculated the Self-Sufficiency Standard for 2008 for all Oregon counties. The Institute of Portland Metropolitan Studies then combined these calculations with information from the American Community Survey (ACS) for the years 2005 to 2007 to determine the percentage of households in Oregon counties that are earning sufficient income to meet their basic needs. The objective for this demographic analysis is to further an understanding of the extent of poverty in Oregon, the geographic areas and household types most affected, and the extent to which the FPL fails to capture an accurate count of households with inadequate income. It compares household income to the FPL and Self-Sufficiency Standard across a wide range of household characteristics: geographic location, race/ethnicity, household type, education, employment patterns, and occupation. What emerges is a new picture of Oregon households that lack enough income to meet their needs. The conclusions drawn from these findings can inform and guide the creation of economic and workforce policies in Oregon that will enable more households to achieve economic self-sufficiency. A detailed description of the methodology and assumptions used in the analysis is provided in Appendix A.

How does the Self-Sufficiency Standard differ from the Federal Poverty Measure?

From the Center for Women's Welfare
<http://www.selfsufficiencystandard.org/standard.html>

The federal poverty level (FPL) is based on USDA food budgets that meet minimal nutritional standards. Because families in the 1950s spent an average of one third of their income on food, it was assumed that multiplying the food budget by three would result in an amount that would be adequate to meet other basic needs as well. Since its creation, the FPL has only been updated for inflation. FPL thresholds reflect the number of adults and children, but they do not vary by age of children, nor by place.

In contrast...

The *Self-Sufficiency Standard* is based on ALL major budget items faced by working adults, not just food. These basic needs include housing, child care, food, health care, transportation, taxes, and miscellaneous costs.

The *Self-Sufficiency Standard* calculates the most recent local or regional costs of each basic need. Accounting for regional or local variation is particularly important for housing because housing costs vary widely (e.g., the most expensive areas of the country, such as Manhattan, can cost four times as much as in the least expensive areas, such as Mississippi, for equivalent size units).

The *Self-Sufficiency Standard* varies costs by age groups of children (infants, preschoolers, school agers, and teenagers). This is especially important for child care, which varies substantially by age.

The *Self-Sufficiency Standard* reflects modern family practices, and assumes that all adults (whether married or single) work full-time. Thus the Standard includes the employment-related costs of transportation, taxes, and child care (when needed). (Note that the federal poverty level assumes a two-parent household with a stay-at-home parent, or single parents relying on welfare or family support. Therefore work-related expenses such as child care, taxes, and transportation are not considered).

The *Self-Sufficiency Standard* includes the net effect of federal and state taxes and tax credits, as well as any local taxes and tax credits.

The Standard's real-world assumptions allow the costs of all basic needs—not just food—to vary over time and across geographic locations. With this updated and detailed approach, the Standard is able to develop a realistic measurement of the income requirements for 70 different family types across each county in a given state.

⁸For a more detailed discussion of the background and methodology of the Self-Sufficiency Standard, see Pearce (2008) or <http://www.selfsufficiencystandard.org/>
⁹<http://www.worksystems.org/>

KEY TERMS AND DEFINITIONS

Household: The sample unit used in this study is the household (rather than the population), which counts groups of people that live together at a single address. "Group quarters" populations are not included (for example, prisoners or military servicepeople housed in barracks), nor are households headed by either a disabled person or someone outside the ages of 18-64.

Householder: The householder is the person (or one of the persons) in whose name the housing unit is owned or rented (or, if there is no such person, any adult member, excluding roomers, boarders, or paid employees). When a variable is reported based on the householder (e.g., citizenship, educational attainment, occupation), it might not reflect the entire household. For example, in a household with a householder educational attainment of high school, another member of the household may have a college degree.

Single mother or single father: A woman maintaining a household with no spouse present but with children is referred to as a single mother. Likewise, a man maintaining a household with no spouse present but with children is referred to as a single father. In some cases the child may be a grandchild, niece or nephew, or unrelated child (such as a foster child).

Family household: A household with two or more persons (one of whom is the householder) residing together and related by birth, marriage, or adoption, as well as any unrelated persons who reside in the household.

Nonfamily household: A household that consists of a person living alone or with one or more nonrelatives.

Income inadequacy: Refers to income that is too low to meet basic needs as measured by the Self-Sufficiency Standard. Other terms used

interchangeably in this report include *below the Standard, lacking sufficient (or adequate) income, and income that is not sufficient (or adequate) to meet basic needs.*

Urban or rural: Urban counties are defined as the 11 counties that comprise the 6 metropolitan statistical areas (MSAs) in Oregon: Portland-Vancouver-Beaverton MSA (Clackamas, Columbia, Multnomah, Washington, and Yamhill counties in Oregon), Eugene-Springfield MSA (Lane County), Medford MSA (Jackson County), Salem MSA (Marion and Polk counties), Corvallis MSA (Benton County), and Bend MSA (Deschutes County). All other counties are classified as rural.

Latino: Refers to Hispanic/Latino ethnicity, regardless of race. Therefore, all other racial/ethnic groups used in this report are non-Hispanic/non-Latino. In the Census questionnaires used for this report, individuals were asked whether or not they identified as Latino and to identify their race/races (they could indicate more than one race). Those who identified as Latino were coded as Latino, regardless of race (Latinos may be of any race). Non-Latino individuals who identified as African American (alone or in addition to other race categories) were coded as African American. Non-Latino, non-African American individuals who identified as Asian or Hawaii/Pacific Islanders (alone or in addition to other race categories) were coded as Asian/Pacific Islander. Non-Latino individuals who identified as Other (alone or in addition to other race categories) were coded as Other. All other individuals were coded as White.

Minorities: Refers to individuals and households coded as Latino, African American, Asian/Pacific Islander, Native American, or Other.

FINDINGS

Self-Sufficiency in Oregon's Counties

The Self-Sufficiency Standard has been calculated for many different kinds of families in each of Oregon's 36 counties. Table 1 presents the Standards for eight types of households in each county, as well as the median household income for each county and the FPL for 2008 for each type of household. This section examines how these indicators vary across the state.

Oregon's median household income varies by county and is typically higher in the state's metropolitan areas than in rural counties.¹⁰ The highest county median household income (about \$57,600 in Clackamas and Washington counties, see Table 1) is 63% higher than the lowest median household income (about \$35,400 in Coos, Curry, and Josephine counties). After Clackamas and Washington, the counties with the highest median incomes are Deschutes, Yamhill, Polk, Marion, and Multnomah, which, with the exception of Deschutes, are all located in the northwest Willamette Valley. The counties with the lowest median household incomes are all in the southern part of the state.

Self-Sufficiency Standards also vary by county, reflecting the methodology's sensitivity to regional cost-of-living differences, taxes, and other assumptions (Pearce, 2008). The most expensive county in Oregon for a single adult (Washington County, with a Standard of \$22,646) is 42% more expensive than the least expensive county for a single adult (Baker County, with a Standard of \$15,927). Such variation can be seen within each household type in Table 1. The maximum range between county lows and highs is for families with one adult, an infant, and a preschooler: the Standard for such families in Washington County is \$58,915, which is 121% higher than the income needed by such families in Klamath County, \$26,694. Not surprisingly, certain counties tend to have the highest Self-Sufficiency Standards for all household types. The two most expensive counties for all family types are Washington and Clackamas counties. For families with children, Benton, Hood River, and Deschutes counties are the next most expensive. The higher incomes required in these counties are because of higher-than-average housing and child care costs.

In Multnomah County, basic needs cost almost as much as those in Washington and Clackamas counties, but under the assumptions of the Standard, Multnomah County is only the 9th or 10th most expensive county for most Oregon families. This might be surprising, given that the cost of living is typically higher in more populous areas, but can be explained by the fact that under the Standard's methodology, Multnomah County residents are assumed to be able to use public transportation and thus not require a car, which reduces household costs significantly. In determining the Standard, transportation costs for each county are calculated as either the cost of using public transportation, if the public transportation system is considered "adequate," or the cost of owning and operating one car for households with single adults or two cars for households with two adults. Public transportation is considered adequate if at least 7% of the population uses the system; Porter and Deakin (1995) indicate that if 7% of the total population uses public transportation, about 30% of low- and mid-income individuals use public transportation. In Oregon, only one county, Multnomah, fits these criteria: 11% of Multnomah County residents use public transportation.¹¹ Thus, in Multnomah County, for a household with one adult, transportation costs are calculated as the cost of an adult monthly all-zone pass. In all other counties, transportation costs are calculated as the average cost of owning and operating one car per adult to get to and from work.¹² Because the cost of using public transportation is substantially less than the cost of maintaining and driving a car, and because households with lower costs are assumed to require less income and are therefore eligible for more tax credits, the Standard for Multnomah County is lower than the Standards for other counties with similar costs of living.

Multnomah County's lower Self-Sufficiency Standard may be the most arguable aspect of the Standard as currently constructed. Many people who use public transportation are not completely reliant on public transportation, using it only for child-free work commutes during hours when buses run frequently. Complete reliance on public transportation may be most difficult for working, single parents who have to buy groceries, attend doctor's appointments, and run other

¹⁰ ACS 2005-2007, Selected Population Profile, American FactFinder. Statewide, the median household income was \$47,385 in 2008.

¹¹ Census Transportation Planning Package 2000: Profiles for Oregon. Available at <http://ctpp.transportation.org/home/or.htm>

¹² See Pearce (2008), Appendix A, for more details.

Table 1. Self-Sufficiency Standards and Median Household Incomes for All Oregon Counties; Federal Poverty Levels for Household Types, 2008

COUNTY	Median Household Income*	Adult	Adult+ Infant	Adult+ Preschooler	Adult+ Infant Preschooler	Adult+ School-age Teenager	Adult+ Infant Preschooler School-age	2 Adults+ Infant Preschooler	2 Adults+ Preschooler School-age
Federal Poverty Level									
ALL	-	\$11,201	\$14,840	\$14,840	\$17,346	\$17,346	\$21,910	\$21,834	\$21,834
Self-Sufficiency Standards									
BAKER	\$38,524	\$15,927	\$24,776	\$23,824	\$29,255	\$24,782	\$52,311	\$37,530	\$36,736
BENTON (Corvallis)	\$42,857	\$19,151	\$39,706	\$37,373	\$52,351	\$29,205	\$68,259	\$59,597	\$53,194
CLACKAMAS	\$57,585	\$22,259	\$41,894	\$39,663	\$54,343	\$34,499	\$71,446	\$62,502	\$56,510
CLATSOP	\$40,430	\$17,696	\$25,437	\$25,520	\$29,687	\$25,141	\$49,881	\$38,372	\$37,418
COLUMBIA	\$40,430	\$19,303	\$28,730	\$28,354	\$32,453	\$27,696	\$55,273	\$43,866	\$42,241
COOS	\$35,392	\$17,090	\$24,410	\$24,500	\$28,699	\$24,671	\$39,908	\$37,295	\$36,484
CROOK	\$40,381	\$17,525	\$25,138	\$24,063	\$29,006	\$25,033	\$42,106	\$37,404	\$36,777
CURRY	\$35,392	\$17,772	\$24,671	\$24,755	\$29,210	\$24,767	\$47,574	\$37,607	\$36,880
DESCHUTES (Bend)	\$50,030	\$19,519	\$37,246	\$35,323	\$48,120	\$28,903	\$62,633	\$55,420	\$47,680
DOUGLAS	\$38,994	\$16,779	\$24,847	\$23,968	\$28,828	\$24,968	\$41,881	\$37,313	\$36,708
GILLIAM	\$40,381	\$17,201	\$24,234	\$23,461	\$28,006	\$24,654	\$39,916	\$36,351	\$35,846
GRANT	\$40,381	\$17,260	\$24,727	\$23,905	\$28,517	\$24,949	\$40,441	\$36,851	\$36,428
HARNEY	\$36,094	\$16,211	\$23,647	\$22,887	\$27,301	\$23,977	\$39,310	\$35,742	\$35,037
HOOD RIVER	\$40,381	\$17,982	\$38,256	\$35,968	\$50,703	\$27,383	\$65,175	\$57,572	\$49,748
JACKSON (Medford)	\$41,700	\$18,520	\$27,985	\$28,065	\$31,761	\$26,665	\$54,092	\$41,795	\$39,701
JEFFERSON	\$40,381	\$17,489	\$23,816	\$23,094	\$27,294	\$24,390	\$40,088	\$35,861	\$35,237
JOSEPHINE	\$35,392	\$17,907	\$26,189	\$25,275	\$29,879	\$25,754	\$52,169	\$38,627	\$37,783
KLAMATH	\$36,094	\$16,084	\$23,266	\$22,553	\$26,694	\$23,601	\$38,648	\$34,932	\$34,265
LAKE	\$36,094	\$16,381	\$23,907	\$23,142	\$27,748	\$24,390	\$39,705	\$36,287	\$35,756
LANE (Eugene)	\$39,980	\$18,122	\$36,851	\$34,780	\$47,612	\$25,989	\$60,935	\$53,892	\$41,821
LINCOLN	\$40,430	\$18,191	\$28,209	\$28,738	\$32,220	\$26,687	\$54,298	\$42,348	\$40,005
LINN	\$42,857	\$18,737	\$28,013	\$28,094	\$31,722	\$26,716	\$52,773	\$42,071	\$40,108
MALHEUR	\$36,094	\$16,531	\$23,441	\$22,720	\$26,825	\$23,994	\$39,447	\$35,158	\$34,658
MARION (Salem)	\$44,238	\$17,902	\$24,825	\$24,918	\$28,941	\$24,971	\$42,445	\$37,759	\$37,179
MORROW	\$40,381	\$17,260	\$24,502	\$23,753	\$28,149	\$24,855	\$39,976	\$36,496	\$36,031
MULTNOMAH (Ptld)	\$43,923	\$17,491	\$35,711	\$28,254	\$47,244	\$26,355	\$62,219	\$52,153	\$38,714
POLK	\$45,945	\$17,744	\$25,272	\$25,354	\$29,630	\$25,030	\$47,778	\$38,734	\$37,765
SHERMAN	\$40,381	\$17,376	\$23,753	\$23,138	\$26,777	\$24,530	\$37,663	\$35,034	\$34,769
TILLAMOOK	\$40,430	\$17,869	\$27,468	\$27,544	\$31,458	\$26,194	\$53,081	\$41,377	\$39,184
UMATILLA	\$38,524	\$16,347	\$23,935	\$23,178	\$27,741	\$24,428	\$40,075	\$36,088	\$35,385
UNION	\$38,524	\$16,140	\$24,394	\$23,612	\$28,378	\$24,698	\$43,412	\$36,706	\$36,230
WALLOWA	\$38,524	\$16,087	\$24,138	\$23,363	\$28,033	\$24,563	\$40,713	\$36,372	\$35,828
WASCO	\$40,381	\$17,224	\$25,246	\$25,327	\$29,644	\$25,004	\$47,598	\$38,241	\$37,289
WASHINGTON	\$57,561	\$22,646	\$44,706	\$42,146	\$58,915	\$38,127	\$78,161	\$67,074	\$60,044
WHEELER	\$40,381	\$17,234	\$24,520	\$23,742	\$28,315	\$24,824	\$40,239	\$36,652	\$36,252
YAMHILL	\$45,945	\$20,468	\$33,347	\$33,385	\$43,313	\$29,548	\$57,139	\$49,765	\$45,730

Source: Pearce (2008). Data are also available at <http://www.selfsufficiencystandard.org/pubs.html>

*Median household income obtained from the American Community Survey for the period of 2005 to 2007. All values in U.S. dollars. Population estimates from the Population Research Center's 2008 Oregon Population Report.

errands with children in tow, as well as take children to child care and themselves to work. It may well be that many single parents are maintaining a car at the expense of meeting other basic needs. In further work, we would like to examine the impact this assumption has on poverty estimates for Multnomah County.

In addition to varying between counties, Oregon's Self-Sufficiency Standards vary between family types. Reading Table 1 from left to right shows the increasing cost of adding children to households. For example, in Clackamas County, an adult with an infant must make \$41,894 to meet the Standard, whereas an adult with an infant and a preschooler needs \$54,343 and an adult with an infant, preschooler, and school-age child needs \$71,446. In contrast, because child care costs decrease as children grow older, an adult with a preschooler in Clackamas County needs \$39,663, whereas an adult with both a school-age child and a teenager requires less (\$34,499). Adding an adult to a household also increases costs, but not to the same extent as adding a child that requires child care.¹³

The one measure in Table 1 that does not vary by county is the FPL. For adults in 2008, the FPL for a single adult was \$11,201, which would be considered inadequate income for a single adult in any Oregon county in terms of the Self-Sufficiency Standard (the lowest Standard for any county is \$15,927, in Baker County). The other FPLs included in the table account for the number of adults and children but not the age of the children; each FPL is significantly lower than the lowest Self-Sufficiency Standard for any Oregon county.

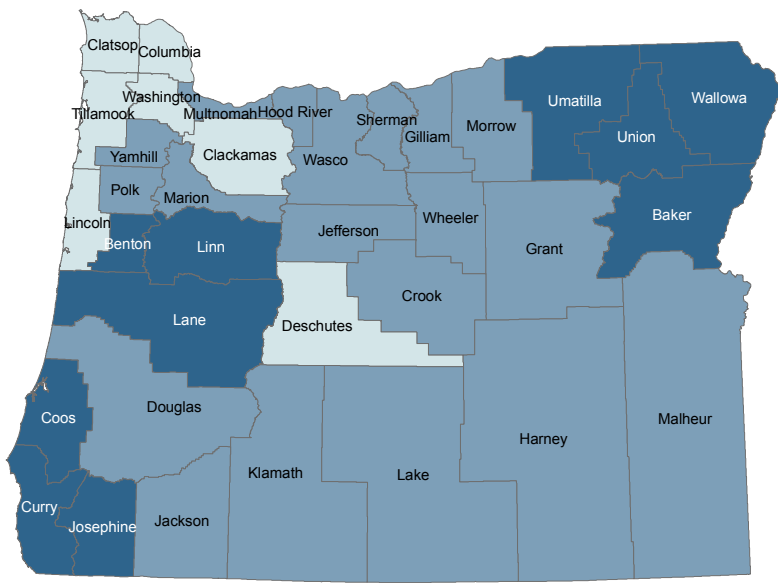
The Standard as a percent of the FPL ranges from 150% to almost 300%.¹⁴ When comparing the Standard to the median household income in each county in Table 1, one can see that in most counties, the median household income is sufficient to meet the Self-Sufficiency Standard for households with one adult and up to two children. However, because this is the median income, only half of all households in each county earn this amount or more; the other half earn less and some, therefore, lack adequate income. As we will see below, overall, 27% of households in Oregon do not meet the Standard.

The Geographic Distribution of Income Inadequacy

Whereas 10% of Oregon households are below the FPL, 27% are below the Self-Sufficiency Standard for their county and household type. This section discusses the percentages of households in Oregon counties that are not meeting the FPL and the Standard (see Figures 1-3 and Tables 2A-2B). As shown in Table 2B, the percentage of households below the FPL ranges from a low of 6% in Deschutes County to a high of 15% in Coos, Curry, and Josephine counties. In contrast, between 24% (Multnomah) and 33% (Coos, Curry, and Josephine) of households in Oregon counties are below the Standard. Under both measures, the proportion of households with insufficient income is highest in the southwest counties: Coos, Curry, and Josephine. Three other counties—Benton, Lane, and Linn—experience similarly high rates of households with inadequate income and are the most populous counties among those with a high percentage of households below the Standard. Counties with the lowest percentage of households with inadequate income

¹³The Standard assumes that infants (0 to 2 years old) are in family day care and preschoolers (3 to 5 years old) are in center care. School-age children (6 to 12 years old) are assumed to receive part-time care, before and after school (Pearce, 2008). Most Oregon families with inadequate income are eligible for the Oregon Working Family Child Care Credit (WFC), which results in lower Self-Sufficiency Standards for many types of families. The WFC is similar to the federal Child and Dependent Care Tax Credit in that it allows working parents to deduct a percentage of their child care expenses from the taxes that they owe. However, unlike the federal credit, the WFC is a refundable tax credit, meaning that even households who do not owe any taxes can receive the credit. To qualify for the WFC, a household must have an earned income of at least \$7,550 from Oregon sources (and no more than \$2,950 in investment income). Furthermore, a family's federal adjusted gross income must fall within defined limits that are based on household size. For families with the lowest incomes (between \$7,550 and 200% of the FPL), the credit is equal to 40% of child care costs. As household income increases from 200% to 250% of the FPL, the credit gradually decreases to zero; families with incomes of 250% of the FPL receive a credit of just 8% of child care costs. Once a family's income exceeds 250% of the FPL, it is no longer eligible to receive the WFC, and therefore needs more income to be able to afford child care. For most household types in most counties, the Self-Sufficiency Standard is below 250% of the FPL, so most families with below-Standard income are eligible for the WFC. However, for each household type examined here that includes an infant or a preschooler, there are at least two counties with Standards that are above 250% of the FPL, meaning that there may be families with inadequate income who are not eligible for this credit. For example, in 20 Oregon counties, families with a single adult and three children (an infant, a preschooler, and a school-age child) need more than 250% of the FPL to meet basic needs but are ineligible for the WFC if their income is above \$43,365 (250% of the FPL). Similarly, in 7 Oregon counties, families with a single adult, an infant, and a preschooler need more than \$43,365 (the 250% mark) to be self-sufficient, yet are ineligible for the credit. For more information on the WFC, see <http://www.oregon.gov/DOR/PERTAX/docs/2008Forms/101-169-08.pdf> and <http://www.ocpp.org/2001/rpt010301wfc.pdf>

¹⁴Pearce (2008), Appendix C



Percent Below FPL

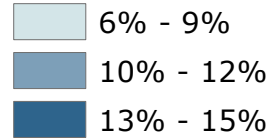


Figure 1. Percent of households below the Federal Poverty Level, by county: 2005-2007

Percent Below SSS

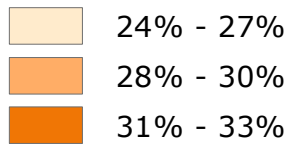
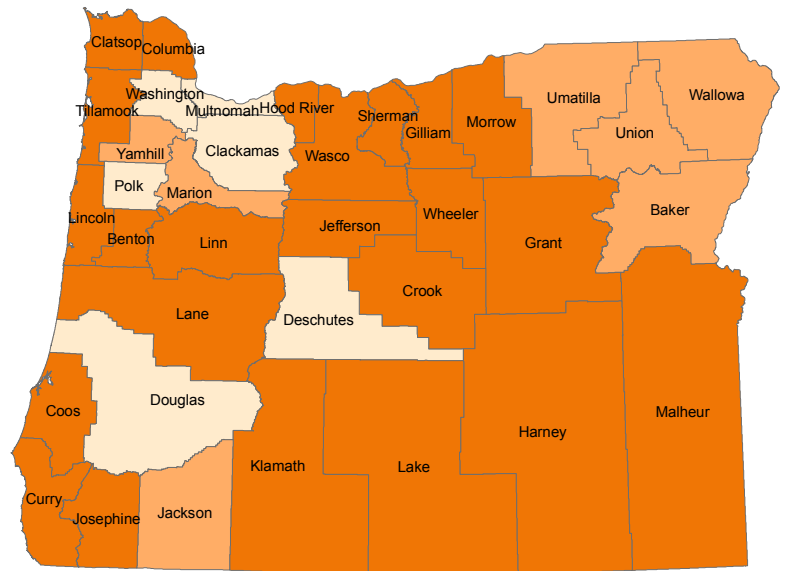


Figure 2. Percent of households below the Self-Sufficiency Standard, by county: 2005-2007



Rank Changes from FPL to SSS

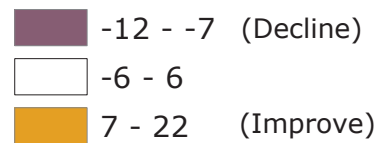
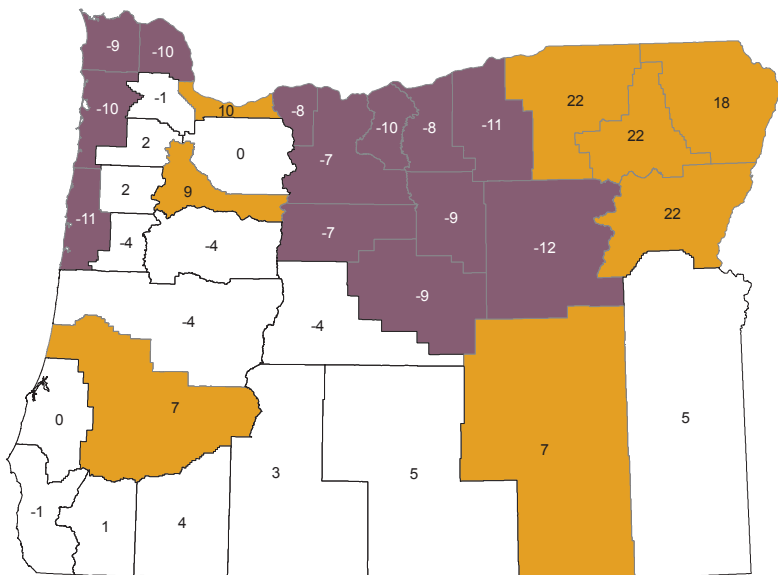


Figure 3. Rank Change, Federal Poverty Level to Self-Sufficiency Standard, by county: 2005-2007



Note: Each county's number label indicates whether the county's ranking improves or declines under the Standard; significant rank changes are shaded orange for improvement and purple for decline. Rank changes result from the Standard's adjustments for cost-of-living differences across counties.

are Multnomah (24%), Clackamas (25%), and Douglas (25%) counties.

In general, the proportion of households below the Standard is higher in rural areas: in 20 of Oregon's 25 rural counties, more than 29% of households are below the Standard, whereas more than 29% of households are below the Standard in only 3 of the 11 urban counties.¹⁵ The most populous counties in Oregon have lower percentages of households with inadequate income than less populous counties in part because of higher-than-average median household incomes in high-population counties. Furthermore, as explained in the previous section, lower assumed transportation costs in Multnomah County play a role in the lower percentage of households with inadequate income. Because the cost of using public transportation is substantially less than the cost of maintaining and driving a car, the Standard for Multnomah County is lower and the county's percentage of households with below-Standard income is lower than it would be if its households were assumed to require cars for transportation.

Despite the fact that most of the counties with the lowest proportions of below-Standard households are considered urban, urban counties are home to most of the individuals with insufficient income in Oregon: 77% of all Oregon households that are below the Standard are located in urban areas, versus 23% in rural counties. Thus, although higher rates of income inadequacy in rural counties are of definite concern, in terms of absolute numbers, households struggling to meet their basic needs are primarily located in Oregon's metropolitan areas. In fact, 44% of Oregon's households with inadequate income are located in the Portland metropolitan area alone (Multnomah, Clackamas, Washington, Yamhill, and Columbia counties). This follows naturally from the fact that these five counties are home to about half of all Oregonians (see Table 2A).

Figure 3 demonstrates important differences between the FPL and the Standard. Although the percentage of households below the Standard is much higher than the percentage of households under the FPL for every county, the rank of counties is somewhat different. In

¹⁵Urban counties are Benton, Clackamas, Columbia, Deschutes, Jackson, Lane, Marion, Multnomah, Polk, Washington, and Yamhill.

Table 2A. Distribution of Households by County: Oregon 2005-2007

COUNTY	Percent of Households in Oregon
BAKER	0.5%
BENTON (Corvallis)	2.2%
CLACKAMAS	9.7%
CLATSOP	1.0%
COLUMBIA	1.1%
COOS	1.5%
CROOK	0.6%
CURRY	0.6%
DESCHUTES (Bend)	4.4%
DOUGLAS	2.4%
GILLIAM	0.1%
GRANT	0.2%
HARNEY	0.2%
HOOD RIVER	0.5%
JACKSON (Medford)	5.2%
JEFFERSON	0.5%
JOSEPHINE	1.9%
KLAMATH	1.7%
LAKE	0.2%
LANE (Eugene)	9.5%
LINCOLN	1.2%
LINN	3.0%
MALHEUR	0.7%
MARION (Salem)	7.6%
MORROW	0.3%
MULTNOMAH (Portland)	20.5%
POLK	1.7%
SHERMAN	0.1%
TILLAMOOK	0.7%
UMATILLA	1.7%
UNION	0.6%
WALLOWA	0.2%
WASCO	0.6%
WASHINGTON	15.2%
WHEELER	0.0%
YAMHILL	2.2%
Total	100.0%

Source: American Community Survey, PUMS data 2005-2007

Table 2B. Percent of Households in Income Categories by County:
Oregon 2005-2007

GEOGRAPHY	Income Category				Total
	Below Poverty	Above Poverty, Below Self-Sufficiency	Below Self-Sufficiency (subtotal)	Above Self-Sufficiency	
OREGON	9.7%	17.4%	27.1%	72.9%	100%
Oregon Counties					
BAKER	13.2%	14.7%	27.9%	72.1%	100%
BENTON (Corvallis)	12.4%	18.6%	31.0%	69.0%	100%
CLACKAMAS	6.1%	18.7%	24.8%	75.2%	100%
CLATSOP	7.8%	21.8%	29.6%	70.4%	100%
COLUMBIA	7.8%	21.8%	29.6%	70.4%	100%
COOS	14.5%	18.1%	32.6%	67.4%	100%
CROOK	10.7%	19.6%	30.4%	69.6%	100%
CURRY	14.5%	18.1%	32.6%	67.4%	100%
DESCHUTES (Bend)	5.6%	20.3%	25.9%	74.1%	100%
DOUGLAS	9.7%	15.3%	25.0%	75.0%	100%
GILLIAM	10.8%	19.6%	30.4%	69.6%	100%
GRANT	10.7%	19.6%	30.4%	69.6%	100%
HARNEY	11.5%	18.1%	29.7%	70.3%	100%
HOOD RIVER	10.7%	19.6%	30.4%	69.6%	100%
JACKSON (Medford)	10.6%	17.4%	27.9%	72.1%	100%
JEFFERSON	10.7%	19.6%	30.4%	69.6%	100%
JOSEPHINE	14.5%	18.1%	32.6%	67.4%	100%
KLAMATH	11.5%	18.2%	29.7%	70.3%	100%
LAKE	11.5%	18.1%	29.7%	70.3%	100%
LANE (Eugene)	12.7%	18.9%	31.6%	68.4%	100%
LINCOLN	7.8%	21.8%	29.6%	70.4%	100%
LINN	12.4%	18.6%	31.0%	69.0%	100%
MALHEUR	11.5%	18.1%	29.7%	70.3%	100%
MARION (Salem)	11.4%	17.0%	28.4%	71.6%	100%
MORROW	10.7%	19.6%	30.4%	69.6%	100%
MULTNOMAH (Ptl'd)	10.3%	13.2%	23.5%	76.5%	100%
POLK	8.6%	17.9%	26.5%	73.5%	100%
SHERMAN	10.7%	19.6%	30.4%	69.6%	100%
TILLAMOOK	7.8%	21.8%	29.6%	70.4%	100%
UMATILLA	13.3%	14.7%	27.9%	72.1%	100%
UNION	13.2%	14.7%	27.9%	72.0%	100%
WALLOWA	13.2%	14.7%	28.0%	72.0%	100%
WASCO	10.7%	19.6%	30.4%	69.6%	100%
WASHINGTON	6.7%	18.9%	25.7%	74.3%	100%
WHEELER	10.7%	19.6%	30.3%	69.5%	100%
YAMHILL	8.6%	17.9%	26.6%	73.4%	100%

Note here and in most of the following tables that the percentages sum to 100% by row. For example, in Baker County, 13.2% + 14.7% = 27.9% (the subtotal percentage below the Self-Sufficiency Standard in Baker County), and 27.9% + 72.1% = 100% (all people in Baker County). All totals and subtotals are bolded in the tables, for example, "Below Self-Sufficiency" is a subtotal of "Below Poverty" and "Above Poverty, Below Self-Sufficiency," so it is bolded.

Source: American Community Survey, PUMS data 2005-2007

the figure, each county's number label indicates whether the county's ranking improves or declines under the Standard; significant rank changes are shaded orange for improvement and purple for decline. For example, the northeast counties (Union, Baker, Umatilla, Wallowa) are ranked 30th-33rd in terms of the FPL, with relatively high percentages of households below the FPL, but are 9th-12th in terms of the Standard, with relatively low percentages of households below the Standard. These changes are because of the Standard's adjustments for cost-of-living differences: considering all budget items and their geographic differences under the Standard results in a lower overall cost of living in these counties. Other counties whose rankings improve under the Self-Sufficiency Standard compared with the FPL are Multnomah (moving from 11th to 1st), Douglas (from 10th to 3rd), Marion (from 22nd to 13th), and Harney (from 26th to 19th).

Likewise, certain counties' rankings decline significantly (i.e., drop by more than six spots) under the Self-Sufficiency Standard compared with the FPL: they shift from having relatively low percentages of households below the FPL to having relatively high percentages of households below the Standard. Counties that drop by more than six spots under the Standard are grouped in two regions in the state: north central (Hood River, Wasco, Sherman, Gilliam, Morrow, Jefferson, Wheeler, Grant, and Crook counties) and northwest along the coast (Columbia, Clatsop, Tillamook, and Lincoln counties). Similar to the case for counties whose rankings improve, these shifts are due to the Standard's sensitivity to cost-of-living differences and reflect the higher cost of living in these counties after accounting for all budget items.

Because the FPL is always lower than the Standard, there is always a group of households that is above the FPL but below the Standard. For example, whereas only 8% of households in Lincoln County don't earn enough income to meet the FPL for their household type, an additional 22% are above the FPL but below the Standard (see Table 2B). A policy maker examining poverty in Lincoln County using only the FPL might not realize that there is a large number of additional households that do not

have income adequate to meet their basic needs and may overlook these households as targets of prosperity policy. The counties with the highest percentages of households (20-22%) above the FPL but below the Standard are Clatsop, Columbia, Lincoln, Tillamook, and Deschutes. All of these except Deschutes are grouped in the northwest of the state, along the coast. The families in this "gap" between the FPL and the Standard for their county and household type may be ineligible for some means-tested programs, despite the fact that they do not have sufficient income to support their households.

In sum, the percentages of households above and below both the FPL and the Standard vary across the state, and the counties' rankings shift as a result of the Standard's sensitivity to geographic variation in cost. The percentage of households with below-Standard incomes is higher in rural counties, but most households below the Standard (77%) are in urban counties. In all counties there is a policy gap that affects households with incomes above the FPL but below the Standard: these households do not have enough income to meet their basic needs but they are not officially considered poor.

Self-Sufficiency, Race/Ethnicity, and Citizenship

It is widely recognized that poverty falls disproportionately on minorities (e.g., Hoynes et al., 2006; Rank & Hirschl, 2001). Thus it is not surprising that in Oregon, minority householders experience higher rates of inadequate income. This section will present information on race/ethnicity and citizenship characteristics of householders with below-Standard incomes.

Race and Ethnicity

For this study, Oregon householders are divided into six mutually exclusive race/ethnicity groups: African American (Black, non-Latino), Asian and Pacific Islander (non-Latino), Latino, Native American (including Alaskan Native, non-Latino), White (Caucasian, non-Latino), and Other (non-Latino). The householder is the person (or one of the persons) in whose name the housing unit is owned or rented.

Table 3A. Distribution of Households by Householder Race/Ethnicity: Oregon 2005-2007

Householder Race/Ethnicity	Percent of Households in Oregon
White (non-Latino)	84.6%
Latino*	7.6%
Asian/Pacific Islander	3.6%
Others	1.7%
Black	1.6%
Native American	0.9%
Total	100.0%

*Latino may be of any race

Source: American Community Survey, PUMS data 2005-2007

Table 3B. Percent of Households in Income Categories by Householder Race/Ethnicity: Oregon 2005-2007

	Income Category				Total
	Below Poverty	Above Poverty, Below Self-Sufficiency	Below Self-Sufficiency (subtotal)	Above Self-Sufficiency	
All Households in OR	9.7%	17.4%	27.1%	72.9%	100%
Householder Race/Ethnicity					
White (non-Latino)	8.2%	15.5%	23.7%	76.3%	100%
Latino*	21.5%	34.7%	56.2%	43.8%	100%
Asian/Pacific Islander	12.3%	19.7%	32.0%	68.0%	100%
Others	14.0%	23.0%	37.0%	63.0%	100%
Black	20.4%	21.9%	42.3%	57.7%	100%
Native American	16.5%	21.4%	37.9%	62.1%	100%

*Latino may be of any race

Source: American Community Survey, PUMS data 2005-2007

The householder is the person (or one of the persons) in whose name the housing unit is owned or rented or, if there is no such person, the householder is any adult member, excluding roomers, boarders, or paid employees.

White (non-Latino) householders are the least likely of the six race/ethnicity groups to have incomes below the Standard (see Table 3B). Whereas only 24% of White (non-Latino) Oregon householders earn incomes that do not meet the Self-Sufficiency Standard, that percentage is 56% for Latinos (of any race), 42% for African Americans, 38% for Native Americans, and 32% for Asians and Pacific Islanders. In other words, for each of these minority groups the total percent of householders with incomes below the Standard is at least 32%, almost

9 percentage points higher than the rate for White (non-Latino) householders. However, because about 85% of Oregon's population is White and non-Latino, a large majority of householders with insufficient income are White and non-Latino.

Although all minority householders are more likely to have incomes below the Standard, Latino householders are most likely to fail to meet the Standard. Latinos represent the largest minority group in Oregon, constituting about

8% of all households. Over half (56%) of Latino householders in Oregon have incomes below the Standard. Of these, more than half have incomes below the FPL, indicating the depth of poverty among these households.

Another statistic that illustrates the concentration of poverty among Latinos is that whereas only 8% of Oregon households have a Latino householder, 16% of all householders with below-Standard incomes in Oregon are Latino (see Table 4). Latino householders are disproportionately represented among householders with insufficient income in all Oregon counties. This is most pronounced in Marion County, which has the highest percentage of Latino householders (15%) of all Oregon counties, as well as the highest percentage of householders below the Standard that are Latino (33%). The other urban county with a particularly high percentage of Latino householders with below-Standard incomes is Washington County, with only 9% of householders being Latino but 23% of householders below the Standard being Latino. In addition to these two counties, there are two clusters of rural counties with high percentages of Latino householders with below-Standard incomes. In Oregon's north central counties (Wheeler, Sherman, Gilliam, Hood River, Grant, Wasco, Jefferson, Morrow, and Crook), 23% of householders with below-Standard incomes are Latino; in the southeast counties

Table 4. Distribution of Latino Householders by County and Self-Sufficiency Standard: Oregon 2005-2007

	Percent of Householders Who Are Latino	Percent of Householders Below the Standard Who Are Latino
All Households in OR	7.6%	15.7%
Oregon Counties		
BAKER	10.2%	18.5%
BENTON (Corvallis)	5.3%	9.3%
CLACKAMAS	4.6%	10.7%
CLATSOP	5.3%	9.7%
COLUMBIA	5.3%	9.7%
COOS	4.5%	8.0%
CROOK	11.0%	23.4%
CURRY	4.6%	8.0%
DESCHUTES (Bend)	3.6%	6.2%
DOUGLAS	3.3%	7.0%
GILLIAM	10.9%	23.4%
GRANT	11.0%	23.4%
HARNEY	11.2%	21.4%
HOOD RIVER	11.0%	23.4%
JACKSON (Medford)	7.0%	11.2%
JEFFERSON	11.0%	23.4%
JOSEPHINE	4.5%	8.0%
KLAMATH	11.2%	21.4%
LAKE	11.2%	21.4%
LANE (Eugene)	5.5%	10.4%
LINCOLN	5.3%	9.7%
LINN	5.3%	9.3%
MALHEUR	11.2%	21.4%
MARION (Salem)	15.4%	33.0%
MORROW	11.0%	23.4%
MULTNOMAH (Portland)	7.3%	15.2%
POLK	9.0%	18.4%
SHERMAN	11.1%	23.5%
TILLAMOOK	5.3%	9.7%
UMATILLA	10.2%	18.4%
UNION	10.2%	18.5%
WALLOWA	10.2%	18.4%
WASCO	11.0%	23.4%
WASHINGTON	9.2%	22.8%
WHEELER	11.1%	23.6%
YAMHILL	9.0%	18.4%

Source: American Community Survey, PUMS data 2005-2007
 The householder is the person (or one of the persons) in whose name the housing unit is owned or rented or, if there is no such person, the householder is any adult member, excluding roomers, boarders, or paid employees.

Table 5A. Distribution of Households by Householder Citizenship Status and Origin: Oregon 2005-2007

Nativity/Citizenship	Percent of Households in Oregon
Native	
Latino	2.8%
Not Latino	86.0%
Foreign Born	
Naturalized citizen	
Latino*	1.0%
Not Latino	3.8%
Not a citizen	
Latino*	3.7%
Not Latino	2.7%
Total	100.0%

*Latino may be of any race

Source: American Community Survey, PUMS data 2005-2007

Table 5B. Percent of Households in Income Categories by Householder Citizenship Status and Origin: Oregon 2005-2007

	Income Category				Total
	Below Poverty	Above Poverty, Below Self-Sufficiency	Below Self-Sufficiency (subtotal)	Above Self-Sufficiency	
All Households in OR	9.7%	17.4%	27.1%	72.9%	100%
Householder Nativity/Citizenship					
Native	8.7%	16.0%	24.6%	75.4%	100%
Latino	13.6%	22.3%	35.9%	64.1%	100%
Not Latino	8.5%	15.8%	24.3%	75.7%	100%
Foreign Born	17.9%	28.5%	46.5%	53.5%	100%
Naturalized citizen					
Latino*	12.4%	31.9%	44.3%	55.7%	100%
Not Latino	7.3%	16.9%	24.2%	75.8%	100%
Not a citizen					
Latino*	30.0%	44.9%	74.9%	25.1%	100%
Not Latino	18.2%	20.9%	39.0%	61.0%	100%

*Latino may be of any race

Source: American Community Survey, PUMS data 2005-2007

The householder is the person (or one of the persons) in whose name the housing unit is owned or rented or, if there is no such person, the householder is any adult member, excluding roomers, boarders, or paid employees.

(Harney, Klamath, Malheur, and Lake), this figure is 21%, compared with the statewide 16%. These clusters of counties also have higher overall percentages of households below the Standard (above 29%; see Table 2B), meaning that income insufficiency in the north central and southeast regions of Oregon is both high in general and quite concentrated among Latinos.

However, it is important to note again that counties with the highest rates of households with below-Standard incomes are usually not home to the largest absolute numbers of such households. Most households with inadequate income are located in Oregon's most populous counties.

Citizenship Status and Origin of Householder

Citizenship status and householder origin are associated with income sufficiency levels in Oregon (see Tables 5A-5B). Most Oregon householders (86%) are U.S.-born, not Latino, and experience average rates of income inadequacy. Foreign-born, non-Latino citizens (4% of householders) also have average rates of income inadequacy. It is the remaining 10% of householders that experience much higher rates of economic stress: 60% of all noncitizen householders and 75% of Latino noncitizen householders have incomes below the Standard. The depth of poverty among all noncitizen householders is illustrated by the fact that almost half are below the FPL in addition the Standard. All foreign-born householders, citizens and noncitizens, have much higher rates of income inadequacy than do native-born householders (47% versus 25%).

Even though being a citizen is clearly associated with having enough income to meet a household's basic needs, it is not a guarantee: 44% of foreign-born citizen Latino householders have below-Standard incomes. Thus regardless of citizenship status and place of birth, Latino householders experience higher rates of income inadequacy than do non-Latino householders. The substantial overlap between Latino origin, noncitizenship status, and income inadequacy illustrates the interacting and compounding nature of factors that are associated with income self-sufficiency: many foreign-born Latinos in Oregon—the vast preponderance of whom are of

Mexican origin—face a number of obstacles, which may include lack of knowledge about local labor markets, relatively low levels of education, imperfect English, and lack of documentation.

Self-Sufficiency and Household Type

This study shows that households headed by women are less likely to meet the Self-Sufficiency Standard than are households headed by men. One third (32%) of female-headed households in Oregon fall below the Self-Sufficiency Standard, compared with 23% of male-headed households (see Table 6B). In addition, households with children, especially young children, are more likely to have incomes below the Standard.

Table 6C shows the incidence of income inadequacy among various household types in Oregon. The most striking figures are those pertaining to single mothers (i.e., female householders with children, no spouse present). In Oregon, 61% of single-mother households have inadequate income. In comparison, 45% of households maintained by single fathers have insufficient income. Single-mother households also have the highest poverty rate as defined by the FPL (30%) as well as the largest percentage of households in the gap between the FPL and the Standard (another 30%). In other words, poverty can be said to be comparatively deep among this household group, meaning that a higher percentage of families are not only below the Standard but are also below the FPL, indicating more serious poverty. Of the 61% of single-mother households with inadequate income, half have incomes below the FPL.

These differences between male- and female-led households, as well as the differences between families with children (36% are below the Standard) and without children (17% are below the Standard), raise the following question: Are higher rates of income inadequacy associated with the presence of children, the sex of the householder, or both? To determine the “pure” effect of the sex of the householder that is separate from family status and marital status, we can look at the difference between male and female nonfamily households (which by definition have no children and are usually one-person households). As Table 6C shows,

the below-Standard difference between these households is very small: 26% for men versus 27% for women. One-person households thus have very similar rates of income inadequacy, regardless of the householder's sex. Comparing families without children reveals a much larger difference between male- and female-headed households: 31% of male-headed family households without children have insufficient income, versus 41% for female-headed family households without children.¹⁶ In households with children, the corresponding rates for single-parent households are even more distinct: 45% for single-father households and 61% for single-mother households. These differences point to a clear association among family households between being a single female householder and having insufficient income and, especially, between being a single mother and having insufficient income.

To further examine the effect of children on household incomes, we can compare each category under family households with children to the corresponding categories of family households without children. The rate of below-Standard incomes among all family households with children (36%) is more than double the rate for all family households without children (17%). In each case (married couple, single-male householder, and single-female householder) there is a difference of 14-20 percentage points, with households with children being consistently associated with higher rates of households with below-Standard incomes. These differences indicate that the presence of children, regardless of the marital status or sex of the householder, is associated with substantially greater difficulty meeting basic needs. This fact underlies the very high rates of child poverty in the United States that were discussed briefly in the introduction.

Table 6A. Distribution of Households by Household Type: Oregon 2005-2007

Household Type	Percent of Households in Oregon
Nonfamily Households	
Male Householder	16.8%
Female Householder	14.3%
Family Households With Children	
Married Couple	27.1%
Male Householder, no spouse present	3.0%
Female Householder, no spouse present	8.0%
Family Households Without Children	
Married Couple	26.5%
Male Householder, no spouse present	1.6%
Female Householder, no spouse present	2.7%
Total	100.0%

Source: American Community Survey, PUMS data 2005-2007

¹⁶Family households with no spouse or children consist of two or more persons who are related by birth or adoption, as well as any unrelated persons who reside in the household. Related individuals might include siblings or adult parents.

Table 6B. Percent of Households in Income Categories by Householder Sex:
Oregon 2005-2007

	Income Category				Total
	Below Poverty	Above Poverty, Below Self-Sufficiency	Below Self-Sufficiency (subtotal)	Above Self-Sufficiency	
All Households in OR	9.7%	17.4%	27.1%	72.9%	100%
Householder Sex					
Male	7.4%	15.9%	23.3%	76.7%	100%
Female	12.6%	19.3%	31.9%	68.1%	100%

Source: American Community Survey, PUMS data 2005-2007

Table 6C. Percent of Households in Income Categories by Household Type:
Oregon 2005-2007

	Income Category				Total
	Below Poverty	Above Poverty, Below Self-Sufficiency	Below Self-Sufficiency (subtotal)	Above Self-Sufficiency	
All Households in OR	9.7%	17.4%	27.1%	72.9%	100%
Household Type					
Nonfamily Households	7.4%	15.9%	23.3%	76.7%	100%
Male Householder	12.6%	13.2%	25.7%	74.3%	100%
Female Householder	13.1%	13.0%	26.5%	73.5%	100%
Family Households With Children	12.0%	24.3%	36.3%	63.7%	100%
Married Couple	6.0%	22.1%	28.1%	71.9%	100%
Male Householder, no spouse present	17.0%	28.1%	45.2%	54.8%	100%
Female Householder, no spouse present	30.4%	30.3%	60.7%	39.3%	100%
Family Households Without Children	3.7%	12.9%	16.6%	83.4%	100%
Married Couple	2.6%	10.8%	13.4%	86.6%	100%
Male Householder, no spouse present	8.0%	23.1%	31.1%	68.9%	100%
Female Householder, no spouse present	12.1%	28.3%	40.5%	59.5%	100%

Source: American Community Survey, PUMS data 2005-2007

1. The householder is the person (or one of the persons) in whose name the housing unit is owned or rented or, if there is no such person, any adult member, excluding roomers, boarders, or paid employees.
2. A nonfamily household is a person maintaining a household while living alone or with nonrelatives only.
3. A family household is a household maintained by a family, defined as a group of two or more persons (one of whom is the householder) residing together and related by birth, marriage, or adoption; family households include any unrelated persons who reside in the household.

Table 7A. Distribution of Households by Number and Age of Children: Oregon 2005-2007

Household Type	Percent of Households in Oregon
Number of Children	
0	61.3%
1	16.2%
2	14.8%
3	5.6%
4 or more	2.1%
Total	100.0%
Age of Youngest Child	
Less than 6 yrs	45.3%
6 to 17 yrs	54.7%
Total	100.0%

Source: American Community Survey, PUMS data 2005-2007

The number of children in a household also has an effect on the percentage of families with below-Standard incomes (see Table 7B). Among the two thirds of Oregon households that do not have any children, 21% have inadequate income. In contrast, among the one third of Oregon households with children, 37% have inadequate income. This percentage can be further examined by number of children: among the large majority (80%) of families with just one or two children, about 32% have incomes below the Standard. In contrast, among families with three or more children, the below-Standard rate increases dramatically to 52% and higher. Families with more children clearly require more income for housing, child care, food, health care, etc., but many are unable to attain this higher level of income. The age of children also affects families' basic costs and therefore their chances of being able to meet their needs. As Table 7B shows, among families with at least one child under the age of 6, almost half (46%) have incomes below the Standard, versus about one quarter (28%) for families whose youngest child is over

Table 7B. Percent of Households in Income Categories by Number and Age of Children: Oregon 2005-2007

	Income Category				Total
	Below Poverty	Above Poverty, Below Self-Sufficiency	Below Self-Sufficiency (subtotal)	Above Self-Sufficiency	
All Households in OR	9.7%	17.4%	27.1%	72.9%	100%
Number of Children in Household					
0	8.2%	12.9%	21.2%	78.8%	100%
1 or more	12.0%	24.4%	36.5%	63.5%	100%
1	9.6%	21.5%	31.1%	68.9%	100%
2	10.4%	22.4%	32.8%	67.2%	100%
3	16.6%	35.7%	52.3%	47.7%	100%
4 or more	30.9%	31.6%	62.5%	37.5%	100%
Age of Youngest Child in Household					
Less than 6 yrs	15.9%	29.9%	45.8%	54.2%	100%
6 to 17 yrs	8.5%	19.7%	28.2%	71.8%	100%

Source: American Community Survey, PUMS data 2005-2007

the age of 6. This is because of the high cost of child care for younger children.

Household Type and Race/Ethnicity

As discussed above, household type and householder race/ethnicity and sex are all associated with rates of income inadequacy. Figure 4 illustrates the interaction of these household characteristics. When household type and race/ethnicity are combined, there are significant disparities between groups in terms of income adequacy. Within racial groups, household-type differences remain, with the highest rates of income inadequacy always among single-mother households. Within household types, race/ethnicity differences remain, with the highest rates of income inadequacy consistently among Latino householders.¹⁷ White (non-Latino) households consistently experience the lowest rates of income inadequacy.

The most striking aspects of Figure 4 are (a) the clear increase in income inadequacy of single-mother households for each race/ethnicity (55%-79%), and (b) the comparatively higher rate of income inadequacy among Latino married-couple and single-father

households with children (65% compared with 25% for White [non-Latino] households). These characteristics may be related to differences in educational attainment, lower wages, fewer working adults in each household, and/or fewer hours worked.

Self-Sufficiency and Education

Another widely studied and proven trend is that education is tied to income; individuals with less education are more likely to have lower incomes (U.S. Census Bureau, 2009). This section examines the relationships between education and self-sufficiency and shows that the percentage of households not meeting the Standard falls as the level of education rises. However, a discussion of disparities among householder sex and race/ethnicity groups reveals that the income benefits of acquiring an education are not the same for all households.

Oregon householders have a wide range of educational attainment. Almost seven in ten Oregon householders (67%) have at least some college education; about half of these have at least a bachelor's degree (see Table 8A). About two in ten householders (23%) have a high

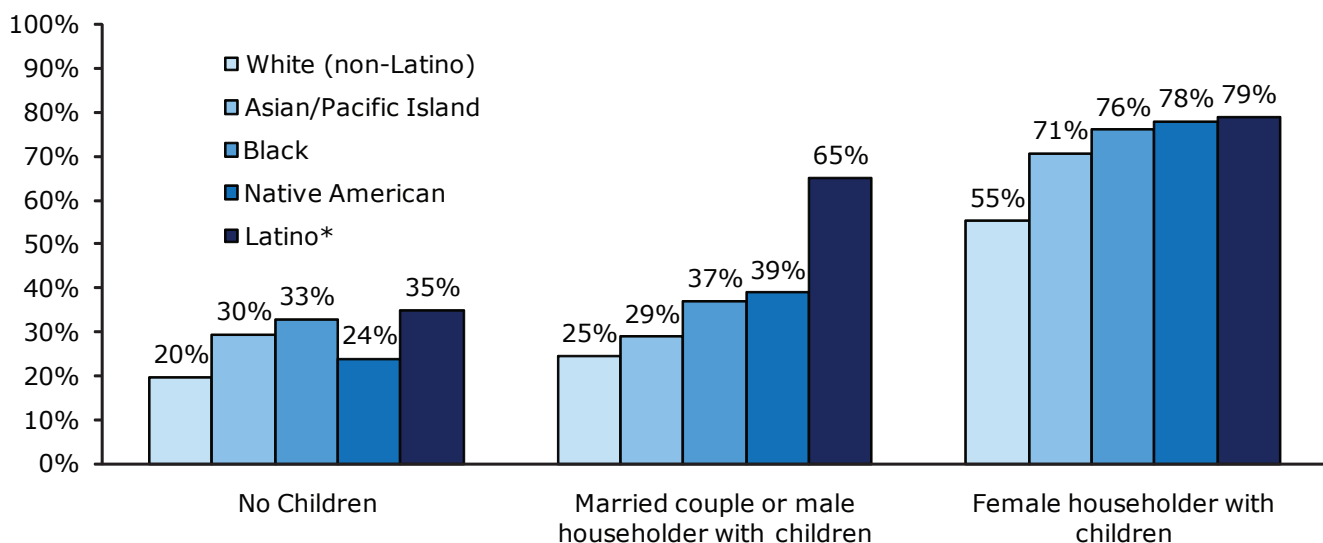


Figure 4. Households Below the Standard by Household Type and Race/Ethnicity: Oregon 2005-2007.

Source: American Community Survey, PUMS data 2005-2007

*Latino may be of any race

¹⁷Single-male householders with children are grouped together with married-couple householders with children because they represent less than 5% of households.

Table 8A. Distribution of Households by Householder Education, Sex, and Race/Ethnicity: Oregon 2005-2007

Educational Attainment	Percent of Households in Oregon
Less than High School	
Male	
White (non-Latino)	2.5%
Minority	2.2%
Female	
White (non-Latino)	1.8%
Minority	1.4%
High School Diploma	
Male	
White (non-Latino)	11.2%
Minority	1.9%
Female	
White (non-Latino)	8.1%
Minority	1.6%
Some College or Associate's Degree	
Male	
White (non-Latino)	17.1%
Minority	2.4%
Female	
White (non-Latino)	14.7%
Minority	2.0%
Bachelor's Degree or Higher	
Male	
White (non-Latino)	16.6%
Minority	2.3%
Female	
White (non-Latino)	12.6%
Minority	1.4%
Total	100.0%

Source: American Community Survey, PUMS data 2005-2007

The householder is the person (or one of the persons) in whose name the housing unit is owned or rented or, if there is no such person, the householder is any adult member, excluding roomers, boarders, or paid employees.

school diploma or equivalent. The remaining one in ten householders (8%) did not complete high school. About half of each group except “less than high school” is comprised of White (non-Latino) men. In contrast, minorities and women are disproportionately represented among the 8% of Oregon householders that did not finish high school.

Table 8B shows that education has a clear effect on income sufficiency in Oregon. In the aggregate, among householders with less than a high school degree, more than half (55%) have inadequate incomes, compared with 35% of those with a high school diploma or equivalent, 29% of those with some college, and 14% of those with a bachelor's degree or higher. The largest step-wise difference among these—20 percentage points—is between those with less than a high school education and those with a high school diploma. In other words, the most dramatic gains to be made by completing the next educational “step” occur with the completion of high school. Of course, each step up through completing a bachelor's degree results in significant gains in income self-sufficiency.

Increased education is associated with improved income adequacy for all groups in Oregon, but there are two clear disparities with regard to the effect of education on householder sex and race/ethnicity groups. First, at lower levels of educational attainment, female householders are much more likely than men to have insufficient incomes. Even with the same level of education, female householders experience higher rates of income inadequacy than male householders. For example, for householders with at least a bachelor's degree, the difference in income inadequacy between women and men is only 3 percentage points ($15.4\% - 12.1\% = 3.3$), whereas the comparable difference for female and male householders with less than a high school education is 15 percentage points ($64.0\% - 49.5\% = 14.5$). (In both cases, women have the higher rates of income inadequacy; see Table 8B.)

Second, there are differences between men and women at each education level by race/ethnicity. In general, for all race/ethnicity groups, there are more dramatic differences between income sufficiency for men and women at lower levels of education than at higher levels of education. Interestingly,

Table 8B. Percent of Households in Income Categories by Householder Education, Sex, and Race/Ethnicity: Oregon 2005-2007

	Income Category				Total
	Below Poverty	Above Poverty, Below Self-Sufficiency	Below Self-Sufficiency (subtotal)	Above Self-Sufficiency	
All Households in OR	9.7%	17.4%	27.1%	72.9%	100%
Householder Educational Attainment					
Less than High School	23.4%	32.0%	55.4%	44.6%	100%
Male	17.5%	32.0%	49.5%	50.5%	100%
White (non-Latino)	14.3%	21.7%	36.0%	64.0%	100%
Minority	21.1%	43.3%	64.4%	35.6%	100%
Female	32.0%	32.0%	64.0%	36.0%	100%
White (non-Latino)	26.7%	28.2%	54.9%	45.1%	100%
Minority	39.1%	36.8%	75.9%	24.1%	100%
High School Diploma	12.0%	22.6%	34.6%	65.4%	100%
Male	8.5%	20.9%	29.4%	70.6%	100%
White (non-Latino)	7.0%	19.1%	26.1%	73.9%	100%
Minority	17.8%	31.7%	49.5%	50.5%	100%
Female	16.8%	24.9%	41.7%	58.3%	100%
White (non-Latino)	14.4%	23.8%	38.2%	61.8%	100%
Minority	28.6%	30.6%	59.3%	40.7%	100%
Some College or Associate's Degree	10.1%	18.4%	28.5%	71.5%	100%
Male	7.5%	16.4%	23.9%	76.1%	100%
White (non-Latino)	7.0%	15.2%	22.2%	77.8%	100%
Minority	10.9%	24.7%	35.6%	64.4%	100%
Female	13.1%	20.8%	33.9%	66.1%	100%
White (non-Latino)	12.2%	20.1%	32.3%	67.7%	100%
Minority	20.0%	25.6%	45.6%	54.4%	100%
Bachelor's Degree or Higher	4.4%	9.1%	13.5%	86.5%	100%
Male	4.1%	8.0%	12.1%	87.9%	100%
White (non-Latino)	3.6%	7.4%	11.0%	89.0%	100%
Minority	8.0%	11.8%	19.8%	80.2%	100%
Female	4.7%	10.7%	15.4%	84.6%	100%
White (non-Latino)	4.4%	9.6%	14.0%	86.0%	100%
Minority	7.6%	20.5%	28.1%	71.9%	100%

Source: American Community Survey, PUMS data 2005-2007

The householder is the person (or one of the persons) in whose name the housing unit is owned or rented or, if there is no such person, the householder is any adult member, excluding roomers, boarders, or paid employees.

for householders with a high school diploma or less, the male/female gap is larger for Whites (non-Latinos) than for minorities. For college-educated householders, the male/female gap is smaller for all races/ethnicities.

The result of these disparities is that women and minorities need more education to achieve the same level of economic self-sufficiency as White (non-Latino) men. Figure 5 clearly illustrates this fact: each line represents a race/ethnicity/sex category (White [non-Latino] male householder, minority male householder, etc.) and each “column” of symbols represents an education level. The steepness of each line shows the effects of education on each race/ethnicity/sex group, and the vertical spaces between the symbols in each column illustrate the self-sufficiency differences between race/ethnicity/sex groups with each level of education.

Minority female householders in Oregon have the highest rates of income inadequacy at all education levels, whereas White (non-Latino) male householders have the lowest rates of income inadequacy at all education levels. Minority male householders with a high school diploma or less are almost twice as likely to have inadequate incomes as their White (non-Latino) male counterparts with a high school diploma or less. The effect of race/ethnicity in the college-educated groups is also significant: minority men and women have considerably higher rates of income inadequacy than do White (non-Latino) men and women with the same level of education.

The percentage of income insufficiency for high-school educated White (non-Latino) men is similar to that for White (non-Latino) women with some college and minority men and women with at least a bachelor’s

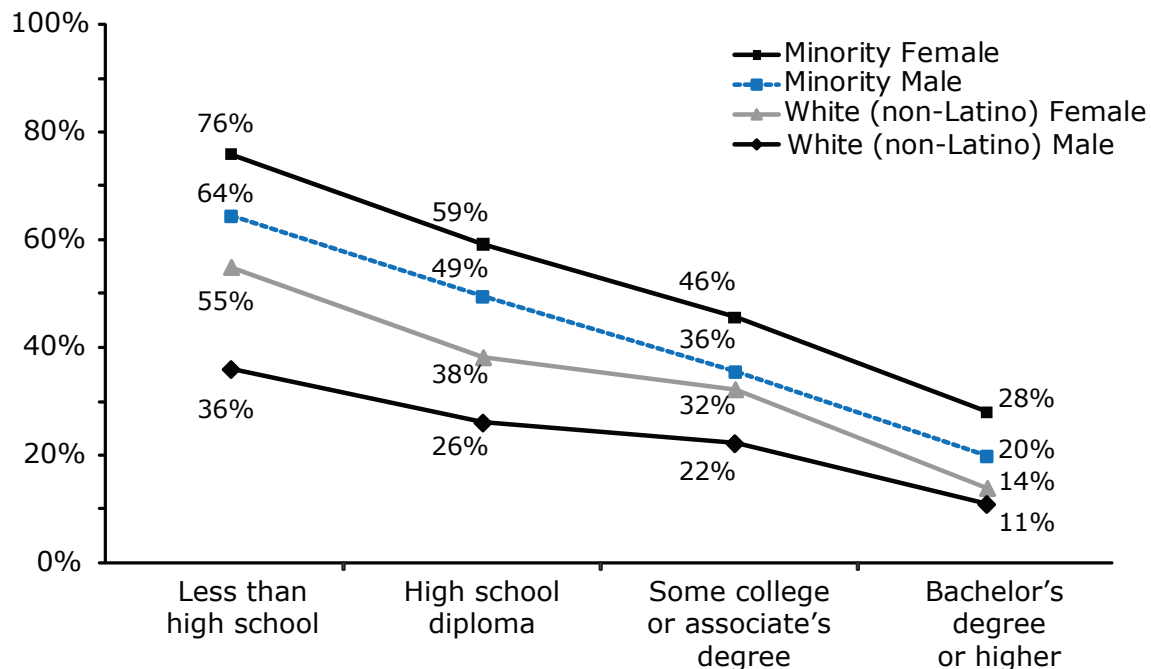


Figure 5. Households Below the Standard by Householder Education, Sex, and Race/Ethnicity: Oregon 2005-2007

Source: American Community Survey, PUMS data 2005-2007

degree. This suggests that women and minorities need more education to achieve the same level of economic self-sufficiency as White (non-Latino) men. For example, minority women with some college or an associate's degree experience far more income inadequacy (46%) than White (non-Latino) men of any education level, even those with less than a high school education (36%). Even minority female householders at the highest level of educational attainment (at least a bachelor's degree) experience relatively high rates of income inadequacy (28%).

Figure 5 shows that minority female householders experience the largest income benefits from increased education. In other words, they experience the most dramatic decrease in income inadequacy rates as their education levels increase, with a change of 48 percentage points between the highest and lowest levels of educational attainment (i.e., the difference between 76% of minority women with less than high school and 28% of minority women with a bachelor's degree or higher). Minority men experience a similar improvement of 44 percentage points, and White (non-Latino) women are not far behind (41 percentage points). The change in income inadequacy rates for White (non-Latino) men is much less substantial: only 25 percentage points. In other words, White (non-Latino) men experience the smallest income benefits from additional education.

In sum, increased educational attainment is associated with increased income self-sufficiency for all householder groups but especially for minorities and White (non-Latino) women. Minority men and women experience higher rates of income inadequacy than their White (non-Latino) counterparts at all educational levels, and the differences between income sufficiency for men and women are more dramatic at lower levels of education than at higher levels of education.

Self-Sufficiency and Work

In addition to household type and householder race/ethnicity, sex, and education, the following factors can have a significant bearing on a household's economic self-sufficiency: (a) the number of workers in the household, (b) the household's employment patterns (full time versus part time), and (c) the householder's occupation. These

Table 9A. Distribution of Households by Number of Workers and Work Status of Adults: Oregon 2005-2007

	Percent of Households in Oregon
Number of Working Adults in Household	
0	5.3%
1	46.9%
2 or more	47.8%
Total	100.0%
Work Status of Householder	
Full time, year round	57.1%
Part time and/or part year	32.1%
Nonworker	10.8%
Total	100.0%
Work Status of Adults	
One Adult in Household	
Full time, year round	16.3%
Part time and/or part year	9.7%
Nonworker	2.8%
Two or More Adults in Household	
All adults work	
All workers full time, year round	18.4%
Some workers part time and/or part year*	15.9%
All workers part time and/or part year	9.4%
Some adults work	
All workers full time, year round	14.9%
Some workers part time and/or part year*	1.7%
All workers part time and/or part year	9.1%
No adults work	
	1.8%
Total	100.0%

Source: American Community Survey, PUMS data 2005-2007

*Can include households with full-time workers.

characteristics are discussed in this section and might help answer questions such as the following: Are below-Standard rates higher for female-maintained households

because they include fewer workers? Can the education disparities described above be explained in part by fewer hours worked and/or lower wage rates?

Table 9B. Percent of Households in Income Categories by Number of Workers and Work Status of Adults: Oregon 2005-2007

	Income Category				Total
	Below Poverty	Above Poverty, Below Self-Sufficiency	Below Self-Sufficiency (subtotal)	Above Self-Sufficiency	
All Households in OR	9.7%	17.4%	27.1%	72.9%	100%
Number of Working Adults in Household					
0	39.6%	28.6%	68.2%	31.8%	100%
1	13.0%	19.9%	33.0%	67.0%	100%
2 or more	3.3%	13.2%	16.5%	83.5%	100%
Work Status of Householder					
Full time, year round	3.9%	13.9%	17.8%	82.2%	100%
Part time and/or part year	14.8%	21.2%	36.0%	64.0%	100%
Nonworker	25.5%	24.4%	49.9%	50.1%	100%
Work Status of Adults					
One Adult in Household					
Full time, year round	6.7%	11.2%	17.9%	82.1%	100%
Part time and/or part year	27.8%	17.6%	45.5%	54.5%	100%
Nonworker	49.5%	19.2%	68.6%	31.4%	100%
Two or More Adults in Household					
All adults work	3.1%	12.3%	15.4%	84.6%	100%
All workers full time, year round	0.5%	6.9%	7.4%	92.6%	100%
Some workers part time and/or part year*	2.8%	14.7%	17.5%	82.5%	100%
All workers part time and/or part year	8.7%	18.9%	27.5%	72.5%	100%
Some adults work	10.1%	29.0%	39.2%	60.8%	100%
All workers full time, year round	6.7%	24.1%	30.8%	69.2%	100%
Some workers part time and/or part year*	2.0%	28.8%	30.8%	69.2%	100%
All workers part time and/or part year	17.2%	37.1%	54.3%	45.7%	100%
No adults work	32.6%	25.9%	58.5%	41.5%	100%

Source: American Community Survey, PUMS data 2005-2007

Part time is defined as usually worked less than 35 hours per week and part year is defined as worked less than 50 weeks in the past 12 months (U.S. Census Bureau, 2007)

The householder is the person (or one of the persons) in whose name the housing unit is owned or rented or, if there is no such person, the householder is any adult member, excluding roomers, boarders, or paid employees.

*Can include households with full-time workers.

Number of Workers

The number of workers in a household is clearly related to its income sufficiency. Almost all nonelderly and nondisabled households in Oregon have at least one working adult; relatively few have no working adults (i.e., nobody employed in the last year; see Table 9A).¹⁸ Among households with at least one working adult, about half have one worker and the other half have two or more workers. Having no workers in a household is, of course, associated with very high rates of income inadequacy (68%; see Table 9B). Likewise, households with just one worker have higher rates of below-Standard income (33%) than do households with two or more workers (17%). Thus, not surprisingly, employment is probably the greatest protector against income inadequacy.

However, employment alone is not the solution to economic self-sufficiency: even among households with two or more workers, 17% have inadequate income, and households with at least one working adult comprise 87% of households with insufficient incomes (see Table 9B and Figure 6, p. 36). Additional information about employment patterns and occupations is necessary to help us understand the characteristics of the many households with workers but still inadequate income.

Employment Patterns

Different kinds of work (full time versus part time, consistent versus temporary) and the number of a household's adults with these types of work have direct

Table 10A. Distribution of Households by Householder's Hours Worked per Week: Oregon 2005-2007

Hours worked per week by householder	Percent of Households in Oregon
0-10 hours	2.2%
10-20 hours	5.1%
20-30 hours	8.2%
30-40 hours	52.8%
>40 hours	31.8%
Total	100.0%

Source: American Community Survey, PUMS data 2005-2007

Table 10B. Percent of Households in Income Categories by Householder's Hours Worked per Week: Oregon 2005-2007

	Income Category		Total
	Below Self-Sufficiency	Above Self-Sufficiency	
All Households in OR	27.1%	72.9%	100%
Hours worked per week by householder			
0-10 hours	54.9%	45.1%	100%
10-20 hours	50.7%	49.3%	100%
20-30 hours	45.7%	54.3%	100%
30-40 hours	24.0%	76.0%	100%
>40 hours	13.1%	86.9%	100%

Source: American Community Survey, PUMS data 2005-2007

effects on income sufficiency. Table 9B shows the income benefits of full-time year-round work. Among households with one adult, if the householder works full time and year round, the likelihood of having inadequate income is relatively low, only 18%; this increases to 46% for householders who work part time and/or part year. Among households with two adults, only 7% experience insufficient income if both adults work full time year round, 18% if one adult works full time year round and the other works part time and/or part year, and 28% if both adults work part time and/or part year. Regardless of work schedules in two-adult households, if all adults

¹⁸Note, however, that these data were collected in 2005-2007, before the current recession. More-current data would reflect the increase in unemployment.

Table 11A. Distribution of Households by Work Status of Adults With and Without Children: Oregon 2005-2007

	Percent of Households in Oregon
Households Without Children	
Two or more workers	26.4%
One worker full time, year round	19.2%
One worker part time and/or part year	11.7%
No working adults	4.0%
Households With Children	
Married couple or male householder	
Two or more workers	19.4%
One worker full time, year round	7.5%
One worker part time and/or part year	3.1%
No working adults	0.6%
Female householder	
Two or more workers	2.1%
One worker full time, year round	3.1%
One worker part time and/or part year	2.3%
No working adults	0.7%
Total	100.0%

Source: American Community Survey, PUMS data 2005-2007
 Because single male householders comprise such a small group they are combined with married couples.

are working, 15% lack adequate income. Among two-adult households with only one worker, the proportion of households with below-Standard income is 31%-54%.

Examining the number of hours worked per week by householders reveals similar income trends: more hours worked per week are associated with lower rates of inadequate income (see Table 10B). Among householders who work fewer than 10 hours per week, 55% have incomes below the Standard; this decreases to 13% for householders who work more than 40 hours per week. The highest income benefit for working additional hours occurs between 20-30 hours and 30-40 hours (a 22 percentage-point increase in income adequacy).

Thus there are two different household employment patterns that seem to reduce income inadequacy: (a) having one adult who works full time year round, and

(b) having two or more adults who all work, regardless of schedules. Full-time year-round work is key to income sufficiency for single-adult households, whereas two-adult households have more flexibility in terms of work schedules but benefit the most when both adults are working.

Considering now the issues of sex of householder, children, and single parenting, Table 11B shows the impact of employment patterns on households with and without children. Most Oregon households do not have children (about 62%; see Table 11A). Most households without children have at least one full-time year-round worker and yet 12%-15% still earn incomes below the Standard. Not surprisingly, the below-Standard percentage increases dramatically (to 40%-60%) among households without a full-time year-round worker. Of the 38% of households with children, about half are led by a married couple or a single father and are supported by two or more working adults, but 20% of these still have incomes below the Standard.

The idea that a full-time year-round working adult guarantees household income sufficiency is challenged by the disadvantages of being a single mother in the labor market. Comparing income adequacy of married-couple households with children and single-mother households with two or more workers (20% versus 45% below the Standard), we see that simply having two or more workers in a household does not guarantee income adequacy. Similarly, when there is one full-time worker in married-couple or single-father households, 39% have insufficient incomes, compared with the much higher 51% for single-mother households with one full-time worker. When any type of household with children has just one part-time worker or no working adult at all, there is a much higher incidence of insufficient income: 57%-93% for married-couple and single-father households and 79%-96% for single-mother households.

Further, it should be noted that the Self-Sufficiency Standard is based on the idea that all adults in the household are able to work and any children can be enrolled in child care. However, many circumstances can lead to people being unable to work full time, including the need to care for people who are sick or disabled,

Table 11B. Percent of Households in Income Categories by Work Status of Adults With and Without Children: Oregon 2005-2007

	Income Category				Total
	Below Poverty	Above Poverty, Below Self-Sufficiency	Below Self-Sufficiency (subtotal)	Above Self-Sufficiency	
All Households in OR	9.7%	17.4%	27.1%	72.9%	100%
Households Without Children					
Two or more workers	2.5%	9.4%	11.9%	88.1%	100%
One worker full time, year round	4.0%	10.4%	14.5%	85.5%	100%
One worker part time and/or part year	19.0%	20.6%	39.6%	60.4%	100%
No working adults	34.6%	25.5%	60.1%	39.9%	100%
Households With Children					
Married couple or male householder					
Two or more workers	3.4%	17.0%	20.4%	79.6%	100%
One worker full time, year round	8.4%	30.3%	38.7%	61.3%	100%
One worker part time and/or part year	21.2%	36.1%	57.3%	42.7%	100%
No working adults	42.4%	50.5%	92.9%	7.1%	100%
Female householder					
Two or more workers	9.4%	35.3%	44.7%	55.3%	100%
One worker full time, year round	22.2%	28.6%	50.8%	49.2%	100%
One worker part time and/or part year	49.8%	29.2%	79.0%	21.0%	100%
No working adults	67.2%	28.4%	95.6%	4.4%	100%

Source: American Community Survey, PUMS data 2005-2007

Part time is defined as usually worked less than 35 hours per week and part year is defined as worked less than 50 weeks in the past 12 months (U.S. Census Bureau, 2007)

The householder is the person (or one of the persons) in whose name the housing unit is owned or rented or, if there is no such person, the householder is any adult member, excluding roomers, boarders, or paid employees.

Because single male householders comprise such a small group they are combined with married couples.

whether children, adults, or the elderly. People who work part time for low wages often do so because of unpaid obligations to care for family members.

In sum, having a steady job is clearly associated with having sufficient income, but it is no guarantee. Some Oregon households with two workers still do not meet the Self-Sufficiency Standard. Even among households without children and with two working adults, 12% do not meet the Standard. Likewise, among households with children and two workers, 20% of those headed by married couples don't meet the Standard, compared with 45% for single-mother households.

Occupations

One's occupation is a clear determinant of one's income. Because of the effects of globalization, technological advances, immigration, and declines in unionization and the minimum wage, occupational patterns and wages in the United States have changed significantly over the last half century, with many higher paid manufacturing jobs being replaced with somewhat lower paid service jobs (e.g., Karoly & Constantijn, 2004). This section will examine the top 10 occupational categories for households with and without adequate income and will compare occupations by sex and race/ethnicity of

householder (see Tables 12A-12D). It is important to note the difference between *occupation* and *industry*: *occupation* describes the kind of work a person performs, whereas *industry* describes the kind of firm that employs that person.¹⁹ For example, the manufacturing industry (or sector) includes many occupations, such as administrative assistant, machinist, and manager.

The occupational categories used here are very broad; each category includes a wide variety of jobs and wages. For example, “Education, Training, Library” includes positions from preschool teachers to postsecondary teachers as well as specialties like special education teachers. The average annual pay for a preschool teacher in Oregon is \$25,023, whereas the average annual pay for a postsecondary teacher is \$65,882. Within the “Sales” category, the average annual pay in Oregon for cashiers is \$21,579 and for sales engineers is \$86,760.²⁰ These examples illustrate the wide range of jobs and wages within each occupational category. A more detailed occupational classification would more clearly show which jobs have low wages within each category. Among households with below-Standard incomes, householder median hourly wage is \$7.00. The median wage for householders above the Standard is \$18.09, more than double the below-Standard median wage.²¹

A comparison of householder occupations in below-Standard households versus above-Standard households reveals significant overlap in the occupational categories of the two groups (see Table 12A). Seven categories appear in both top-10 lists: (a) office and administrative support, (b) sales, (c) production, (d) construction, (e) transportation/material moving, (f) management, and (g) education, training, library. These seven groupings account for more than half of the occupations held by both below- and above-Standard households.

Although many below-Standard householders work in the same categories as above-Standard householders, each top-10 list also includes categories that the other does not. The unique categories for below-Standard

households, comprising 23% of the total, are food preparation/serving; building/grounds cleaning and maintenance; and personal care and service. For above-Standard households the unique categories comprise 12% of the total and are health care practitioner/technical; installation, maintenance, repair; and computer/mathematical. Thus the differences between occupations in below- and above-Standard households exist in these categories, as well as in the fact that there is a wide range of specific jobs, wages, and hours within the overlapping categories.

Households below the Standard are more concentrated in their top 10 occupational categories than are households above the Standard (79% versus 73%; see Table 12A). This characteristic holds true for each sex and race/ethnicity group comparison: householders with inadequate income are grouped together in the same occupational categories to a greater extent than are householders with above-Standard incomes.

In Table 12B, male and female householder occupational categories can be compared both horizontally (e.g., below-Standard men to above-Standard men) and vertically (e.g., below-Standard men to below-Standard women). Both male and female householders who have below-Standard incomes are relatively concentrated in their top 10 categories (82% and 86%). The top two categories for male-maintained households with inadequate income are construction and transportation/material moving (both unique to the top-10 list for men), whereas office/administrative support and sales top the list for women. The other two categories unique to below-Standard male householders are installation, maintenance, repair and farming, fishing, forestry. There are four categories unique to women with inadequate income when compared to men: sales; personal care and service; education, training, library; and health care support. Below-Standard female householders are slightly more concentrated in their top 10 categories than are male householders (86% versus 82%).

¹⁹Occupation groupings are based on the Occupation Codes of the 2005-2007 ACS 3-year PUMS (http://www.census.gov/acs/www/Products/PUMS/C2SS/CodeList/2005_2007/Occupation.htm), which are almost identical to the Bureau of Labor Statistics’ Standard Occupational Classification (SOC) (http://www.bls.gov/soc/soc_majo.htm).

²⁰See Occupational Reports from the Oregon Employment Department (<http://www.qualityinfo.org/olmisj/OIC>).

Occupational wage data represent first quarter 2008 wages. The data used to create these estimates came from the Occupational Employment Survey.

²¹These median hourly wages are approximations derived from a constructed variable in which the householder’s yearly wages are divided by the average number of hours worked per week multiplied by 50 weeks. The approximation includes householders who did not work a full 50 weeks in the year.

**Table 12A. Top Ten Occupational Categories Among Householders by Self-Sufficiency:
Oregon 2005-2007**

Households Below Self-Sufficiency Standard			Households Above Self-Sufficiency Standard		
Occupational Category	Percent	Cum. Percent	Occupational Category	Percent	Cum. Percent
Office and Admin. Support	13%	13%	Management	13%	13%
Sales	11%	25%	Office and Admin. Support	13%	26%
Food Preparation, Serving	9%	34%	Sales	11%	37%
Production	8%	41%	Production	7%	43%
Building/Grounds Clean/Maintain	7%	49%	Construction	6%	49%
Construction	7%	56%	Education, Training, Library	6%	55%
Transportation/Material Moving	7%	63%	Health Care Practice, Technical	5%	61%
Personal Care and Service	6%	69%	Transportation/Material Moving	5%	66%
Management	5%	75%	Installation, Maintenance, Repair	4%	70%
Education, Training, Library	4%	79%	Computer, Mathematical	3%	73%

**Table 12B-1. Top Ten Occupational Categories by Householder Sex and Self-Sufficiency:
Oregon 2005-2007**

Male Householders					
Households Below Self-Sufficiency Standard			Households Above Self-Sufficiency Standard		
Occupational Category	Percent	Cum. Percent	Occupational Category	Percent	Cum. Percent
Construction	14%	14%	Management	15%	15%
Transportation/Material Moving	11%	25%	Sales	11%	26%
Production	10%	35%	Construction	10%	36%
Sales	9%	44%	Production	9%	45%
Building/Grounds Clean/Maintain	8%	52%	Transportation/Material Moving	7%	52%
Food Preparation, Serving	7%	59%	Office and Admin. Support	6%	58%
Management	6%	66%	Installation, Maintenance, Repair	6%	63%
Office and Admin. Support	6%	71%	Architecture, Engineering	5%	68%
Installation, Maintenance, Repair	5%	77%	Computer, Mathematical	4%	72%
Farming, Fishing, and Forestry	5%	82%	Education, Training, Library	4%	76%

**Table 12B-2. Top Ten Occupational Categories by Householder Sex and Self-Sufficiency:
Oregon 2005-2007**

Female Householders					
Households Below Self-Sufficiency Standard			Households Above Self-Sufficiency Standard		
Occupational Category	Percent	Cum. Percent	Occupational Category	Percent	Cum. Percent
Office and Admin. Support	21%	21%	Office and Admin. Support	23%	23%
Sales	13%	34%	Management	11%	34%
Food Preparation, Serving	11%	45%	Sales	10%	45%
Personal Care and Service	11%	56%	Education, Training, Library	10%	54%
Building/Grounds Clean/Maintain	7%	63%	Health Care Practice, Technical	9%	63%
Education, Training, Library	5%	68%	Personal Care and Service	4%	67%
Production	5%	73%	Business Operations	4%	70%
Health Care Support	5%	78%	Food Preparation, Serving	3%	74%
Management	4%	83%	Financial	3%	77%
Health Care Practice, Technical	3%	86%	Production	3%	80%

Source for tables 12A, 12B-1, and 12B-2: American Community Survey, PUMS data 2005-2007

The householder is the person (or one of the persons) in whose name the housing unit is owned or rented or, if there is no such person, the householder is any adult member, excluding roomers, boarders, or paid employees.

It is also useful to compare householder occupational patterns by race/ethnicity (Table 12C). Similar to above, occupational categories can be compared both horizontally (e.g., below-Standard African American householders to above-Standard African American householders) and vertically (e.g., below-Standard African American householders to below-Standard Asian/Pacific Islander householders). Looking horizontally, whereas most groups have three or four categories in their below-Standard list that do not appear in their above-Standard list, Latinos have just one (personal care and service) and Native Americans have six. In other words, Latino householders below the Standard work in almost all the same categories as their counterparts above the Standard, whereas Native Americans below the Standard work in many categories that their counterparts above the Standard do not. For Latinos, this seems to suggest that the top 10 occupational categories contain a wage range that either is very wide or hovers around the Self-Sufficiency Standard. However, an important related finding is that almost all Latino householders with below-Standard incomes (91%) have occupations in these top 10 categories, whereas Latino householders with above-Standard incomes are more dispersed throughout types of occupations (only 77% in the top 10 categories; see Table 12C-5). Thus, above-Standard Latinos work in a wider variety of jobs.

Comparing occupational categories vertically through the race/ethnicity tables highlights potential associations among race/ethnicity groups and below-Standard householder occupations. In Table 12D, occupational categories are listed in order of how frequently they appear in the top-10 lists for householders with below-Standard incomes, and each column shows the race/ethnicity group's 1-10 ranking of occupational categories. Five categories are shared among below-Standard householders in all race/ethnicity groups: (a) food preparation, serving; (b) sales; (c) transportation/material moving; (d) building/grounds cleaning and maintenance; and (e) personal care and service. Three additional categories (office and administrative support, production, and construction) are shared among five of the six race/ethnicity groups. Minority householders with below-Standard incomes work in many of the same broad occupational categories as White (non-Latino) householders with below-Standard incomes.

Other findings regarding race/ethnicity groups and below-Standard occupational categories include the following:

- A relatively high percentage (24%) of African American householders with below-Standard incomes work in office and administrative support.
- A similarly high percentage (23%) of Native American householders with below-Standard incomes work in sales.
- Only the Latino and Native American below-Standard lists include farming, fishing, and forestry.
- Production occupations are very prevalent among Asian/Pacific Islander and Latino below-Standard householders.
- Sales and office and administrative support occupations are less prevalent for Latinos with inadequate income.
- Personal care and service occupations are most common among African American and Native American below-Standard householders.
- Among Latino householders with inadequate income, building/grounds cleaning and maintenance occupations are the most common.

In sum, groups with higher rates of below-Standard incomes are working in many of the same occupational categories as groups with adequate incomes, but it is important to note that these categories contain a wide variety of jobs, skill requirements, and wages. Latino and African American below-Standard householders are much more concentrated in their top 10 categories (91% and 86%, respectively) than are White (non-Latino) below-Standard householders (79%), and all below-Standard groups are more concentrated in their top 10 categories than are above-Standard householders. These findings suggest the importance of broadening occupational opportunities available to those with inadequate income.

Table 12C-1. Top Ten Occupational Categories by Householder Race/Ethnicity and Self-Sufficiency: Oregon 2005-2007

African American Householders					
Households Below Self-Sufficiency Standard			Households Above Self-Sufficiency Standard		
Occupational Category	Percent	Cum. Percent	Occupational Category	Percent	Cum. Percent
Office and Admin. Support	24%	24%	Office and Admin. Support	19%	19%
Personal Care and Service	13%	37%	Sales	13%	32%
Sales	12%	49%	Management	12%	45%
Transportation/Material Moving	8%	57%	Production	7%	51%
Food Preparation, Serving	6%	63%	Transportation/Material Moving	6%	57%
Building/Grounds Clean/Maint	6%	69%	Protective Service	5%	63%
Health Care Support	5%	74%	Business Operations	4%	67%
Production	5%	79%	Installation, Maintenance, Repair	4%	71%
Arts, Design, Ent, Sports, Media	4%	83%	Community, Social Services	4%	74%
Construction	3%	86%	Computer, Mathematical	3%	78%

Source: American Community Survey, PUMS data 2005-2007

The householder is the person (or one of the persons) in whose name the housing unit is owned or rented or, if there is no such person, the householder is any adult member, excluding roomers, boarders, or paid employees.

Table 12C-2. Top Ten Occupational Categories by Householder Race/Ethnicity and Self-Sufficiency: Oregon 2005-2007

Asian/Pacific Islander Householders					
Households Below Self-Sufficiency Standard			Households Above Self-Sufficiency Standard		
Occupational Category	Percent	Cum. Percent	Occupational Category	Percent	Cum. Percent
Food Preparation, Serving	13%	13%	Computer, Mathematical	13%	13%
Production	13%	26%	Management	11%	25%
Office and Admin. Support	10%	36%	Architecture, Engineering	9%	34%
Sales	9%	45%	Production	9%	42%
Management	9%	54%	Office and Admin. Support	8%	50%
Transportation/Material Moving	7%	61%	Health Care Practice, Technical	8%	58%
Education, Training, Library	6%	68%	Food Preparation, Serving	6%	64%
Building/Grounds Clean/Maint	5%	72%	Sales	5%	69%
Personal Care and Service	5%	77%	Education, Training, Library	5%	74%
Construction	3%	80%	Financial	5%	78%

Source: American Community Survey, PUMS data 2005-2007

The householder is the person (or one of the persons) in whose name the housing unit is owned or rented or, if there is no such person, the householder is any adult member, excluding roomers, boarders, or paid employees.

Table 12C-3. Top Ten Occupational Categories by Householder Race/Ethnicity and Self-Sufficiency: Oregon 2005-2007

Native American Householders					
Households Below Self-Sufficiency Standard			Households Above Self-Sufficiency Standard		
Occupational Category	Percent	Cum. Percent	Occupational Category	Percent	Cum. Percent
Sales	23%	23%	Office and Admin. Support	15%	15%
Food Preparation, Serving	13%	37%	Sales	12%	27%
Personal Care and Service	9%	46%	Management	9%	36%
Health Care Support	9%	55%	Transportation/Material Moving	7%	43%
Farming, Fishing, and Forestry	8%	63%	Construction	7%	50%
Management	5%	68%	Production	6%	57%
Community, Social Services	4%	72%	Installation, Maintenance, Repair	6%	62%
Construction	4%	76%	Health Care Practice, Technical	5%	68%
Building/Grounds Clean/Maintain	4%	80%	Education, Training, Library	4%	72%
Transportation/Material Moving	4%	84%	Building/Grounds Clean/Maintain	4%	75%

Source: American Community Survey, PUMS data 2005-2007

The householder is the person (or one of the persons) in whose name the housing unit is owned or rented or, if there is no such person, the householder is any adult member, excluding roomers, boarders, or paid employees.

Table 12C-4. Top Ten Occupational Categories by Householder Race/Ethnicity and Self-Sufficiency: Oregon 2005-2007

White (non-Latino) Householders					
Households Below Self-Sufficiency Standard			Households Above Self-Sufficiency Standard		
Occupational Category	Percent	Cum. Percent	Occupational Category	Percent	Cum. Percent
Office and Admin. Support	14%	14%	Management	13%	13%
Sales	13%	27%	Office and Admin. Support	13%	26%
Food Preparation, Serving	9%	36%	Sales	11%	38%
Construction	7%	44%	Construction	6%	44%
Transportation/Material Moving	6%	50%	Education, Training, Library	6%	50%
Management	6%	56%	Production	6%	56%
Building/Grounds Clean/ Maint	6%	62%	Health Care Practice, Technical	6%	62%
Production	6%	69%	Transportation/Material Moving	5%	67%
Personal Care and Service	6%	75%	Installation, Maintenance, Repair	4%	70%
Education, Training, Library	4%	79%	Architecture, Engineering	3%	74%

Source: American Community Survey, PUMS data 2005-2007

The householder is the person (or one of the persons) in whose name the housing unit is owned or rented or, if there is no such person, the householder is any adult member, excluding roomers, boarders, or paid employees.

Table 12C-5. Top Ten Occupational Categories by Householder Race/Ethnicity and Self-Sufficiency: Oregon 2005-2007

Latino Householders					
Households Below Self-Sufficiency Standard			Households Above Self-Sufficiency Standard		
Occupational Category	Percent	Cum. Percent	Occupational Category	Percent	Cum. Percent
Building/Grounds Clean/Maint	15%	15%	Production	14%	14%
Production	14%	29%	Office and Admin. Support	10%	24%
Farming, Fishing, and Forestry	13%	42%	Management	10%	34%
Food Preparation, Serving	10%	52%	Construction	10%	43%
Construction	10%	62%	Transportation/Material Moving	8%	52%
Transportation/Material Moving	9%	71%	Sales	8%	60%
Office and Admin. Support	7%	78%	Building/Grounds Clean/Maintain	5%	65%
Sales	5%	83%	Food Preparation, Serving	4%	69%
Personal Care and Service	5%	88%	Education, Training, Library	4%	73%
Education, Training, Library	3%	91%	Farming, Fishing, and Forestry	4%	77%

Source: American Community Survey, PUMS data 2005-2007

The householder is the person (or one of the persons) in whose name the housing unit is owned or rented or, if there is no such person, the householder is any adult member, excluding roomers, boarders, or paid employees.

Table 12D. Occupational Category Rankings Among Householders with Below-Standard Incomes by Race/Ethnicity: Oregon 2005-2007

	Category's Ranking in Race/Ethnicity Groups						Frequency of occurrence in top-10 lists
	White	Latino	API	Afr. Am.	Nat. Am.	Other	
Food Preparation, Serving	3	4	1	5	2	3	6
Sales	2	8	4	3	1	2	6
Transportation/Material Moving	5	6	6	4	10	4	6
Building/Grounds Clean/Maintain	7	1	8	6	9	7	6
Personal Care and Service	9	9	9	2	3	8	6
Office and Admin. Support	1	7	3	1		1	5
Production	8	2	2	8		6	5
Construction	4	5	10	10	8		5
Management	6		5		6	10	4
Health Care Support				7	4	5	3
Education, Training, Library	10	10	7				3
Farming, Fishing, and Forestry		3			5		2
Community, Social Services					7		1
Health Care Practice, Technical						9	1
Arts, Design, Ent, Sports, Media				9			1

Source: American Community Survey, PUMS data 2005-2007

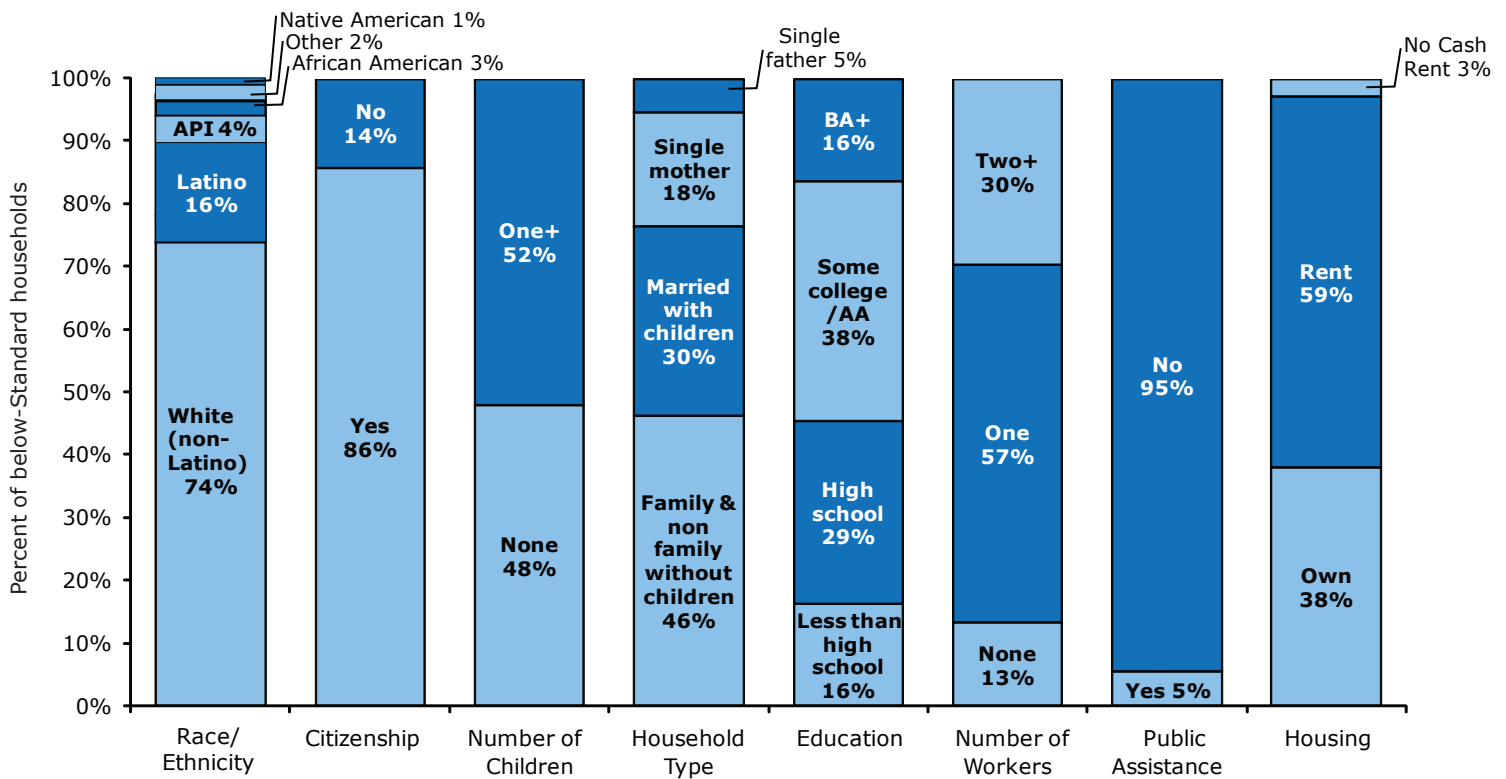


Figure 6. Profile of Households Below the Standard: Oregon 2005-2007

Source: American Community Survey, PUMS data 2005-2007

Profile of Households With Incomes Below the Self-Sufficiency Standard

This analysis has shown that the odds of experiencing inadequate income are concentrated among certain households by geographic location, household type, and householder sex, race/ethnicity, and education. Nevertheless, overall, households with inadequate incomes in Oregon are surprisingly diverse (see Figure 6):

- Although Latinos have the highest rates of income inadequacy among all race/ethnicity groups, almost three quarters (74%) of all Oregon households with inadequate income are White (non-Latino). The remaining below-Standard households are Latino (16%), Asian/Pacific Islander (4%), African American (3%), Native American (1%), and of other backgrounds (2%).
- A majority (86%) of households with below-Standard incomes are headed by U.S. citizens.
- Half (52%) of households below the Standard have at least one child, the other half (48%) are childless.
- Almost one third (30%) of below-Standard households consist of a married couple with children, and 18% consist of a single mother with children.
- Among households with inadequate income, 16% of householders have less than a high school degree, 29% have a high school degree, 38% have some college, and 16% have at least a bachelor's degree.
- Only 13% of households with inadequate income have no workers; the rest (87%) have at least one worker. Almost one third (30%) have two or more workers.

- Only 5% of households below the Standard receive public cash assistance (in the ACS this includes Temporary Assistance to Needy Families [TANF] but not separate payments for medical care, supplemental security income, or food stamps.)
- More than one third (38%) of households with inadequate income own their own homes, the rest rent.

Households in Oregon that lack sufficient income for their basic needs have a wide range of characteristics. Most are White (non-Latino) with at least one worker, have householders that are citizens, and receive no public cash assistance. Half of households with inadequate income are childless, half have some college education, and over one third own their homes. Inadequate income is found disproportionately among certain groups, such as single-mother households, minorities, and families with young children, but all types of families and individuals in Oregon are represented among households with incomes below the Self-Sufficiency Standard.

CONCLUSIONS & IMPLICATIONS

The Self-Sufficiency Standard developed by Dr. Diana Pearce offers a more realistic view than the federal poverty guidelines of what it takes to make ends meet in Oregon and provides a profile of who is getting by and who is not:

- Whereas 10% of Oregon's households earn incomes below the FPL, the Standard reveals that 27% do not make enough to meet basic needs.
- Most households with inadequate income in Oregon (64%) are in the policy gap, meaning they have incomes above the FPL but below the Standard and may not qualify for some public safety net programs (most such programs are pegged to the FPL or some multiple thereof). Households in the policy gap do not have enough income to meet their basic needs but might have too much income to qualify for certain public assistance programs.
- Lack of sufficient income is found disproportionately among some groups (e.g., minorities, single-mother households, and families with young children), but income inadequacy is experienced throughout Oregon among all types of households. Although household type and race/ethnicity are important, many families that have inadequate income look like the majority of Oregon families—they are White (non-Latino), married, working, and raising children.
- Some householders with college educations still have incomes below the Standard. In particular, female and minority householders are more likely to have inadequate income than their White (non-Latino) male counterparts with similar educational attainment.
- Even though Oregon's urban counties have generally lower rates of income inadequacy than rural counties, urban counties are home to most households with insufficient income: 77% of Oregon households that are below the Standard are located in urban counties and 44% are located in the Portland metropolitan area.

Because of the widespread nature of income inadequacy, solutions may need to be structural as opposed to focused on specific individuals or groups. Because most householders with below-Standard incomes are already working, many full time, helping more people enter the workforce will not necessarily solve the problem. The approach encouraged by the welfare reform of the mid-1990s was to move people into the paid workforce, but the findings in this report suggest that this strategy cannot by itself eliminate income inadequacy (only 13% of Oregon households with inadequate income are without a worker). And changing occupations cannot necessarily improve income adequacy unless it is accompanied by a significant wage increase.

Because the Standard is based on many different expense categories, it can indicate certain areas where households need help. In contrast, the FPL is based only on a food budget and is an ineffective way to analyze typical household expenses. The Standard takes into consideration all major family budget items and indicates that housing and child care are two of the largest budget items and often cause the most economic stress for families with below-Standard incomes. The Standard uses very conservative, “no-frills” measures in its calculations: it does not allow for any restaurant meals or take-out, retirement or education savings, or debt repayment. Most households with inadequate income are making ends meet in other ways. They may be finding inexpensive housing or doubling up to reduce housing costs, using informal or family-provided child care, finding ways to stretch their food budgets, going without certain things, or relying on credit cards.

This report sheds light on the economic realities facing many of Oregon's households and provides an initial picture of the extent of income inadequacy in Oregon. Although addressing this issue is challenging, it can be seen as encouraging that many householders with below-Standard incomes are already part of the workforce. It is possible that many householders have adequate levels of education and experience but face other barriers that keep their wages low or raise their expenses. Identifying and addressing such barriers is the next step in bringing household incomes and costs into balance.

APPENDIX: METHODOLOGY & ASSUMPTIONS

Data

This study uses the Public Use Microdata Sample (PUMS) from the 2005-2007 American Community Survey (ACS). The 2005-2007 ACS 3-year dataset is based on data collected between January 2005 and December 2007. The 3-year ACS data are grouped into geographic units known as Public Use Microsample Areas (PUMAs). Each PUMA contains a minimum population threshold of 20,000.²² Compared to the 1-year dataset, the 3-year dataset has a larger sample size and a smaller geographic unit in terms of population (the minimum geographic unit in the ACS 1-year dataset has a population of 65,000).

The sample unit for this study is the household, including nonrelatives (such as unmarried partners, foster children, boarders) and their income. Individuals were therefore grouped into households. Regardless of household composition, it is assumed that all members of the household share income and expenses.

The 2008 Oregon Self-Sufficiency Standard, developed by the University of Washington, was used to fulfill the goals of this study. The 2008 Standard numbers were deflated to 2005, 2006, and 2007 levels using a deflation factor calculated from the Bureau of Labor Statistics consumer price index for all urban consumer items in the corresponding years. The Standard was calculated for 152 different family types in each county, including combinations of up to three or more adults and/or four or more children.

The ACS data are broken down by PUMAs and the Standard is broken down by counties and subregions relative to Housing and Urban Development (HUD) metropolitan statistical areas (MSAs). The county/subarea-specific Standard could not be applied directly to 7 of the 27 Oregon PUMAs because there are multiple counties in each of those PUMAs. As a result, for those PUMAs consisting of multiple counties, each county was weighted by population and a weighted average of the Standard for those counties was calculated to determine the Standard specific to that PUMA. The unweighted

Standard was applied to those PUMAs consisting of only one county or subcounty area.

Because the Standard assumes that adult household members work, the sample in this report includes only those households in which there is at least one adult aged 18-65 who is not disabled. In other words, this report excludes disabled/elderly adults and their income from the sample when determining household composition and income. It also does not include group quarters in the analysis. Based on the characteristics described here, a total of 1,008,354 households were included in this demographic study of Oregon.

Assumptions for Expanded Family Types

To remain consistent with the Standard's methodology, it is assumed that all adults in one- and two-adult households are working. In Oregon, 70% of households with one or more adults have all adults working, 25% have at least one but not all adults working, and about 5% contain no working adults.

Working adults are those who are employed at work or employed but absent from work during the week preceding the survey, as well as people in the armed forces. Nonworking adults include those who are unemployed and looking for work and those who are not in the labor force because they are retired, in school, or for some other reason. Work-related costs (transportation, taxes, and child care) are included for these adults in the Standard.

Other Assumptions

- For households with more than two adults, it is assumed that all adults beyond two are nonworking dependents of the first two working adults. The main effect of this assumption is that costs for these adults do not include transportation.
- It is assumed that adults and children do not share the same bedroom and that there are no more than two children per bedroom. When there are three or

²²http://factfinder.census.gov/home/saff/aff_acs2007_quickguide.pdf

more adults in a household, it is assumed that there are no more than two adults per bedroom.

- Food costs for additional adults (greater than two) are calculated using the assumption that the third adult is a woman and the fourth adult is a man, with the applicable food costs added for each.
- Additional adults are treated as adults for tax exemptions and credits, but the first two adults are assumed to be a married couple and taxes are calculated for the whole household together (i.e., as a family).
- For additional children in two- and three-adult families, the added costs of food, health care, and child care are based on the ages of the “extra” children and added to the total expenses of the household (before taxes and tax credits are calculated).

Self-Sufficiency Standard

To calculate the percentages of Oregon households in each income category, the total income of each person in a given household, excluding seniors and disabled adults, was summed to determine the household’s

total income. Income includes the following: money received during the preceding year of the survey by nondisabled/nonelderly adult household members from wages; net income from farm and nonfarm self-employment; Social Security or railroad payments; interest on savings or bonds; dividends, income from estates or trusts, and net rental income; veterans’ payments or unemployment and workmen’s compensations; private pensions or government employee pensions; alimony and child support; regular contributions from people not living in the household; and other periodic income. It is assumed that all income in a household is equally available to pay all expenses. A ratio of each household’s total income to the applicable Standard was calculated to determine the level of income adequacy.

The study also calculated a ratio of each household’s total income to the appropriate federal poverty threshold in 2005, 2006, and 2007 published by the U.S. Census Bureau. Although these thresholds are based on family size and number of related children, we use household size and the number of all children in the household to determine the appropriate poverty threshold for each household. Households whose total income falls below their threshold are considered below poverty.

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