

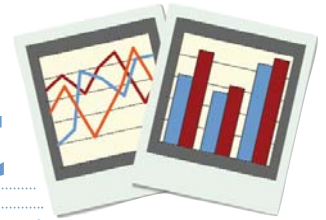


A Project of
The Annie E. Casey
Foundation

The Casey Foundation takes on the challenge of addressing the economic barriers that families face in order to achieve our goal of expanding the economic security of low-income working families.

data snapshot

Number Three, November 2006



Over Half of Low-Income Children Live With a Parent Who Works Regularly

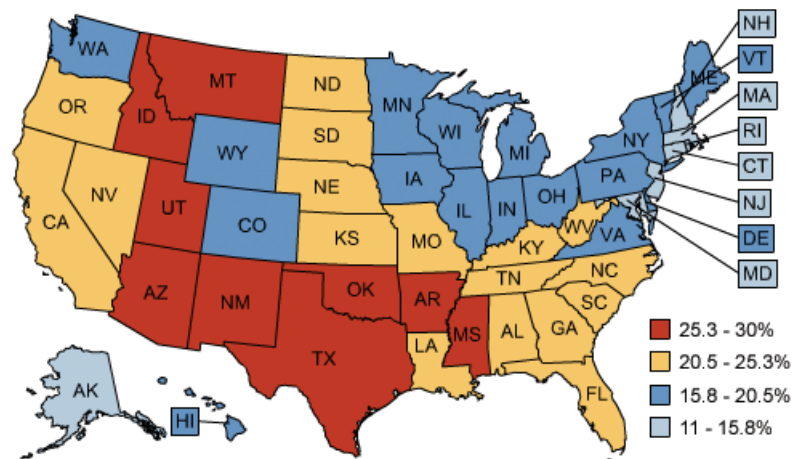
Recent data from the U.S. Census Bureau's American Community Survey shows that in 2005, nearly 29 million U.S. children lived in low-income families. The majority of these children, or nearly 15 million, had at least one parent who worked regularly (see definition of low-income working families). These families are living on the economic edge—despite regular employment—and struggling to make ends meet.

Work is crucial to lift families out of poverty. But in the United States, a job alone does not always ensure sufficient income to provide for a family's basic needs. As a result, children in low-income families often reach adulthood without the tools, experiences, and connections to help them thrive. These children are more likely to suffer from preventable illnesses, fail in school and become teen parents than children from more affluent families—and they are more likely to be unemployed as adults.

The Annie E. Casey Foundation is committed to expanding the economic security of low-income working families by connecting them to work supports like child care, health care, the Earned Income Tax Credit, and education and training to find good jobs and build careers. This Data Snapshot provides information on low-income working families, background on the barriers parents face to provide for their families, state-by-state rankings, and resources for helping working families succeed.

Figure 1
Percent of children under age 18 in low-income working families as a percent of all children in families: 2005

Source: Population Reference Bureau's analysis of the 2005 American Community Survey.

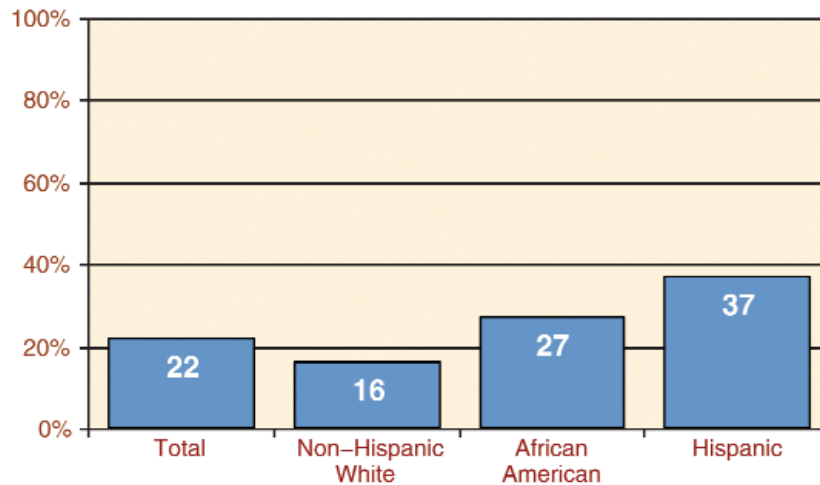


Data Highlights:

- In 2005, 14.8 million, or one in five children, lived in one of 7.1 million low-income working families. This figure has remained relatively stable since 2000.
- New Mexico (30 percent), Arkansas (29 percent), Texas (29 percent), Montana (28 percent) Idaho (28 percent), and Oklahoma (28 percent) have the highest rates of children living with low-income working parents.

Figure 2
Percent of children
in low-income
working families,
by race and
Hispanic origin,
2005

Source: Population
Reference Bureau's
analysis of the 2005
American Community
Survey.



Note: Categories are not mutually exclusive.

- In 2005, 16 percent of non-Hispanic whites, 27 percent of African Americans, and 37 percent of Hispanic children lived in low-income working families.

Background on Low-Income Working Families

Low-income working families often face barriers to finding good jobs and achieving financial success. These barriers prevent them from ensuring that their children get the opportunities they need to help them become successful adults. Improving access to health care, child care and education and training are among the policy interventions that are key to improving the lives and futures of working families.

- Children of low-income working parents more often face obstacles to accessing the health care that they need to survive. In 2004 there were 5.1 million low-income children in the U.S. who lacked health insurance..
- Of the 14.8 million children in low-income working families, 11 million are under the age of 13 and 5 million are under the age of six. These children need to be in child care while their parents earn their livings. Low-income working parents often work more than one job and work non-traditional hours, making quality, affordable care very difficult to find.
- Success in today's economy requires more education than ever before, but higher education continues to be inaccessible to many families. In 35 percent of low-income working families, at least one parent is without a high school degree, compared to 12 percent of working families with higher earnings. Only 42 percent of low-income working families have at least one parent with some post-secondary education, compared with 76 percent of families with better paying jobs.

How Your State Ranks

The table below shows the states ranked by the percent of children in low-income working families as a percent of children in families in 2005.

Figure 3
Number of
children under 18
in low-income
working families
as a percent of
children in
families, 2005

Source: Population Reference Bureau's analysis of the 2005 American Community Survey. Percentages are based on unrounded numbers.

Rank	State	Number	Percent of all children in families
	United States	14,829,000	22
1	New Hampshire	32,000	11
1	Massachusetts	159,000	11
3	Connecticut	101,000	13
3	Alaska	23,000	13
3	Maryland	175,000	13
6	Rhode Island	34,000	14
7	New Jersey	302,000	15
8	Minnesota	190,000	16
8	Vermont	21,000	16
8	Virginia	278,000	16
11	Hawaii	49,000	18
11	Wisconsin	222,000	18
11	Michigan	438,000	18
14	Washington	259,000	19
14	Pennsylvania	495,000	19
14	Ohio	493,000	19
14	Illinois	583,000	19
14	Maine	50,000	19
19	Colorado	219,000	20
19	Delaware	36,000	20
19	Wyoming	21,000	20
19	New York	847,000	20
19	Indiana	299,000	20
19	Iowa	131,000	20
25	Oregon	164,000	21
25	Nebraska	87,000	21
27	Missouri	281,000	22
27	Georgia	485,000	22
27	North Dakota	29,000	22
27	Kentucky	204,000	22
31	Tennessee	296,000	23
32	South Dakota	41,000	24
32	Kansas	151,000	24
32	California	2,141,000	24
32	North Carolina	476,000	24
32	Florida	908,000	24
32	Louisiana	254,000	24
32	Nevada	139,000	24
32	South Carolina	231,000	24
40	West Virginia	88,000	25
40	Alabama	253,000	25
42	Arizona	376,000	26
42	Utah	186,000	26
44	Mississippi	181,000	27
45	Oklahoma	217,000	28
45	Idaho	98,000	28
45	Montana	54,000	28
48	Texas	1,693,000	29
48	Arkansas	180,000	29
50	New Mexico	136,000	30
NR	District of Columbia	22,000	22
NR	Puerto Rico	340,000	37

NR = Not ranked

Definition of Children in Low-Income Working Families:

Children in low-income working families are children under age 18 living in families that met two criteria: (1) the family income is less than twice the federal poverty threshold; (2) at least one parent worked 50 or more weeks during the year. We use 200 percent of the federal poverty threshold—about \$39,600 for a family of four with two children—the approximate amount that research has shown families need to provide for their basic needs.

Find out how your state rates in KIDS COUNT State-Level Data Online:

- ***Children in low-income working families by age group, 2005***
(http://www.aecf.org/kidscount/sld/compare_results.jsp?i=300)
- ***Low-Income working families with children, 2005***
(http://www.aecf.org/kidscount/sld/compare_results.jsp?i=302)
- ***Children 17 and below without health insurance, by Poverty Level, 2004***
(http://www.aecf.org/kidscount/sld/compare_results.jsp?i=113)

KIDS COUNT state grantees have produced state reports focused on the issues of work and income. ***Visit the KIDS COUNT issues library.***
(<http://www.aecf.org/kidscount/kcnetwork/issues/#workingpoor>)

What You Can Do

Policies and programs across the country are improving the lives of children living in low-income working families. The following publications and organizations address strategies to increase the economic success for working families:

- ***Balancing the Equation: Making Economic and Family Success Possible for Low-Income Working Families***
(http://www.aecf.org/kidscount/db_archives/databook02.pdf) The Annie E. Casey Foundation's *2002 KIDS COUNT Data Book* essay describes the importance of improving the economic success of working families.
- ***Helping Our Most Vulnerable Families Overcome Barriers to Work and Achieve Financial Success***
(http://www.aecf.org/publications/data/05_essay.pdf) Many low-income families are not connected to the workforce. The Annie E. Casey Foundation's *2005 KIDS COUNT Data Book* message addresses the challenges to helping these families succeed.
- ***Working Poor Families Project***
(<http://www.workingpoorfamilies.org>) This national initiative works with existing state nonprofit organizations to identify and strengthen state policies that assist working families achieve success in the labor market. The Annie E. Casey, Ford, Joyce and Mott foundations currently support the project.
- ***Economic Success Clearinghouse***
(formerly Welfare Information Network <http://www.financeproject.org/irc/win.asp>) The clearinghouse provides links to resources concerned with effective policies, programs and financing strategies that help low-income and working poor families.

Sources

Data for this report was compiled by the Population Reference Bureau.

Tom Waldron, Brandon Roberts and Andrew Reamer with assistance from Sara Rab and Steve Ressler, *Working Hard, Falling Short: America's Working Families and the Pursuit of Economic Security* (June 2004)

U.S. Census Bureau, Department of Commerce, American Community Survey, 2005.

About the KIDS COUNT Data Snapshot Series:

The Data Snapshot series highlights specific indicators of child well-being contained in the KIDS COUNT State-Level Data Online system (www.kidscount.org/sld).

KIDS COUNT, a project of the Annie E. Casey Foundation, is a national and state-by-state effort to track the status of children in the United States.

KIDS COUNT exemplifies the Foundation's commitment to using the best available data to measure the well-being of children and to enrich local, state, and national discussions concerning ways to secure better futures for all children.