



The Status of Working Poor Families in Washington: An Update

March 8, 2007

Summary: Recent job growth is helping some working poor families, but an uneven recovery keeps many families stressed.

In 2004 Seattle Jobs Initiative (SJI) reported on the status of Washington's working poor in *Beyond the Bottom Line*. In this update, we find that Washington's working poor are somewhat better off compared to the early 2000's in some measures. Improved local job growth post-recession, coupled with Washington's rising minimum wage, have led to increased incomes for some of these low income working families.

However, these gains are precarious because of muted wage growth. For the majority of the state's workforce, recovery in jobs has not led to any recovery in wages. As a result, working full-time still leaves many families with inadequate income. Median incomes have also stagnated. Making things worse, the state is experiencing a persistent affordability gap in housing and strengthening trends toward more income and wage inequality.

The report ends with proposals designed to help more families benefit from economic growth through better access to education, more family wage jobs, and strengthened policies for supporting working families as they move up the job ladder.

The Mixed Picture for Low Income Working Families in Washington:

- The proportions of all working families, and minority working families, whose income was below the federal poverty level (100% FPL) dropped over the 2000-2004 period.
- Although some families have risen from abject poverty, 25% of working families have incomes below a minimum threshold (200% FPL) to make ends meet after factoring in work expenses.
- Work is not enough to lift some families out of poverty. About 40% of families under the official federal poverty level are working the equivalent of at least one full-time job.
- Recent labor market performance, while impressive in comparison to the US, has not been strong enough raise wages for most workers, and median income is still declining.
- Growing inequality is an endemic feature of the Washington economy.
- The proportion of the state's residents paying more than 30% of their income for housing is higher than nationally, and the affordability of housing for first-time buyers has reached a historical low.

Policy Solutions Needed to Strengthen the Position of Working Families:

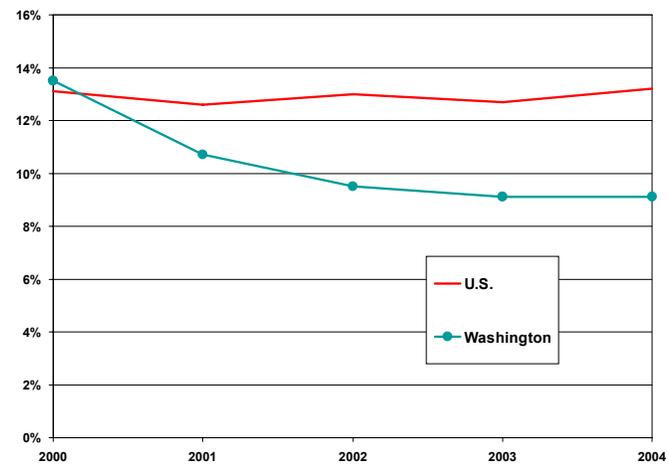
- **Ensure that workers can gain needed skills.** Increase access to technical education by improving financial aid and expanding grant programs, restraining tuition increases, and ensuring that college curricula and schedules are designed to accommodate working people.
- **Support low income people as they move up the job ladder.** Increase support for people as they move up the skill and wage ladder by strengthening work and income supports including child care assistance, financial and in-kind support, and access to health care.
- **Create more accessible middle wage jobs.** Accelerate creation of accessible middle wage jobs by retargeting economic development, tying business subsidies to equitable job creation, and creating a closer link between economic and workforce development policies.

1. Renewed job growth has led to improved living conditions for some working families, but one in four Washington working families have insufficient income to make ends meet.

Washington's recovery from the early 2000s recession occurred later than the rest of the nation. This report captures some positive trends resulting from recent job growth. Washington's job growth strengthened in 2004, and in 2006, jobs increased by 2.8%, twice the national average of 1.4%.¹ Average annual unemployment has dropped from an already low 5.5% in 2005 to 5% in 2006.² All areas of the state have surpassed employment levels seen at the height of the prior job boom in 2000, and average hours worked per job have also increased. As a result of more plentiful jobs, adult family members are more likely to be employed, helping to increase family incomes for some. However, even with recent improvements, one in four working families has an income below 200% of the federal poverty level, a level seen by numerous observers as the minimum threshold for income adequacy when the costs of working, such as child care, are factored in.³ This translates into 180,000 Washington families without the resources to pay for all the necessities needed to work and to sustain a family.

- The proportion of working families that remained below the official federal poverty level was lower in Washington than nationally, hovering between 6% and 7% over the 2000-004 period compared to over 7% nationally.
- The percent of all Washington minority working families who remained below the official federal poverty level dropped steadily over the 2000-2004 period, from almost 14% in 2000 to fewer than 10% in 2004.
- At the same time, one in four Washington working families—about 180,000 families—has an income below 200% of FPL, a minimum level needed to make ends meet. This proportion has trended upward slightly since 2000.
- While there have been some improvements in absolute levels of poverty, ethnic and racial minorities in Washington remained substantially more likely than non-Hispanic whites to work in a low-wage job (31.6% v. 18.5%). Many immigrants also fared poorly, with 35% of working families under 100% FPL and 28% of working families under 200% FPL headed by at least one immigrant adult.⁴

Proportion of Minority Working Families that are in Poverty



Source: Working Poor Families Project analysis of the Census Bureau's Supplementary Survey

Trends in Poverty and Income Adequacy, U.S. and Washington Working Poor Families

	2000	2001	2002	2003	2004	2005
Percent of U.S. Working families in Poverty	7.5%	7.5%	7.7%	7.6%	8.0%	n/a
Percent of Washington Working Families in Poverty	7.1%	5.9%	6.0%	6.3%	6.4%	n/a
Percent of U.S. Working Families under 200% FPL	27.8%	27.6%	27.4%	28.0%	28.3%	n/a
Percent of Washington Working Families under 200% FPL	23.3%	23.9%	25.0%	26.0%	25.5%	n/a

Source: Working Poor Families Project analysis of data from the Census Bureau. Families in poverty and 200% FPL data are from the Supplementary Survey.

1. Washington State Department of Employment Security, *Employment Situation Report for December*, January 16, 2007

2. Washington State Department of Employment Security, *Washington State Labor Market and Economic Report*, December, 2006.

3. See, for example, Diana Pearce and Jennifer Brooks, *The Self-Sufficiency Standard for Washington State*, 2001.

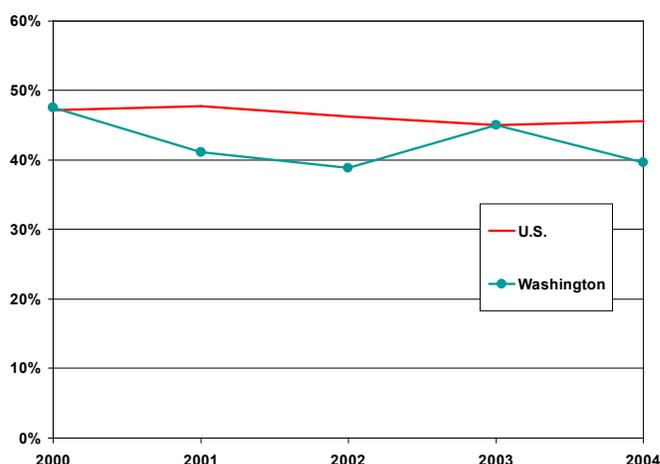
4. Working Poor Families Project Data. Low wage jobs data are from the Basic Monthly Current Population Survey. A low-wage worker is defined as an individual who earns below a state specific "low wage," which is the national low wage figure adjusted for state cost of living. The national low wage figure was based upon the estimated weighted average poverty threshold for a family of four in 2005 (\$19,954). If a person works full-time and earns \$19,954 per year, that person would be making \$9.59 per hour. The threshold wage for Washington was \$9.98 in 2005. The state cost of living index is published in "The Federal Budget and the States." See www.ksg.harvard.edu. Data on immigrant workers in poverty or under 200% FPL are from the American Community Survey.

2. Stagnant wages and income have dampened the positive impact of Washington's employment gains.

Despite renewed job growth, the current recovery thus far has not been strong enough to result in sustained gains in wages or income for much of the state's population. Wage growth has been weak or negative after adjusting for inflation, and some of the state's regions are only recently returning to employment levels achieved in 2000. This uneven and incomplete recovery is one reason that the proportion of families who were poor despite being employed remained high during the 2000-2004 period—about four in ten poor families remained poor despite substantial work effort. Consistent with this picture, median household income in Washington dropped almost \$4,000 from levels achieved in the late 1990s.

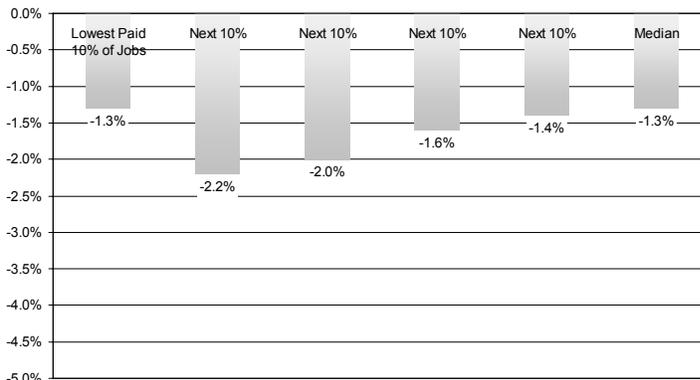
- Wage growth remains elusive in the current recovery, with median hourly wages dropping slightly between 2002 and 2004, and remaining flat through 2005.¹
- Looking just at workers employed full-time, hourly wages dropped in real terms for the bottom 80% of the wage spectrum over the 2002-2005 period.² Wages dropped only slightly for the lowest 10%, reflecting the effect of the state's inflation-indexed minimum wage.
- As a result of persistently low wages, working full time is often not enough to lift families out of poverty. The proportion of families in poverty (100% FPL) with at least one adult working full-time or close to full-time has remained steady in Washington at about 40% or above over the 2000-2004 period.
- Inflation-adjusted household median incomes in Washington declined from \$54,678 in the 1997-1999 period, to \$50,885 for the 2003-2005 period.³
- Job growth has been uneven and has not benefited all areas of the state equally. The state's largest county for employment – King – is only now recovering the number of jobs it had in the late 2000 period.⁴

Proportion of Families Under the Federal Poverty Line With Substantial Work Hours



Source: Working Poor Families Project analysis of data from the Census Supplementary Survey.

Average Wage Decline for the Bottom half of the Wage Spectrum by Income Group and Median, 2002-2005



Source: Washington State Department of Employment Security, *Washington State Labor Market and Economic Report 2006*, December 2006.

¹ Scott Bailey, *Wage Trends 2005*, Washington State Department of Employment Security, December 13, 2006

² Washington State Department of Employment Security, *Washington State Labor Market and Economic Report*, December, 2006.

³ U.S. Census Bureau, Historical Income Tables – Households, available at: <http://www.census.gov/hhes/www/income/histinc/h08b.html>

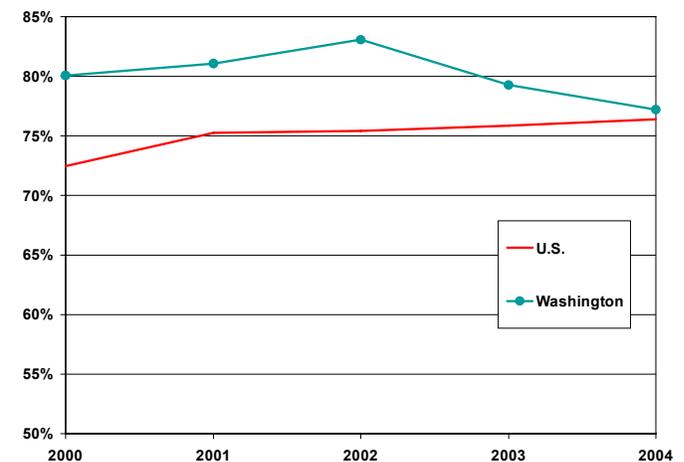
⁴ Seattle Jobs Initiative, *Quarterly Job Trends Report, Second Quarter 2006*, October 2006.

3. Living standards are being eroded by the rising cost of necessities.

Driven mostly by high housing costs in the western side of the state, basic necessities are less affordable here than nationally. The proportion of families in poverty who paid more than 30% of their income for housing was higher in Washington than nationally over the period, although it improved in the 2002-2004 period as the local economic slowdown translated into slower rent increases. The proportion of working families with incomes below 200% FPL who pay more than 30% of their income for housing was also higher than nationally, staying stable over the period. Housing affordability for first-time buyers is at a historical low throughout the state. Health care costs are also rising faster than inflation, since employee premium costs are rising simultaneously with a shift toward workers paying a higher proportion of their health care bills out-of-pocket.

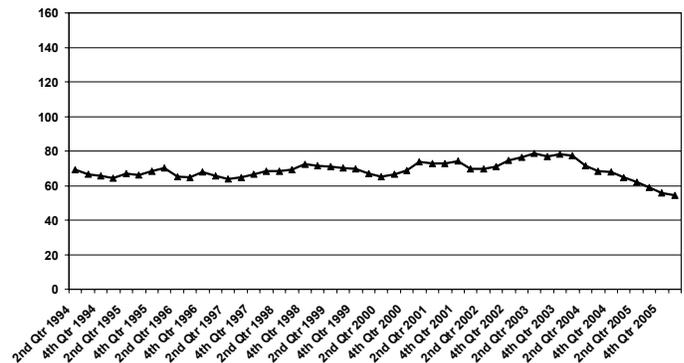
- Affordability of necessities is lower here than nationally. The proportion of families in poverty who paid more than 30% of their income to housing was generally higher in Washington than nationally over the period, although it improved post-2002 as rental prices softened during the economic slowdown.
- Among Washington families with incomes below 200% FPL, 60%— or more than 100,000 families —pay more than 30% of their income for housing. This is 5 percentage points higher than the national rate.¹
- Many families face an increasingly difficult time gaining assets, such as owning a home. The Housing Affordability Index, compiled by Washington State University, shows a strong deterioration of affordability for first-time home purchasers after 2003.²
- Health care costs to consumers are also outpacing inflation as more health care costs are shifted to employees. Between 2002 and 2005 average employee premiums for health care increased by 19% across all types of coverage.³ More costs were also shifted to consumers as a result of increased co-pays and costs for prescription drugs.

Proportion of Working Families in Poverty Paying 30% or More of Income to Housing (renting or owning)



Source: Working Poor Families Project analysis of American Community Survey Data

Washington State Housing Affordability Index for First-Time Buyers



Source: Washington State University Center for Real Estate Research, Housing Affordability Index for First-Time Buyers

¹ Working Poor Families Project analysis of American Community Survey Data

² Washington State University Center for Real Estate Research, Housing Affordability Index, First-time Buyers.

³ Washington State Office of Financial Management, *Employer Health Insurance Databook*, October 2005

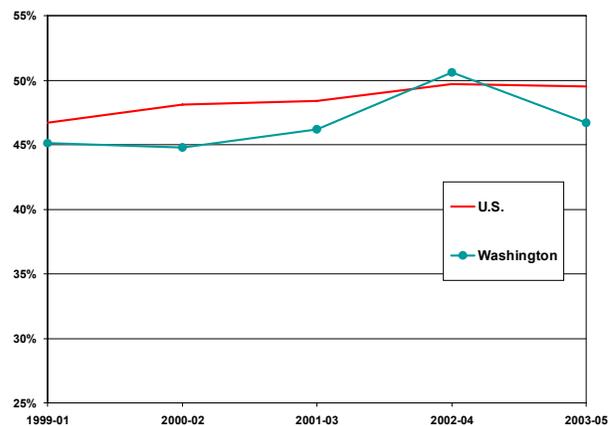
4. Access to workplace benefits is better in Washington than nationally, but some benefits are eroding.

Workplace benefits stabilize families, increase productivity, and assist a family in remaining employed. Benefits such as health insurance and retirement plans also have positive long-term effects on family living standards. While access to benefits in Washington tends to be better than nationally, the same trends toward erosion of benefits is also occurring here. For the lowest wage workers, benefits are already scarce, yet availability of benefits is eroding still further.

Public provision of benefits and work supports helps to counteract some negative trends in the private labor market. For example, Washington's working poor have better access to public health insurance than in many states, helping to backfill the erosion of private insurance. For other benefits, such as paid leave or retirement benefits, no appreciable regulations or alternative form of provision exists. As such, workers bear the full brunt of changes in the private labor market.

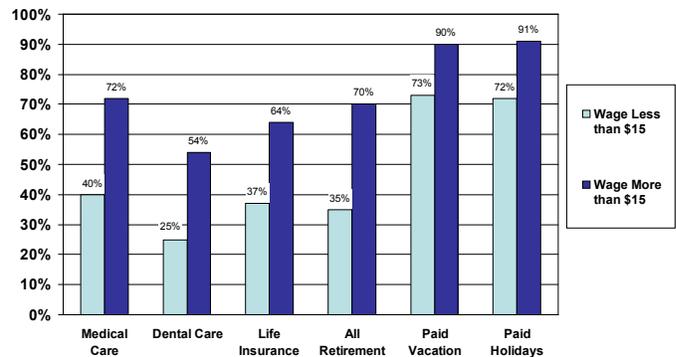
- For workers at all wage levels, the provision of employer sponsored insurance in Washington dropped from 70.1% in the 1979-81 period to 61.4% in the 2003-05 period.¹
- State uninsured rates for working poor adults are lower than the national average, with the exception of the 2002-04 period when changes in state eligibility rules reduced Medicaid enrollment.²
- For low income working families (under 200% FPL), the proportion with at least one uninsured parent hovered at around 35% for Washington over the period.²
- The proportion of Washington workers without access to employer-paid retirement plans was 56.4%, about the same as the national average. Comparatively, rates range from a high of 64% in Florida to a low of 50.6% in Minnesota.²
- While state data are not available, an examination of national data show that employee access to a wide range of benefits is much lower for lower wage workers in comparison to those at higher wages (see chart at right).
- The state has no policies in place to guarantee minimum sick leave, paid family leave, or access to retirement plans.

Proportion of Washington working poor families (under 100% FPL) without access to health insurance



Source: Working Poor Families Project data, analysis of the Current Population Survey, March Supplement. Data points use a three-year rolling average to counteract small sample sizes.

Proportion of employees enrolled in employer-sponsored benefits by average wage levels, 2003 (U.S.)



Source: William Wiatrowski, Documenting Benefits Coverage for all Workers, U.S. Department of Labor, Bureau of Labor Statistics, revised July 14, 2006.

¹ Marilyn Watkins, Cara Saunto, and Inga Sentfleben, *The State of Working Washington 2006*, Economic Opportunity Institute, October 2006.

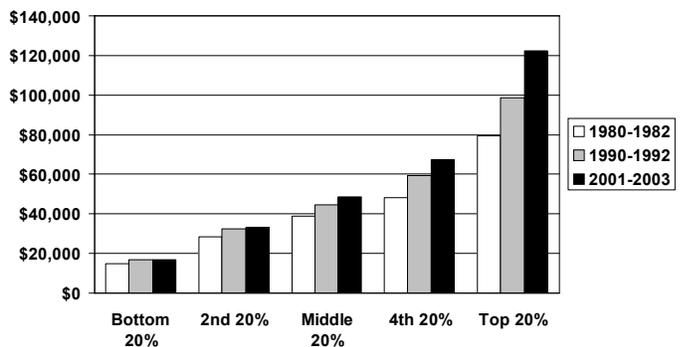
² Working Poor Families Project data, analysis of the Current Population Survey, March Supplement. Data points use a three-year rolling average to counteract small sample sizes.

5. Income and wage inequality are increasing in Washington.

Despite the state's populist and egalitarian heritage, Washington is not immune from strong national trends toward wage and income inequality. In the prior quarter century, among the state's top 60% of families by income, those with the very highest incomes have seen their incomes increase most rapidly. The bottom 40% of families experienced only small income increases in the 1980s, and their incomes have stagnated since then. The most recent data post-2000 show inequality among working families declining briefly during the recession, but trends toward increased inequality are reasserting themselves. In the short run, some increases in inequality can be acceptable if they represent a shift toward higher paying, higher skilled occupations or industries. However, if the benefits of prosperity remain concentrated in a small number of families, opportunity will decline and social problems increase.

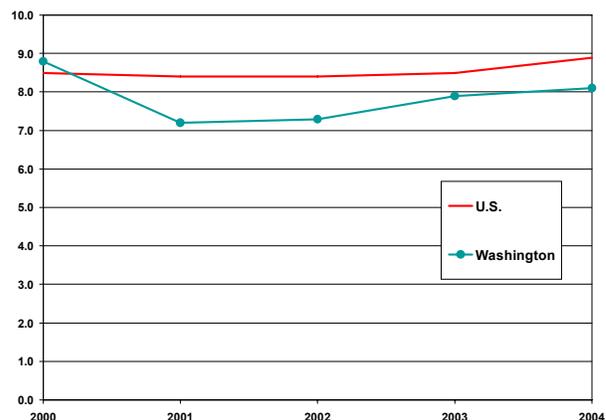
- Washington was 12th worst among all 50 states for family income inequality (comparing the average incomes of the top and bottom fifth of families) in the 2001-2003 period.¹
- Measuring changes over the last decade, only two states had more rapid increases in inequality, and Washington and Connecticut were the only two states where the average real income of the bottom 20% of families actually declined.¹
- The top 5% of families in Washington received 11.5 times as much income, on average, as the lowest 20% of families in the early 2000s—15th worst among states.¹
- Looking at more recent data for working families, income inequality, as measured by the income received by the top fifth of working families compared to that received by the bottom fifth, declined from high levels seen at the height of the last growth period. Inequality is rising again, mirroring national trends.²
- Wage inequality grew steadily from 1990-2000 and declined after 2000, but remains substantially higher than in 1990. Over the entire 1990-2004 period, wages in the top 30% of jobs grew fastest, but wages of the bottom 10% gained slightly compared to the middle—a result of the state's inflation-indexed minimum wage.³

Changes in Family Income Over Time by Level of Income, Washington State



Source: *Pulling Apart: A State by State Analysis of Income Trends*, Center on Budget and Policy Priorities and the Economic Policy Institute, 2006 Data are adjusted for federal taxes paid.

Recent Changes in Inequality for Working Families: Ratio of Income received by the Top Fifth of Families Compared to the Bottom Fifth, 2000-2004



Source: Analysis of Current Population Survey data by the Working Poor Families Project. Data are pre-federal taxes.

¹ Source: *Pulling Apart: A State by State Analysis of Income Trends*, Center on Budget and Policy Priorities and the Economic Policy Institute, 2006 Data are adjusted for federal taxes paid.

² Analysis of Current Population Survey data by the Working Poor Families Project. Data are pre-federal taxes.

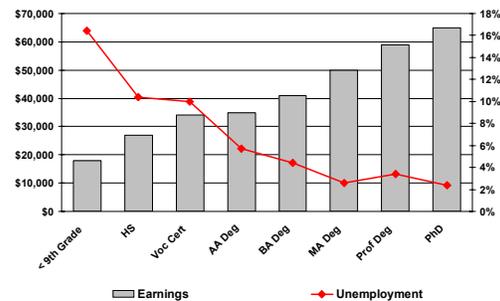
³ Scott Bailey, *Wage Report, 2004*, Washington State Department of Employment Security, February 8, 2006, <http://www.workforceexplorer.com/article.asp?ARTICLEID=6212&PAGEID=146&SUBID=>

6. Policy Solutions I: Increase Skill Levels of Washington Workers

Increasing access to technical education is essential to improve the prospects of low and moderate income families. As skill levels increase, wages go up and the likelihood of being unemployed goes down. Higher skill levels within the workforce can also improve business productivity and aid economic expansion. According to research conducted by the state's education and training agencies, Washington businesses face a shortage of workers with technical vocational certificates greater than that for any other educational level.¹ According to another survey, lack of trained workers reduces business growth.² This, coupled with growing diversity and an expected wave of retirements among current often highly educated workers, puts a premium on greater access to education.

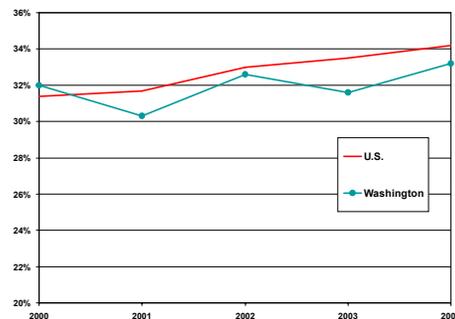
- As educational attainment goes up, earnings also increase. A person with a technical certificate earns almost twice as much as a high school dropout.
- The proportion of people aged 18 to 24 receiving training or education post high school trended upward in Washington and nationally over the 2000-2004 period. However, 1.4 million working age adults (18 to 64) in Washington had only a high school diploma, or less, in 2004.³
- Post-high school enrollment rates tend to be lower in Washington than nationally. In 2004 Washington also ranked lower than the national average in the percent of Hispanic young adults enrolled in college (18% v. 23%).³
- Continuation rates of students after one year of community college were higher in Washington than in most states.⁴
- A national education organization graded Washington's community college affordability as poor: tuition and living expenses, after financial aid, consumed 40% of annual income for the lowest income 40% of families.⁴

Higher Educational Attainment Raises Earnings and Lowers Unemployment



Source: Analysis of the 2002 State Population Survey data by the Washington State Board of Community and Technical Colleges.

Enrollment of Young Adults Age 18-24 in Education or Training Post-High School, Washington and US



Source: WFPF analysis of American Community Survey data.

Policies to Increase Skill Levels of Washington Workers:

- Increase completion of community college credentials by expanding "Career Pathways" – an approach which sequences modular courses leading to a recognized workplace credential.
- Increase the number of adults who progress from basic skills to college programs by expanding the state's I-BEST program for language learning, an approach which increases completion of vocational courses by integrating language and technical education.
- Avoid further erosion of affordability by restraining tuition increases, and ensuring that any future increases do not further shift the costs of education onto families.
- Expand Opportunity Grants statewide, a new program that helps to pay for two years of post-secondary education for low and moderate income students.
- Strengthen access to support services among low income workers.

¹ Higher Education Coordinating Board, State Board for Community and Technical Colleges, and Workforce Training and Education Coordinating Board, *A Skilled and Educated Workforce, An Assessment of the Number and Type of Higher Education and Training Credentials Required to Meet Employer Demand*, Dec. 13, 2005.

² Workforce Training and Education Coordinating Board, *Washington State Employers' Workforce Training Needs and Practices*, 2006

³ Working Poor Families Project Data

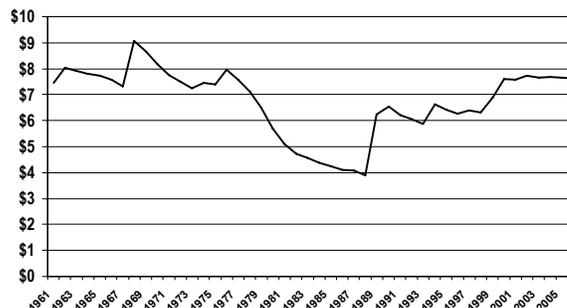
⁴ National Center for Public Policy and Higher Education, *Measuring Up 2006. The State Report Card on Higher Education* (Washington Report), September 2006.

7. Policy Solutions II: Improve Income and Work Supports for Low Income Families

Public policy to assist low income working families should include goals of increasing skills, work, and wages so that people can move beyond just making ends meet to begin to plan for the future and build assets. However, the difficulties in maintaining a household and advancing in today's low-wage labor market mean that most workers and their families will require assistance along the way. Programs such as child care assistance, minimum wages, and reliable unemployment insurance help stabilize household finances, reduce family stress, and allow workers to make the most out of training and work. Washington's policies in this area are a mixed bag. The state has the nation's best minimum wage and reasonably generous health care programs. However, slow or even negative enrollment growth in public health insurance, coupled with continual erosion of private health insurance, has left an increasing number of Washingtonians uninsured. The number of families receiving child care assistance dropped after the state narrowed eligibility standards.

- Increases in the state's minimum wage in the late 1980s and the 1990s, and its indexing to inflation in 1997, now maintain the minimum wage at about mid-1960s levels in real terms, helping the lowest income families avoid further erosion of incomes.
- Child care assistance helps ensure quality care for the next generation of learners and helps parents remain employed. A reduction in income eligibility in the Working Connections program (from 225% FPL to 200% FPL) reduced enrollment by 20% over the 2002-06 period.
- Washington's tax system punishes the working poor and middle class more than is the case in any other state.¹
- Enrollment in the state's Basic Health Plan was capped at around 100,000 in the early 2000's despite growing need. However, the Governor has recently proposed an expansion of children's health insurance enrollment.²
- The state has no policies to guarantee minimum sick leave, paid family leave, or access to retirement plans. The lowest income workers are most affected, with four in ten having no access to paid vacation or sick leave.³

Inflation-Adjusted Value of the Washington Minimum Wage, 1961-2006



Source: Wage Levels from Washington State Department of Labor and Industries. Wage levels are adjusted for inflation using the CPI-W.

Working Connections Child Care Cases, July 1997 to June 2006



Source: Data from Washington State Department of Early Learning.

Policies to Strengthen Income and Work Supports for Washington Workers:

- Increase access to child care for working families by restoring child care eligibility to 225% FPL.
- Simplify the state's myriad health care programs and expand access to subsidized health insurance to ensure that poor and moderate income working families remain healthy and able to work.
- Maintain the state's indexed minimum wage to reduce the number of families who work full-time yet are still poor.
- Overhaul the state's tax structure to reduce the undue burden on those least able to pay.
- Step into the gap created by eroding private safety nets by enacting new policies requiring minimum sick leave, vacation time, and paid family leave.

1. Institute for Taxation and Economic Policy, *Who Pays? A Distributional Analysis of the Tax Systems in All 50 States*, Institute for Taxation and Economic Policy, 2003.

2. Jeff Huebner, Erin Burchfield, and Bob Crittenden, *It's Not Too Late: 1-773 Revenues can Increase Access to Care for Washingtonians*, Working for Health September 2006.

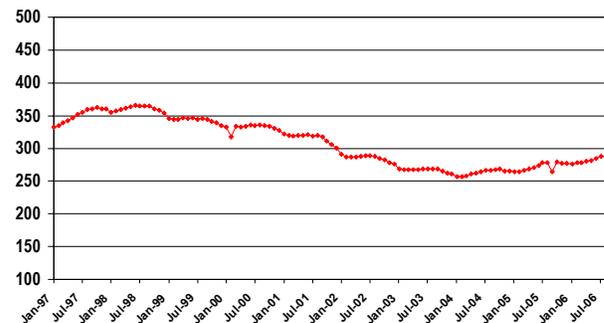
3. Marilyn Watkins, *The Case for Minimum Paid Leave for American Workers*, Economic Opportunity Institute, January 2004.

8. Policy Solutions III: Accelerate the creation of accessible middle wage jobs

In prior decades, when a strong manufacturing base and stable employment in other industries provided career ladders for those with only modest amounts of education, economic development could focus on assisting various firms without much attention to the quality or accessibility of jobs created. Now, policies are focused on job creation, but often emphasize creating jobs for the most highly educated workers. Economic development must be much more carefully targeted to also ensure the creation of accessible middle wage jobs for the majority of the state's workforce that does not have a BA. Economic development must also become more closely aligned with workforce policy. Coordination efforts between economic development officials, businesses, and community colleges often begin only after skill shortages become acute. More proactive planning to ensure that skilled workers are available not only helps get people into better jobs but also assists in business expansion.

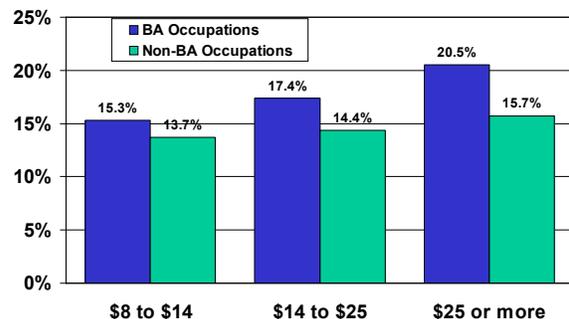
- Despite a recovery of hiring in manufacturing, especially at Boeing, manufacturing jobs are still in structural decline in Washington, down more than 20% since 1998.
- Job creation in the higher paying occupations is shifting toward jobs requiring a BA. This highlights the need both to maintain educational access and to increase job creation in industries or sectors that create accessible high paying jobs.
- Tax incentives and other business subsidies in Washington are extremely common but have not been evaluated for effectiveness in meeting stated goals and are not linked to specific economic development or job creation goals in most instances.¹
- Many occupations that are essential to support work or to ensure family health – such as child care, elder care, and some portions of the health care industry – are very low paying, leading to high employee turnover and questionable quality care.²

Manufacturing Jobs (in 1000s) in Washington, 1997-2006



Source: Washington State Department of Employment Security.

Projected rate of job creation through 2014 by wage and education level of occupation (King County)



Source: SJI analysis of Washington State Department of Employment Security occupational projection data.

Policies to Accelerate the Creation of Middle Wage Jobs for Washington Workers:

- Balance economic development targeting to include both high and middle wage jobs.
- Provide state funds to strengthen wage and career ladder programs for occupations that provide “public goods” – jobs such as child care and elder care that support families and individuals in various stages of their life cycles.
- Increase accountability by linking business subsidies to specific targets such as the creation of quality jobs.
- Link economic development to workforce development by tying firm recruitment and expansion efforts to the development of career ladder programs that ensure an adequate supply of trained workers.
- Expand access to existing training programs, such as apprenticeships, and continue efforts to bring more private and public dollars to fund incumbent worker training.

¹ Marilyn Watkins, *Adding Up: New Tax Breaks in Washington, 2004-2006*. Economic Opportunity Institute, June 2006.

² For a discussion of Washington's effort to improve child care, see Jennifer Moon and John Burbank, *The Early Child Education Career and Wage Ladder: A Model for Improving Quality in Early Learning and Care Programs*, Economic Opportunity Institute, June 2004.

The Working Poor Families Project

We would like to thank the national Working Poor Families Project for providing much of the data used in this publication. The Project is funded by the Annie E. Casey Foundation, The Ford Foundation, the Charles Stewart Mott Foundation, and the Joyce Foundation. The project uses data from the Census Bureau's Current Population Survey and the American Community Survey to provide a detailed picture of the circumstances of working families in Washington and in other states. Other national sources are used to supplement these data sources when state-level data are available. In this report, we also use Washington state data to round out the picture where appropriate.

The Working Poor Families Project uses various criteria to define working families. As defined by the project, a working family is "...a married-couple or single parent, primary family with at least one child present under 18 years of age. A family is considered working if in the last 12 months, family members age 15 and older have a combined work effort of at least 39 weeks or a combined work effort of at least 26 weeks plus one unemployed parent actively looking for work in the past four weeks."¹ This definition isolates those who remain in economic distress despite substantial work effort, highlighting the need to strengthen opportunity for many families where one or more adults are already working.

The Working Poor Family data also allow us to examine families in two income bands – those who are officially poor (at 100% of the Federal Poverty Line (FPL) and below) and those who, while not officially in poverty, have incomes inadequate to make ends meet given modern costs of living. Given the almost universal acknowledgement that the FPL is a woefully inadequate standard of living, many researchers and analysts have adopted the 200% FPL standard as a more realistic minimum standard. The Working Poor Families Project also uses the 200% FPL standard to define low income families. This position is bolstered by detailed work that has been done in recent years to construct family budgets using actual cost of living information for various localities. These projects generally find that 200 FPL is a minimum level for adequate income, especially in high-cost urbanized parts of the country. For example, in Washington State, the Family Self-Sufficiency Standard, developed for 2001, and the more recent 2005 Job Gap study, both show that a self-sufficiency wage for families with children substantially exceeds 200% FPL. As such, 200% of FPL represents a conservative standard. Despite the official poverty line being outmoded as representing an adequate standard of living, we include information in this report about families below both 100% and 200% of the FPL.

1. Tom Waldron, Brandon Roberts, and Andrew Reamer, *Working Hard, Falling Short, America's Working Families and the Pursuit of Economic Security*, Working Poor Families Project, October 2004, p. 8.
2. See Diana Pearce and Jennifer Brooks, *The Self-Sufficiency Standard for Washington State*, September 2001; and, Dennis Osorio, Will Pittz, and Gerald Smith, *Living Wage Jobs in the Current Economy: 2006 Washington Job Gap*, Northwest Federation of Community Organizations. 2006.

Seattle Jobs Initiative is a nonprofit organization that creates opportunities for people to support themselves and their families through living wage careers. All of our work is designed to eliminate barriers to good paying, long-term work. We creatively align support services - including housing, childcare, transportation and counseling - with job skills training and job placement assistance. Our policy work supports legislative changes that improve access to training and services for low-income individuals. Through partnerships and innovative approaches, we help people chart a path to economic self-sufficiency. See <http://www.seattlejobsinitiative.com/>