

working poor | facts

Over the past ten years there has been a substantial shift in the types of employment available in Indianapolis, with service sector jobs replacing manufacturing.

On average, service jobs in the Indianapolis area pay less than half the annual salary of manufacturing jobs and retail jobs pay an average of one-third of those paid by manufacturing. According to the 2011 Homelessness Count, lost job or inability to find employment was the number one reason for homelessness (457 responses). Only 15% of homeless adults were employed, down from 25% in 2009 and 19% in 2010.

According to a [State of Indiana's 2009 report The Status of Working Families in Indiana \(www.in.gov/icw/files/work_families.pdf\)](#) unemployment rose from 3.7% in 2007 to nearly 10% at the end of 2009. The unemployment rate only measures those who are actively seeking a job and cannot find one; it does not count "discouraged" workers who no longer even look for work.

In addition to low wage employment and unemployment, underemployment is also an issue. According to [United Way of Central Indiana's](#)

[2008 Community Assessment](#), more workers who want full-time employment are settling for part-time work that is unlikely to meet the needs of their families. Over 8% of Hoosier workers in 2006 were underemployed, meaning they experienced sporadic employment or worked part-time but would prefer full-time work. This is 3% higher than the 2000 rate. Quite simply, many people will remain at risk of becoming homeless—or will struggle to move out of homelessness—unless more housing units are made affordable to residents with the lowest incomes.

There is a severe shortage of safe, affordable housing available for our lowest wage earners. The terrible fact is that many hard-working American families cannot afford a safe, decent place to call home, despite being employed full time. The current minimum wage is \$7.25 per hour. But the 2009 adjusted self-sufficiency standard for a family of three (one adult, one preschooler and one school-aged child) in Indianapolis is \$19.94 an hour. The Indiana Self Sufficiency Standard ([www.indianaselfsufficiencystandard.org](#)) calls for a system of "work supports" to help lower income working families escape from the risk of homelessness. Work supports include improved and increased access to "mainstream" support systems such as:

- Child Care Assistance
- Health Care Assistance
- Supplemental Nutrition Program (SNAP)
- Women, Infants and Children Program (WIC)
- Housing assistance, such as permanent housing subsidies

According to their modeling, a strong, integrated combination of these work supports can bring a minimum wage worker to the level where he/she uses only 30% of family income on housing related costs.

Working poor

According to the NAEH (National Alliance to End Homelessness), Working Poor is defined as people who work at least half the year yet still fall at or below the federal poverty line.



Working poor people are much more likely than the general working population to experience both doubled-up housing conditions and a severe housing cost burden. Doubling up is defined by NAEH as an individual or family living in a housing unit with extended family, friends, and other non-relatives due to economic hardship. A household is severely housing cost burdened if it pays 50 percent or more of its monthly income on housing costs. Both conditions are either a sign or consequence of housing instability, and can be a precursor to homelessness. It is estimated that in 2008, 37.6 percent of working poor households experienced a severe housing cost burden, in comparison to just 3.8 percent of workers in the general population. Likewise, 7.8 percent of the working poor were doubled up with family or friends as compared to less than 6.5 percent of the general working population. The circumstances faced by poor workers — low earnings, periods of unemployment, and involuntary part time employment — represent challenges to economic stability and risk of homelessness. While the economy is beginning to recover, unemployment, underemployment, and poverty are expected to remain major issues for individuals in the workforce for the next several years, particularly for those defined as working poor. Interventions used to address homelessness must take into consideration the unique needs and characteristics of this population, given that working poor people constitute significant portions of the both the working and poor populations. Policymakers should consider the characteristics and circumstances of the working poor population when planning solutions to homelessness.

What you can do

- Contact local leaders and decision makers and ask that more funding be focused on the preservation and creation of affordable housing options for people living at or below 50% of Median family Income.
- Additionally, advocate for more funding and planning for ancillary services, such as child care and transportation and employment training—things that directly impact this at-risk population on a daily basis.



Can you work enough?

Here in Indianapolis, a single parent employed in a minimum wage job would have to work the equivalent of two full-time jobs—over 100 hours a week—to be able to afford a decent, safe, two-bedroom apartment at a fair market rent for herself and her two children.

Contact CHIP at (317) 630-0853 to find out more about what you can do to help the working poor.