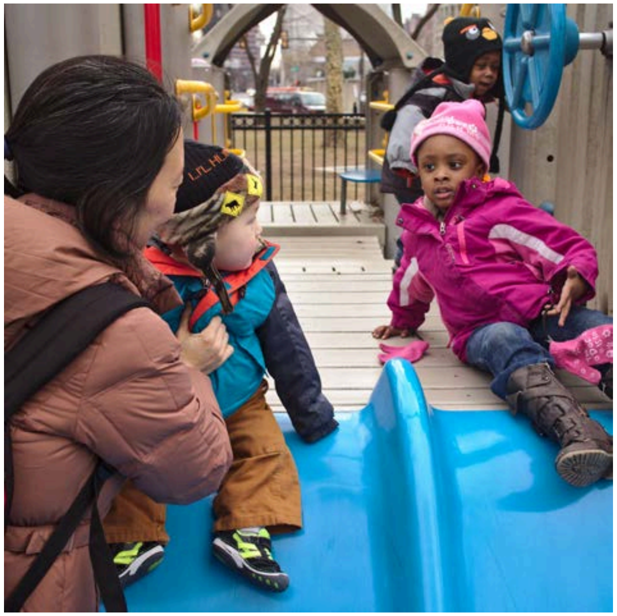
# 100 Million and Counting:

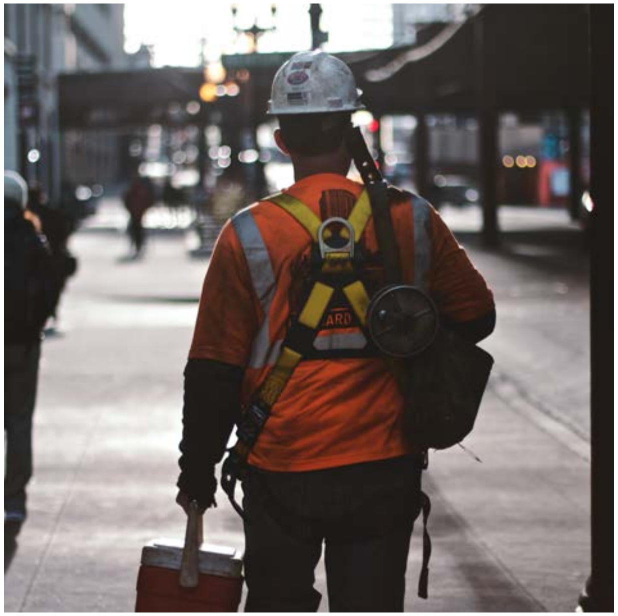
## A Portrait of Economic Insecurity in the United States

PolicyLink

PERE
USC Program for Environmental & Regional Equity

With support from
mastercard Center for Inclusive Growth





# Acknowledgments

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This profile was written by Abigail Langston at PolicyLink. The data were prepared by Justin Scoggins at PERE; and the charts and maps were created by Justin Scoggins, Abigail Langston, and Ángel Ross of PolicyLink. Many thanks to Sarah Treuhaft and Victor Rubin of PolicyLink for their thoughtful feedback; to Rosamaria Carrillo, Heather Tamir, and Jacob Goolkasian of PolicyLink for their assistance with formatting and design; and to Joanna Lee of PERE, who assisted with double checking the accuracy of the myriad data points presented.

*Cover photos:* NYC Rally and March to raise the minimum wage in America. ("Fight for $15 on 4/15" / The All-Nite Images is *licensed under* CC 2.0); A construction worker heads to the construction site - The Loop - Chicago, IL. (Construction/Bob Vonderau is *licensed under* CC 2.0); (Meeting Kids on the Slide/Scott Sherrill-Mix is *licensed under* CC 2.0).

# Table of Contents



This document is a product of a partnership between PolicyLink and PERE, the Program for Environmental and Regional Equity at the University of Southern California.

# Foreword

Winning on equity — creating, for the first time, a society that is just and fair for all — is the central challenge of our time and the work for our generation.

For the past two decades, PolicyLink has been dedicated to amplifying the wisdom and resilience of people of color and low-income communities in order to remake the social and economic systems that deny them a fair shot to participate, prosper, and reach their full potential. PolicyLink and our partners at the Program for Environmental and Regional Equity at the University of Southern California have long been led by the conviction that equity is both a moral and an economic imperative. But amid rising inequality and persistent racial inequities, we need a better way to measure economic hardship in our nation. The official definition of poverty — an annual income of about $12,000 for a single person or $25,000 for a family of four — only tells part of the story.

To implement public policy that brings millions of people into the middle class, organizers, advocates, and policymakers must be clear about who has been excluded. To transform institutions to tap into the potential of people of color and low-income communities rather than locking them out of national prosperity, we have to be sure that no one is being left behind. To achieve equity at scale, we need to be thinking big.

This report offers an important first step: an expanded definition of economic insecurity that reveals that more than 100 million people in the United States are struggling to make ends meet. It includes some powerful insights on this population, and on the depth of the impact that systemic inequities have on our society. Our nation is missing out on a wealth of cultural wisdom, innovation, skills, passion, and energy when one-third of our population remains relegated to the sidelines. We all stand to win when everyone is brought fully into the fold — in 2015 alone, the U.S. left $2.5 trillion in economic activity on the table due to racial gaps in income.

We are a nation of innovators, and our history proves that we know how to accomplish transformational results in the face of big challenges. We've achieved extraordinary inclusion and systems change before — now we need to achieve them *for everyone*. In 25 years, the United States will have a people-of-color majority, and with one-third of the population suffering from economic insecurity, the nation is at a tipping point. Now is the time to align efforts across issue areas, sectors, and geographies to get equity right for those who have been left behind, so we can all share in the benefits of reaching our collective full potential.

Michael McAfee

Michael McAfee, EdD
President and CEO, PolicyLink

# Introduction

Economic security for all households and residents is critical to the health and well-being of families, neighborhoods, and our local and national economies. Despite the fact that the United States is the wealthiest nation on earth, tens of millions of people living in this country are unable to attain even a basic dignified standard of living, while millions more balance precariously on the edge, where even a short-term illness, loss of income, or emergency expense can be financially insurmountable. The Federal Reserve recently reported that 40 percent of U.S. adults would be unable to cover an unexpected cost of $400.[1] And according to the Urban Institute, about the same share experienced at least one "material hardship" last year, unable to pay for groceries, rent, utilities, medical bills, or other basic needs.[2]

Today, roughly 106 million people in the United States — one in every three — are economically insecure, which we define as having a household income below 200 percent of the federal poverty level. In this report, PolicyLink and the Program for Environmental and Regional Equity (PERE) at the University of Southern California analyze the economically insecure population using data that measure demographics, connection to work, and conditions of opportunity. Our research shows that economic insecurity is widespread but uneven, reflecting not only the toxic polarization of wealth and income but also the persistence of racial inequities throughout the economy. Some of the key findings include the following.

- **Economic insecurity is pervasive.** Today, about 106 million people — one-third of the population — live in households with incomes of less than 200 percent of the poverty level. Nearly half of all people of color are economically insecure, along with 26 percent of White people.

- **People of color are disproportionately affected.** People of color make up about 38 percent of the total U.S. population, but account for 52 percent of those living in economic insecurity. The Latinx population is most overrepresented among the economically insecure at 27 percent, compared to 17 percent of the overall population.

- **Long-term unemployment burdens millions who are able and available to work.** Persistent unemployment is a major challenge for many economically insecure people and is most severe for Black and Asian or Pacific Islander adults, who have an average duration of unemployment of 35 and 34 weeks, respectively. Among economically insecure adults who are actively looking for work, 38 percent have been unemployed for 46 weeks or longer.

- **Millions of others are unable to fully participate in the economy due to disability, illness, or family care needs.** Among working-age economically insecure adults, 21 percent have a disability or illness and another 14 percent are unpaid caregivers who are out of the labor force in order to care for loved ones.

- **Many economically insecure families lack the assets and resources they need to connect to opportunity and fully participate in the economy.** Overall, about one in five economically insecure households do not have a vehicle, ranging from 15 percent among White households to 32 among Black households. Further, 78 percent of economically insecure renter households are rent burdened, meaning they spend more than 30 percent of their income on housing costs.

This report offers a snapshot of the economically insecure population: rural, urban, and tribal communities who have been left behind as the nation has prospered; parents and children stuck in the anguish of intergenerational poverty; people with disabilities systematically cut off from opportunity and left with inadequate supports; people of color facing the twin oppressions of racism and economic exploitation; and people of every race and ethnicity who are working hard and still barely holding on. Measuring and developing a clear portrait of this population is a first step toward designing solutions that prioritize the most vulnerable, creating outsize benefits that cascade up and out to society as a whole. Angela Glover Blackwell calls this the *curb-cut effect*, explaining that "when we create the circumstances that allow those who have been left behind to participate and contribute fully — everyone wins."[3]

In the face of demographic change, the United States is at a crossroads. Reversing the trend of growing economic insecurity is essential to the well-being of families, communities, and the nation: we cannot achieve our aspiration of shared prosperity with one in three of us struggling and without changing course.

Economic insecurity has complex causes, and reversing the trend will require bold and innovative solutions across multiple arenas of policy. Advancing such an agenda will require a broad-based movement that coordinates grassroots organizing, legislative advocacy, coalition building, and strategic electoral campaigns to build political will and empower communities of color and low-income communities to tackle the challenges of economic insecurity head on, by implementing policy changes that increase household incomes, help families build financial security, and invest in institutions and infrastructure to ensure that everyone — regardless of race, income, or zip code — can live in healthy communities of opportunity.

## Drivers of economic insecurity

Economic insecurity reflects a complex web of historical, economic, and social systems. One dimension of this challenge is the concentration of more and more resources into fewer and fewer hands. The evidence is clear that wealth and income inequality are getting worse, as increases in productivity and economic gains do not translate into increased wages for most workers[4] or into increased services and supports for people who are not part of the workforce (including elders, children, and people with illnesses or disabilities). Recent research indicates that income gains over the past several decades have been primarily derived from wealth rather than employment.[5]

In other words, the ability to "get ahead" depends less on hard work or discipline and more on the good fortune of already having significant wealth and resources at one's disposal. The causes of this wealth concentration are a mix of broad economic, regulatory, and policy changes — such as automation and deindustrialization, the suppression of unions and worker power, the erosion of the social safety net, and the rise of precarious "flexible" employment — designed to siphon wealth to those at the top without it ever trickling down to those below.

Another dimension is the persistence of deep racial inequities throughout the economy. As the United States inches closer to becoming a majority people-of-color nation, racial gaps in wealth and income continue to grow.[6] These inequities arise from many complex and interrelated causes, and they are well documented — from discrimination and structural racism in employment and wages; to redlining and predatory lending that restrict access to opportunity-rich neighborhoods and asset building tied to home values; to wealth-stripping practices, legal fines, and fees; and to over-incarceration, which disproportionately burdens communities of color.

Over the past several decades, these overlapping structures of exclusion and exploitation have ensnared a growing number of people in unstable economic conditions, out of reach of the resources and opportunities they need to thrive and prosper. From 2000 to 2015, the number of people living in economic insecurity increased by more than 30 percent — almost double the pace of overall population growth for the same period (about 16 percent). This rapid expansion of economic insecurity is driven by declining incomes and the growth of low-wage jobs, soaring costs, discrimination and structural racism amid big demographic changes, and insufficient safety-net supports for those who are not part of the labor force, including children, elders, and people with disabilities.

### Declining incomes

Economic and political dynamics at the regional, national, and global levels impact the growth or decline of employment and wages. Some of the most familiar examples of such changes include the rise of automation and the loss of traditional manufacturing jobs, the spread of precarious "flexible" work arrangements and the emergence of the gig economy, and major policy changes that undermine worker power and solidarity. Taken together, changes in employment levels and wage levels add up to changes in household income, and for many working people in the United States, the news has not been good. From 2000 to 2015, earned incomes declined by 7.5 percent for full-time workers at the 20$^{th}$ percentile of the income distribution, and fell by 2.9 percent for those at the 50$^{th}$ percentile.[7] Meanwhile, low-wage jobs have grown by 44 percent since 1990, compared to just 22 percent growth in middle-wage jobs.[8]

### Rising costs

While incomes have stagnated or declined for many families, the basic costs of living have been steadily rising. The average shares of household budgets used to cover medical expenses and work-related expenses like childcare have been climbing over the past several decades. And the share of renters who are housing burdened — spending more than 30 percent of income on housing costs — has increased dramatically since 2000. Nearly 80 percent of economically insecure renters are rent burdened, and exorbitant housing costs can have disastrous effects for households. When families can no longer afford to pay for their housing, they may be displaced or forcibly evicted, resulting in social instability, job loss, and poverty.

**Discrimination and structural exclusion**
Meanwhile, a range of social and political systems interact with these labor- and housing-market forces to deepen and reinforce structural inequities in terms of who experiences economic insecurity. Among those looking for work, employment discrimination can be a tremendous barrier to people of color, people with disabilities, LGBTQ people, and formerly incarcerated individuals. For people who have jobs, occupational segregation, wage theft, unequal pay, and erratic scheduling all contribute to family economic insecurity, and the share of adults who work full time but still experience economic insecurity is two-and-a-half times higher among people of color than their White counterparts. The racial wealth gap has grown, and women's wages continue to trail those of men in every major racial/ethnic group. These and other inequities in wealth, health, and opportunity persist, and many people of color face social and geographic barriers to accessing economic opportunities. Today, half of all people of color are economically insecure, compared with about a quarter of Whites.

**Inadequate support systems**
More than 13 million people experiencing economic insecurity in the United States are 65 years of age or older. They are significantly less likely than their economically secure counterparts to be retired. Many have little to no retirement savings and struggle to manage growing health-care costs. A lack of affordable health care and home health assistance for seniors means many families struggle to absorb both financial costs and caregiving responsibilities associated with looking after their elders.

Another 32.5 million economically insecure people in the United States are children under the age of 18. This underscores the need for a multipronged policy approach designed to eliminate barriers to employment for working parents, to support wealth building and economic stability for families, and to interrupt the dynamics of intergenerational poverty and debt.

Among the 60 million economically insecure working-age adults (ages 18–64 years), one in five has a disability and another 14 percent are full-time unpaid caregivers who are out of the workforce to look after loved ones. For these people, income challenges are intertwined with and complicated by a lack of structural supports for managing the financial and logistical challenges of accessing health care, childcare, elder care, and basic needs like food and housing.

## Defining economic insecurity

The federal poverty level is the standard proxy measure to indicate whether individuals or families are "poor" — that is, unable to meet their basic economic needs. However, the formula for calculating poverty was established more than 50 years ago based on a standard household budget in the 1960s, and since then it has only been adjusted for inflation. So it bears little relation to today's actual household resources or the income required to maintain a basic family budget anywhere in the United States.

As just one example, the federal poverty level for a family of four is $25,100; but, according to the National Low Income Housing Coalition, a U.S. household needs an annual income of about $44,000, on average, to afford a two-bedroom rental home.[9] And as the Massachusetts Institute of Technology's Living Wage Calculator shows,[10] the cost of attaining a modest but decent standard of living anywhere in the United States is at least twice the poverty threshold. Thus, we have defined "economically insecure" individuals, families, and households as those with family incomes below 200 percent of the federal poverty level.

Clearly the federal poverty threshold is an insufficient estimate of the income that people in the United States need just to make ends meet, let alone weather emergencies and plan for the future. As a national metric, it cannot account for dramatic differences in the cost of living in different towns, cities, and regions across the country. And because it is strictly an indicator of household income — for example, it does not reveal anything about a family's savings or insurance coverage — the poverty measure paints an incomplete picture of a household's balance sheet.

The poverty line continues to have important policy implications at both federal and state levels when it comes to determining who may be eligible — though not guaranteed — to access supportive programs and resources such as free or reduced-price school lunches; early childhood education programs; and help covering the cost of basic needs like groceries, health care, and housing. The criteria for several of these programs use multipliers of the poverty line that are higher than the official measure (for example, 150 percent or 185 percent of the official poverty level). Because the federal poverty level incorporates both household income and household composition, it provides a more nuanced starting point for measuring a family's needs than income alone, even if it requires a multiplier to better estimate actual costs.

Another measure of economic hardship available through the U.S. Census Bureau is the supplemental poverty measure (SPM), which was released in 2011. This formula addresses many of the limitations of the official poverty measure. It incorporates non-cash benefits, such as housing assistance or Supplemental Nutrition Assistance Program benefits, and tax credits in the calculation of family resources. It also subtracts a specified range of expenses including income taxes, childcare costs, and medical expenses. It is regularly updated to reflect spending patterns for basic needs, and varies based on local housing costs.

However, using the SPM also has important limitations. The SPM is unavailable for years prior to 2009, so it does not allow for analysis of trends over time and cross-sectional data as included in this report. Although the SPM uses a distinct formula, the overall rate of poverty it calculates compared to the official measure is less than a single percentage point higher; that is, the two approaches identify similar numbers of people in poverty.[11,12] But as noted above, the number of people who are *economically insecure* based on more contextual cost-of-living assessments is substantially higher than the population identified by either the official poverty measure or the SPM.

Several non-governmental organizations have also developed their own alternative measures of poverty and economic insecurity. One promising method comes from the United Way ALICE Project, a collaborative effort among United Ways in 18 states.[13] The

ALICE (asset limited, income constrained, employed) threshold is based on the income necessary to maintain a household survival budget, "an estimate of the total cost of household essentials — housing, childcare, food, transportation, technology, and health care, plus taxes and a 10 percent contingency."[14] This threshold is calculated by county and established for six different household types. ALICE represents a significant improvement over the official federal poverty level to quantify economic hardship, but it is currently limited to county-level date in 18 states, and has not been calculated for any year prior to 2007.

## Equity indicators framework

This profile analyzes the demographics, connection to work, and access to opportunity and assets for the 106 million people living in economic insecurity in the United States, and presents recommendations to improve equity outcomes for economically insecure workers, families, and children. The data used in this profile are drawn primarily from individual-level microdata files from the 1980, 1990, and 2000 decennial censuses, and from the 2015 5-year American Community Survey (ACS), accessed via the Integrated Public Use Microdata Series (IPUMS-USA). Specific data sources are noted beneath each figure presented. The data are presented in three sections:

- *Who are the economically insecure?*— Who is experiencing economic insecurity and how is this population changing over time?
- *Work and economic insecurity*—This section analyzes employment and wages as central factors of family economic outcomes.
- *Access to opportunity and assets*—This section discusses indicators of opportunity and assets related to economic security.

Throughout this profile, data are reported for the United States as a whole. To illustrate similarities and differences across regions, we also include data for select metropolitan areas in three indicators: the share of the total population and the economically insecure population who are people of color, educational attainment for adults ages 25 to 64, and renter housing burden.

## Limitations

Individual-level microdata files from past decennial censuses and from the ACS are used here to describe economic insecurity as comprehensively as possible, but there are limitations. For example, some research and anecdotal evidence suggests that evictions and other forms of residential displacement are a common cause of economic insecurity, poverty, and family instability, but there is no reliable source of data to track their frequency or consequences or to characterize the populations most affected by them. Data regarding racial bias in policing, courts, and other public institutions are similarly lacking. Not all data collected by public and private sources are disaggregated by race/ethnicity and other demographic characteristics.

Finally, the estimates reported here are based on samples and so are subject to a margin of error. While the underlying sample sizes are large and thus the estimates are generally reliable, care should be taken when interpreting data for smaller demographic subgroups and regions. See the Data and Methods section for more information.

## Notes

[1] Consumer and Community Development Research Section of the Division of Consumer and Community Affairs. *Report on the Economic Well-Being of U.S. Households in 2017* (Washington, DC: Board of Governors of the Federal Reserve System, May 2018), https://www.federalreserve.gov/publications/files/2017-report-economic-well-being-us-households-201805.pdf.

[2] Michael Karpman, Stephen Zuckerman, and Dulce Gonzalez. *Material Hardship among Nonelderly Adults and Their Families in 2017: Implications for the Safety Net.* (Washington, DC: Urban Institute, 2018), https://www.urban.org/research/publication/material-hardship-among-nonelderly-adults-and-their-families-2017.

[3] Angela Glover Blackwell. "The Curb-Cut Effect," *Stanford Social Innovation Review* 15 (2017), https://ssir.org/articles/entry/the_curb_cut_effect.

[4] Chad Stone, Danilo Trisi, Arloc Sherman, and Roderick Taylor. *A Guide to Statistics on Historical Trends in Income Inequality* (Washington, DC: Center on Budget and Policy Priorities, 2018), https://www.cbpp.org/research/poverty-and-inequality/a-guide-to-statistics-on-historical-trends-in-income-inequality; Economic Policy Institute, *The Productivity–Pay Gap* (Washington, DC: Economic Policy Institute, 2018), https://www.epi.org/productivity-pay-gap/.

[5] Matt Bruenig. "Massive Rise Of Top Incomes Is Mostly Driven By Capital," People's Policy Project, August 9, 2017, https://www.peoplespolicyproject.org/2017/08/09/massive-rise-of-top-incomes-is-mostly-driven-by-capital/.

[6] Janelle Jones. *The Racial Wealth Gap: How African-Americans Have Been Shortchanged Out of the Materials to Build Wealth.* (Washington, DC: Economic Policy Institute, 2017), https://www.epi.org/blog/the-racial-wealth-gap-how-african-americans-have-been-shortchanged-out-of-the-materials-to-build-wealth/.

[7] National Equity Atlas. "Earned Income Growth for Full-Time Wage and Salary Workers: United States, 1990-2015," 2018, http://nationalequityatlas.org/indicators/Incomegrowth/Allworkers:33331/UnitedStates/false/Years:1990-2015/.

[8] National Equity Atlas. "Growth in Jobs and Earnings by Wage Level: United States, 1990-2016," http://nationalequityatlas.org/indicators/Job_and_wage_growth/7336/United_States/false/.

[9] National Low Income Housing Coalition, "Out of Reach," 2018, http://nlihc.org/oor.

[10] Massachusetts Institute of Technology. "Living Wage Calculator," 2018, http://livingwage.mit.edu/.

[11] Maria E. Enchautegui. *The Supplemental Poverty Measure Reveals the Limits of the Safety Net for Immigrants* (Washington, DC: Urban Institute, 2015), https://www.urban.org/urban-wire/supplemental-poverty-measure-reveals-limits-safety-net-immigrants.

[12] While the populations captured by the official poverty measure and the supplemental poverty measure are roughly the same size at 100 percent of poverty, they are substantially different at 200 percent. As reflected in this profile, about 106 million people live below 200 percent of the official poverty measure; according to a recent report from the Institute for Policy Studies, 140 million people in the United States are living below 200 percent of the SPM. See https://ips-dc.org/wp-content/uploads/2018/04/PPC-Audit-Full-410835a.pdf.

[13] United Way ALICE Project, "Do You Know Alice?" https://www.unitedwayalice.org/home (accessed June 15, 2018).

[14] United Way ALICE Project, "Methodology - Overview," https://www.unitedwayalice.org/methodology (accessed June 18, 2018).

# Who Are the Economically Insecure?

About 106 million people in the United States — nearly one in three — are economically insecure, meaning they live in households with incomes below 200 percent of the federal poverty level. Economic insecurity varies significantly by race, age, and geography, and the population is diverse and growing. Examples of economically insecure households are provided below.

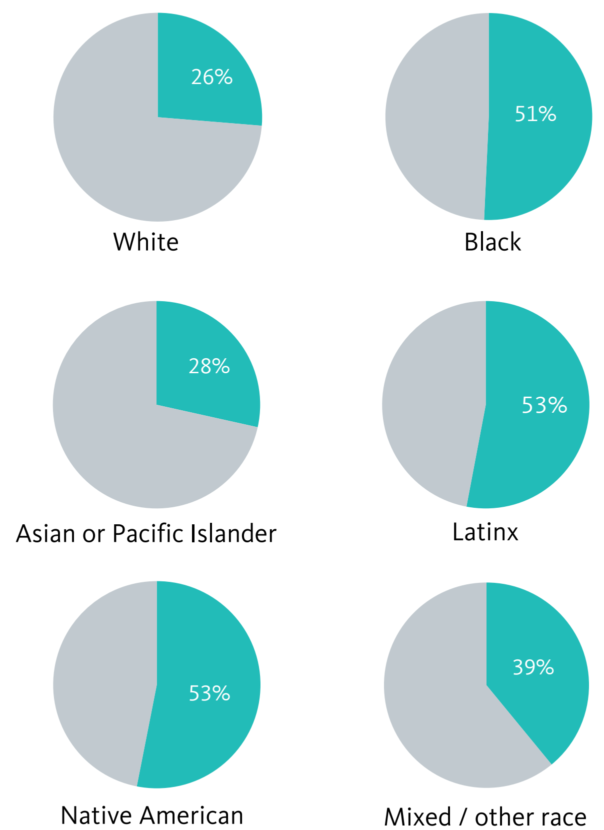
- Kim, Terry, and their two young children, living in Ohio. After a couple of months of unemployment, Kim finds a full-time, minimum-wage retail job while Terry stays home to care for their kids. With an annual family income of $12,300, they live at 50 percent of the federal poverty line.

- Elena, a cashier in New Mexico. She earns $7.85 per hour and brings home a weekly paycheck of $288 to support herself and her elderly mother. With a yearly family income of around $16,000, they live at the official poverty level.

- Tomás, Sandra, and their newborn baby. Tomás works as a restaurant manager in Georgia and earns an annual salary of $32,000 to support their family. They live at 150 percent of the federal poverty level.

- Tracy, a direct support caregiver who earns $11.50 an hour, and Annette, a production worker who makes $13.00 per hour. Raising two teenage children in Maine with their combined annual income of $50,000, they live at about 200 percent of the federal poverty level.

**Economic Insecurity by Race/Ethnicity (2015)**



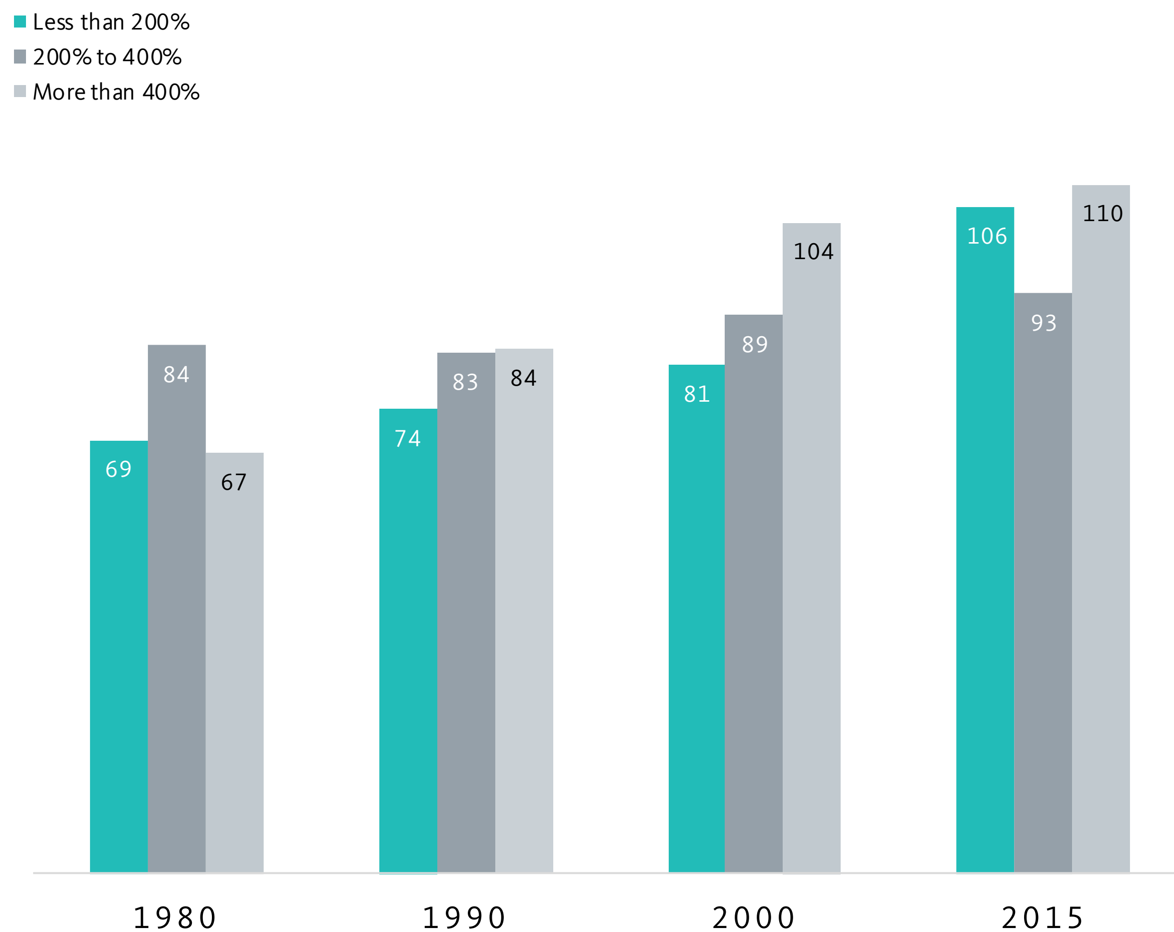

Source: Integrated Public Use Microdata Series.
Note: Data represent a 2011 through 2015 average. Universe includes all people for whom poverty status is determined.

# Since 2000, the economically insecure population has grown more than twice as fast as the nation's overall population

From 2000 to 2015, the economically insecure population grew by 25 million — an increase of more than 30 percent. This is almost double the overall population growth rate of about 16 percent for the same period.

During the same period, the number of households with incomes between 200 and 400 percent of the federal poverty level grew by about 4 percent, and the number of households with incomes above 400 percent of poverty grew by about 6 percent.

**Total U.S. Population by Ratio of Family Income to the Federal Poverty Level, 1980 to 2015 (in millions)**



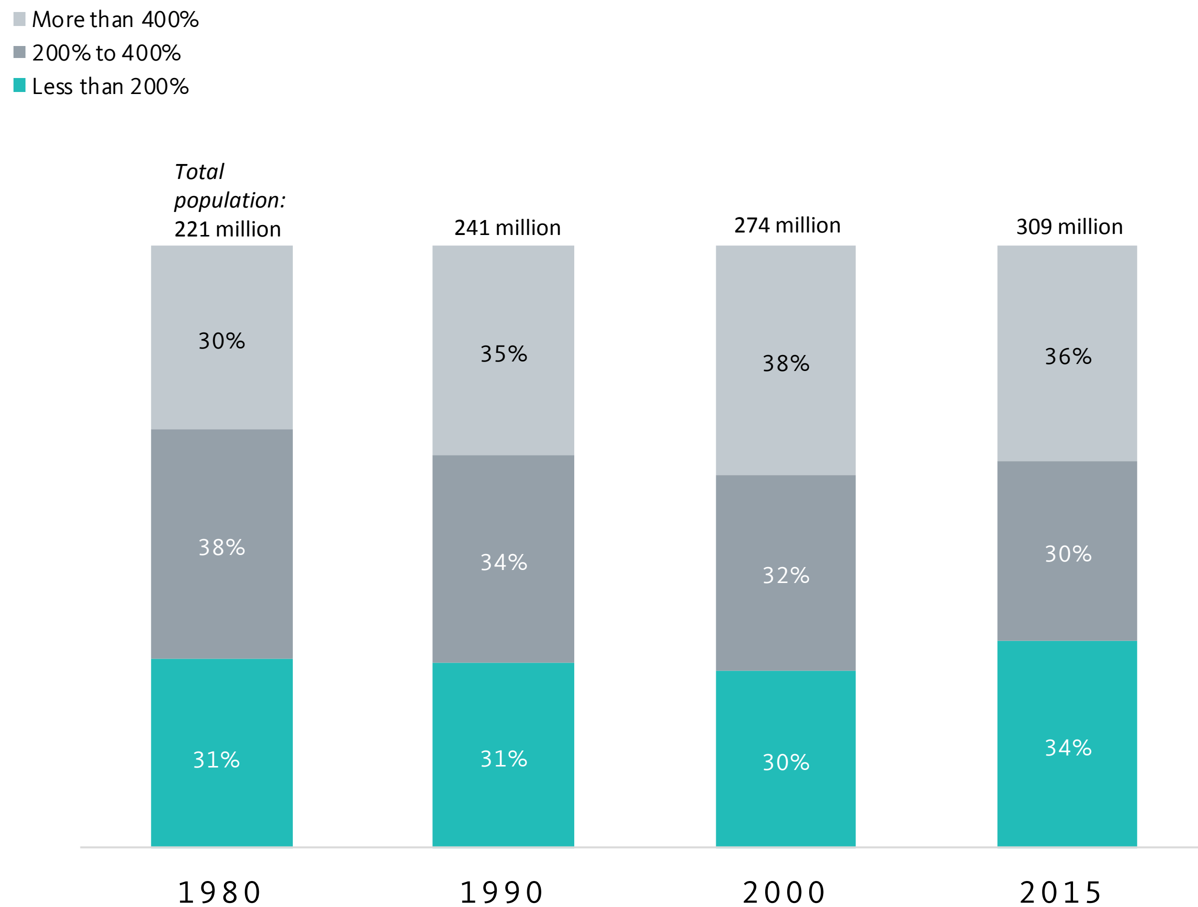

Source: Integrated Public Use Microdata Series.
Note: Data for 2015 represent a 2011 through 2015 average. Universe includes all people for whom poverty status is determined.

# Income distribution has become increasingly polarized

Over the past several decades, the economic middle represented by households with incomes between 200 and 400 percent of the poverty level has dwindled. In 1980, this group made up more than 38 percent of the population; by 2015, they comprised less than 30 percent.

Meanwhile, economic insecurity has spread. In 2000, the economically insecure made up 30 percent of the U.S. population as a whole; by 2015, that share increased to 34 percent.

**Share of U.S. Population by Ratio of Family Income to the Federal Poverty Level, 1980 to 2015**




Source: Integrated Public Use Microdata Series.
Note: Data for 2015 represent a 2011 through 2015 average. Universe includes all people for whom poverty status is determined.

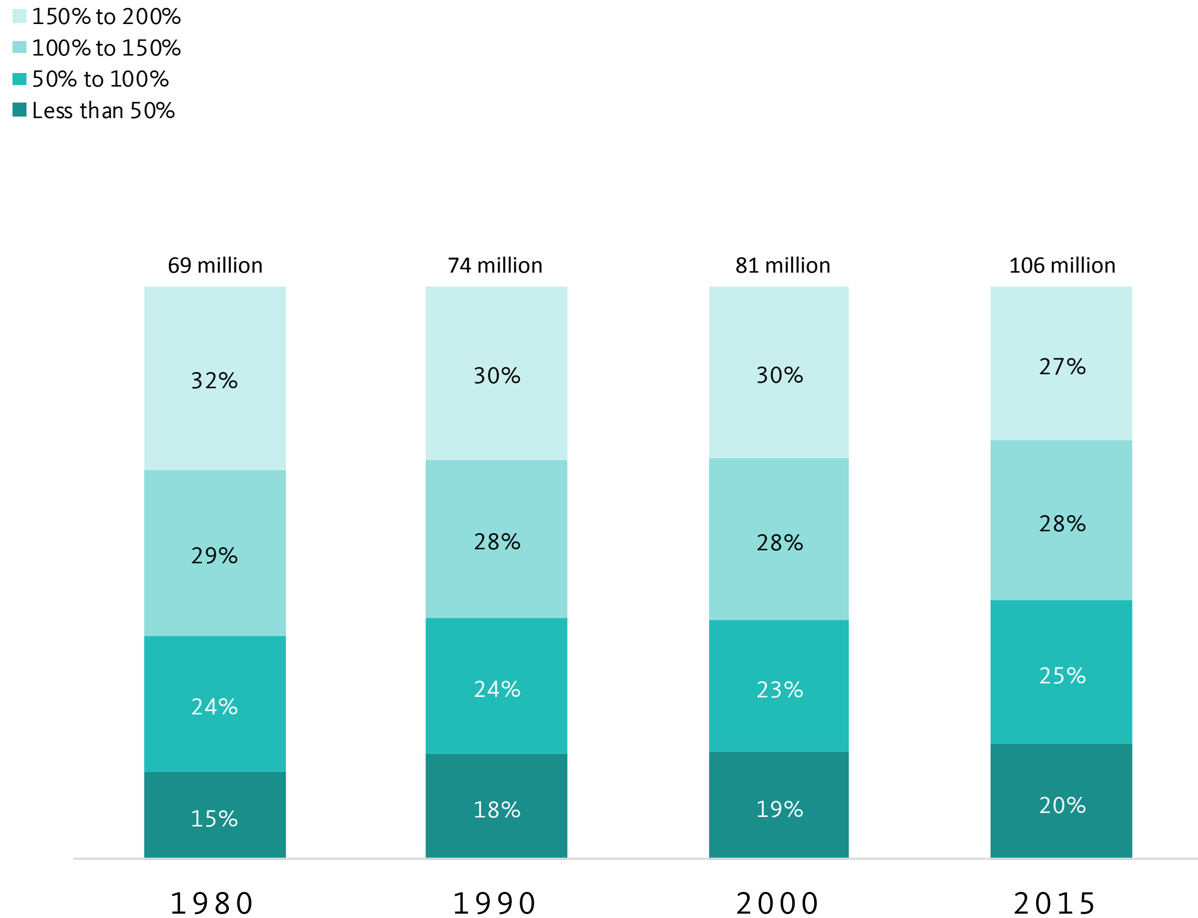
# Among the economically insecure, poverty is deepening over time

The income distribution within the economically insecure population has also changed significantly over time. In 1980, about 39 percent of the economically insecure population lived below the federal poverty level; by 2015, that share increased to 45 percent.

The highest rate of growth within the economically insecure population over the past several decades has been among people living in deep poverty (below 50 percent of the federal poverty level). This population doubled between 1980 and 2015, from 10.6 million to 21.3 million.

Today, about 48 million people live below the official poverty line, and another 58 million people have incomes between 100 and 200 percent of poverty.

Share of Economically Insecure Population by Ratio of Family Income to the Federal Poverty Level, 1980 to 2015



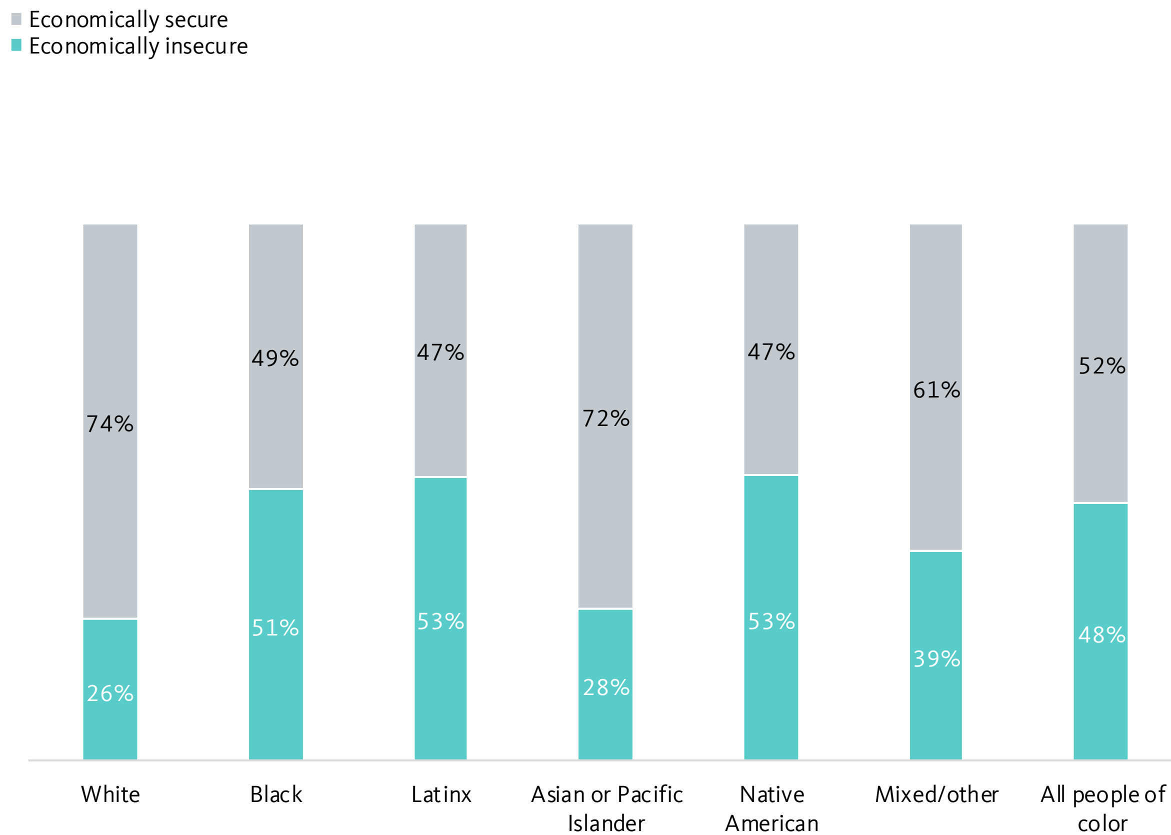

Source: Integrated Public Use Microdata Series.
Note: Data for 2015 represent a 2011 through 2015 average. Universe includes all people for whom poverty status is determined.

# Nearly half of all people of color are economically insecure

More than half of Latinx people are economically insecure (53 percent), along with a similar share of Blacks (51 percent) and Native Americans (53 percent). By comparison, only about 26 percent of Whites are economically insecure.

Overall, 28 percent of the Asian or Pacific Islander population is economically insecure. But this rate varies greatly by ancestry: 79 percent of people of Bhutanese ancestry and 70 percent of those of Burmese ancestry are economically insecure, along with 52 percent of the Bengali community and 56 percent of the Tongan community. The Asian or Pacific Islander ancestry groups with the lowest rates of economic insecurity include the Indian (15 percent) and Japanese (17 percent) communities.

**Economic Insecurity by Race/Ethnicity, 2015**




Source: Integrated Public Use Microdata Series.
Note: Data represent a 2011 through 2015 average. Universe includes all people for whom poverty status is determined.

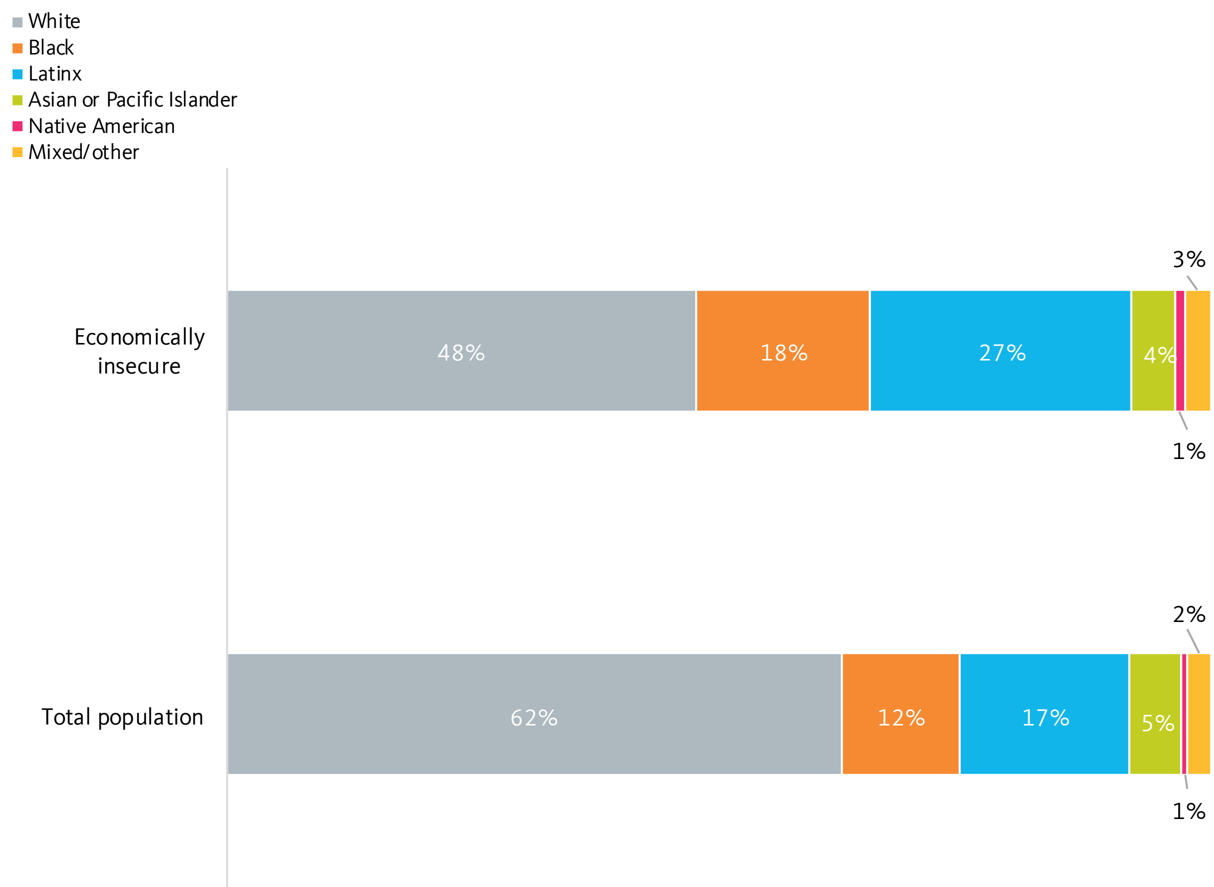
# People of color account for 38 percent of the total population, but more than half of the economically insecure

Nationally, people of color are 38 percent of the total population, but 52 percent of the economically insecure population — a gap of 14 percentage points. This gap indicates the disproportionate rate at which people of color experience economic insecurity.

The Black and Latinx populations account for a combined 29 percent of the overall population, but 45 percent of those living in economic insecurity.

About 4 percent of Asians or Pacific Islanders live in economic insecurity, just slightly lower than their share of the overall U.S. population.

**Total U.S. Population and Economically Insecure Population by Race/Ethnicity, 2015**




Source: Integrated Public Use Microdata Series.
Note: Data represent a 2011 through 2015 average. Universe includes all people for whom poverty status is determined.

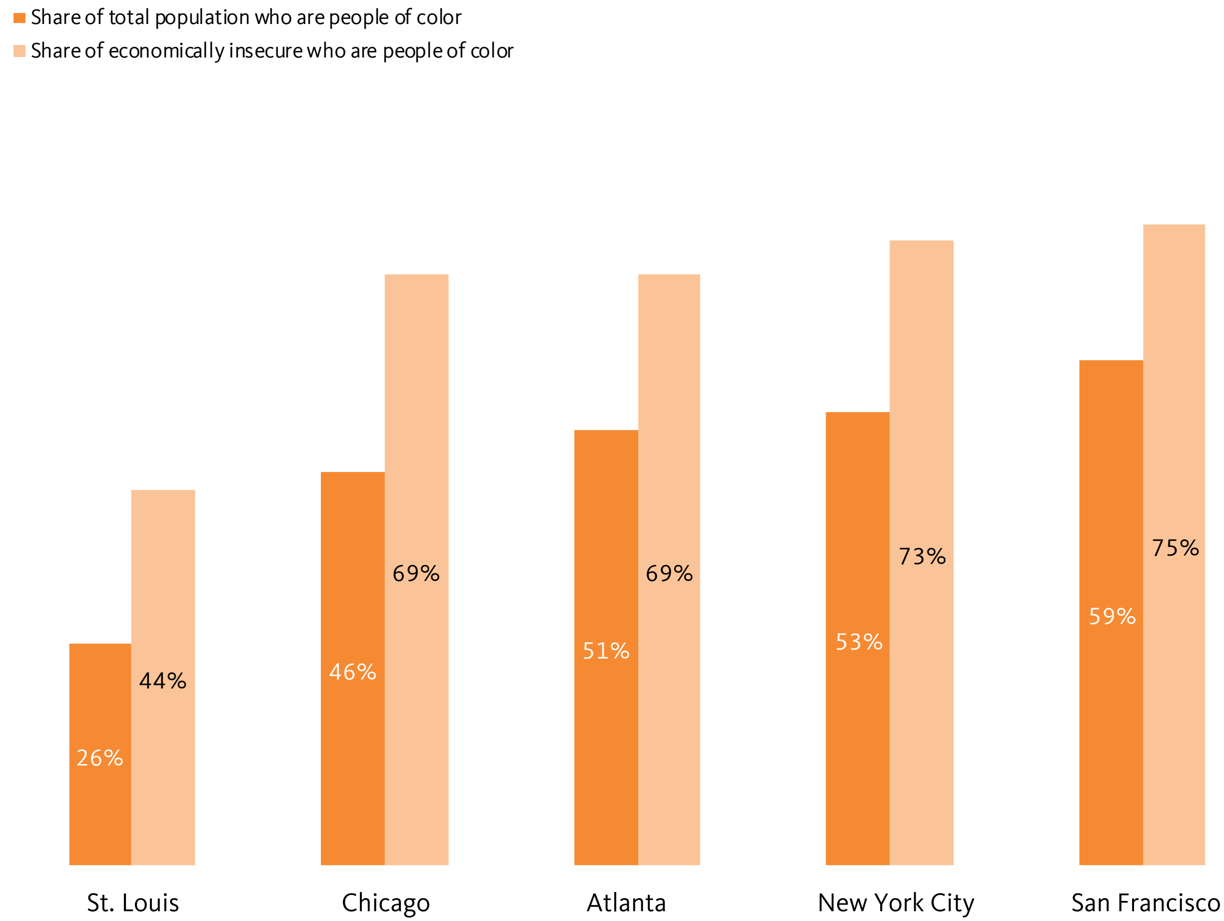
# In many metro regions, disproportionate economic insecurity among people of color greatly exceeds the national average

To explore how this rate varies from place to place, we examined five geographically and demographically distinct metropolitan areas. We found that the overrepresentation of people of color among the economically insecure population persists across diverse regions, and is in many cases higher than the national average. In the St. Louis region, where people of color are just 26 percent of the total population but 44 percent of the economically insecure population, the gap is 18 percentage points.

In the San Francisco Bay Area — one of the most diverse regions in the nation, where 6 out of 10 residents are people of color — the gap is 16 percentage points.

In the Chicago metro, where people of color make up about 46 percent of the overall population but account for 69 percent of the economically insecure, the gap is 23 points — significantly higher than the national figure.

**People of Color as a Share of the Total Population and the Economically Insecure Population, Selected Regions, 2015**




Source: Integrated Public Use Microdata Series.
Note: Data represent a 2011 through 2015 average. Universe includes all people for whom poverty status is determined.

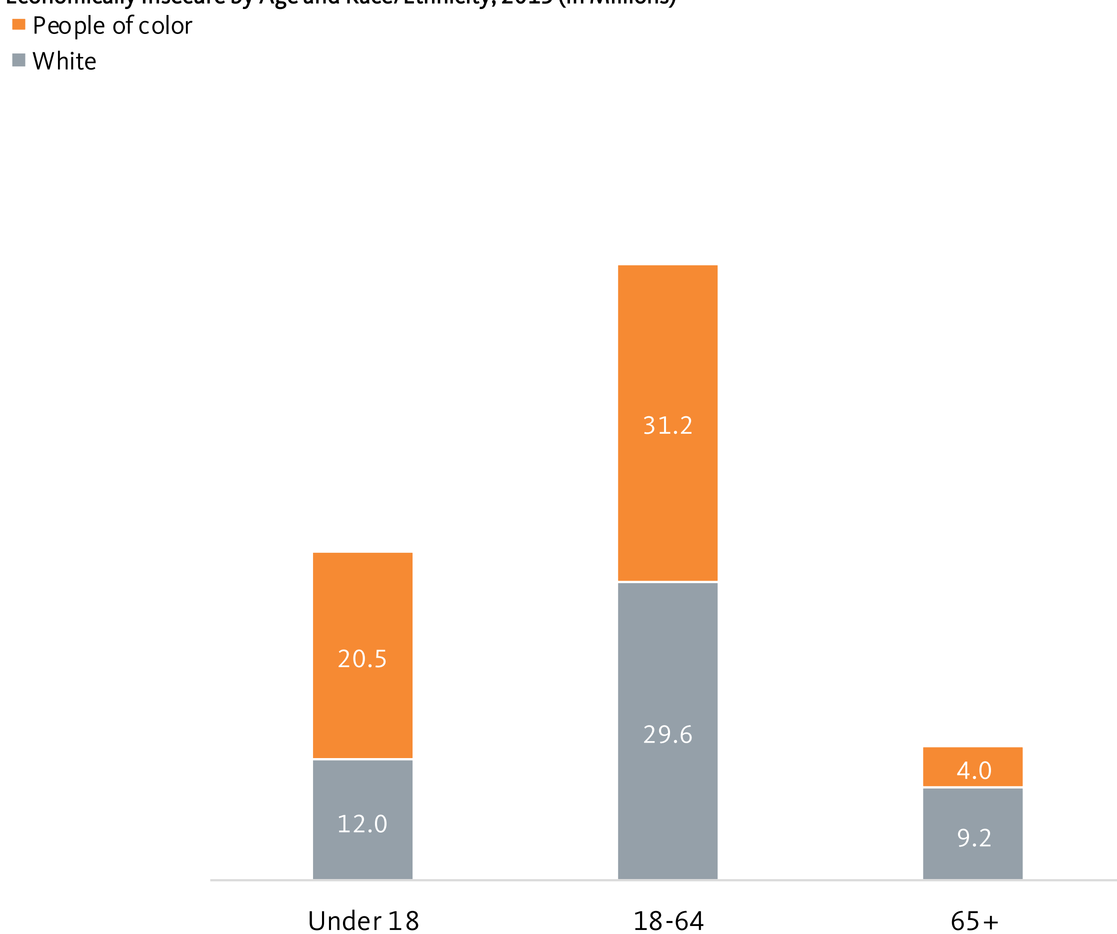
# Nearly 6 in 10 children of color are economically insecure

More than 60 million working-age adults (20 percent of the total population) are economically insecure, and the majority of them are people of color.

About 13 million seniors (31 percent) are economically insecure, along with 32.5 million children (44 percent).

Overall, 59 percent of children of color are economically insecure, including 65 percent of Black children, 63 percent of Latinx children, and 63 percent of Native American children, compared to about 31 percent of their White and Asian or Pacific Islander peers.

**Economically Insecure by Age and Race/Ethnicity, 2015 (in Millions)**




Source: Integrated Public Use Microdata Series.
Note: Data represent a 2011 through 2015 average. Universe includes all persons who are economically insecure.

# Female-headed households with children are more likely than other households to be economically insecure

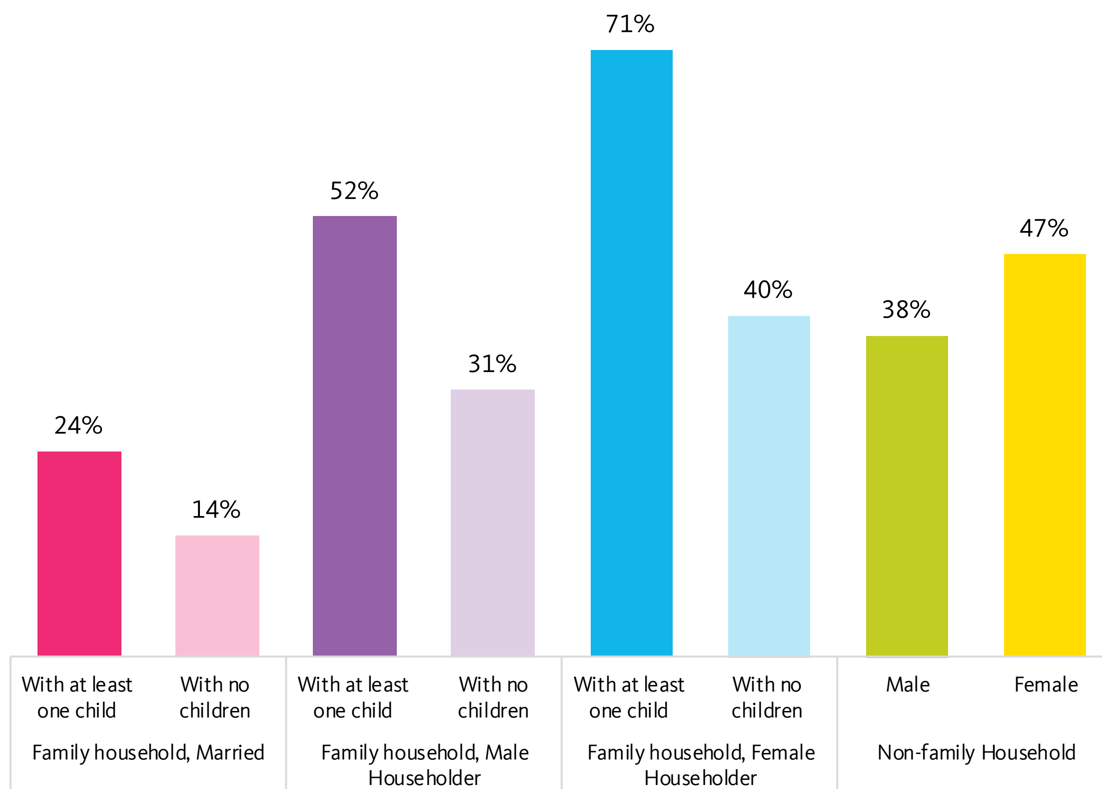
Economic insecurity affects single adults, married and partnered families, and other kinds of households — but single women with at least one child under 18 years old are significantly more likely to be economically insecure compared with other households.

As this chart shows, 71 percent of female-headed households with children are economically insecure, which is by far the highest rate of any household type. About half of households with children headed by men are also economically insecure.

A lack of affordable childcare options compounds the financial strain for many single parents who are looking for work or stuck in low-wage jobs that do not provide family-supporting income and benefits. The majority of low-wage workers in the United States are women, and women of color are disproportionately represented.[15]

[15] Institute for Women's Policy Research and OXFAM. *Undervalued and Underpaid in America: The Deck Is Stacked Against Millions of Working Women.* (Boston, MA: Oxfam American Inc., 2016), https://www.oxfamamerica.org/static/media/files/Undervalued_FINAL_Nov30.pdf.

**Share of Households that Are Economically Insecure, by Family Structure, 2015**



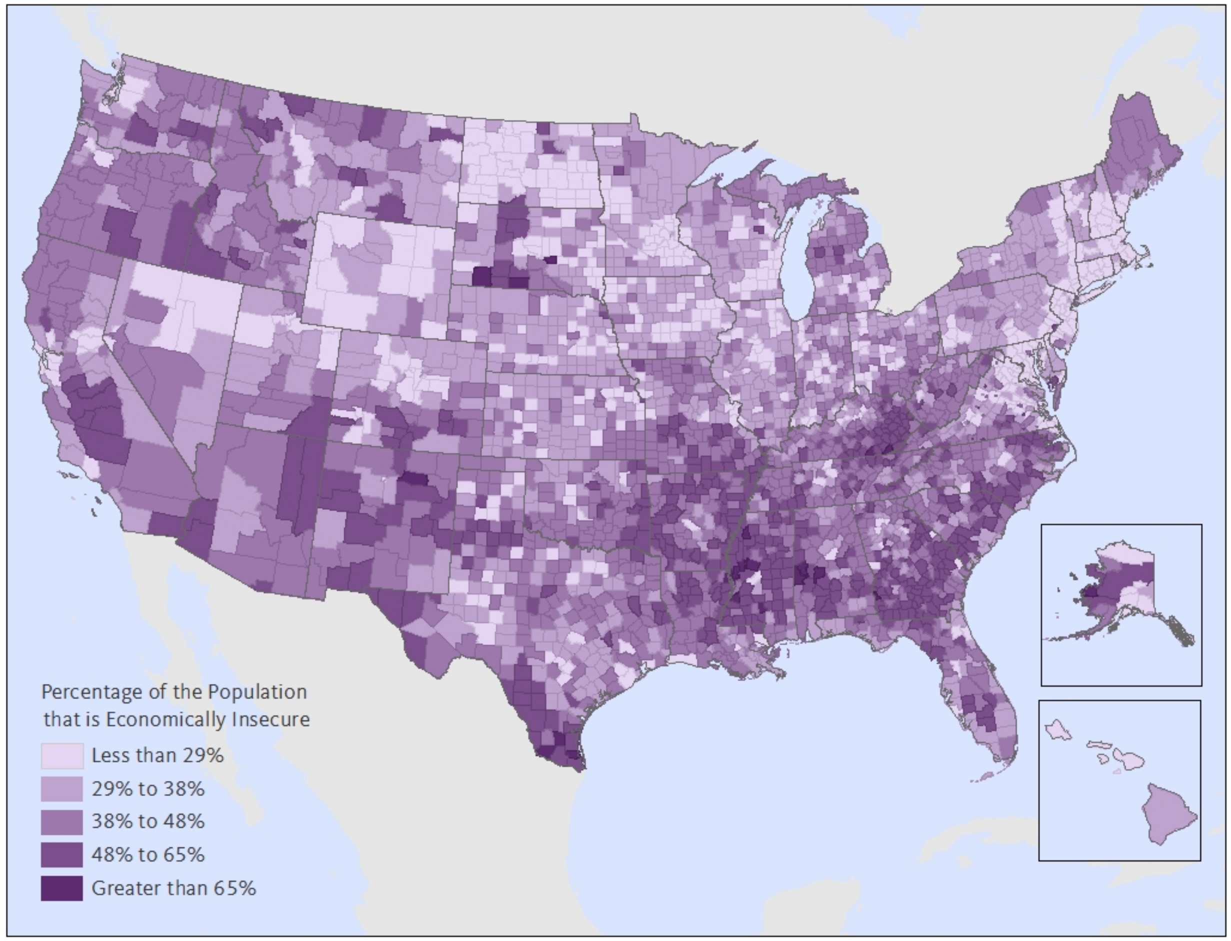

Source: Integrated Public Use Microdata Series.
Note: Data represent a 2011 through 2015 average. Universe includes all households. "Children" indicates children under 18 years old.

# Economic insecurity is geographically uneven and highly concentrated in some counties

The economically insecure population is spread across the United States, but its geographic distribution is uneven. In certain regions of the country, especially through Appalachia, the South, parts of the Southwest, and the Midwest, the economically insecure are significantly overrepresented — in some cases accounting for 45, 55, or even 65 percent of the population.

Economic insecurity is often concentrated in areas where people of color make up a large share of the population. Yet this map also reveals high rates of economic insecurity in counties and regions, such as central Appalachia, with large White majorities.

Percentage of the Population Below 200% of the Federal Poverty Level by County, 2015




Source: U.S. Census Bureau.
Note: Data represent a 2011 through 2015 average. Universe includes all people for whom poverty status is determined.

# In most areas, people of color experience economic insecurity at higher rates than Whites

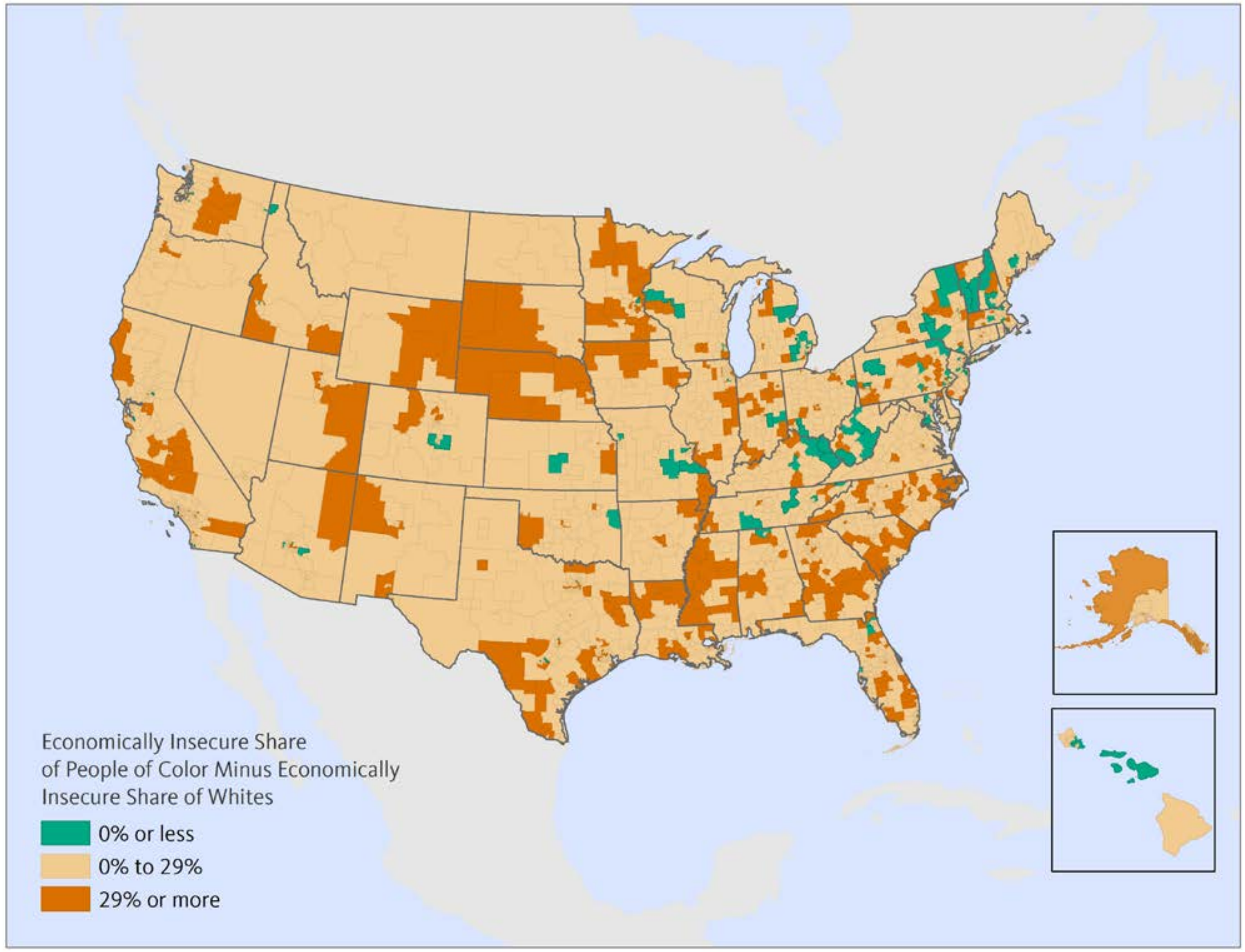
In almost every part of the country, a higher percentage of people of color than Whites are economically insecure.

In many areas throughout the South, West, and upper Midwest (shown in dark orange), the difference between the share of people of color who are economically insecure and the share of Whites who are economically insecure is greater than 29 percent.

There are only a few places, scattered throughout the Midwest, Appalachia, and the Northeast (shown in green), where the share of Whites who are economically insecure is higher than the share of people of color who are economically insecure. They account for only 130 of all 2,351 PUMAs* in the United States, and for most of them (78), the difference is less than 5 percentage points.

*A PUMA (Public Use Microdata Area) is a census-defined geography of at least 100,000 people, used for statistical purposes.

**Difference Between the Share of People of Color and the Share of Whites Who Are Economically Insecure by Public Use Microdata Area (PUMA), 2015**




Source: Integrated Public Use Microdata Series.
Note: Data represent a 2011 through 2015 average. Universe includes all people for whom poverty status is determined.

# Work and Economic Insecurity

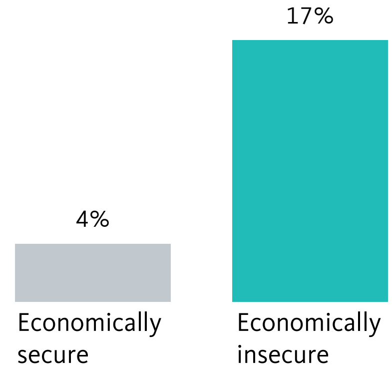
For many economically insecure households, unemployment and underemployment present a central challenge.  Discrimination and structural barriers to fair employment continue to bear on people of color, people with disabilities, LGBTQ people, and those with criminal records. And in regions struggling with economic depression, there are too few opportunities to go around.

For those who do have jobs, the jobs often do not pay enough to cover basic family needs. For tens of millions of economically insecure workers — many in retail, service, and care jobs —  the median hourly wage is $9.11, and the median household income is just under $17,000 per year.

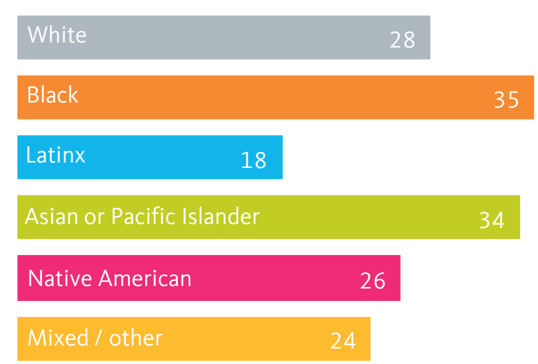
This reality is often glossed over in discussions of national jobs numbers. These figures not only obscure racial inequities in joblessness and the challenges faced by underemployed, temporary, and otherwise precarious workers but also understate the depth and breadth of the challenge of unemployment for economically insecure people.

The unemployment rate among the economically insecure is more than four times the rate for the economically secure population, with millions of would-be workers struggling to find jobs for months on end.

**Unemployment Rate (2015)**




**Average Duration of Unemployment for Economically Insecure Adults by Race/Ethnicity, in Months (2015)**




Source: Integrated Public Use Microdata Series.

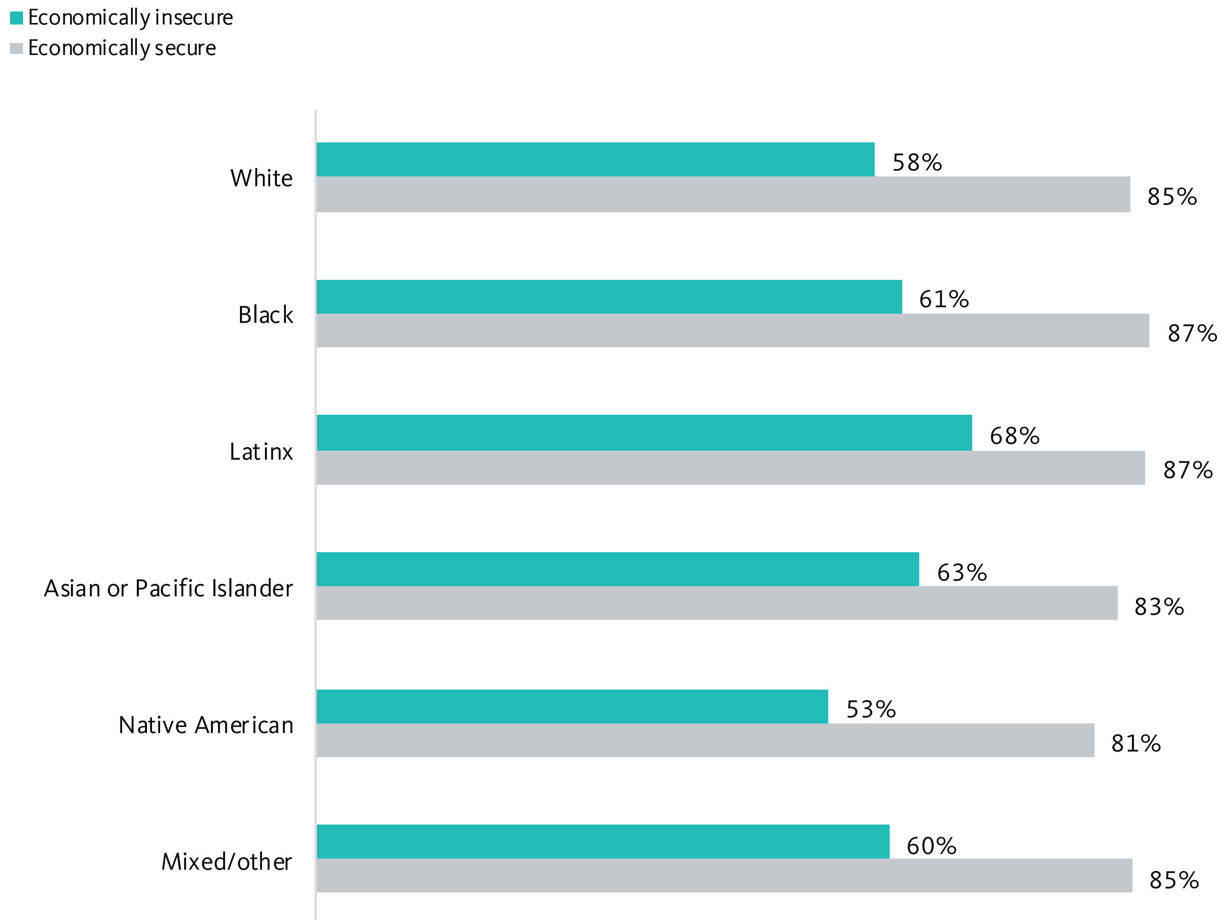
# Labor force participation is significantly lower for economically insecure adults, but still varies by race

For economically insecure adults, labor force participation is lowest among Native Americans (53 percent) and Whites (58 percent) and highest among Latinx people (68 percent).

Researchers offer many explanations for declining participation in the labor force, from technological advances that force low-skilled laborers out of work to structural barriers to employment such as mass incarceration.

The gap in labor force participation between the economically secure and the economically insecure varies by race/ethnicity. It is highest among Native American workers: 81 percent of economically secure Native American adults are in the labor force, compared to 53 percent of their economically insecure counterparts.

**Labor Force Participation Among Adults Ages 25 to 64, by Race, 2015**



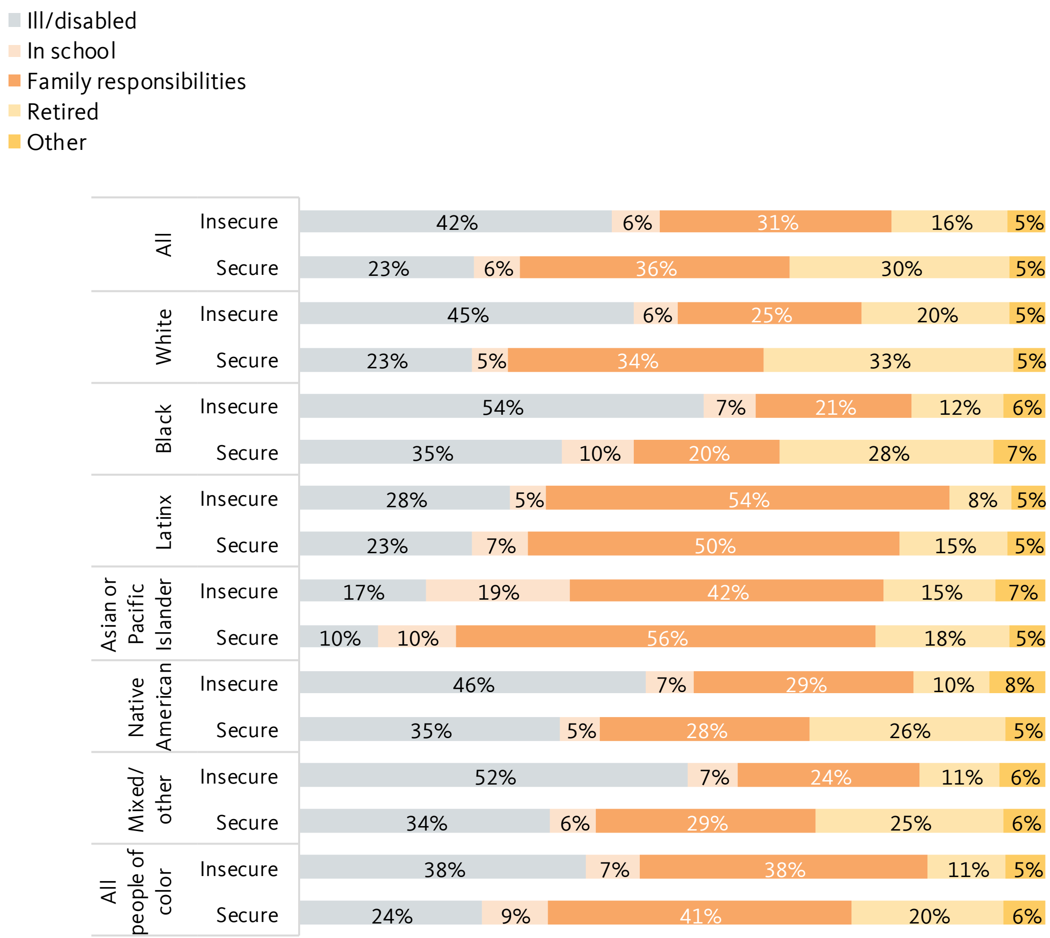

Source: Integrated Public Use Microdata Series.
Note: Data represent a 2011 through 2015 average. Universe includes the civilian noninsitutional population ages 25 to 64 for whom poverty status is determined.

# Illness and disability are closely related to the experience of economic insecurity

Why are so many economically insecure working-age adults out of the labor force? When asked what best describes their current situation, 42 percent reported being ill or disabled, 6 percent were in school, 31 percent had family responsibilities, and 16 percent were retired. Thus, the vast majority of economically insecure adults who are not in the labor force cannot necessarily be classified as available for work, and it is not surprising that only one in 10 of them say they want a job.

Economically insecure working-age adults not in the labor force are much more likely to be ill or disabled and are far less likely to be retired than those who are economically secure. In comparing current life situations by race/ethnicity, we see that over half of economically insecure Black and mixed/other race adults who are out of the labor force are ill or disabled, as are nearly half of economically insecure White and Native American adults.

**Situation of Adults Ages 25 to 64 Who are Not in the Labor Force, by Race/Ethnicity, 2015**




Source: U.S. Census Bureau, Current Population Survey (merged basic monthly March files and March Supplements).
Note: Data represent a 2011 through 2015 average for March. Universe includes the civilian non-institutional population ages 25-64 who are not in the labor force and for whom poverty status is determined.

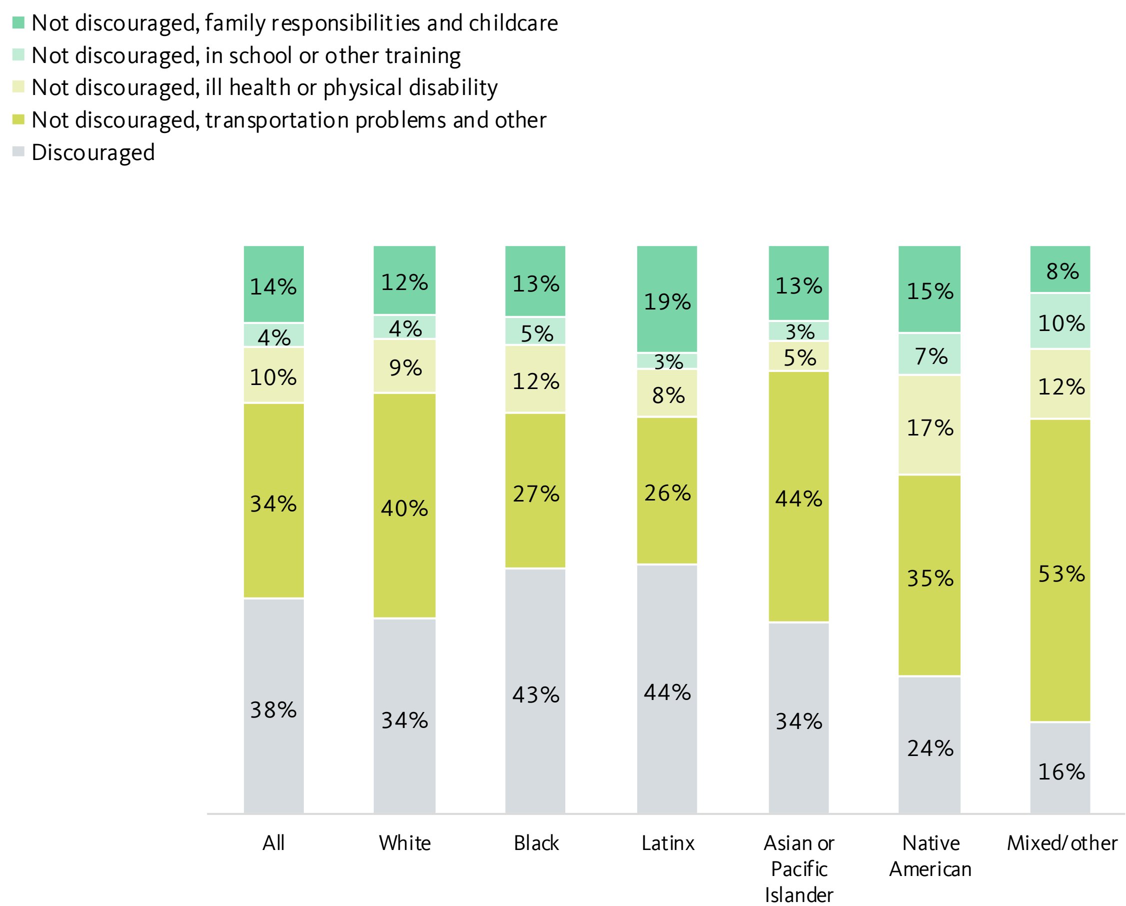
# Discouragement, family responsibilities, and illness drive many job seekers out of the labor force

Among "marginally attached" workers — those who want a job and have searched for work in the previous 12 months but not in the past four weeks — 38 percent stopped searching because they were discouraged (e.g., because they could not find any work, because no work was available in their area of expertise, because they lack necessary expertise, because they lack necessary education, or because of discrimination). Economically insecure Black and Latinx job seekers are most likely to be discouraged.

Those who did not report discouragement indicated a range of other reasons for ceasing to look for work. Economically insecure Native Americans were the group most likely to drop out of the labor force because of illness or disability, and economically insecure Latinx workers were most likely to cite family responsibilities.

Illness/disability, lack of childcare, and lack of transportation were more frequently reported by economically insecure adults than their economically secure counterparts.

**Reason Not Looking for Work Among Marginally Attached Adults Ages 25 to 64, by Race/Ethnicity, 2015**



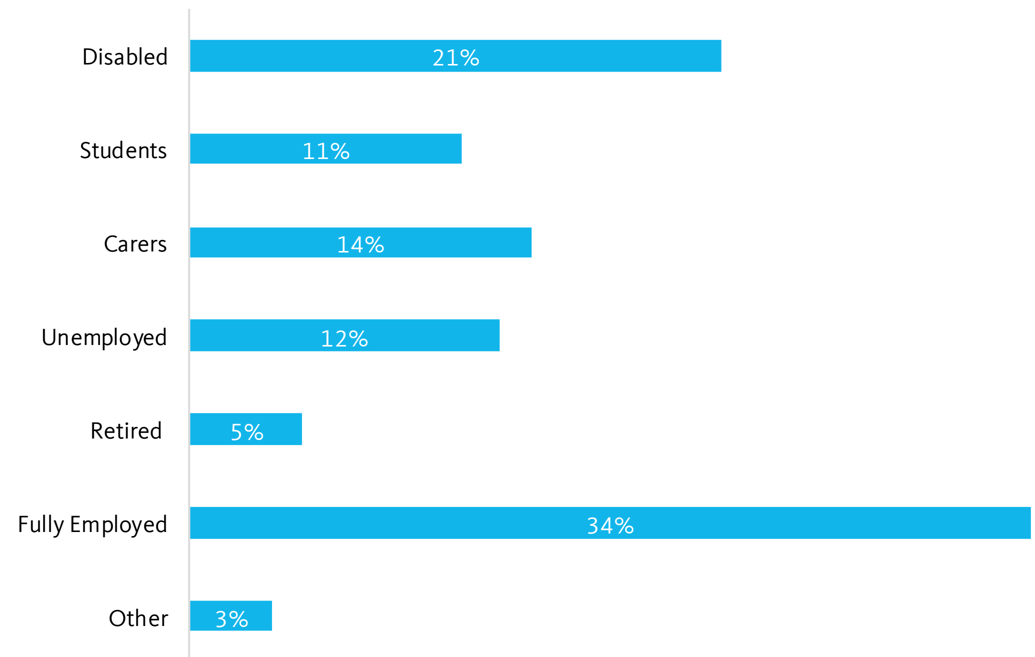

Source: U.S. Census Bureau, Current Population Survey (merged basic monthly files and March Supplements).
Note: Data represent a 2011 through 2015 average for March. Universe includes the civilian noninstitutional population ages 25-64 who are not in the labor force, want a job, searched in the past 12 months, are available for work, and for whom poverty status is determined.

# Just one-third of economically insecure adults are employed year-round without interruption, either full time or part time

Of the 60 million adults in the United States who are economically insecure, a significant share are people with disabilities, students, or caregivers who were out of the labor force for at least part of the year because of illness or disability, to attend school, or to care for a loved one, respectively.

This chart divides this population into seven mutually exclusive categories, assigning individuals to the first category to which they belong (top to bottom). For example, a person who is both disabled and unemployed is categorized as disabled; a person who is both a carer and retired is categorized as a carer.

**Primary Relation to Work, Economically Insecure Adults Ages 18 to 64, 2014**




Source: Matt Bruenig's analysis of the 2014 Current Population Survey March Supplement, U.S. Census Bureau.
Note: Data are for March 2014. Universe includes the economically insecure population ages 18 to 64. See data and methods section for more information on how individuals were placed in each category.

# Economically insecure Black and Native American workers face staggering unemployment rates

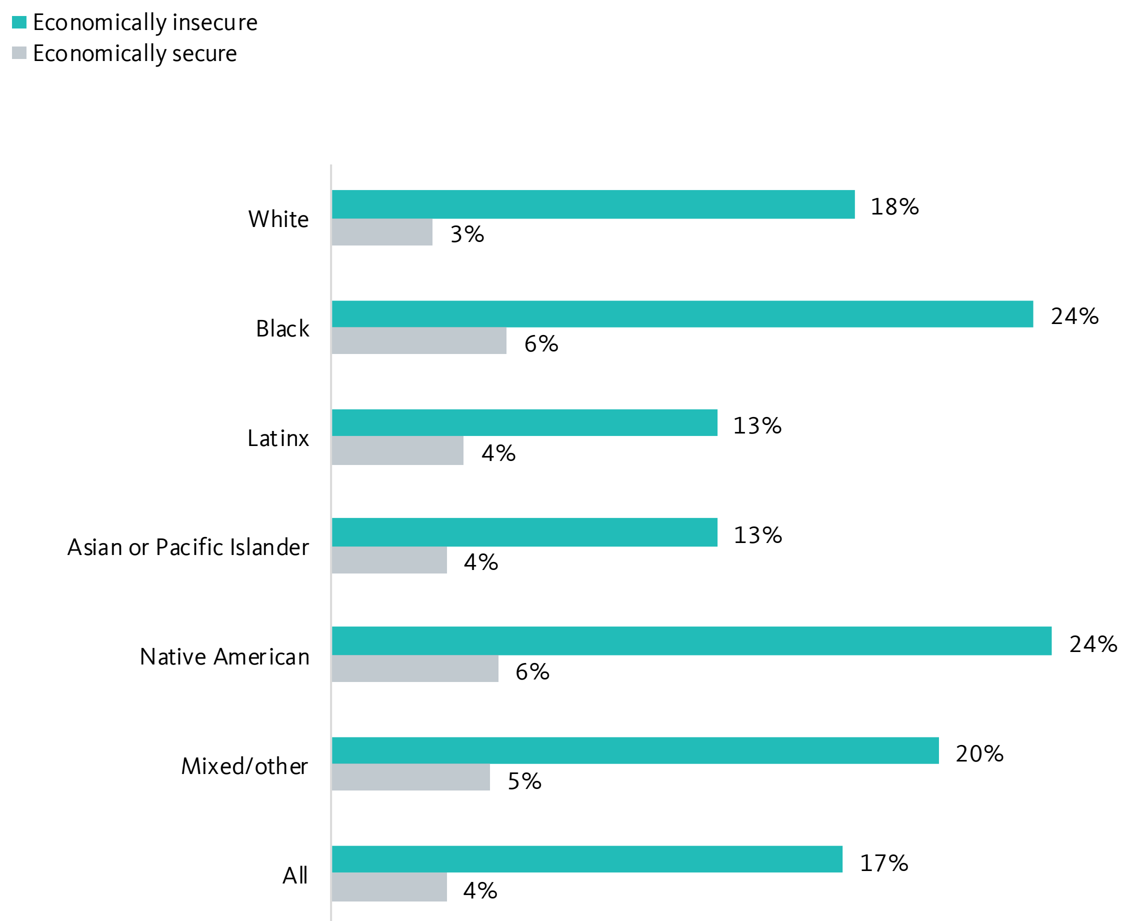
Because employment is the primary source of income for most people, unemployment is a major driver of economic insecurity.

In data representing a five-year average from 2011 through 2015, unemployment among the economically insecure is lowest for Latinx and Asian or Pacific Islander adults, at 13 percent. This is more than 3 times the unemployment rate of their economically secure counterparts. Economically insecure Whites have an unemployment rate of 18 percent — six times the rate among economically secure Whites.

Unemployment is highest among economically insecure Black and Native American workers (24 percent).

Among all economically insecure adults ages 25-64 who are unemployed, 38 percent have been unemployed (not working and looking for work) for 46 weeks or more, compared with 25 percent of their economically secure counterparts.

**Unemployment Rate for Adults Ages 25 to 64, by Economic Insecurity and Race/Ethnicity, 2015**




Source: Integrated Public Use Microdata Series.
Note: Data represent a 2011 through 2015 average. Universe includes the civilian noninsitutional economically insecure population in the labor force ages 25 to 64.

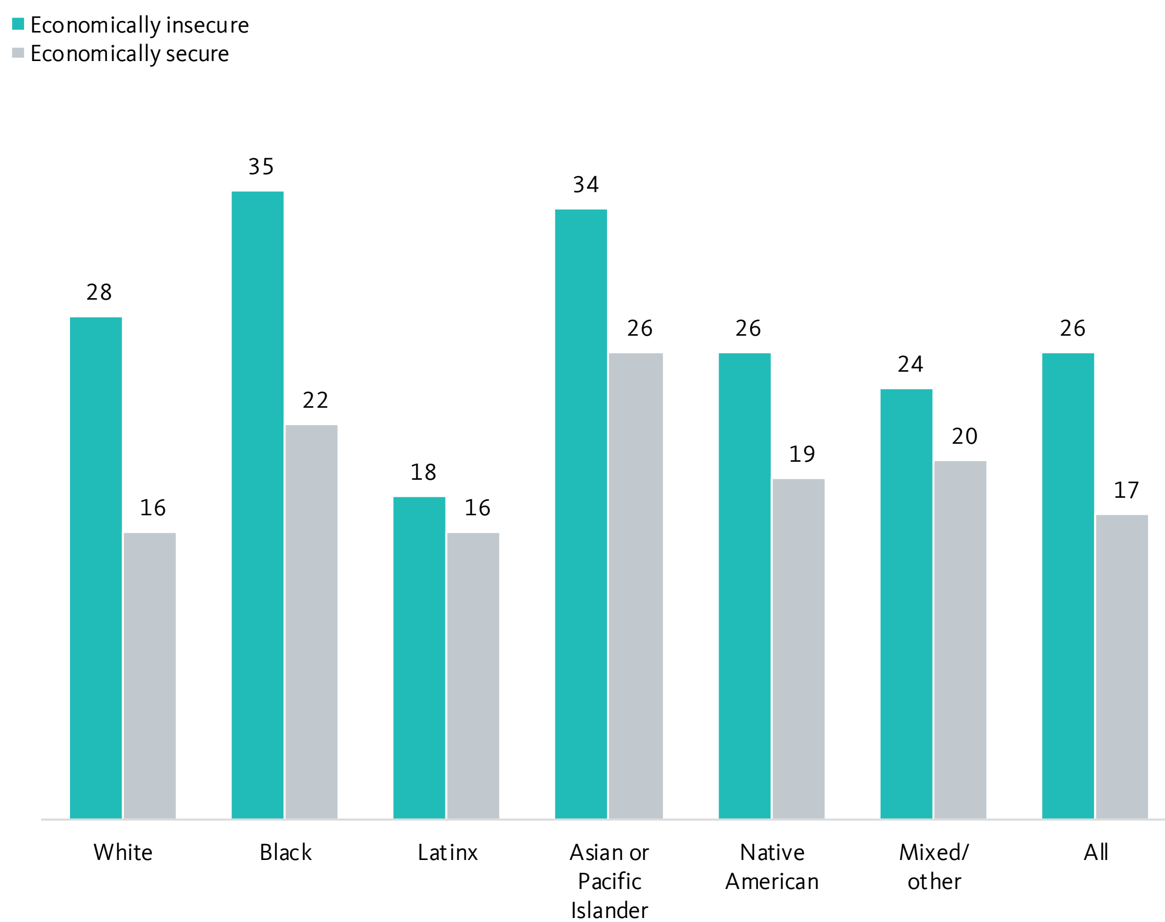
# Long-term unemployment hits Black and Asian or Pacific Islander workers the hardest

Among working-age adults who are unemployed, many have been on the hunt for a job for a very long time. This is particularly true for economically insecure adults. Among all economically insecure adults ages 25-64 who are unemployed, half have been unemployed (not working and looking for work) for 26 weeks or more. Among their economically secure counterparts, the median duration of unemployment is 17 weeks.

The experience of long-term unemployment is most severe for economically insecure African Americans and Asian or Pacific Islanders. Long-term unemployment has negative effects on future wages if a worker eventually finds a job, and makes one more likely to drop out of the labor force and retire, enroll in disability programs, or become "discouraged workers" — that is, workers who want a job and are available for a job, but have stopped looking for work for reasons of discouragement.[16]

[16] Austin Nichols, Josh Mitchell, and Stephan *Lindner. Consequences of Long-Term Unemployment.* (Washington, DC: Urban Institute. 2013), https://www.urban.org/research/publication/consequences-long-term-unemployment.

**Median Duration of Unemployment (in Weeks) for Unemployed Adults Ages 25 to 64, by Race/Ethnicity, 2015**



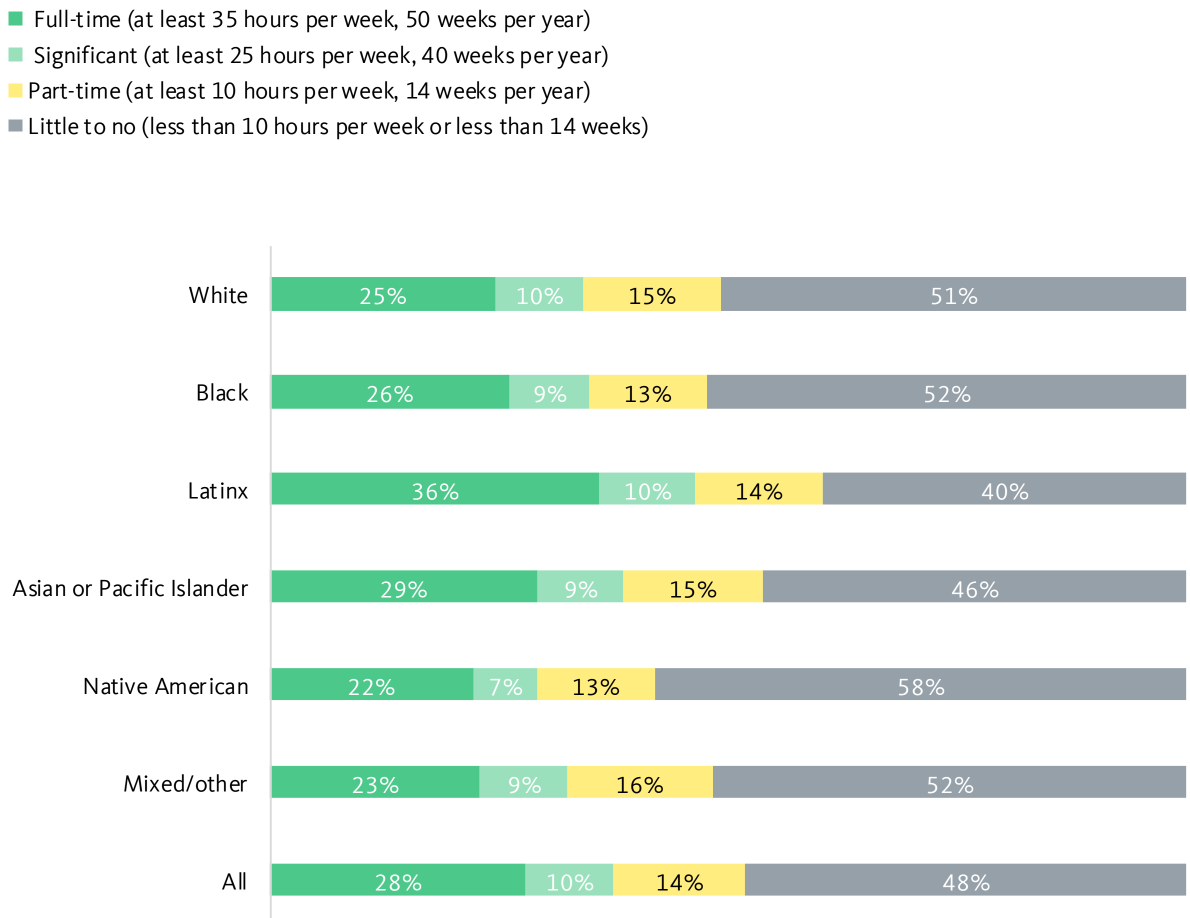

Source: U.S. Census Bureau, Current Population Survey (merged basic monthly March files and March Supplements).
Note: Data represent a 2011 through 2015 average for March. Universe includes the civilian non-institutional population ages 25 to 64 who are not in the labor force and do not want a job and for whom poverty status is determined.

# Nearly half of all economically insecure adults have little to no connection to work

In 2015, 48 percent of economically insecure adults ages 25 to 64 worked less than 10 hours per week, or less than 14 weeks per year. Some of these people were out of the workforce due to illness or disability or to care for others, but many others were actively seeking work for most of the year, to no avail.

Just over one-quarter of all economically insecure adults had full-time, year-round work, ranging from 22 percent among Native Americans to 36 percent among Latinx people. But full-time employment is not enough to lift families out of economic insecurity when workers are subjected to low wages, inadequate hours, wage theft, and lack of protections against lay-offs or termination.

**Work Efforts of Economically Insecure Adults Ages 25 to 64, by Race/Ethnicity, 2015**



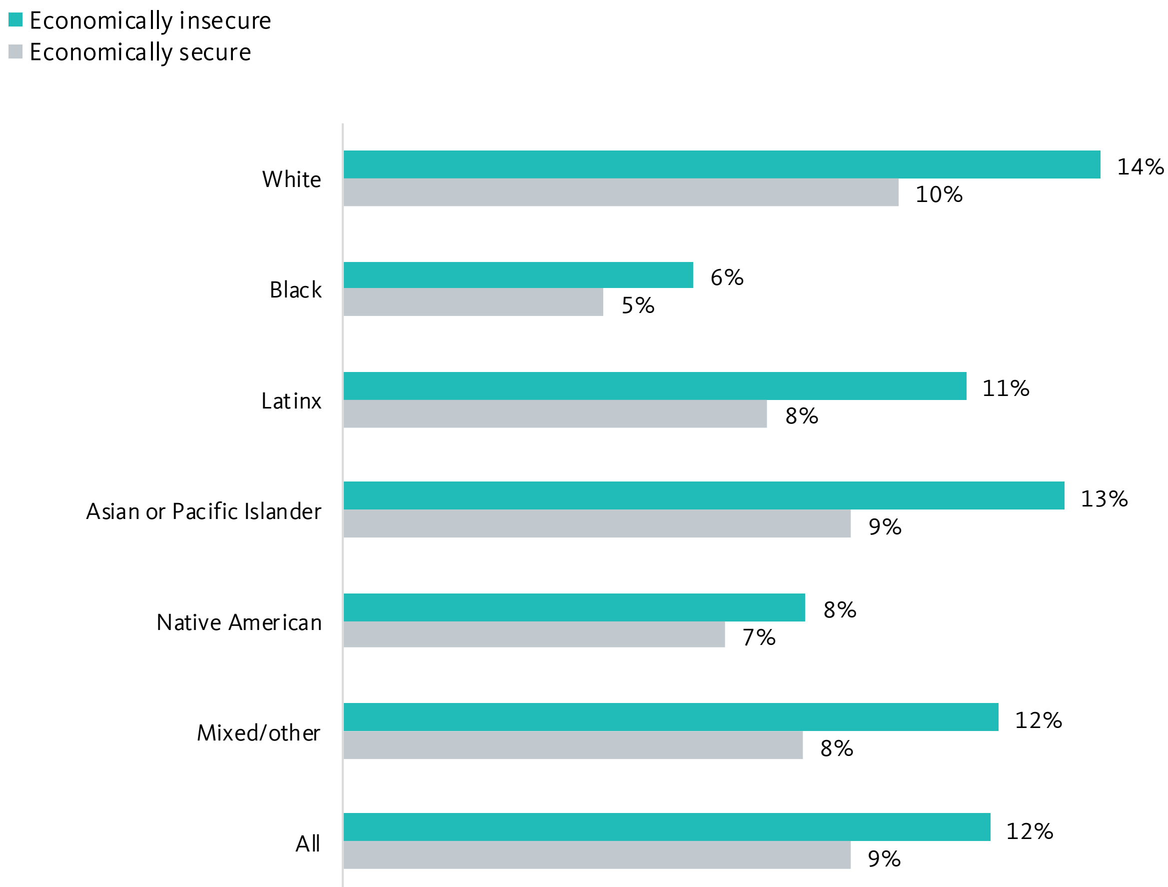

Source: Integrated Public Use Microdata Series.
Note: Data represent a 2011 through 2015 average. Universe includes civilian noninsitutional economically insecure population ages 25 to 64.

# Entrepreneurship is higher among the economically insecure, but racial inequities persist

As this chart illustrates, self-employment varies by race but is higher among the economically insecure in every major racial/ethnic group. About 12 percent of economically insecure workers are self-employed, compared with 9 percent of the economically secure. Long-term unemployment and a lack of high-quality job opportunities may drive more economically insecure workers toward self-employment — a phenomenon the Kauffman Foundation calls "necessity entrepreneurship."

Recent growth in the number of businesses owned by women of color — the fastest growing group of entrepreneurs in the United States since 1997, according to the 2015 State of Women-Owned Business Report — is attributed, in part, to the wage gaps and discrimination they face in the job market. But would-be business owners of color are less likely to be able to access the capital they need to launch their own enterprises, and often have fewer (if any) employees and smaller revenues.[17]

**Percent of Population Ages 25 to 64 Who Are Self-Employed, by Race/Ethnicity, 2015**




Source: Integrated Public Use Microdata Series.
Note: Data represent a 2011 through 2015 average. Universe includes civilian noninsitutional population ages 25 to 64 who worked during the five years prior to survey and for whom poverty status is determined.

[17] Algernon Austin. *The Color of Entrepreneurship: Why the Racial Gap among Firms Costs the U.S. Billions.* (Center for Global Policy Solutions, 2016), http://globalpolicysolutions.org/wp-content/uploads/2016/04/Color-of-Entrepreneurship-report-final.pdf.

# In several industries, more than a quarter of workers are economically insecure

The table below includes the 10 industries with the highest concentration of economically insecure workers. Nearly 40 percent of agriculture, forestry, and fisheries workers are economically insecure, along with 35 percent of retail trade workers. All together, the 10 industries listed below employ more than 27 million people who are working to support their families and still struggling to make ends meet.

**Share and Number of Economically Insecure Employees by Industry, 2015**

| Industry | Share of workers who are economically insecure | Number of workers who are economically insecure |
|---|---|---|
| Agriculture, Forestry, And Fisheries | 39% | 1,389,800 |
| Retail Trade | 35% | 9,099,887 |
| Other Services (Except Public Administration) | 30% | 4,995,325 |
| Construction | 27% | 2,445,987 |
| Manufacturing of Nondurable Goods | 21% | 974,900 |
| Transportation and Warehousing | 20% | 1,219,905 |
| Professional and Business Services | 19% | 2,311,381 |
| Health Services | 18% | 2,774,519 |
| Wholesale Trade | 17% | 662,461 |
| Manufacturing of Durable Goods | 16% | 1,548,549 |

Source: Integrated Public Use Microdata Series.
Note: Universe includes the employed civilian noninsitutional population age 16 or older for whom poverty status is determined.

# Access to Opportunity and Assets

For many struggling families, quality jobs with good wages and benefits can form the foundation of a stable home and a secure future. But economic security is about more than good jobs. It's also about having access to all the resources and opportunities that make for a healthy, connected, and productive life.

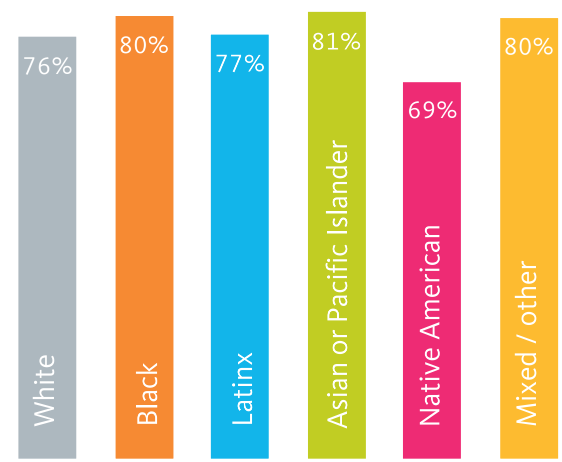
It means that all people have the opportunity to live in neighborhoods that provide safe, healthy, and affirming environments, and to attend schools that meet the needs of diverse communities and prepare children to thrive in adulthood. More than one in five economically insecure people live in neighborhoods with a poverty rate above 30 percent, compared to just 6 percent of their economically secure counterparts.

It means living in homes that are safe, healthy, stable, and affordable without fear of displacement. But the vast majority of economically insecure families are housing-cost burdened, spending more than 30 percent of their income on housing costs.

It means being able to access the education and training necessary to fully participate and contribute in today's economy, and tomorrow's. Less than 20 percent of economically insecure adults have at least an associate's degree, and one in five economically insecure young people are neither working nor in school.

It means people can connect to jobs, services, and one another via transportation or technology. Lack of transportation is a significant barrier for economically insecure Black households, one-third of whom do not have access to a car.

**Renter Housing Burden Among the Economically Insecure, by Race/Ethnicity (2015)**



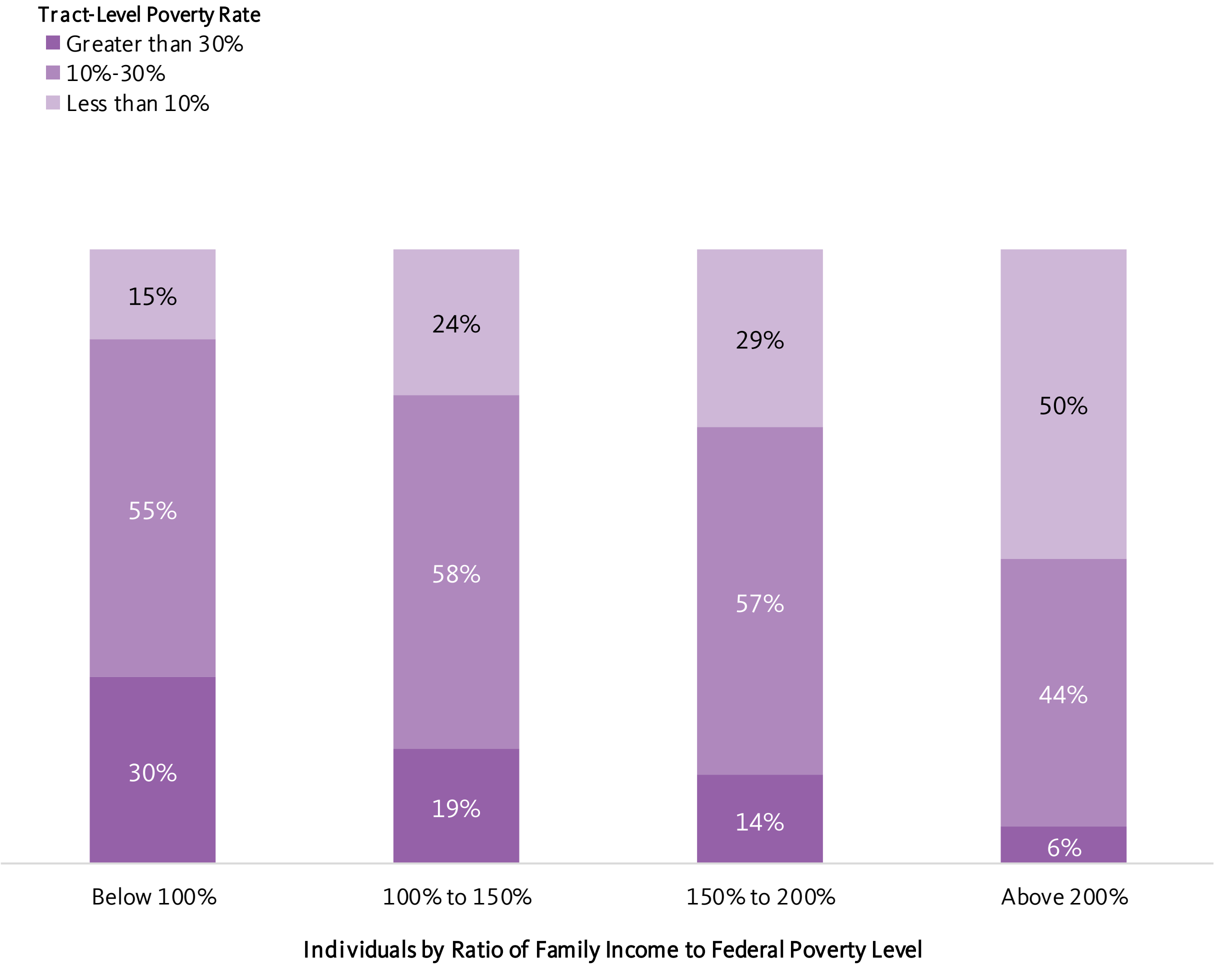

Source: Integrated Public Use Microdata Series.

# Economically insecure families are more likely to live in high-poverty neighborhoods

Only one in five economically insecure individuals lives in a low-poverty neighborhood (a census tracts with a poverty rate of less than 10 percent), compared to 50 percent of economically secure individuals.

Research has shown that the economic vitality of a child's neighborhood has deep and lasting implications for their economic mobility and well-being in adulthood.[18] This is true even for children born into middle- and high-income families, who will earn significantly less as adults if they grow up in a high-poverty area.[19]

**Population by Ratio of Family Income to the Federal Poverty Level and Census-Tract Poverty Rate, 2015**




Source: U.S. Census Bureau.
Note: Data represent a 2011 through 2015 average. Universe includes all people for whom poverty status is determined.

[18] Raj Chetty and Nathaniel Hendren. "The Impact of Neighborhoods on Intergenerational Mobility II: County-Level Estimates." *Quarterly Journal of Economics* 113 (3), 2018, https://scholar.harvard.edu/files/hendren/files/movers_paper2.pdf.

[19] Annie E. Casey Foundation KIDS COUNT Project. *2015 KIDS COUNT Data Book.* (Baltimore, MD: Annie E. Casey Foundation KIDS COUNT Project, 2015), http://www.aecf.org/resources/the-2015-kids-count-data-book/.

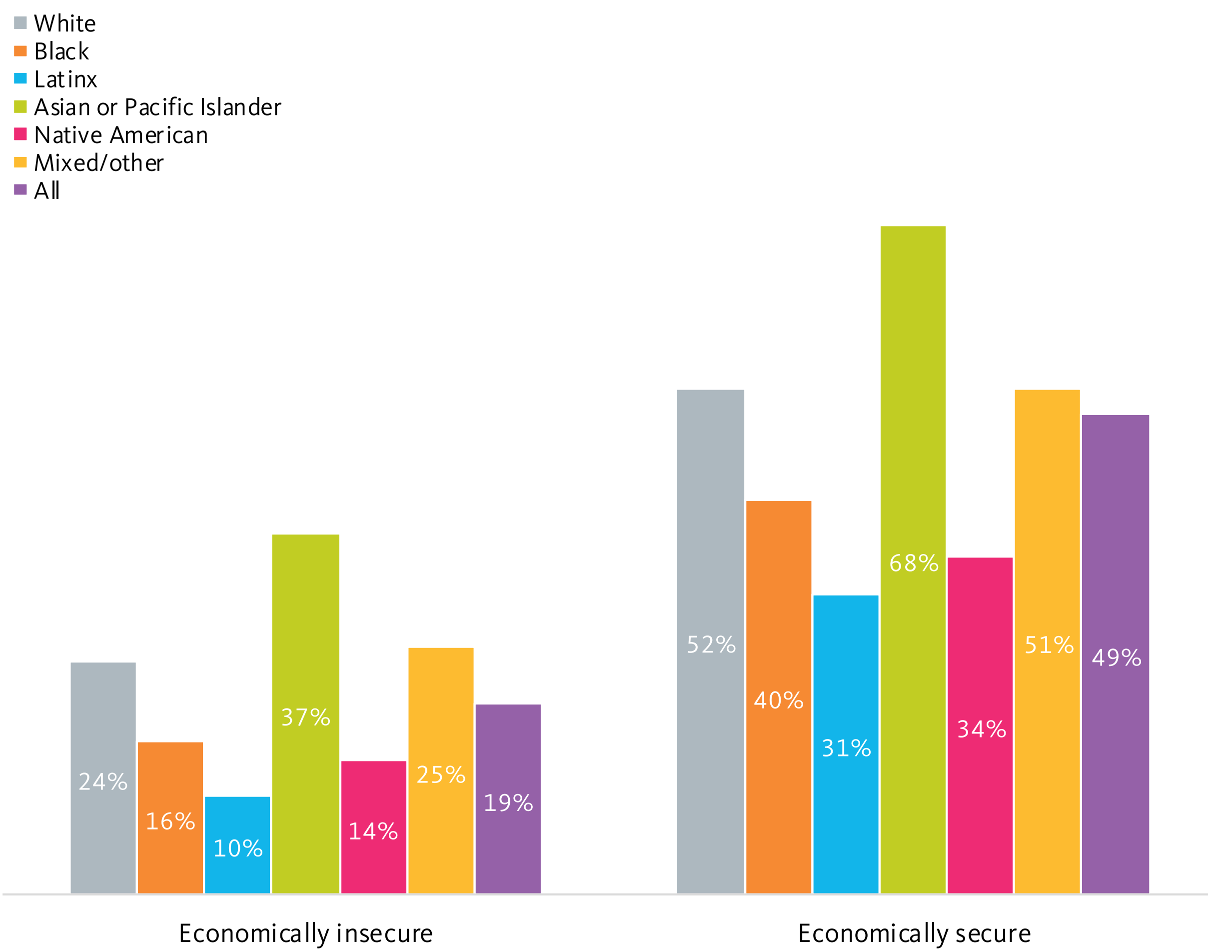
# Four out of five economically insecure adults do not have a college degree

The job skills and knowledge that workers need to succeed are not necessarily or exclusively gained through the completion of a college degree. But post-secondary education remains a formal requirement for many high-wage jobs and a powerful proxy for lifetime earnings potential and economic mobility.

Fewer than one in five economically insecure adults have at least an associate's degree, compared with nearly 50 percent of their economically secure counterparts.

Just 10 percent of economically insecure Latinx adults and 14 percent of economically insecure Native Americans have an associate's degree or higher.

**Percent of Adults Ages 25 to 64 with an Associate's Degree or Higher by Race/Ethnicity, 2015**




Source: Integrated Public Use Microdata Series.
Note: Data represent a 2011 through 2015 average. Universe includes all people ages 25 to 64 for whom poverty status is determined.

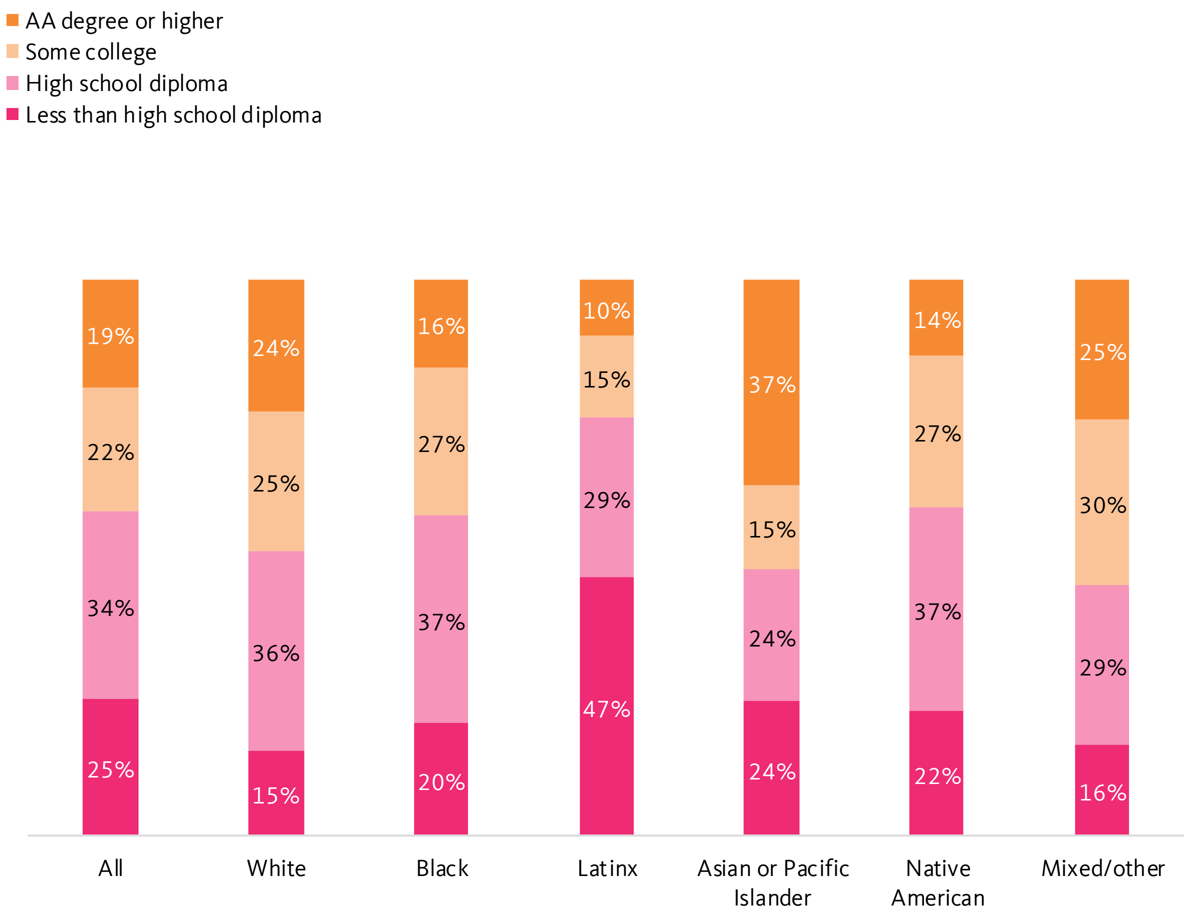
# Among the economically insecure, significant racial gaps exist in educational attainment

Educational attainment among economically insecure adults varies significantly by race/ethnicity.

About 85 percent of economically insecure White adults have at least a high school diploma, compared with just 53 percent of their Latinx counterparts.

About 10 percent of Latinx adults and 14 percent of Native American adults have at least an associate's degree, compared with 37 percent of economically insecure Asian or Pacific Islanders. But there is great diversity in educational attainment among various Asian or Pacific Islander communities. About 71 percent of economically insecure people of Taiwanese ancestry and 56 percent of those of Indian ancestry have at least an associate's degree, compared with about 14 to 16 percent of their Hmong, Laotian, and Samoan counterparts.

**Educational Attainment Among Economically Insecure Adults Ages 25 to 64 by Race/Ethnicity, 2015**




Source: Integrated Public Use Microdata Series.
Note: Data represent a 2011 through 2015 average. Universe includes economically insecure adults ages 25 to 64.

# Pronounced racial gaps in education persist across diverse metropolitan areas

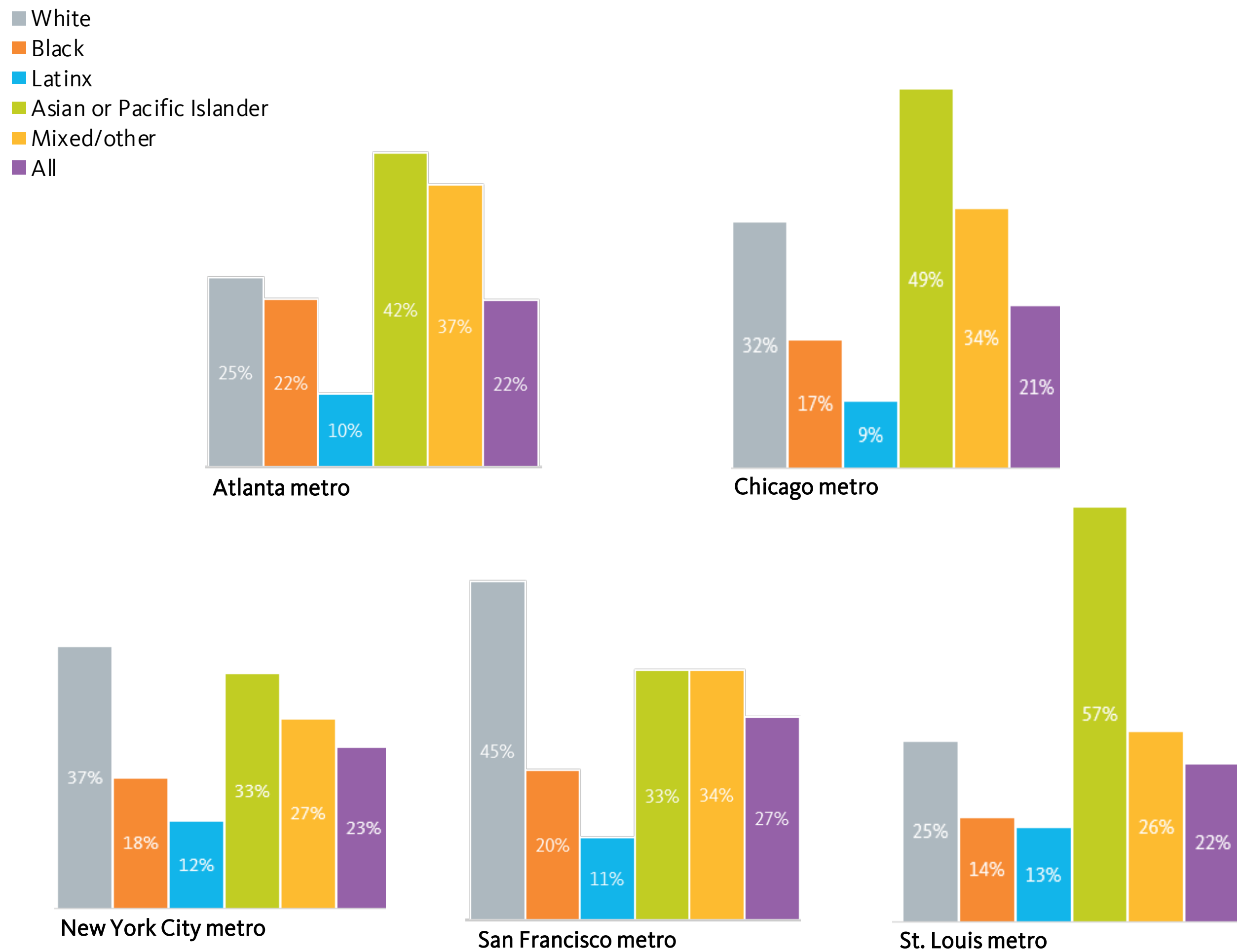
Patterns of educational attainment among the economically insecure vary by race and ethnicity, even across regions in which overall education levels are quite similar.

In the five regions shown in the charts on the right, the share of all economically insecure adults who have at least an associate's degree ranges from 21 percent (in the Chicago metro area) to 27 percent (in the San Francisco metro area). But significant racial differences in educational attainment are clear both within and across regions.

In St. Louis, for example, 57 percent of economically insecure Asian or Pacific Islander adults have at least an associate's degree, compared to 13 percent of their Latinx counterparts and 14 percent of economically insecure Black adults.

About 14 percent of economically insecure Black adults in St. Louis have earned an associate's degree or higher, compared with 22 percent of economically insecure Black adults in Atlanta.

**Percent of Economically Insecure Adults Ages 25 to 64 with an Associate's Degree or Higher by Race/Ethnicity, Selected Regions, 2015**




Source: Integrated Public Use Microdata Series.
Note: Data represent a 2011 through 2015 average. Universe includes economically insecure adults ages 25 to 64.

# Transportation access is a major challenge for economically insecure households — particularly among people of color

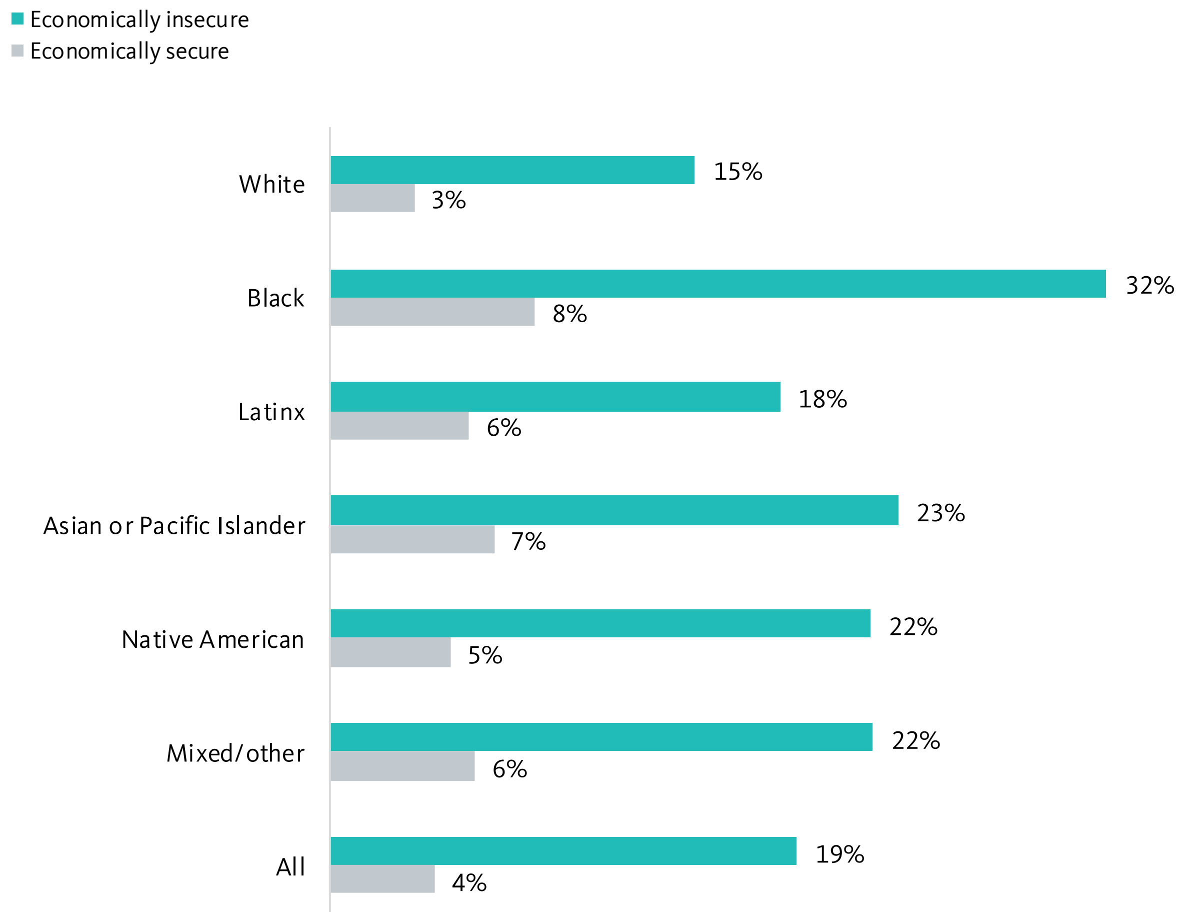
Nationally, 19 percent of economically insecure households do not have access to a car. In areas without adequate and affordable public transit, families and workers without private vehicles may struggle to connect to school, work, and other service and resources.

Low household income leaves many without enough disposable income to afford a car, which in turn limits their options for generating greater income. So it is no surprise that economically insecure people are significantly more likely to live in households without access to a vehicle — but tremendous racial gaps remain.

About 32 percent of economically insecure Black households do not have a car, along with more than one-fifth of economically insecure Asian or Pacific Islander, Native American, and mixed/other race households.

Economically insecure Native American, Black, and mixed/other race adults are the mostly likely to report dropping out of the labor force due to transportation issues.

**Percent of Households Without a Vehicle, 2015**



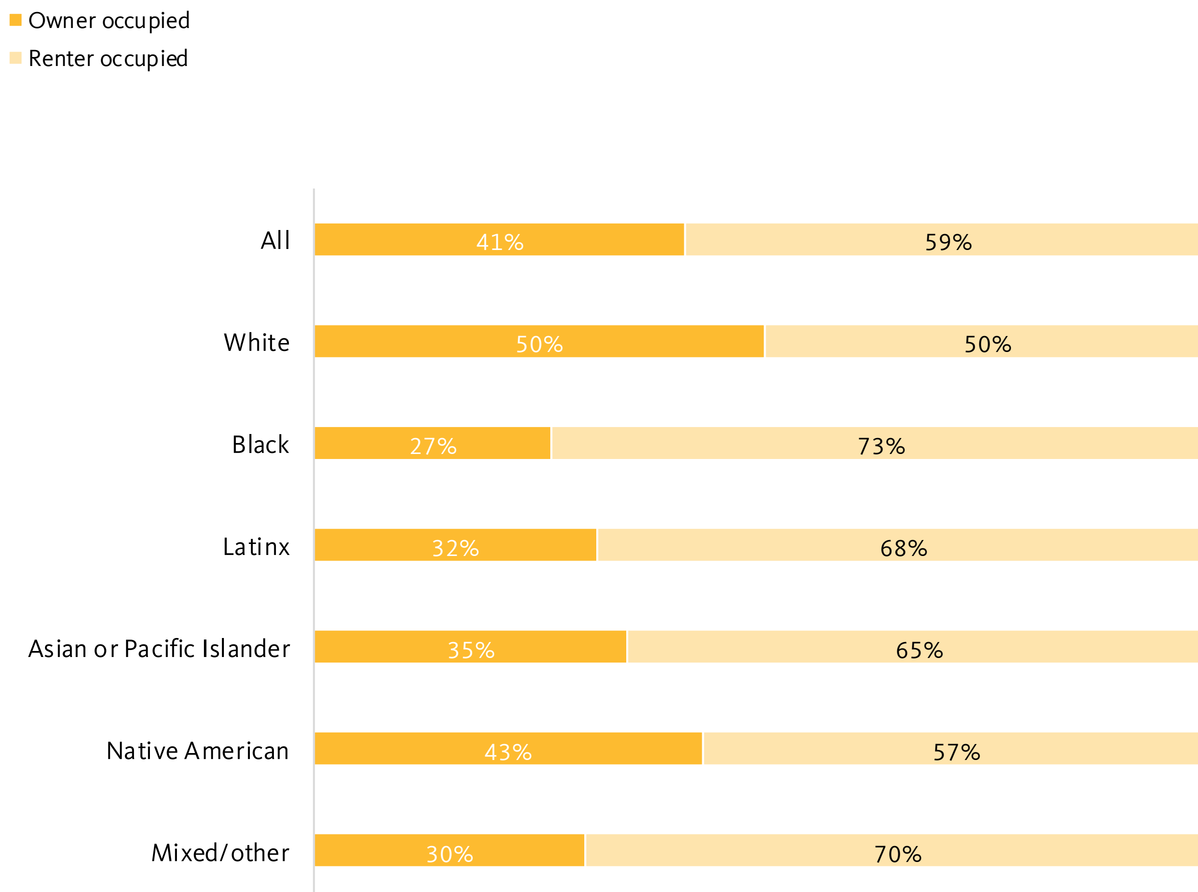

Source: Integrated Public Use Microdata Series.
Note: Data represent a 2011 through 2015 average. Universe includes all households.

# Homeownership remains out of reach for most economically insecure people of color

Not surprisingly, economically insecure families are significantly less likely to own their homes compared with the economically secure: homeowners account for 75 percent of economically secure households, compared with just 41 percent of economically insecure households.

Yet even among the economically insecure population, significant racial gaps remain. Half of all economically insecure White households own their homes, compared to 27 percent of their Black counterparts. For many low-income families, homeownership represents a chance to build assets, achieve financial security, develop family wealth, and reduce intergenerational poverty — but not all economically insecure households have the same access to this opportunity.

**Economically Insecure Households by Housing Tenure and Race/Ethnicity, 2015**




Source: Integrated Public Use Microdata Series.
Note: Data represent a 2011 through 2015 average. Universe includes all households.

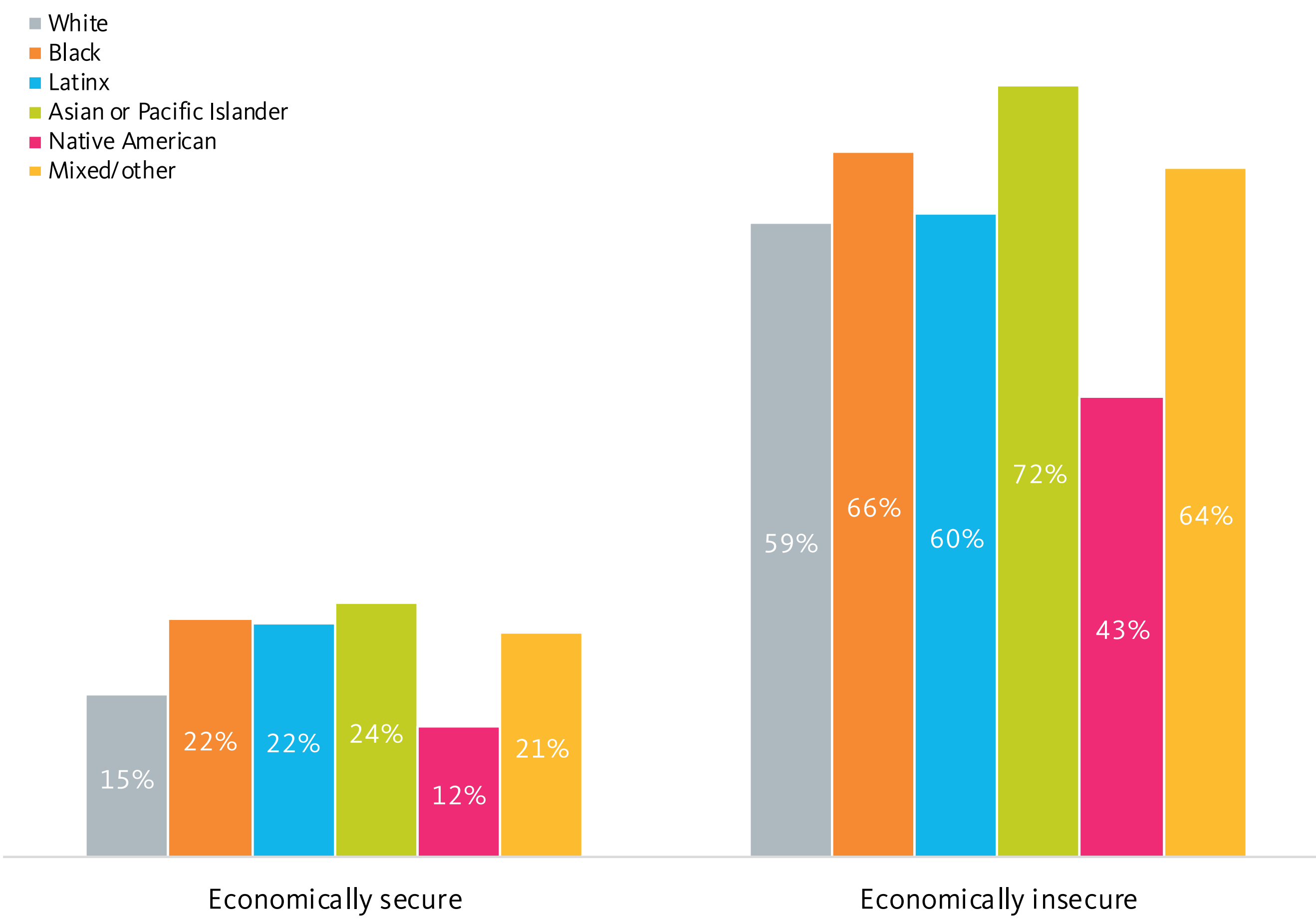
# Economically insecure homeowners face high rates of housing burden

Even for those economically insecure families who are able to purchase their own homes, housing costs represent a significant financial constraint for the vast majority. The rate of owner housing burden is many times higher among economically insecure homeowners than their economically secure counterparts. For example, 72 percent of economically insecure Asian or Pacific Islander homeowners and 66 percent of economically insecure Black homeowners are housing burdened, meaning they spend more than 30 percent of their income on housing costs.

Housing burden is lowest among Native Americans for both homeowners and renters, but this is partly an effect of overcrowding. A 2014 study from the Department of Housing and Urban Development found that 8 percent of American Indian and Alaska Native households were overcrowded, compared to the national average of just 3 percent.[20]

[20] Kathryn L.S. Pettit, G. Thomas Kingsley, Jennifer Biess, et al. *Continuity and Change: Demographic, Socioeconomic, and Housing Conditions of American Indians and Alaska Natives.* (Washington, DC: U.S. Department of Housing and Urban Development, 2014), https://www.huduser.gov/portal//publications/pdf/housing_conditions.pdf.

Owner Housing Burden by Race/Ethnicity, 2015



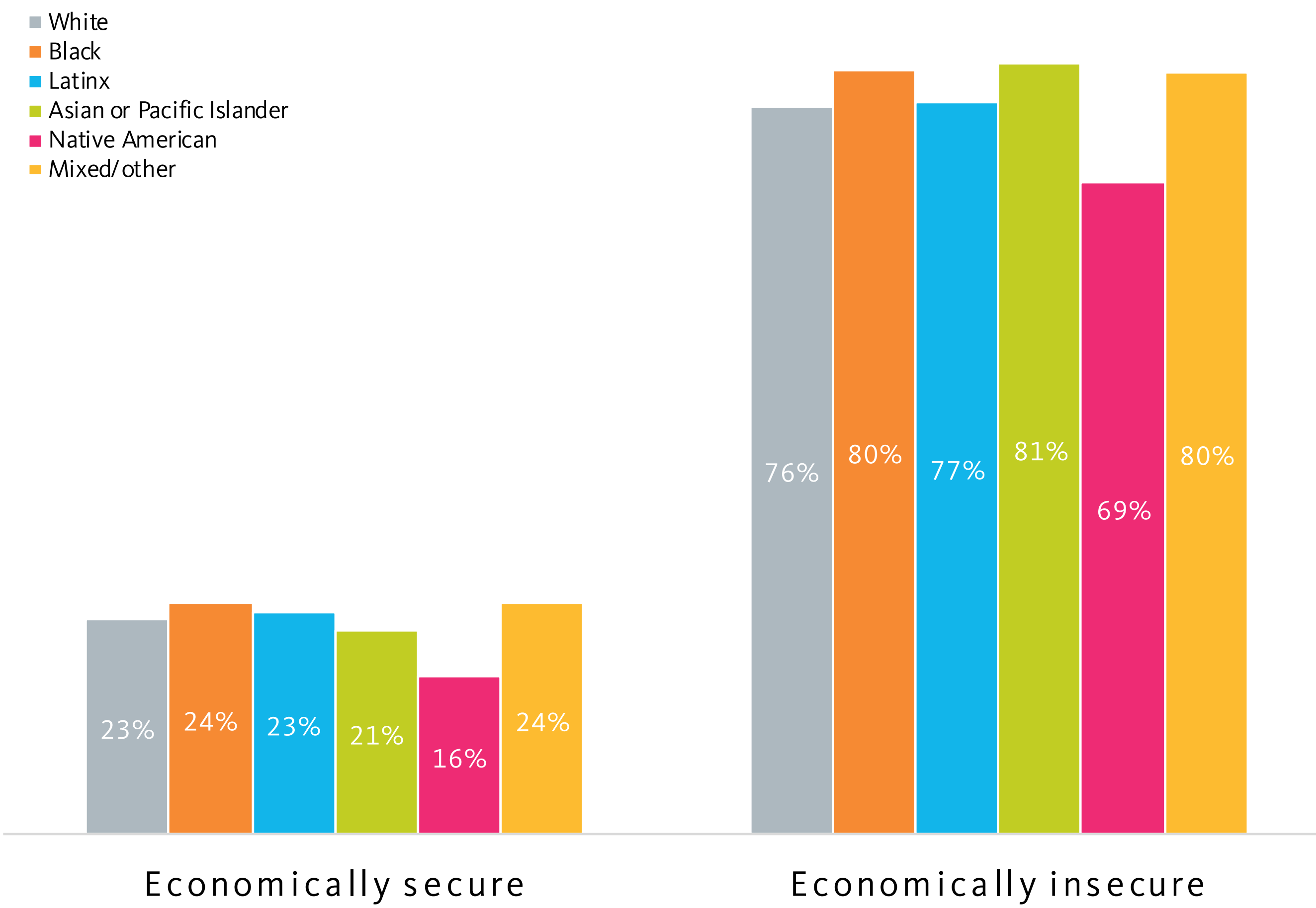

Source: Integrated Public Use Microdata Series.
Note: Data represent a 2011 through 2015 average. Universe includes owner-occupied households with specified monthly costs.

# The overwhelming majority of economically insecure renters are cost burdened

Housing burden is an even bigger challenge for economically insecure renters, who may spend significantly more on basic housing costs each month without the benefit of building ownership equity.

More than three-quarters of economically insecure renters are rent burdened, meaning they spend more than 30 percent of their income on housing costs. This includes 81 percent of Asian or Pacific Islander and 80 percent of Black renters. When the rent is too high, little is left over for basics like food, transportation, health care, and education.

**Renter Housing Burden by Race/Ethnicity, 2015**




Source: Integrated Public Use Microdata Series.
Note: Data represent a 2011 through 2015 average. Universe includes renter-occupied households rented for cash.

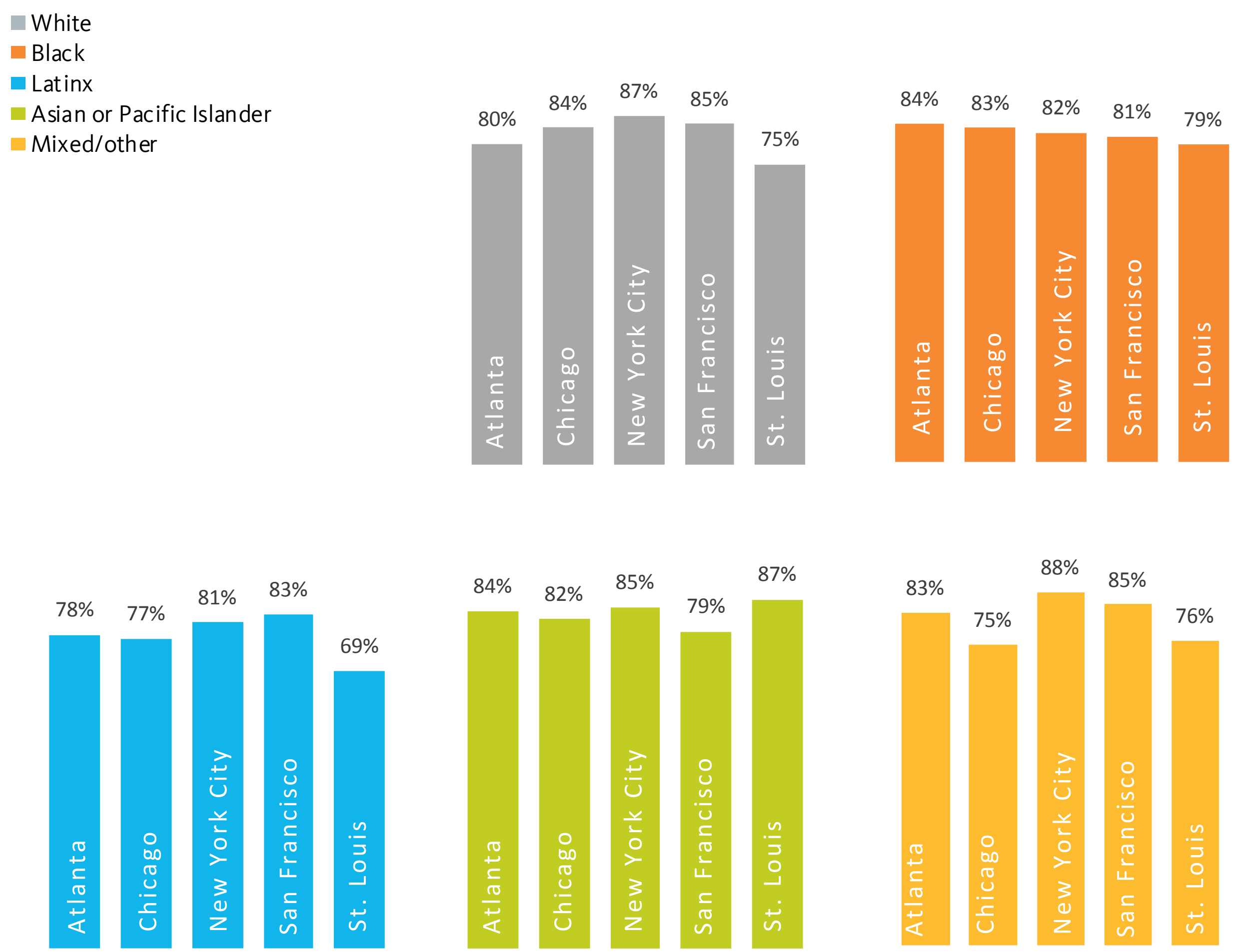
# Renter housing burden is a challenge across regions for all racial/ethnic groups

Renters make up about 35 percent of the population overall, but they are now the majority in the 100 largest U.S. cities. According to data from Yardi Matrix, rents increased in about 210 of the nations 250 largest cities from April 2017 to April 2018. During that same period, the national average rent increased by 2.4 percent to $1,377.

Among the 150 largest U.S. regions, overall renter housing burden ranges from about 41 percent in the Peoria, Illinois metro to 63 percent in the Miami, Florida metro area.

For economically insecure renters, the challenge is even greater. The chart on the right shows the rates of renter housing burden by race/ethnicity in five major U.S. metros, where 70, 80, or in some cases almost 90 percent of economically insecure renters spend too much on housing.

**Renter Housing Burden for Economically Insecure Renters by Race/Ethnicity, Selected Regions, 2015**




Source: Integrated Public Use Microdata Series.
Note: Data represent a 2011 through 2015 average. Universe includes economically insecure renter-occupied households rented for cash.

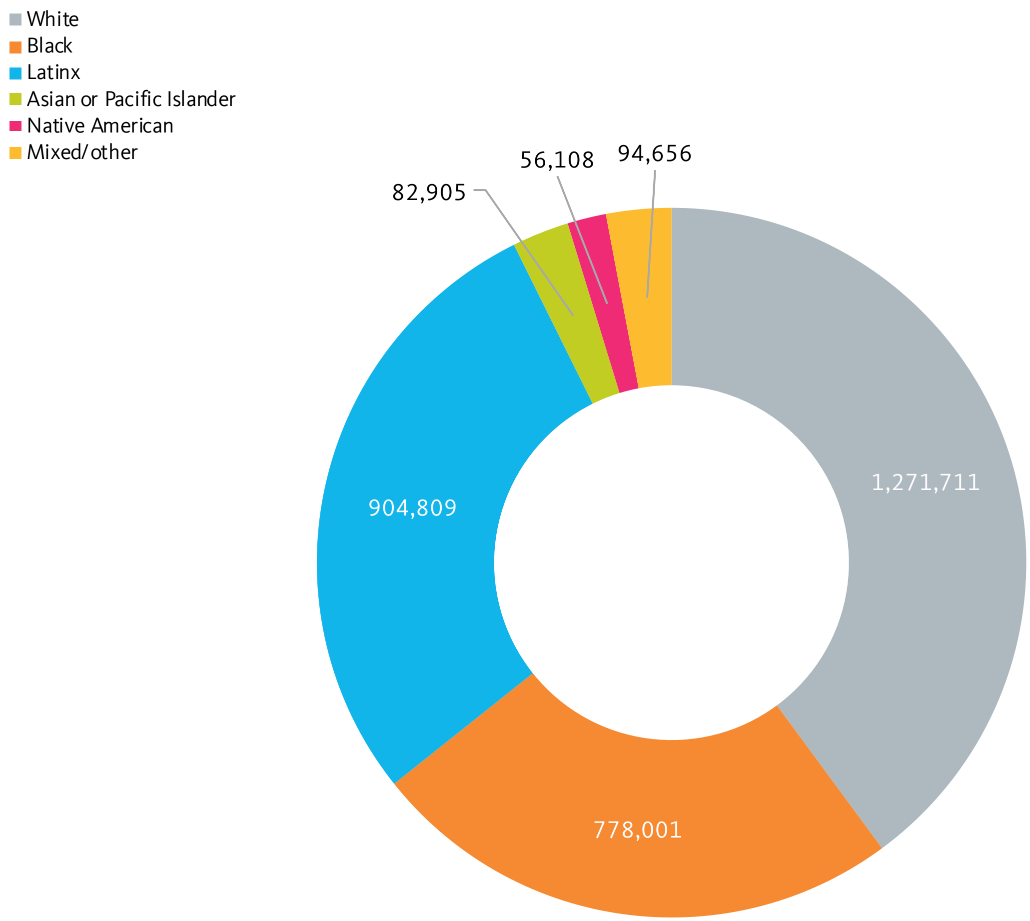
# Three million economically insecure young people — one in five — are neither working nor in school

About 3.1 million economically insecure young people ages 16 to 24 are "disconnected" — neither working nor in school. Sixty percent of them are people of color, including more than 900,000 Latinx youths and nearly 780,000 Black youths.

About 10 percent of economically insecure Asian or Pacific Islander youth are neither working nor in school. Youth disconnection is most widespread among Native American youth (32 percent) and Black youth (26 percent).

Many of these young people will enter adulthood without the skills, credentials, and experience they need to participate and thrive in the workforce.

**Number of Economically Insecure 16- to 24-year-olds Neither Working Nor in School, 2015**



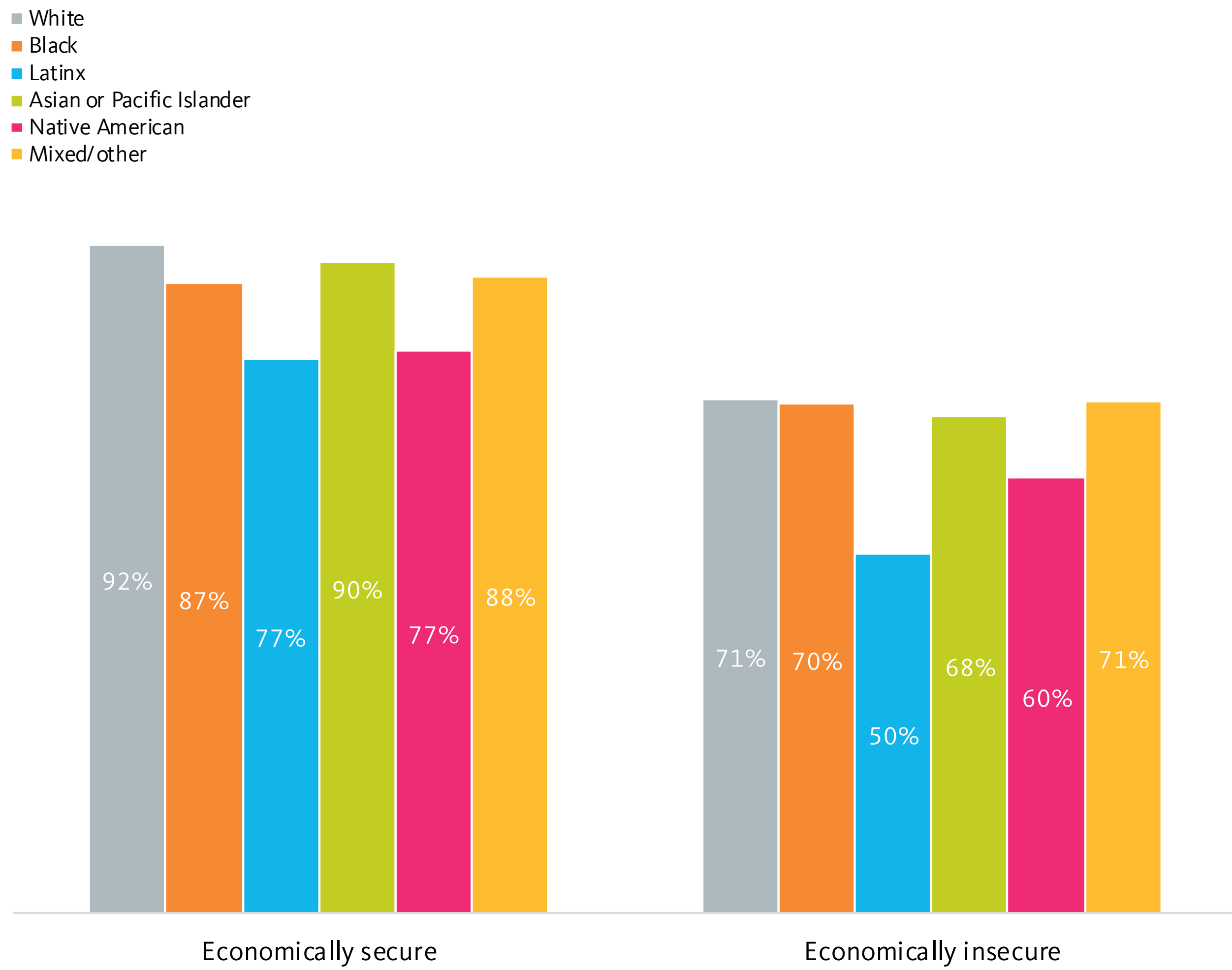

Source: Integrated Public Use Microdata Series.
Note: Data represent a 2011 through 2015 average. Universe includes the economically insecure population ages 16 to 24.

# Many economically insecure adults lack basic health insurance

Health-care access and costs have been at the center of federal policy debates for many years. The data presented to the right represent a five-year average of health insurance coverage among adults from 2011 through 2015, the first five years after the passage of the Affordable Care Act (ACA). They show that only 50 percent of economically insecure Latinx and 60 percent of economically insecure Native American adults ages 25-64 were insured during this period, compared with 77 percent of their economically secure counterparts. Recent research indicates that gains in health insurance coverage following ACA are beginning to erode.

Many adults without basic health insurance coverage are out of work; others are fully employed but cannot afford costly premiums associated with an employer-sponsored plan. Without affordable, high-quality health insurance for all, illness and disability will continue to be linked to the risk and reality of family economic insecurity.

**Percent of Adults Ages 25 to 64 with Health Insurance Coverage, by Race/Ethnicity, 2015**




Source: Integrated Public Use Microdata Series.
Note: Data represent a 2011 through 2015 average. Universe includes all people for whom poverty status is determined.

# IMPLICATIONS

Closing racial gaps in employment, income, and wealth and lifting millions of people out of economic insecurity will require working simultaneously from the ground up (at the local, state, and corporate levels) and at the broadest possible scale (with federal policy changes). Proven strategies and promising new innovations in public policy, private policy, and institutional systems alike can be leveraged to advance equity for the economically insecure population in the key areas of raising incomes, expanding financial security and asset building, and increasing access to opportunities.

## Raising incomes

Increasing individual, family, and household incomes begins by connecting people to high-quality employment and ensuring that they are paid fair wages. The data in this profile point to the need for a broad slate of policy solutions that foster inclusive growth, grow good jobs, and ensure that all working people and families share equitably in the benefits of a thriving economy.

From the ground up, local and state leaders can address income inequality and racial and gender income gaps through multiple strategies.

- Transform low-wage jobs into good jobs by increasing the minimum wage, implementing living-wage policies, ensuring that benefits like paid sick leave are extended to all workers, preventing wage theft, and ensuring fair scheduling.
- Target economic development efforts to support entrepreneurs of color and high-road businesses.
- Remove barriers to employment and implement protections for LGBTQ people, formerly incarcerated residents, people with disabilities, and others who have been historically and structurally excluded from the workplace.
- Expand access to high-quality childcare and universal pre-K education to support parents who want to re-enter the workforce.
- Increase access to, readiness for, and affordability of higher education to grow the local pool of talent and give all residents the opportunity to prepare for the jobs of the future economy.

Many of these strategies can be exercised through local, state, and even private policies. Other high-impact approaches could improve the lives of the economically insecure population at full scale. Some promising strategies are gaining traction among advocates and policymakers. These include the following.

- Federal protections for worker power and the right to unionize and collectively bargain have been shown to benefit workers whether or not they are union members.
- A federal job guarantee would ensure that everyone who wants a job can have one and encourage private employers to improve job quality.
- A universal basic income could directly increase the resources of economically insecure individuals and families independent of their connection to work, or a negative income tax could have a similar effect for a more targeted population.
- Equitable tax reform could support renters and low-income people while protecting the social safety net.

- A path to citizenship for immigrants would protect many of those who are vulnerable to substandard working conditions and are cut off from a range of opportunities and resources due to their immigration status.
- Policy solutions could be implemented to balance private-sector growth with fair competition and to support entrepreneurs of color and promote the development of triple-bottom-line businesses.

## Expanding financial security

Tackling economic insecurity means more than simply raising incomes. It also means designing policies and practices that help people keep more of the money they earn while meeting their basic needs, building assets, and planning for the future.

Local and state policy solutions have a big part to play in preventing wealth stripping and creating wealth-building opportunities for people of color and low-income residents. Key strategies, such as those listed below, can be moved forward at the local level to advance equity in employment, housing, criminal justice, and financial inclusion.

- Enact policies to control housing costs and prevent the displacement of vulnerable residents. Housing is a major expense for most households, so rent control, just cause eviction protections, legal assistance for tenants facing eviction, inclusionary zoning, community land trusts, and a host of related policies can stabilize both neighborhoods and family budgets.
- Reform inequitable court fines and fees that disproportionately burden people of color and ban police department quotas for tickets and arrests.
- End the criminalization of harmless offenses and end cash bail for most others.
- Establish standards to protect low-income borrowers from high-cost payday lenders and increase access to safe and affordable financial services.
- Institute cost controls for essential utilities like electricity, gas, and water.

Several transformational policy proposals at the national level could also make a big difference in the lives of economically insecure individuals, families, and households if given the right political will and a strong equity lens; examples are noted below.

- Social housing can create affordable homes permanently sheltered from market dynamics and guarantee housing as a human right.
- Affordable health care for all is indispensable, as disability and illness are among the key causes *and* effects of economic insecurity.
- Portable benefits and expanded access to retirement savings could remedy some of the economic inequities arising from the changing nature of work.
- Universal family care would allow many caregivers to enter the workforce and shield families from the growing costs of privately financed care for their loved ones.
- Tuition-free higher education for all would dramatically improve accessibility for low-income students and give them a fair shot to participate and prosper in tomorrow's economy.
- Government-issued “baby bonds” — secured for every child at birth on a sliding scale and made available to them for “asset-enhancing endeavors” in adulthood — could help alleviate the racial wealth gap and reduce intergenerational poverty.

## Increasing access to opportunity

Beyond the more straightforward economic concerns of wages, income, and wealth building, economic insecurity is also affected by a web of interrelated systems related to the natural and built environments as well as to institutional systems. To close racial gaps and substantively reduce economic insecurity, access to new and existing opportunities must be more equitable.

In neighborhoods, communities, and regions, effective policies can level the field for low-income residents and people of color by addressing systemic inequities that have limited their access to high-quality schools, jobs, services, and other resources. Some important priorities are noted here.

- Activate cradle-to-career systems that invest in the success of all children and their families by providing integrated wrap-around supports at the neighborhood level.
- Invest in public transit to expand its geographical reach, improve services for vulnerable populations, and increase affordability. Accessible and affordable transit can determine whether residents in low-wealth communities are able to connect to jobs and resources.
- Prioritize equitable development practices that help people in gentrifying areas stay in place as development brings new opportunities into their neighborhoods.
- Establish strong mechanisms of accountability for corporations that receive government subsidies and implement equitable contracting and procurement policies to simultaneously promote good jobs and ensure that local residents reap the benefits of government investment and spending.

Federal-level programs and policy changes can also be leveraged to guarantee equitable access to opportunity, and to provide scaffolding for local innovations to grow and scale. Equitable systems and institutions designed to meet the needs of low-income communities and people of color can produce outsize benefits that cascade up and out to the whole of society.

- Strong democratic processes could protect the franchise, ensure fair elections, and provide clear mechanisms for holding elected officials accountable.
- Equitable infrastructure investments — which smartly align with other big policy ideas such as a federal job guarantee or social housing — could provide the literal and figurative foundation of an equitable economy, healthy communities of opportunity, and a just society. From transit investments to resilient water and energy systems, a “Green New Deal” would provide an opportunity to mitigate climate change while also strengthening the economy and building a multiracial middle class.
- A strong public education system, with adequate resources, facilities, and personnel to meet the needs of all children without resorting to privatization or pushout, would serve as the cornerstone of equitable opportunity. Transformative policies and investments in education should ensure that all students (regardless of race, gender, income, or zip code) graduate from school college- or career-ready.
- Large-scale criminal justice reform would make good on the promise of a society in which all can participate, prosper, and reach their full potential. Ending mass

incarceration, restricting police use of force, and increasing law enforcement accountability are important elements of increasing truly equitable access to opportunity.

## Conclusion

Economic insecurity is both widespread and uneven, reflecting not only the toxic polarization of wealth and income in this nation, but also the persistence of racial inequities. Structural racism and systemic barriers have long excluded people of color from American prosperity, and while economic insecurity plagues people of all races and ethnicities, people of color are disproportionately burdened by economic insecurity. Given the rapid demographic changes in the United States, if economic conditions do not improve among people of color, a larger and larger share of the population will struggle to make ends meet.

A mounting body of research suggests that such inequality and exclusion lead to declining economic growth. The inverse is also true: by developing high-impact, targeted solutions that dismantle barriers and connect economically insecure people and households to resources and opportunities, we can lay the foundation for an economy that works for everyone. Now is the time for bold policy and systems changes that deliver on the promise of inclusive prosperity.

# Data and Methods

## Data source summary

The data used in this profile are drawn primarily from a PolicyLink/PERE analysis of the Public Use Microdata (PUMS) files from the 1980, 1990, and 2000 decennial censuses, and the 2015 5-year American Community Survey (ACS), accessed via the Integrated Public Use Microdata Series (IPUMS-USA). The files from the past three decennial censuses each contain a 5 percent sample of the entire U.S. population. Each single year of the ACS microdata contains a 1 percent sample of the U.S. population. The five-year sample covering 2011 through 2015 is used to improve the statistical reliability and to achieve a sample size comparable to that available in previous years.

Compared with the more commonly used decennial census and ACS "summary files," which include a limited set of summary tabulations of population and housing characteristics, use of the microdata samples allows flexibility in creating more illuminating metrics of the social, demographic, and economic characteristics of the economically insecure population in the United States.

Another key data source used is the basic monthly March files and March Supplements of the Current Population Survey (CPS). While the CPS basic monthly files contain detailed information on labor force characteristics including duration of unemployment and reasons people are not in the labor force, the March Supplement (also known as the Annual Social and Economic Supplement) contains data on poverty status necessary to identify the economically insecure population (those with family income below 200 percent of the federal poverty level). Therefore, it is necessary to combine the basic monthly files (for March) with the March Supplement files to generate statistics on the duration of unemployment and reasons for not participating in the labor force among the economically insecure population, and we pool together five years of data (2011 through 2015) to be more or less consistent with the aforementioned ACS microdata samples.

While the individual-level microdata files from IPUMS and the CPS allow for the tabulation of detailed population characteristics, it is important to keep in mind that they are based on samples and are thus subject to a margin of error. Given that all data reported in this profile are at the national level or for large metropolitan areas, the margins of error around the estimates are likely to be relatively small. To avoid reporting highly unreliable estimates, we do not report any estimates that are based on a universe of fewer than 100 individual survey respondents. This restriction only causes us to suppress data for the Native American population on pages 37 and 42. A list of detailed data sources is shown below.

| Detailed list of data sources |
|---|
| **Integrated Public Use Microdata Series (IPUMS-USA)** |
| 1980 5% State Sample |
| 1990 5% Sample |
| 2000 5% Sample |
| 2015 American Community Survey, 5-year microdata sample |
| **U.S. Census Bureau** |
| 2015 ACS 5-year Summary File (2015 5-year ACS) |
| 2011-2015 Current Population Survey Basic Monthly Files |
| 2011-2015 Current Population Survey March Supplement Files |
| 2010 TIGER/Line Shapefiles, 2010 Counties |
| 2010 TIGER/Line Shapefiles, 2010 Public Use Microdata Areas |

## Selected terms and general notes

### Broad racial/ethnic origin

In all of the analyses presented, all categorization of people by race/ethnicity is based on individual responses to various census surveys. All people included in our analysis are first assigned to one of six mutually exclusive racial/ethnic categories, depending on their response to two separate questions on race and Hispanic origin as follows:

- "White" refers to all people who identify as White alone and do not identify as being of Hispanic origin.
- "Black" and "African American" refer to all people who identify as Black or African American alone and do not identify as being of Hispanic origin.
- "Latinx" refers to all people who identify as being of Hispanic origin, regardless of racial identification.
- "Asian or Pacific Islander" refers to all people who identify as Asian American or Pacific Islander alone and do not identify as being of Hispanic origin.
- "Native American" refers to all people who identify as Native American or Alaskan Native alone and do not identify as being of Hispanic origin.
- "Mixed/other" refers to all people who identify with a single racial category not included above, or identify with multiple racial categories, and do not identify as being of Hispanic origin.
- "People of color" refers to all people who do not identify as non-Hispanic White.

### Detailed racial/ethnic ancestry

Given the diversity of ethnic origin and large presence of immigrants among the Latinx and Asian populations, we present some data for more detailed racial/ethnic categories within these groups. To maintain consistency with the broad racial/ethnic categories, and to enable the examination of second-and-higher generation immigrants, these more detailed categories (referred to as "ancestry") are drawn from the first response to the census question on ancestry, recorded in the IPUMS variable "ANCESTR1." For example, while country-of- origin information could have been used to identify Filipinos among the Asian population or Salvadorans among the Latinx population, it could only do so for immigrants, leaving only the broad "Asian" and "Latinx" racial/ethnic categories for the U.S.-born population. While this methodological choice makes little difference in the numbers of immigrants by origin we report — i.e., the vast majority of immigrants from El Salvador mark "Salvadoran" for their ancestry — it is an important point of clarification.

### Other selected terms

Below we provide some definitions and clarification around some of the terms used in the profile.

- The "economically insecure" are defined as all persons with family income below 200 percent of the federal poverty threshold. In 2015, the federal poverty threshold for a family of four with two adults and two children was $24,036, and thus 200 percent of the federal poverty threshold was $48,072. We assume that those living below this standard are economically insecure.
- The terms "region" and "metro region" are generally used interchangeably to refer to the geographic areas defined as

Metropolitan Statistical Areas by the U.S. Office of Management and Budget's December 2003 designation.

- Unless otherwise noted, the term "full-time" workers refers to all persons in the IPUMS microdata who reported working at least 50 weeks and usually worked at least 35 hours per week during the year prior to the survey.

## Analysis of individual- versus neighborhood-level poverty

The analysis presented on page 34 may require some further explanation. The intent is to show how individual-level poverty is linked to neighborhood-level poverty. In this analysis, "neighborhoods" are defined as census tracts, which are relatively small census-defined geographies with an average population of approximately 4,000 people. For each tract, we know from the 2015 5-year ACS summary file the number of people with family income between different poverty thresholds (e.g., below 100 percent, 100 to 150 percent), and we also know the tract-level poverty rate — that is, the overall percentage of people in the tract with family income below the federal poverty level. To generate the data for the chart, we place tracts into three groups by the tract-level poverty rate (less than 10 percent, 10 percent to 30 percent, and greater than 30 percent) and then sum up the number of people living between the various individual-level poverty thresholds for each group of tracts. The chart shows the degree of poverty concentration in neighborhoods in which the economically insecure live. That is, it shows that the deeper in poverty an individual is, the more likely they are to live in an impoverished neighborhood.

## Analysis of primary relation to work

Data for the chart on page 27 was provided by Matt Bruenig, a well-known American lawyer, blogger, policy analyst, and commentator. Data for the chart is derived from the 2014 CPS March Supplement and breaks up the adult population (ages 18 to 64) into seven categories that are defined as follows:

- Disabled: Persons with one of the six serious disabilities the census tracks or who was out of the labor force for all or part of the prior year because of illness or disability.
- Students: Persons out of the labor force for all or part of the year prior to the survey because they were attending school.
- Carers: Persons out of the labor force for all or part of the year because they were taking care of their home and/or family.
- Unemployed: Persons out of work who had searched for a job for at least one week during the year prior to the survey, or were out of the labor force for part or all of the year because no work was available.
- Retired: Persons who were out of the labor force for part or all of the year because they were retired.
- Fully employed: Persons who worked 50 or more weeks during the prior year.
- Other: All persons who do not fall into any of the above categories.

Because it is possible for individuals to qualify for more than one of the above categories, individuals are assigned to the first category that they qualified for on the list, from top to bottom. For example, a person who is both disabled and fully employed is categorized as disabled. While other analyses are included in the profile that illustrate labor force status, attachment to work, and reasons for not being in the labor force among the economically insecure population, all of these are restricted to a particular universe (e.g., those who are not in the labor force or those who are unemployed). The analysis presented on page 27 is useful because it provides a more holistic picture of the primary relation to work for the entire economically insecure population of working age.

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