

FOR IMMEDIATE RELEASE

Contact: Ed Hatcher, 301-656-0348

**MILLIONS OF FAMILIES WORK HARD
BUT STRUGGLE TO MAKE ENDS MEET**

New Report Finds That One in Four Working Families Are Low Income

Editor's Advisory: The authors of the national report "Working Hard, Falling Short" will be available to talk to reporters on a conference call at 1 p.m. Eastern on October 12. Please dial 1-800-374-7426 and enter pass code 770624.

WASHINGTON, D.C. – More than one in four American working families now earn wages so low that they have difficulty surviving financially, a new report concludes.

The report finds that too many jobs pay poor wages and provide no benefits, and that American workers are poorly prepared and supported to move into better paying jobs.

“Those who work should be able to support a family with confidence that continued hard work will lead to a brighter future,” the report states. “For far too many American families, that notion remains appealing but remote. In this exceedingly prosperous society, we can and must do better.”

The report provides a unique and in-depth look at conditions affecting working families in the U.S. as a whole and across the 50 states. In doing so the report finds that too many working families are insufficiently served by federal and state policies in such areas as education, training, health care and tax and wage policies.

The report was conducted as part of the Working Poor Families Project. Supported by the Annie E. Casey, Ford, and Rockefeller Foundations, the Project spotlights issues confronting low-income working families and makes several recommendations to improve their economic standing.

Entitled “Working Hard, Falling Short: America’s Working Families and the Pursuit of Economic Security,” the report concludes that greater national and state-level attention is needed to address the problems confronting low-income working families, including access to need-based college scholarships, job training and subsidized child care.

“Working Hard, Falling Short” stresses that the prevalence of low-income, low-skill workers is particularly alarming given the increasing demands the nation’s economy is putting on higher-skilled workers.

“As a country, we must act now to ensure that our investments generate enough skilled workers to keep the economy thriving. Doing so will lead to an increased tax base, in effect a return on our investment, and reduce the costs imposed by low wages and poverty,” the report notes. Among the key findings in the report:

- **Millions of working families are struggling to make ends meet.** More than one-fourth of working families can be classified as low-income. To be considered low-income, a family of four earned less than \$36,488 in 2002, significantly less than the median U.S. income of \$62,732 for a family of four.
- **The education and workforce development systems inadequately prepare many workers for today's economy.** Low-income workers are almost three times more likely not to have finished high school than those who earn more; nationally, 27 million adults do not have a high school degree. Current federal and state education skills training efforts do not meet workers' needs and fall short of businesses' growing demands for skilled labor.
- **The economy has too many jobs with low wages and insufficient benefits.** One in five jobs in the U.S. are in an occupation that pays less than a poverty-level wage for a family of four. These jobs often do not meet workers' needs and fall short of business' growing demand for skilled labor.
- **Conditions for low-income working families varies significantly from state to state.** The percentage of working families with low incomes varies significantly among the states, from 15 percent in two states, to more than 35 percent in seven others. Similarly, while some states have enacted policies that benefit low-income working families, many have not.

Addressing these issues will require a concerted response from federal and state policy-makers, as well as businesses, labor, and other concerned groups. In its recommendations, the report calls for:

- Greater investments in education and training programs to benefit low-income working families.
- The improvement of income, benefits and supports for low-income working families, and for the creation of more family-supporting jobs.
- A nonpartisan national commission to examine why so many families struggle financially and to evaluate how government policies and private-sector practices can better aid low-wage families.

The new report builds on ongoing work by the Working Poor Families Project in 15 states. To date, the Project has released reports on low-income working families in nine states and will issue six more this year. Information on the Project and copies of the state reports are available at www.aecf.org/initiatives/jobinitiative/workingpoor.htm. The views expressed in "Working Hard, Falling Short" are those of the authors and do not necessarily reflect those of the supporting foundations.