



RESEARCH BRIEF

The Working Poor In Charlottesville And Albemarle County

vol. 2.1

INTRODUCTION

This is the fourth in a series of informational briefs from the Charlottesville/Albemarle Commission on Children and Families (CCF) compiling recent data, supplemented with national research, about a pressing issue facing children and families in Charlottesville/Albemarle. It is intended to stimulate community dialog and inform local policy. This brief examines the problems facing the working poor nationally and in Charlottesville and Albemarle. Most of the area's poor fall under the category of working poor, and recent research shows that the working poor face a unique set of challenges that keep families trapped in a cycle of poverty. This research brief will present information about the working poor generally, local data relevant to the issue, implications for the local community, and policy recommendations designed to ease the hardship faced by local children and families.

DEFINITIONS OF WORKING POOR & SELF-SUFFICIENCY

The working poor is comprised of those members of the community who work a significant number of hours and may have an income well above the federal poverty line but are unable to fully and adequately provide for themselves and their families. These individuals do not have enough money to be self-sufficient. As Dr. Diana Pierce writes in *The Self-Sufficiency Standard for Virginia* "Self-sufficiency means maintaining

a decent standard of living and not having to choose between basic necessities – whether to meet one's need for child care but not for nutrition, or housing, but not health care. Self-Sufficiency Wages are family sustaining wages".¹ The Self-Sufficiency Standard developed by Dr. Pierce calculates the cost of living in a particular area and uses those calculations to determine the level at which income is sufficient such that no outside assistance is necessary to provide for the basic essentials of life. The larger the family is, the higher the income necessary to obtain self-sufficiency. The younger the children are, the more expensive the childcare costs associated with those children are. Consequently, the self-sufficiency standard is higher for those families with young children.²

LOCAL FINDINGS

In order to identify the number of local working poor, both the number of people who can be classified as "poor", and the number of people who can be classified as "working" must be examined. According to Dr. Pierce, for Albemarle and Charlottesville, the Self-Sufficiency standard is \$27, 353 for one adult and one preschooler. Estimating that for the average family, the Self-Sufficiency standard would be satisfied by an income of approximately \$30,000, 20.8% of residents in Albemarle County and 42% of residents in Charlottesville could be defined as poor.³ Similar statistics are obtained using an alternate standard of poverty

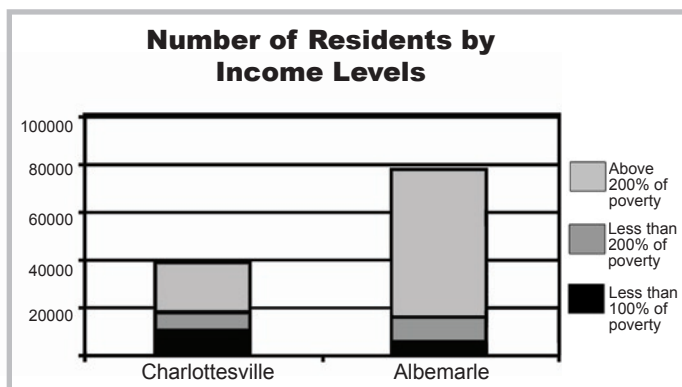


RESEARCH BRIEF

outlined by the Urban Institute, which defines as poor all those families whose income falls below 200% of the federal poverty line.⁴ According to data from the 2000 census, 20% of Albemarle residents and 38% of Charlottesville residents could be categorized as poor using the Urban Institute’s methodology.⁵ Furthermore, 6.9% of Albemarle residents and 25.9% of Charlottesville residents have incomes below the federal poverty

NATIONAL AND STATEWIDE SIGNIFICANCE

Many families have incomes above the federal poverty line, yet cannot afford a decent standard of living. However, many of the public safety net programs in the United States are means tested with income eligibility criteria set close to the poverty line.⁸ As a result, some families are unable to obtain the support that they need from the public sector in order to make ends meet. At 100% of the federal poverty level, families lose access to TANF⁹ and some Medicaid programs¹⁰. At 130% of the federal poverty level, families are screened out of Food Stamps programs. At 133% of the federal poverty level, families lose access to all remaining forms of Medicaid¹¹.



line.⁶ For participants in the TANF (Temporary Assistance to Needy Families) welfare-to-work program, the current average wage is \$975 per month in Albemarle and \$956 per month in Charlottesville. For the typical TANF family, with one adult and two children, these wage rates generate an income level of 77% of the federal poverty threshold in Albemarle, and 75% of the poverty threshold in Charlottesville. Most families in the local area have at least one working adult. In the 2000 Census, only 190 families in Albemarle County and 119 families in Charlottesville reported having no employed adults with at least one adult seeking work.⁷ The vast majority of the area’s poor can be classified as working poor.

As families’ incomes increase, it is important that they do not suffer increased need as a result. In Virginia, children in families that earn less than 200% of the federal poverty threshold but are not eligible for Medicaid can receive health insurance through FAMIS (Family Access to Medical Insurance Security)¹². However, many adults with incomes below 200% of the poverty level remain uninsured, making medical care extremely expensive or prohibitive. Other expenditures such as childcare can also be problematic. In Virginia, the statewide average cost for center-based childcare is \$6,136 for a one year old and \$5,200 for a four year old.¹³ Other families have difficulty obtaining housing, as many areas have an inadequate supply of inexpensive options. Furthermore, because most of these families are unable to budget for emergencies, they can easily become trapped in a cycle of poverty and debt, as they are forced to borrow money, often at extremely high interest rates,



RESEARCH BRIEF

in order to stay financially solvent¹⁴. As detailed in Kids Count 2003, financial security eludes the working poor because “for any family, real financial security is dependent on their ability to build savings, accumulate assets and protect themselves from emergencies and risks. Yet for a variety of reasons low-income families have fewer opportunities to take advantage of the basic financial mechanisms – such as savings plans and reasonable credit – that most Americans take for granted.”¹⁵

Poverty affects all whom it touches; however, children are among the most vulnerable to long-term harm. National trends reveal that poor children are more likely than other children to suffer from chronic health problems such as anemia and asthma. There are also links between childhood poverty and stunted growth.¹⁶ Furthermore, children in working poor families, specifically, are more likely to be overweight than children from more affluent families and children from non-working families.¹⁷

Recent research reveals “poverty experienced early in life has a negative association with children’s scores on cognitive tests.”¹⁸ National trends also show that children in working poor families are less likely to be identified as gifted than children in other families.¹⁹ ChildTrends reports that low-income children face reduced expectations for success from their families, and from the community at large, when compared to children from more affluent families.²⁰

Poor children are also less likely to have high levels of school engagement or participate in extracurricular activities than children with higher incomes.²²

LOCAL SIGNIFICANCE

Locally, many children and families are affected by poverty. In Albemarle County, 810 families earn less than 185% of the federal poverty line and have children under five. In Charlottesville, another 599 families fall into the same category.²³

These families are most affected by the high cost of childcare, and these children are among the most vulnerable in the area. Local data shows that in Albemarle County 85% of eligible children have healthcare insurance and in Charlottesville 70% of eligible children have healthcare insurance. While these numbers are positive, 1,408 uninsured children remain in the area.²⁴ Furthermore, according to CCF’s recent Needs Assessment, 14% of low-income individuals were not able to access dental care, in part because many local dentists will not accept Medicaid or FAMIS insurance.²⁵

Local working poor families also reported less access to preschool, and according to the Needs Assessment, poorer children are 25-50% less likely than their peers to be involved in organized sports, arts or music classes.²⁶

After conducting its Needs Assessment, CCF has compiled a list of recommendations designed to better meet the needs of the local working poor. These recommendations are designed to increase access for children to healthcare, dental care, preschool, education, and academic enrichment programs, as well as increase working poor families’ access to emergency financial assistance.





RESEARCH BRIEF

POLICY RECOMMENDATIONS

Healthcare & Dental Care:

- Make preventative health information readily available to low-income residents.
- Increase the pool of dentists that accept Medicaid or FAMIS and/or expand local dental health capacity for lower income residents.
- Increase education to health care professionals about available services and consequently increase referrals by those professionals.

Education & Academic Enrichment:

- Explore expansion of public and/or low-cost preschool educational options to allow increased availability for lower income children.
- Further examine why low-income youth have lower involvement in sports, fine arts, and other productive activities and services.
- Improve transportation options for low-income youth and families to activities and services to assure that transportation is safe, affordable and viable.

- Make effective academic enrichment programs available at schools and in the community for students needing assistance, particularly with Virginia Standard of Learning Exams.

Emergency Assistance & Housing:

- Continue to address the need for emergency assistance for home repairs, rent, and mortgage payments for lower income residents.
- Implement a campaign to increase use of the Earned Income Tax Credit to reduce increase the income of low-income families.

FOR MORE INFORMATION

This brief was researched and prepared by Lynn Maxwell. Please contact Gretchen Ellis at CCF (434) 970-3554 for more information.

1. *The Self-Sufficiency Standard for Virginia*. Diana Pearce and Jennifer Brooks. July, 2002
2. Ibid.
3. Census 2000, US Census Bureau. Detailed tables, table P52.
4. "Playing by the Rules but Losing the Game." Gregory Acs, Katherin Ross Phillips, Daniel McKenzie. *Urban Institute*. May 2000.
5. Census 2000, US Census Bureau. Detailed tables, table P88.
6. Census 2000, US Census Bureau. Detailed tables, table P88.
7. Census 2000, US Census Bureau. Detailed tables, table P44.
8. "Playing by the Rules but Losing the Game." Gregory Acs, Katherin Ross Phillips, Daniel McKenzie. *Urban Institute*. May 2000.
9. "Financial Eligibility for TANF Cash Assistance: Virginia." SPDP. Available: <http://www.spdp.org/compstates/vafinan.pdf>
10. "Medicaid". Carlyle Hystad. Greene Community. Available: <http://www.greenefuture.org/GrnCommunity/HelpNeedy/Medicaid.htm>
11. Ibid.
12. "Eligibility Information Page." FAMIS. Available: <http://www.famis.org/English/EligibilityInfo.htm>
13. "a little to help us a long": *Child Care and Child Health Insurance for Virginia's Children of the Working Poor*. Helen Ward and Julie Atkins. November 2001.
14. "Playing by the Rules but Losing the Game." Gregory Acs, Katherin Ross Phillips, Daniel McKenzie. *Urban Institute*. May 2000.
15. "The High Cost of Being Poor: Another Perspective on Helping Low-Income Families Get By and Get Ahead". *Kids Count 2003*. Annie E. Casey Foundation, 2003.
16. "Children in Poverty: Trends, Consequences and Policy Options" Kristen Anderson Moore and Zakia Redd. *Childtrends*, November 2002. Available: <http://www.childtrends.org/PDF/PovertyRB.pdf>
17. "Children in Working Poor Families: Updates and Extensions". *ChildTrends*.
18. "Children in Poverty: Trends, Consequences and Policy Options" Kristen Anderson Moore and Zakia Redd. *Childtrends*, November 2002. Available: <http://www.childtrends.org/PDF/PovertyRB.pdf>
19. "Children in Working Poor Families: Updates and Extensions". Richard Wertheimer, Melissa Long, and Justin Jager. *ChildTrends*, October 2002. Available: <http://www.childtrends.org/PDF/WorkingPoorPaper.pdf>
20. Ibid.
21. Ibid.
22. Ibid.
23. Census 2000, US Census Bureau, Summary File 3, Detailed Tables, table PCT61.
24. "Child Health Insurance Program Enrollment Progress Report" Sign Up Now, April, 2003. Available: <http://www.signupnowva.org/Enrollment.asp>
25. CCF Needs Assessment 2003. Gretchen Ellis. Commission on Children and Family.
26. Ibid. 21. Ibid.
22. Ibid.
23. Census 2000, US Census Bureau, Summary File 3, Detailed Tables, table PCT61.
24. "Child Health Insurance Program Enrollment Progress Report" Sign Up Now, April, 2003. Available: <http://www.signupnowva.org/Enrollment.asp>
25. CCF Needs Assessment 2003. Gretchen Ellis. Commission on Children and Family.
26. Ibid.

Research Brief is brought to you by the Charlottesville/Albemarle Commission on Children and Families. For more information on the data contained in this brief, contact the CCF office at 434-970-3550 or visit the CCF website at www.ccfinfo.org. CCF representatives are also available to speak to your group.