

## **The Puerto Rican Working Poor, Revisited**

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### **Agenda**

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- Stylized facts about Puerto Rican poverty
- A profile of Puerto Ricans and the factors associated with poverty
- What do we know about the working poor?
- Policies to support the working poor
- Conclusions

## Poverty Rates for Families and People, United States

Subject	2009			Change Since 2007		
	Total Population	Latino	Puerto Rican	Total Population	Latino	Puerto Rican
All families	10.5%	20.8%	22.6%	1.0%	2.3%	1.5%
Female householder, family	29.4%	38.7%	42.6%	1.2%	1.6%	1.0%
With children under 18 years	38.2%	46.3%	48.6%	1.7%	1.7%	0.3%
FHH with children under 5 years	45.6%	49.1%	52.8%	0.8%	0.3%	3.5%
All people	14.3%	23.5%	25.7%	1.3%	2.8%	1.4%
Under 18 years	20.0%	30.8%	32.8%	2.0%	3.3%	0.5%
18 to 64 years	13.1%	19.7%	22.0%	1.5%	2.5%	1.9%
65 years and over	9.5%	18.8%	22.5%	0.0%	0.3%	-0.1%

Source: 2007 & 2009 American Community Survey 1-Year Estimates.

## Poverty Rates for Puerto Rican Families and People, United States

- Poverty for Puerto Rican families has increased by 1.5% since the beginning of the recession in 2007, to 22.6% in 2009.
- Poverty rate for Puerto Rican families headed by female householder was 42.6%, almost twice as those for all families.
- For female-headed families with children under 5 years of age the rate was 52.8%.

## Poverty Rates for Puerto Rican Families and People, by Place, 2009

	All families	Female householder, family	FHH With children under 5 years	All people
Connecticut	27.7%	48.4%	58.6%	29.0%
Hartford-West Hartford-East Hartford, CT	33.6%	49.8%	68.0%	32.2%
Bridgeport-New Haven-Stamford, CT	22.4%	44.7%	47.0%	26.0%
Florida	17.2%	34.7%	48.8%	19.2%
Orlando-Kissimmee, FL Metro Area	15.4%	34.7%	57.8%	17.3%
Tampa-St. Petersburg-Clearwater, FL	18.2%	36.0%	45.5%	21.3%
Illinois	19.6%	35.5%	42.6%	23.3%
Chicago, Illinois	24.8%	39.3%	35.2%	26.1%
Massachusetts	37.2%	53.3%	58.7%	39.3%
Boston-Worcester-Manchester, MA-NH-CT-ME	30.9%	49.8%	45.1%	33.7%
New Jersey	17.4%	34.4%	52.2%	20.3%
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	31.0%	52.3%	69.9%	33.2%
Pennsylvania	34.2%	54.5%	62.7%	36.9%
Philadelphia, Pennsylvania	41.1%	57.7%	60.3%	43.8%
Puerto Rico	41.6%	58.5%	67.9%	45.3%
San Juan-Caguas-Guaynabo, PR	38.1%	55.4%	66.3%	41.5%

Source: 2007 & 2009 American Community Survey and Puerto Rican Community Survey, 1-Year Estimates.

## Poverty Rates for Puerto Rican Families and People, by Place, 2009

- Puerto Rican poverty is two to three times higher than the national average.
- Poverty rates for FHH ranged from 35% to 59%, and from 35% to as high as 70% when children under five are part of the family.
- High poverty areas, where more than half of the Puerto Rican FHH with children under five are poor, include:
  - The states of Connecticut, Massachusetts, New Jersey Pennsylvania and the Commonwealth of Puerto Rico.
  - The metropolitan areas of Hartford-West Hartford-East Hartford, CT, Orlando-Kissimmee, FL,
  - Philadelphia-Camden-Wilmington (PA-NJ-DE-MD), Philadelphia (PA), and San Juan-Caguas-Guaynabo (PR).

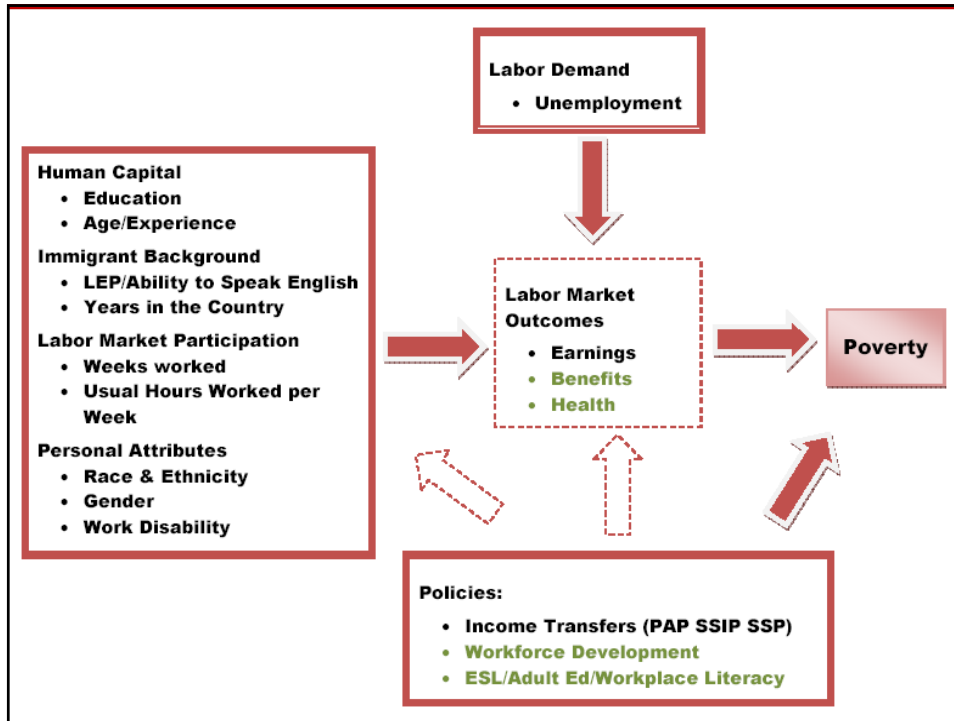
## Poverty Rates for Families and People, New York, 2009

Subject	Total Population	Puerto Rican	Total Population	Puerto Rican	Total Population	Puerto Rican
	New York		New York City, NY		Bronx County, New York	
All families	10.8%	26.0%	15.8%	27.1%	25.4%	31.8%
Female householder, family	26.6%	42.9%	29.2%	42.6%	39.4%	45.9%
FHH With children under 5 years	42.2%	49.6%	36.7%	46.9%	43.0%	44.9%
All people	14.2%	29.8%	18.7%	32.0%	28.5%	38.6%
	Kings County, New York		New York County, New York		Queens County, New York	
All families	18.3%	30.7%	13.3%	27.2%	10.5%	13.2%
Female householder, family	28.7%	46.1%	29.8%	37.4%	17.9%	25.4%
FHH With children under 5 years	39.5%	67.5%	27.7%	19.2%	26.9%	34.5%
All people	21.8%	33.5%	16.6%	33.5%	12.6%	16.0%

Source: 2007 American Community Survey, 1-Year Estimates.

## Poverty Rates for Families and People, New York, 2009

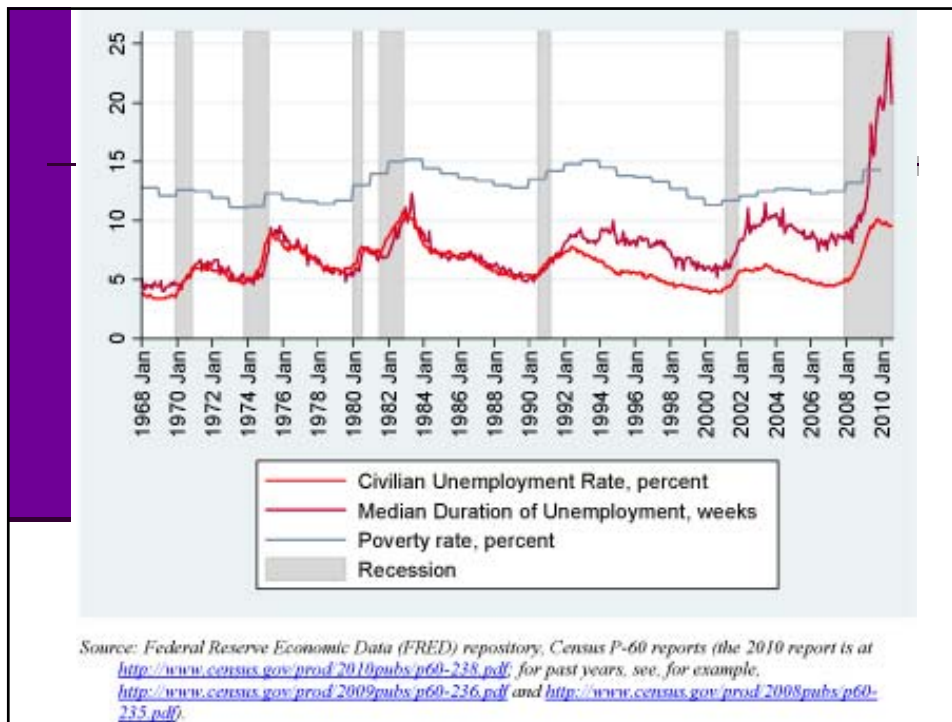
- The poverty rate for Puerto Rican families in New York State at 26% is more than twice the rate for all families, which is 10.8%.
- A similar pattern is observed in New York City, with rates at 27.1% and 15.8%, respectively.
- Poverty rates for Puerto Rican families exceed 30% in Bronx and Kings Counties.



## Poverty is Primarily a Labor Market Problem

Factors associated with poverty include:

- Low earnings, education, and experience
- Unemployment and labor force participation
- Health and disabilities
- Connections to employers



## Unemployment, Poverty and the Business Cycle

Increases in poverty result from increases in, and the duration of, unemployment.

- We are in the midst of the longest recession since the mid 1970's.
- The duration of unemployment in this recession has been longer than in any period since the Great Depression.
  - The BLS reports that, in November of 2010, the average (mean) duration of unemployment reached 33.8 weeks.

## Working Poor and Low-Wage Workers, 2009

Definition	Percentage of Low wage Workers (US)	Percentage of Low Wage Puerto Rican Workers
<b>Ages 26+</b>		
<b>Working Poor*</b>	<b>17.44</b>	<b>27.40</b>
150% Poverty Line for an Individual	23.70%	33.43%
2/3 median wage	45.11%	53.66%
2/3 median wage of the worker's metropolitan area	43.70%	50.69%
<b>Ages 16-25</b>		
<b>Working Poor*</b>	<b>31.13</b>	<b>42.58</b>
150% Poverty Line for an Individual	60.19%	62.57%
2/3 median wage	82.77%	84.32%
2/3 median wage of the worker's metropolitan Area	76.98%	81.08%

\* Individuals 16 and older who spent 27 weeks or more in the labor force (working or looking for work) and still earned incomes below the official poverty level.

Source: 2009 American Community Survey, 1-Year Estimates.

## Working Poor and Low-Wage Workers, 2009

"Working poor" individuals spent 27 weeks or more in the labor force (working or looking for work) and still earned incomes below the official poverty level.

In 2009:

- The working poor represented 17.4 percent of all persons 26 years and over, and 27.4 of Puerto Ricans.
- For younger people, ages 16 to 24, poverty rates were 31% for all persons, and 43% for Puerto Ricans.
- The proportion of Puerto Ricans 26 years of age and over in low-wage labor markets exceeds more than half of those in the labor force, and for youth ages 16 to 25 the proportion exceeds 8 of 10.

Source: 2009 American Community Survey, 1-Year Estimates.

## Labor Market Problems of the Working Poor, 2008

Definition	Percentage of Working Poor in Poverty (US)
<b>Adults Ages 16+</b>	
<b>Low Wages* Only</b>	21.5
<b>Unemployment Only</b>	5.8
<b>Part-time employment Only</b>	2.5
Unemployment (alone or with other problems)	13.0
Involuntary part-time employment (alone or with other problems)	12.1
Low earnings (alone or with other problems)	26.2
Unemployment, involuntary part-time employment, and low earnings	46.7

\*The low-earnings threshold in 2008 was \$316.89 per week, or \$7.93 an hour.

Source: A Profile of the Working Poor, 2008. U.S. Department of Labor, U.S. Bureau of Labor Statistics, March 2010.

## Labor Market Problems of the Working Poor, 2008

Three major labor market problems commonly experienced by persons in the labor force who live below the poverty level are unemployment, involuntary part-time employment, and low earnings.

- According to the U.S. Bureau of Labor Statistics, in 2008, the poverty rate for those with low earnings is 21.5 %.
  - if they also are in involuntary part-time employment, the poverty rate is 29.3%.
  - If they are also unemployed, the poverty rate is 38%.
- If unemployment, involuntary part-time employment, and low earnings are present, the poverty rate is 46.7.



## Policies to support the working poor

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### **Improving Low Wage Workers Income**

- Minimum wage
- Living wage
- Expand the Earned Income Tax Credit (EITC)
- Expand the Federal Child Credit

### **Supplementing the Incomes of Low Wage Workers**

- Subsidized housing
- Subsidized meal planning for families
- Food stamps or vouchers
- Improve the availability of affordable child care

### **Improving Low Wage Workers Productivity**

- Educational scholarships and grants
- Job training programs

### **Supporting Employers who hire Low Wage Workers**

- Small business loans
- Subsidized healthcare coverage

## Workforce Development Institutions

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### **Workers' Services:**

- OSCC's
- CBO's
- Community Colleges
- Technical Schools
- Union-Based Training
- Other labor market Intermediaries

### **Employer Services**

- Business Associations
- Community Colleges

### **System Building and Netting**

- WIBs
- Partnerships

## Conclusion

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- Effective strategies to overcome Puerto Rican poverty need to focus on their labor market standing.
- Policies targeting the working poor should address low earnings and unemployment.
- The best strategy to overcome poverty among working people is to focus on workforce development and economic opportunity.
- Effective systems require a great deal of collaboration and integration among a diverse group of institutions.