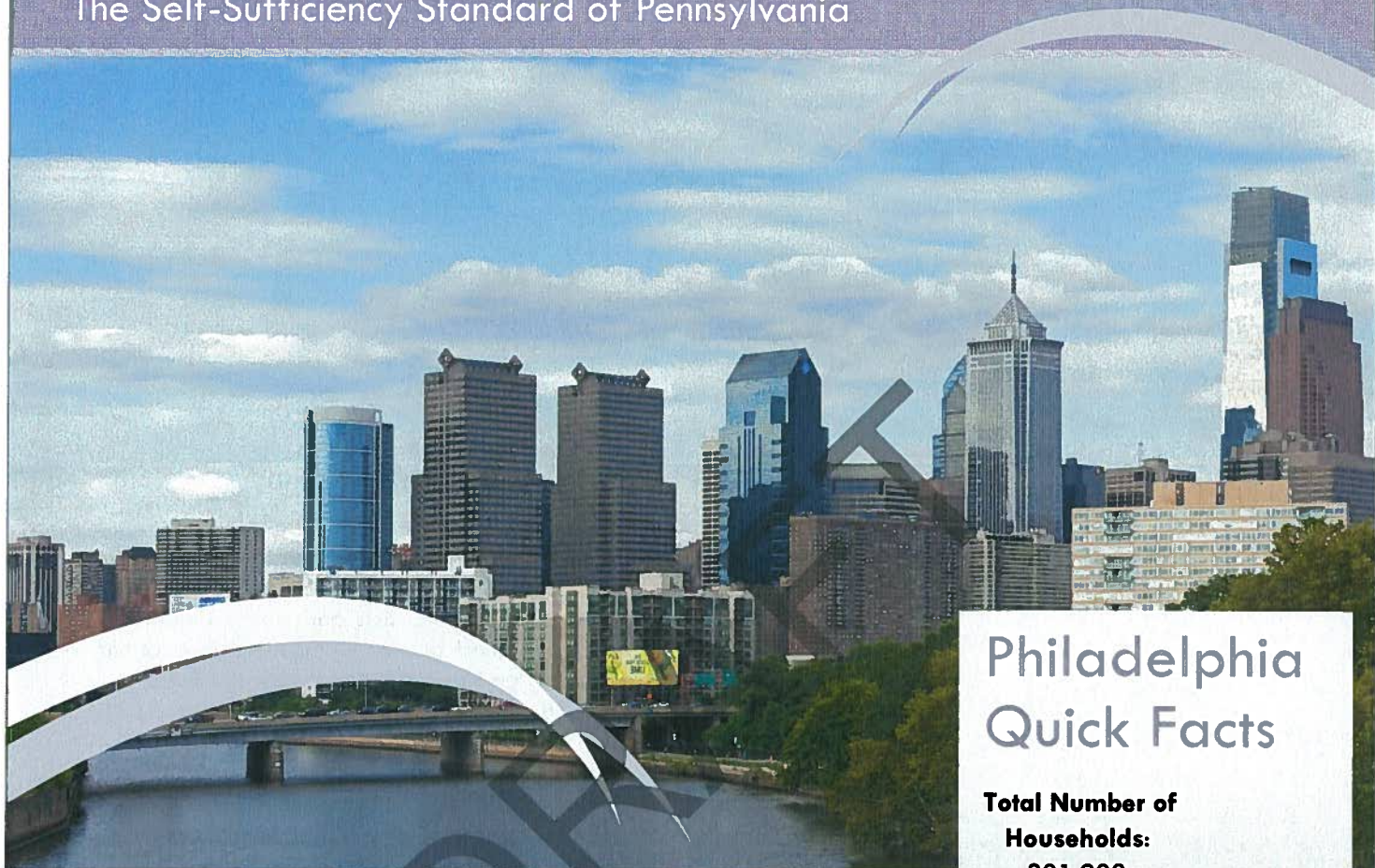


Overlooked and Undercounted: Philadelphia

Impact of the Great Recession as Measured by
The Self-Sufficiency Standard of Pennsylvania



Philadelphia Quick Facts

Total Number of

Households:

381,983

Number Below Poverty:

85,352

Number Below

Self-Sufficiency:

76,009

Percentage of all

Households Below Self-Sufficiency:

42%

Self-Sufficiency Wages:

Single Adult:

\$10.49

One Adult, One Preschooler:

\$20.21

Two Adults, One

Preschooler, One Schoolage

Child:

\$14.49 per adult

Race and Ethnicity

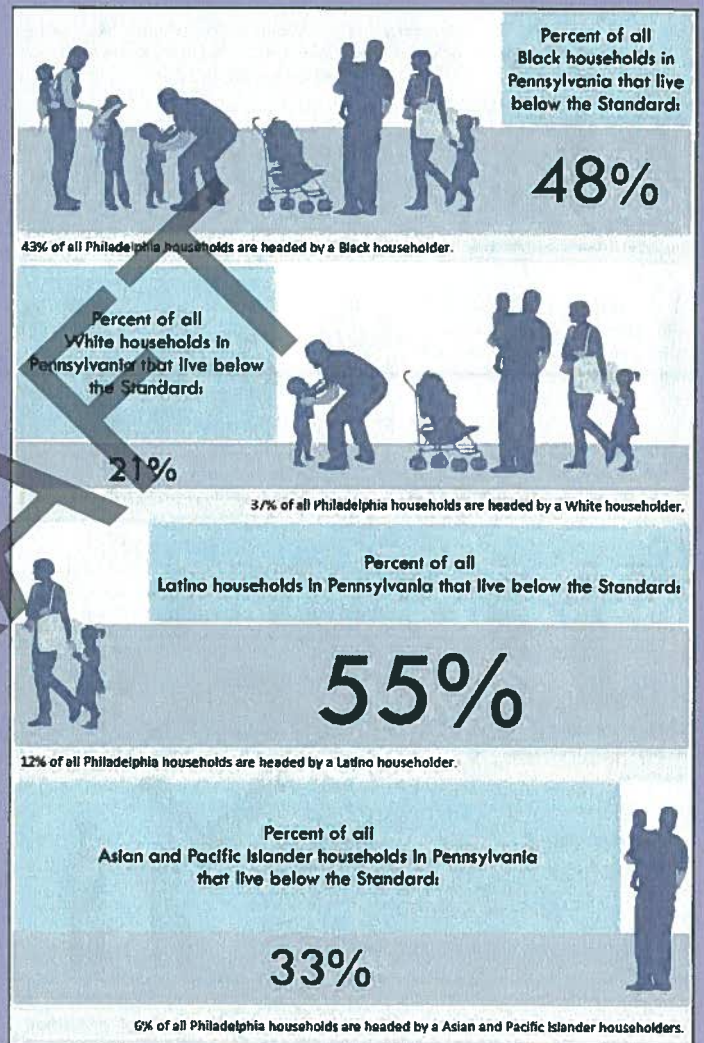
While households of all ethnicities live below the Standard, people of color make up the largest percentage of those struggling to make ends meet. Since Philadelphia is the most diverse county in Pennsylvania, this issue is of special concern for our community.

In Philadelphia:

- 43 percent of all households are headed by a Black householder. Throughout the state, 48 percent of all Black households live below the Standard.
- 37 percent are headed by a White householder. Throughout the state, 21 percent of all White households live below the Standard.
- 12 percent are headed by Latino householders. Throughout the state, 55 percent of all Latino households live below the Standard.
- 6 percent are headed by Asian and Pacific Islander householders. Throughout the state, 33 percent of all Asian and Pacific Islander households live below the Standard.
- 2 percent are headed by householders with other races/ethnicities.

Impact of the Great Recession

Minority households historically have faced the most income inadequacy in Pennsylvania. Under the Great Recession, that trend held constant, with income inadequacy rising by 7 percentage points for Black households and for Asian and Pacific Islander households. Inadequacy rose by 5 percentage points for Latina households, in contrast, White households saw a 3 percentage point increase in income inadequacy during the same period.



Impact of Work

Work, of course, plays a critical role in economic self-sufficiency. However, as shown in the full *Overlooked and Undercounted* report, households below the Standard are affected more by lower wages than by the hours worked. In fact, nearly four in five households below the Standard had at least one worker.

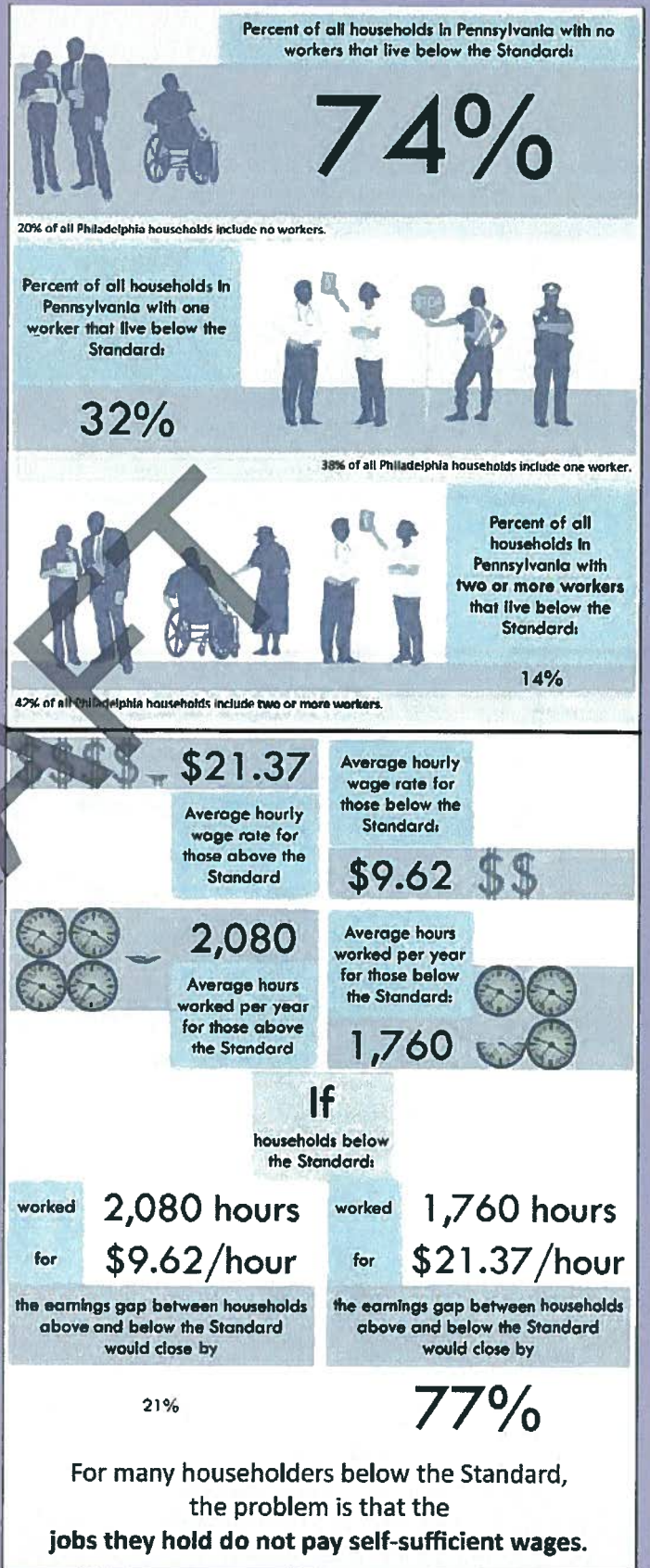
In Philadelphia:

- 20 percent of all households have no workers. Throughout the state, 74 percent of all households with no employed workers live below the Standard.
- 38 percent have one worker. Throughout the state, 32 percent of all households with one employed worker lives below the Standard.
- 42 percent have two or more workers. Throughout the state, 14 percent of all households with two or more workers live below the Standard.

Impact of the Great Recession

Since the Great Recession, the number of households with no one employed and the proportion with inadequate income have increased in Pennsylvania.

In 2007, 15% of households below the Standard had no one employed; in 2010, 21% of households below the Standard had no one employed. Of all households in Pennsylvania with no one employed, three quarters are below the Standard in 2010 while 67% were below the Standard in 2007. Nevertheless, as in 2007, the majority of Pennsylvania households below the Standard—80% in 2010 and 85% in 2007—have at least one person employed.



Recommendations

Increase Educational Opportunities for All Ages:

While the Great Recession changed the lives of most Pennsylvanians, one aspect of life it did not change is the importance of education. Although everyone suffered, the households least impacted by the recession were those with the highest education.

Support Pay Equity in All Occupations:

Whether women are single or married, have children in their household or not, have education beyond college or have not graduated high school, one truth remains the same throughout the data shown in this report: they are not as well off as men. The same holds true when comparing White households to minority households. In studies across the country, even when factoring in education or time out of work for childbearing, the numbers remain the same- a lack of pay equity is impacting the earning potential of women and minorities in the United States.

Create Flexible Work Environments

Low-wage jobs don't just hurt households financially – they often are the jobs with the least flexibility or control over work schedules. When family emergencies or routine health care come up, workers in these jobs are unlikely to have access to paid time off to deal with these situations, nor do they have the financial ability to go without pay even for a few hours. Flexible work environments can create a healthier and more financially sound workforce. They can also create more financial security for employers.

Ensure the Availability of Work Supports

While policies that give workers more options to improve their skills and wages are important, these policies are not enough in the current economy. Since at least one employed adult in 4 out of 5 households in Pennsylvania living below income adequacy, work alone may not be enough for families to move themselves to self-sufficiency. Before adults can take the time to pursue education, they need to know their families are provided for – otherwise they may spend time fulfilling immediate needs such as working to make rent and utility payments instead of going to class. With work supports, immediate needs can be met on a temporary basis so that households can move towards long-term self-sufficiency.

Promote Savings and Financial Literacy

The ability to earn and save money is key to preventing any household from falling below wage adequacy. Yet in recent years, the focus on helping families save money has decreased to the point that some programs now penalize low-income households that have savings but need work support programs.

With access to savings and financial literacy programs, households facing a crisis can use the Supplemental Nutritional Access Program (SNAP/Food Stamps) and other policies as one-time, temporary services to fill income gaps. Without savings, every crisis could put a family back at square one and back on public assistance.