

# Overlooked & Undercounted 2019 Brief Struggling to Make Ends Meet in Pennsylvania

**By Diana M. Pearce, PhD • October 2019**

Director, Center for Women's Welfare  
University of Washington School of Social Work

Prepared for PathWays PA



## About Overlooked and Undercounted

---

To develop strategies to ensure all Pennsylvania households reach economic security requires data that defines how much is enough and which households are struggling. This brief reveals the “overlooked and undercounted” of Pennsylvania, describing which families are struggling to make ends meet. This analysis is based on the Self-Sufficiency Standard, a realistic, geographically specific, and family composition-specific measure of income adequacy, and thus a more accurate alternative to the official poverty measure. Over the last 22 years, calculation of the Self-Sufficiency Standard has documented the continuing increase in the real cost of living, illuminating the economic crunch experienced by so many families today.

The Self-Sufficiency Standard was first calculated in 1996 by Diana Pearce and was originally designed to measure progress of workforce program participants towards the goal of economic self-sufficiency. Since then, it has been used in a wide variety of settings, to evaluate programs, analyze policy impacts, guide clients’ career choices, provide expert testimony in court cases and legislative initiatives, and to document the nature and extent of true poverty. The Standard has now been calculated in 41 states plus the District of Columbia and is housed at the University of Washington’s Center for Women’s Welfare.

This brief has been prepared with the essential help of the staff at the Center for Women’s Welfare at the University of Washington, particularly Lisa Manzer and Karen Segar, and Marianne Bellesorte of Pathways PA. Additionally, we would like to acknowledge the contribution to the development of the first “Overlooked and Undercounted” report of Rachel Cassidy, demographer, as well as the editorial contributions of Maureen Golga and Aimee Durfee, and the statistical contributions of Bu Huang and Karen Segar for past reports.

This report complements *The Self-Sufficiency Standard for Pennsylvania 2019* dataset created by the Center for Women’s Welfare at the University of Washington. This brief and additional data are available online at [www.selfsufficiencystandard.org/Pennsylvania](http://www.selfsufficiencystandard.org/Pennsylvania) and [www.pathwayspa.org](http://www.pathwayspa.org).

For further information about the Self-Sufficiency Standard, please visit [www.selfsufficiencystandard.org](http://www.selfsufficiencystandard.org), contact Lisa Manzer with the Center at (206) 685-5264/[lmanzer@uw.edu](mailto:lmanzer@uw.edu), or contact the report author and Center Director, Dr. Diana Pearce, at (206) 616-2850/[pearce@uw.edu](mailto:pearce@uw.edu).

*The conclusions and opinions contained within this document do not necessarily reflect the opinions of those listed above. Any mistakes are the author’s responsibility.*

**Overlooked and Undercounted 2019 Brief: Struggling to Make Ends Meet in Pennsylvania**

©2019 Diana Pearce and Pathways PA

## Key Findings

One in four Pennsylvania households—over 846,000—lack enough income to cover just the necessities, such as food, shelter, health care, and child care. Yet as measured by the official poverty measure (OPM), only two-fifths of those households are officially designated as “poor.” Consequently, a large number of Pennsylvanians experiencing economic distress are routinely overlooked and undercounted. Many of these hidden poor are struggling to meet their most basic needs, without the help of work supports because they earn too much income to qualify for most work supports. To make things even worse, their efforts are aggravated by the reality that housing, health care, and other living costs continue to rise faster than wages in Pennsylvania and faster than the increase in the Consumer Price Index. For example, between 2010 and 2019 the cost of basic needs increased at nearly twice the rate of wages.

To document these trends, we use the yardstick of the Self-Sufficiency Standard. The Standard measures how much income is needed to meet families’ basic needs at a minimally adequate level, including the essential costs of working, but without any public or private assistance. Once these costs are calculated, we then apply the Standard to determine how many—and which—households lack enough to cover the basics. Unlike the official poverty measure, the Standard is varied both geographically and by family composition, reflecting the higher costs facing some families (especially child care for families with young children) and the geographic diversity of costs between Pennsylvania counties.

We find that Pennsylvania families struggling to make ends meet are neither a small nor a marginal group, but rather represent a substantial proportion of the state. Individuals and married couples with children, households in which adults work full time, and people of all racial and ethnic backgrounds account for

substantial portions of those struggling to make ends meet in Pennsylvania.

With one out of four Pennsylvania households lacking enough income to meet their basic needs, the problem of inadequate income is extensive, affecting families throughout the state, in every racial/ ethnic group, among men, women, and children, in all counties. Nevertheless, inadequate income is concentrated disproportionately in some places and among some groups.

**HOUSEHOLDS WITH CHILDREN ARE AT A GREATER RISK OF NOT MEETING THEIR BASIC NEEDS, ACCOUNTING FOR MORE THAN HALF OF HOUSEHOLDS WITH INADEQUATE INCOME.** Reflecting in part the higher costs associated with children (such as child care), families with children have a higher rate of income inadequacy (35%). Among families with children under six, 47% have incomes under the Standard. Over half (53%) of households below the Standard have children.



**11% of working-age households in Pennsylvania live below the official poverty threshold\***



**25% of working-age households in Pennsylvania live below the Self-Sufficiency Standard**



\*This estimate differs from Census Bureau’s tabulations from the 2017 American Community Survey (12.8% vs. 10.7% of Pennsylvania households) because our sample excludes those over 65 years and those with work-limiting disabilities, groups with higher than average poverty rates. See U.S. Census Bureau, 2017 ACS 1-Year Estimates, B17017, Poverty status in the past 12 months by age of householder, [https://factfinder.census.gov/bkmk/table/1.0/en/ACS/17\\_1YR/B17017/0400000US48](https://factfinder.census.gov/bkmk/table/1.0/en/ACS/17_1YR/B17017/0400000US48) (accessed July 11, 2019).

# How did we calculate this data?

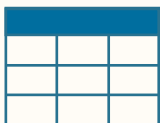
## STEP 1. CALCULATE THE SELF-SUFFICIENCY STANDARD



The *Self-Sufficiency Standard for Pennsylvania 2019* data defines the amount of income necessary to meet the basic needs of Pennsylvania families, differentiated by family type and where they live. The Standard measures income adequacy, and is based on the costs of basic needs for working families: housing, child care, food, health care, transportation, and miscellaneous items, plus taxes and tax credits. It assumes the full cost of each need, without help from public subsidies (e.g., public housing or Medicaid) or private assistance (e.g., unpaid babysitting by a relative or food from a food pantry). An emergency savings amount to cover job loss is also calculated separately. The Standard is calculated for over 700 family types for all Pennsylvania counties.



## STEP 2. CREATE A DATASET OF PENNSYLVANIA HOUSEHOLDS



To estimate the number of households below the Self-Sufficiency Standard for Pennsylvania, this study uses the 2017 American Community Survey (ACS) 1-year Public Use Microdata Sample (PUMS) by the U.S. Census Bureau. The ACS is an annual survey of the social, housing, and economic characteristics of the population.



**Sample Unit.** The sample unit for the study is the household, not the individual or the family. This study includes all persons residing in households, including not only the householder and his/her relatives, but also non-relatives such as unmarried partners, foster children, and boarders, and takes into account their income.

As the Self-Sufficiency Standard was initially designed as a benchmark for job training programs, the Standard assumes that all adult household members work and includes all their work-related costs (e.g., transportation, taxes, child care) in the calculation of expenses. Therefore, the population sample in this report excludes adult household members not expected to work and their income. This includes: adults over 65 and adults with a work-limiting disability. A work-limiting disability exists if the adult is disabled and is not in the labor force or receives Supplemental Security Income or Social Security income.

**Exclusions =  
Seniors &  
Adults with  
work-limiting  
disabilities**

For example, a grandmother who is over 65 and living with her adult children is not counted towards the household size or composition; nor is her income (e.g., from Social Security benefits) counted as part of household income. Households that consist of only elderly or adults with work-limiting disabilities are excluded altogether for the same reasons. Households defined as “group quarters,” such as individuals living in shelters or institutions, are also not included. In total, this study includes 3,324,379 households and represents **66%** of all Pennsylvania households.

## STEP 3. COMPARE HOUSEHOLD INCOME TO INCOME BENCHMARK

The 2019 Self-Sufficiency Standard for Pennsylvania is used to determine if a household has adequate income to cover each household members’ basic needs. Earnings for each household member are summed and inflated to 2019 dollars to determine total household income. Total household income is then compared to the calculated Standard for the appropriate family composition and geographic location. Regardless of household composition, it is assumed that all members of the household share income and expenses. Household income is also compared to the U.S. Census Bureau’s poverty threshold to calculate whether households are above or below poverty.

**Household Income**



**Self-Sufficiency Standard**



**Adequate Income**

Household Income > Self-Sufficiency Standard

**OR**

**Inadequate Income**

Household Income < Self-Sufficiency Standard

**HOUSEHOLDS MAINTAINED BY SINGLE MOTHERS, PARTICULARLY IF THEY ARE WOMEN OF COLOR, HAVE THE HIGHEST RATES OF INCOME INADEQUACY.** Less than a quarter (23%) of married-couple households with children have inadequate income, a lower rate than the average for all households with children, while nearly half (48%) of single father households have inadequate income. In contrast, nearly two out of three (65%) single mothers lack adequate income. These rates are particularly high for single mothers of color: three-quarters (77%) lack adequate income—compared to 56% of White single mothers.

**MARRIED COUPLES WITH CHILDREN AND SINGLE MOTHERS BOTH ACCOUNT FOR NEARLY AN EQUAL SHARE OF HOUSEHOLDS IN PENNSYLVANIA THAT LACK ADEQUATE INCOME** (23% vs. 24%), with single father households at 6%. The remaining 47% of households with inadequate income are households without children.

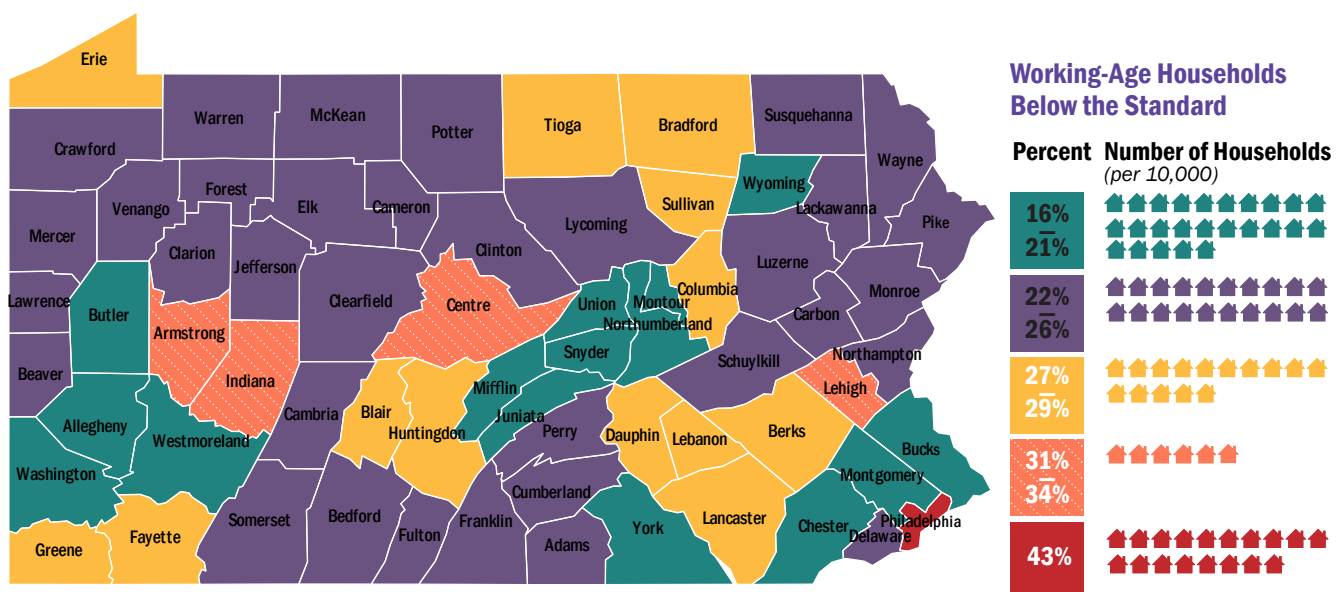
**WHILE SINGLE MOTHERS HAVE SUBSTANTIALLY HIGHER RATES OF INCOME INADEQUACY, MARRIED COUPLES WITH CHILDREN ACCOUNT FOR NEARLY AN EQUAL SHARE OF**

**HOUSEHOLDS IN PENNSYLVANIA THAT LACK ADEQUATE INCOME** (24% vs. 23%), with single father households at 6%. The remaining 47% of households with inadequate income are childless households.

**OF THE FIVE COUNTIES WITH THE HIGHEST RATES OF INCOME INADEQUACY, ONE IS URBAN.** With 43% of households below the Standard, Philadelphia County has the highest income inadequacy rate of the state. Overall, while Philadelphia County is 13% of the statewide population, over 21% of households below the Standard in Pennsylvania live in Philadelphia County. In addition, there are four counties with income inadequacy rates over 30%: Armstrong, Centre, Indiana, and Lehigh.

**THE MAJORITY OF HOUSEHOLDS WITH INADEQUATE INCOME ARE WHITE BUT MINORITY GROUPS ARE DISPROPORTIONATELY REPRESENTED.** While all groups experience insufficient income, Latinx households have the highest rate of income inadequacy (55%), followed by African Americans (44%), All Other Races (32%), Asian and Pacific Islanders (31%), and Whites

The percentage of households below the Standard varies from a low of 16% in Butler County to a high of 43% in Philadelphia County.



# Work Does Not Guarantee Income Adequacy

**79%** of PA households\* below the Standard have at least one worker

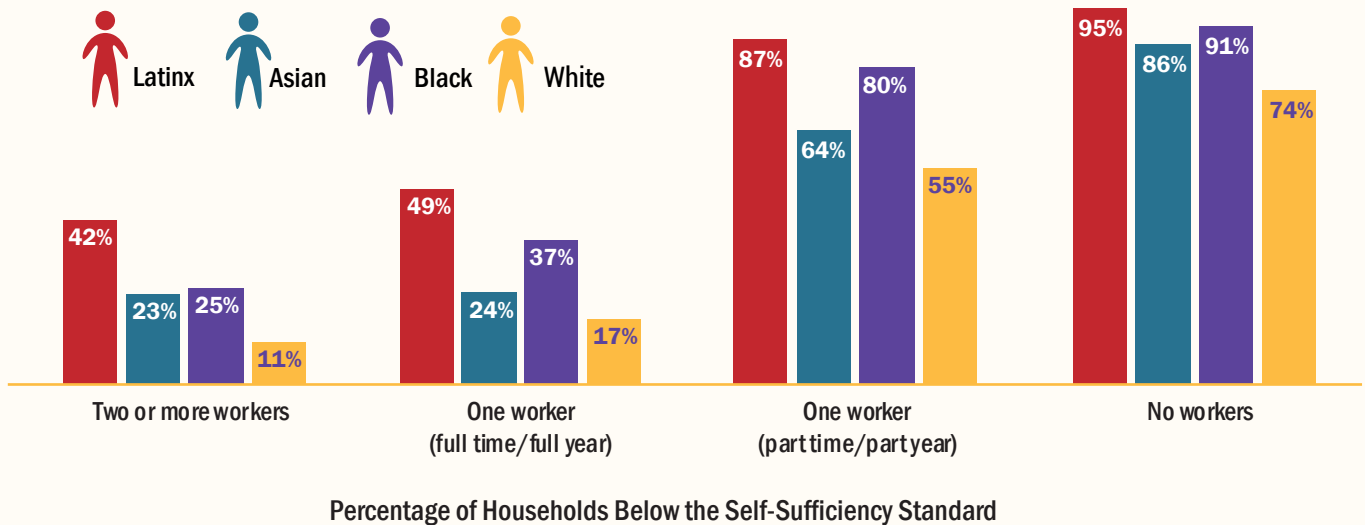
**51%** of those households have at least one full-time year-round worker.

\*The data excludes the elderly and disabled



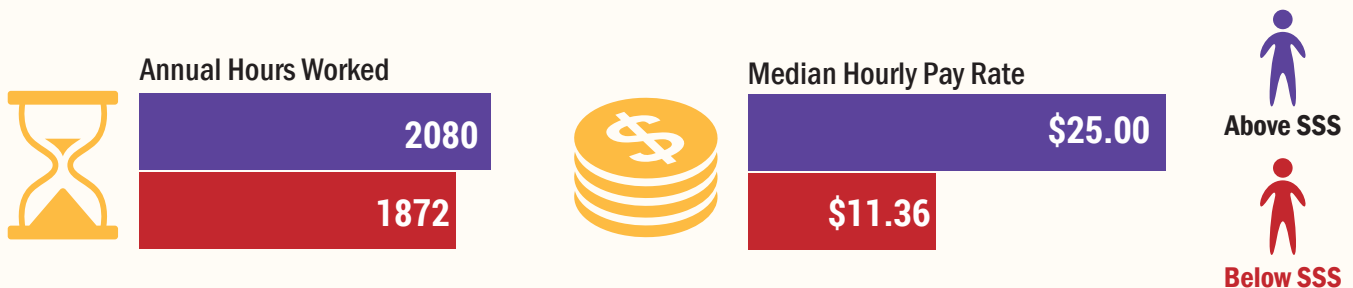
## For Most Families One Full-Time Worker is Not Enough

As work effort increases (both number of workers and number of hours worked), income inadequacy rates decrease, but returns to work effort are less for people of color. Even when there are two or more workers, 42% of Latinx households have inadequate income.



## Wages, Not Hours, Have Largest Impact on Wage Adequacy

Increasing the work hours of those below the Standard to the level of those above would only close 3% of the earnings gap, while increasing the wage rates without changing hours worked, would close 92% of the earnings gap.



(20%). However, since White householders head 79% of Pennsylvania's households, they make up 62% of households struggling with income inadequacy, despite their lower rate.

**NATIVE-BORN HOUSEHOLDERS ARE LESS LIKELY TO HAVE INADEQUATE INCOME.** While native-born householders have an income inadequacy rate of 24%, the likelihood of having inadequate income is higher if the householder is a naturalized citizen (31%), and more doubles if the householder is not a citizen (47%).

**HIGHER LEVELS OF EDUCATION ARE ASSOCIATED WITH LOWER RATES OF INCOME INADEQUACY, ALTHOUGH TO A LESS DEGREE FOR WOMEN AND PEOPLE OF COLOR.** As educational levels of householders increase, income inadequacy rates decrease dramatically: rates decline from 59% for those lacking a high school degree, to 36% for those with a high school degree, to 27% for those with some college/post-secondary training, to 12% of those with a four-year college degree or more. Reflecting race and gender inequities, women and people of color must achieve higher levels of education than white males in order to achieve the same level of income adequacy.

**EMPLOYMENT IS KEY TO INCOME ADEQUACY, BUT IT IS NOT A GUARANTEE.** As with education, more employment is better. Among householders who work full time,

year round, income inadequacy rates are just 14% compared to 62% for households with no workers. Nearly four out of five (79%) households below the Standard, however, have at least one worker. Whether there are one or two adults working in the household, and whether they are able to work full time versus part time or full year versus part year, affects the level of income inadequacy. Nevertheless, just as with education, households headed by people of color or single mothers experience lower returns for the same work effort. For example, *even when single mothers work full time, year round, over three-fifths (64%) lack adequate income.*

**THE COST OF LIVING ACCORDING TO THE STANDARD HAS RISEN AT NEARLY TWICE THE RATE OF WAGES.** Since the last *Overlooked and Undercounted* study in 2012, the Self-Sufficiency Standard for one adult and one preschooler increased by 31% on average across all Pennsylvania counties. Yet, the median wage of working householders during this same time only increased 17% in Pennsylvania. Nonetheless, the last *Overlooked and Undercounted* study was based on data during the Great Recession yet the percentage of households below the Standard has remained exactly the same during this period of so called economic recovery (25.6% in 2010 and 25.5% in 2017).



**The PA Self-Sufficiency Standard increased 31% on average**

**But wages only increased 17%**

**The costs of basic needs increased at nearly twice the rate of wage increases between 2010 and 2019**



# Households at Risk for Income Inadequacy

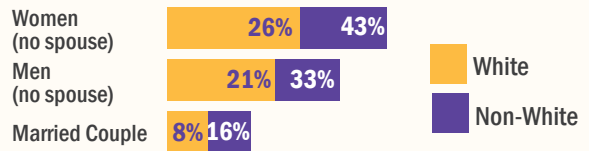
## Households with Children Have a Greater Risk of Not Meeting their Basic Needs



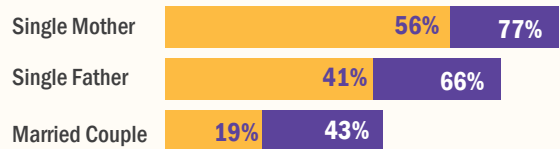
The presence of children, especially young children, in a household almost doubles the likelihood of having inadequate income. The combination of being a woman, having children, and solo parenting is associated with the highest rates of income inadequacy—*particularly for single mothers of color.*

### INCOME INADEQUACY RATE

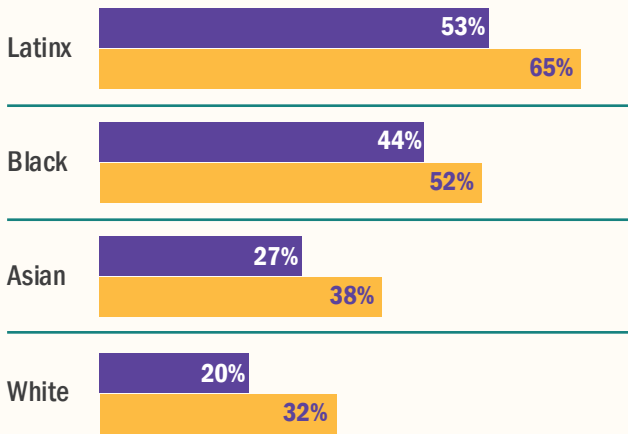
#### NO CHILDREN



#### WITH CHILDREN



### INCOME INADEQUACY RATE



## People of Color are More Likely to Lack Adequate Income, Especially Non-Citizens

Across family composition, educational attainment, and work status, people of color experience high income inadequacy rates—*particularly without citizenship.*

Latinx householders who are not citizens have income inadequacy rates that are 33 percentage points higher than householders who are White non-citizens.



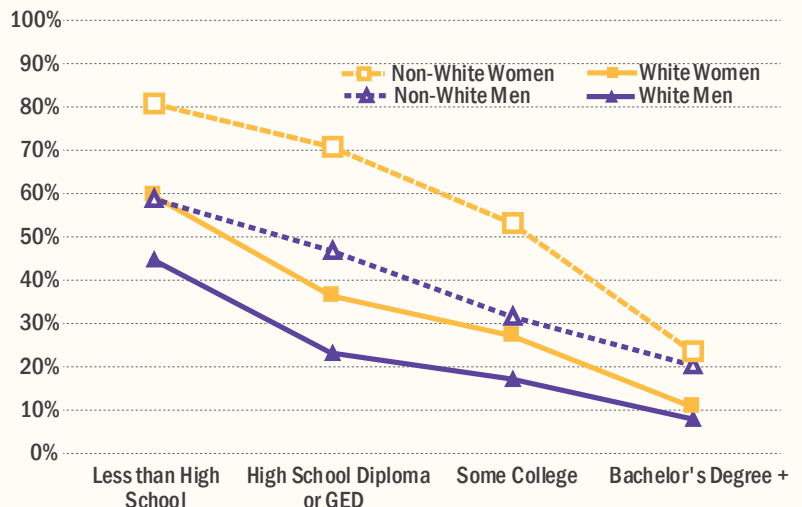
U.S. Citizen Not a Citizen

## A High School Diploma is Not Enough to Lower Risk of Income Inadequacy

While increased education lowers income inadequacy rates, at each educational level, income inadequacy rates are still higher for people of color—*especially for women of color.* Households headed by women of color with a high school diploma experience an income inadequacy rate that is 48 percentage points higher than householders headed by White men with high school diploma (71% vs. 23%)



### INCOME INADEQUACY RATE





## Conclusion

These data show that there are many more people in Pennsylvania who lack enough income to meet their basic needs than our government's official poverty statistics capture. This lack of sufficient income to meet basic needs is grossly undercounted largely because measures used, such as the official poverty measure, do not accurately document what it takes to afford just the basics, nor do they accurately pinpoint who lacks sufficient income.

Not only do governmental poverty statistics underestimate the number of households struggling to make ends meet, but it creates broadly held misunderstandings about who is in need. In contrast to many stereotypes:

- Most households with incomes below the Standard (four out of five) have at least one worker in them, half of whom are full time. Simply put, it is not lack of work effort, but low wages confronting rising costs of basics that results in income inadequacy.

- Although women and people of color experience inadequate income disproportionately, Pennsylvania households with inadequate income reflect the state's diversity: they come from every racial and ethnic group, reflect every household composition, and overwhelmingly work hard as part of the mainstream workforce.
- Higher levels of education mean decreased incidence of income inadequacy, although "returns" to education are less for women, people of color, and especially nonwhite women.

For these families struggling to make ends meet, this is not about a particular economic crisis; income inadequacy is an everyday ongoing struggle. It is our hope that the data and analyses presented here will provide a better understanding of the difficulties faced by struggling individuals and families. Such an understanding can enable Pennsylvania to address these challenges to make it possible for all households in the state to earn enough to meet their basic needs.

---

## There are 846,848 households living below the Self-Sufficiency Standard in Pennsylvania



**79%** of PA households below the Standard have at least one worker



**53%** of PA households below the Standard have at least one child



**48%** of PA householders below the Standard have at least some college



**31%** of PA households below the Standard receive food assistance



**70%** of PA households below the Standard experience a high housing-cost burden



**24%** of PA households below the Standard are married-couples with children

## Glossary of Key Terms

---

**AMERICAN COMMUNITY SURVEY (ACS).** The ACS is a sample survey of over three million households administered by the Census Bureau. The ACS publishes social, housing, and economic characteristics for demographic groups covering a broad spectrum of geographic areas with populations of 65,000 or more in the United States and Puerto Rico.

**OFFICIAL POVERTY MEASURE (OPM).** There are two versions of the OPM. When this study uses OPM to reference the number of households in poverty, we are referring to the thresholds calculated each year by the Census Bureau to determine the number of people in poverty (referred to as poverty thresholds). When this brief uses the OPM in terms of programs or policy, we are referring to the federal poverty guidelines, developed by the Department of Health and Human Services (HHS), used by federal and state programs to determine eligibility and calculate benefits (referred to as the federal poverty guidelines, or FPG). Note that Census Bureau poverty thresholds vary by household composition, i.e., the number of adults and the number of children in a household, while the HHS poverty guidelines only vary by household size, not composition.

**HOUSEHOLD.** The sample unit used in this study is the household, including any unrelated individuals living in the household. When appropriate, the characteristics of the householder are reported (e.g., race/ethnicity, citizenship, educational attainment). When a variable is reported based on the householder it may not reflect the entire household. For example, in a household with a non-citizen householder, other members of the household may be citizens.

**HOUSEHOLDER.** The householder is the person (or one of the persons) in whose name the housing unit is owned or rented or, if there is no such person, any adult member, excluding roomers, boarders, or paid employees.

**INCOME INADEQUACY.** The term income inadequacy refers to an income that is too low to meet basic needs as measured by the Self-Sufficiency Standard. Other terms used interchangeably in this brief that refer to inadequate income include: “below the Standard,” “lacking sufficient (or adequate) income,” and “income that is not sufficient (or adequate) to meet basic needs.”

**LATINX.** Latinx refers to Hispanic/Latinx ethnicity, regardless of race. Therefore, all other race/ethnic groups used in this brief are non-Hispanic/Latinx. Note that Latinx is a gender-neutral or non-binary alternative to Latino or Latina for persons of Latin American origin.

**LINGUISTIC ISOLATION.** Households are identified as being linguistically isolated if all household members over 14 years of age speak a language other than English and speak English less than very well.

**PERSON OF COLOR.** Due to smaller sample sizes of some racial/ethnic groups, some analyses in this brief compare White (non-Hispanic/Latinx) householders with non-White householders (including Latinx/Hispanic householders). The text uses the terms non-White and people of color interchangeably to refer to households in which the householder is not White.

**SELF-SUFFICIENCY STANDARD (SSS).** The SSS measures how much income is needed for a family of a certain composition in a given county to adequately meet their basic needs without public or private assistance.

**SINGLE FATHER/SINGLE MOTHER.** A man maintaining a household with no spouse present but with children is referred to as a single father. Likewise, a woman maintaining a household with no spouse present but with children is referred to as a single mother. Note the child may be a grandchild, niece/nephew, or unrelated child (such as a foster child).

## About Pathways PA

---

PathWays PA was founded in 1978 as the Women's Association for Women's Alternatives. It served as one of Pennsylvania's first residential programs to keep low-income, vulnerable women together with their children and has grown to become one of the Greater Philadelphia Region's foremost providers of residential and community-based services for women, children and families. Each year over 6,000 women, children and families benefit from our full complement of social services; outreach and residential programs as they move along the path to self-sufficiency.

With offices throughout Southeastern Pennsylvania and advocacy initiatives on behalf of low-wage workers statewide, PathWays PA provides programs committed to the development of client self-sufficiency which leads to the fulfillment of our mission:

*To help women, teens, children and families achieve economic independence and family well-being.*



## About the Center for Women's Welfare

---

The Center for Women's Welfare at the University of Washington School of Social Work is devoted to furthering the goal of economic justice for women and their families. The main work of the Center focuses on the development of the Self-Sufficiency Standard and related measures, calculations, and analysis. Under the direction of Dr. Diana Pearce, the Center partners with a range of government, non-profit, women's, children's, and community-based groups to:

- research and evaluate public policy related to income adequacy;
- create tools, including online calculators, to assess and establish income adequacy and benefit eligibility;
- develop programs and policies that strengthen public investment in low-income women and families.

For more information about the Center's programs, or work related to the Self-Sufficiency Standard, call (206) 685-5264. This report and more can be viewed at [www.selfsufficiencystandard.org](http://www.selfsufficiencystandard.org).



WOMEN AND GIRLS  
FOUNDATION