



# Overlooked and Undercounted

## Struggling to Make Ends Meet in Arkansas

Prepared for the Central Arkansas Development Council



## Central Arkansas Development Council

Founded in 1965, Central Arkansas Development Council (CADC) is a private nonprofit community action agency operating in 19 counties in the state of Arkansas. CADC is a local force in the War on Poverty providing a hand-up, promoting self-help in our neighborhoods and for our families. We are committed to providing opportunities for empowerment for individuals, families, and communities.



**Central Arkansas Development Council**  
*Building Futures One Person at a Time*

**Center for Women's Welfare**

**University of Washington  
School of Social Work**

---

# **Overlooked and Undercounted**

## Struggling to Make Ends Meet in Arkansas

By Annie Kucklick, Lisa Manzer, and Sarah Broliar • May 2023

Prepared for the Central Arkansas Development Council

---

## About Overlooked & Undercounted

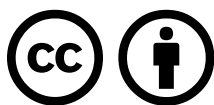
---

Developing strategies to ensure Arkansas households reach economic security requires data that defines how much is enough and which households are struggling. This report reveals the “overlooked and undercounted” of Arkansas, 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 26 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.

This report utilizes the 2021 Self-Sufficiency Standard for Arkansas, therefore the costs (housing, child care, health care, transportation, taxes and tax credits, and miscellaneous expenses) are representative of 2021 data. See “**Appendix A: Methodology, Assumptions, & Sources**” for more information on specific sources.

This report and more are available online at [www.selfsufficiencystandard.org/Arkansas](http://www.selfsufficiencystandard.org/Arkansas) and <https://www.cadc.com/>. For further information about the Self-Sufficiency Standard, please visit [www.selfsufficiencystandard.org](http://www.selfsufficiencystandard.org) or contact Self-Sufficiency Standard lead researcher, Annie Kucklick, at (206) 685-5264/[akuckl@uw.edu](mailto:akuckl@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.*



2023 Center for Women’s Welfare and the Central Arkansas Development Council  
*Overlooked and Undercounted: Struggling to Make Ends Meet in Arkansas*  
(<https://www.selfsufficiencystandard.org/Arkansas>) is licensed under Creative Commons Attribution 4.0 International License (<https://creativecommons.org/licenses/by/4.0>).

# 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.

**Capitalization of Race and Ethnicity.** This report follows the American Psychological Association (APA) and Chicago Manual Style convention of capitalizing all instances of race and ethnicity. The APA holds that racial and ethnic groups are designated by proper nouns and are capitalized.<sup>1</sup> Additionally, the ACS capitalizes each race/ethnicity descriptor, including “White,” so this practice maintains consistency with the original data source. However, the decision to capitalize White, specifically, was also influenced by designations set forth by issue-experts on the topic. As noted by The Center for the Study of Social Policy, “To not name ‘White’ as a race is, in fact, an anti-Black act which frames Whiteness as both neutral and the standard.”<sup>2</sup> This convention also recognizes Professor Kwame Anthony Appiah’s approach, which says, “Let’s try to remember that black and white are both historically created racial identities—and avoid conventions that encourage us to forget this.”<sup>3</sup> The authors of this report will continue to revisit this practice in consultation with our partners.

**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 report 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 report are non-Hispanic/Latinx. 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.** The text uses the term people of color (POC) to refer to households where the householder indicates that their race is Black or African American, American Indian or Alaska Native, Asian Indian, Chinese, Filipino, Japanese, Korean, Vietnamese, Native Hawaiian, Guamanian or Chamorro, Samoan, Other Pacific Islander, Other Asian, or some other race. This also includes any households where the householder indicates Hispanic or Latin origin, regardless of race.

**Official Poverty Measure (OPM).** There are two versions of the OPM. The Census Bureau calculates poverty thresholds used to determine the number of people in poverty. The Department of Health and Human Services produces the federal poverty guidelines, used to determine income eligibility and calculate benefits. The poverty thresholds vary by the number of adults and the number of children, while the poverty guidelines vary by number of persons in the household.

**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).

# Limitations

We rely on two datasets for this study, both of which are the most current and comprehensive sources of information on the overlooked and undercounted populations in Arkansas; however, each dataset has its own set of limitations.

## American Community Survey (ACS) Public Use Microdata Sample (PUMS)

As this analysis is based on the 2021 ACS 1-year PUMS, there are certain constraints on the scope of our examination due to the nature and depth of the survey questions. For instance, we have limited data on certain demographic groups and geographic areas in addition to the survey questions having a limited scope in certain variables highlighted below.

**American Indian Aggregation.** In the detailed race question, the American Community Survey limits its response options for American Indian to Apache, Blackfeet, Cherokee, Cheyenne, Chickasaw, Chippewa, Choctaw, Comanche, Creek, Crow, Hopi, Iroquois, Lumbee, Navajo, Pima, Potawatomi, Pueblo, Salish, Sioux, Tohono O’Odham, Yaqui, and Other specific American Indian tribes alone. Because of the small sample size of native Arkansas peoples, the data presented in this report aggregates native peoples into one category: American Indian.

**Asian and Native Hawaiian and Pacific Islander Aggregation.** Due to low sample size of Native Hawaiian and Pacific Islander householders in Arkansas, this group is often aggregated with the “Asian Alone” category in the presentation of data. The Asian American, Native Hawaiian, or Pacific Islander community is immensely diverse, lumping this range of groups within one category “Asian, Native Hawaiian, or Pacific Islander” masks significant intraracial disparities.

**Sex and Gender Binary.** The ACS asks respondents to indicate if they are either male or female, thus excluding people who do not identify with either—limiting the analysis to a binary framework and reinforcing the gender binary by excluding non-binary communities. Additionally, while the survey question asks for a person’s sex, this report uses gender for an analysis framework with the assumption that inequities in income inadequacy rates are a result of the socially constructed characteristics and norms assigned to men and women, not their biological status.

**Underreporting of Access to Benefits.** Underreporting access to benefits has long plagued household surveys. Most evidence suggests that SNAP underreporting, in particular, stems from response error on the part of the survey respondent. While the data presented here relies on the ACS responses, underreporting household benefit uptake should be noted as a potential limitation.

## The Arkansas Self-Sufficiency Standard

This study also relies on the Self-Sufficiency Standard, a more accurate understanding of household costs by family type and place. However, the Standard is also limited by the granularity of data sources and household exclusions.

**Exclusions.** As the cost assumptions in the Standard reflect work-related expenses for adult household members, this study does not include individuals who are over the age of 64 or who have a work-limiting disability. Income inadequacy likely impacts these groups at especially high levels and more research should be done that include these communities. It is important to recognize that individuals with disabilities and older adults may have unique transportation, housing, health care, taxes, and other expenses that are not fully captured by the assumptions made in the Standard. Therefore, the Standard does not adequately address their specific needs and circumstances. Furthermore, the Standard generates a household level income need. As a result, individuals who do not reside in a housing unit, such as those that are incarcerated, living in dormitories, shelters, or nursing homes, are not included in this analysis. These exclusions result in an incomplete understanding of the economic circumstances of all individuals in Arkansas.

**Geographic Granularity.** Whenever possible, the Standard relies on current, geographically specific, up to date, government data to calculate the separate costs that determine a family’s basic needs budget. However, certain regions have a wide range of costs within the county. Costs can often vary dramatically on a neighborhood or zip code level due to effects of gentrification or historical red-lining.

# Table of Contents

---

Introduction .....	1
About the Self-Sufficiency Standard.....	4
Race/Ethnicity, Citizenship, & Language.....	8
Household Composition.....	11
Education.....	14
Employment and Work Patterns .....	18
Profile of Households Below the Standard in Arkansas.....	24
Geography .....	26
The American Rescue Plan Act’s Effect on Wage Adequacy .....	30
Conclusion .....	34
Endnotes.....	35
Appendix A: Methodology, Assumptions, & Sources .....	37
Appendix B: Detailed Data Tables .....	45





# Introduction

---

This report utilizes the 2021 Self-Sufficiency Standard (SSS) and 2021 1-Year American Community Survey data to examine the economic prospects of Arkansas households during the pandemic, and identify the families who are “overlooked and undercounted” by the official poverty measure. In Arkansas, 35 percent of households fall below the Standard. The families struggling to make ends meet are neither a small nor a marginal group, but rather represent a substantial proportion of households in the state.

This report reveals the “overlooked and undercounted” of Arkansas, describing which families are struggling to make ends meet. This analysis is based primarily on the Self-Sufficiency Standard, a realistic, geographically—and family composition—specific measure of income adequacy, and thus a more accurate alternative to the federal poverty measure. Since many federal and state programs recognize need only among those with incomes below the official poverty measure (OPM), a large and diverse group of families experiencing economic distress are routinely **overlooked and undercounted**.

This report documents the families struggling to make ends meet in 2021. 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 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 by family

composition and geographically, reflecting the higher costs facing families (especially child care for families with young children) and the geographic diversity of costs across Arkansas. This data relies on American Community Survey responses over one year, 2021, the most recent year available at the time of writing.

What emerges is a detailed picture of those in Arkansas who struggled to cover the cost of basic needs, where they lived, and the characteristics of their households. With this information, our findings and conclusions can inform and guide the creation of policies that promote and support the economic security and wellbeing of all Arkansas households and help ensure an equitable recovery for all.

The report addresses several questions:

- How many individuals and families in Arkansas are working yet unable to meet their basic needs?
- Where do Arkansas residents struggle with high costs of basic needs exceeding their income? What are the characteristics of these households, including educational and employment patterns?
- What are the implications of these findings for policymakers, employers, educators, and service providers?

We find that Arkansas families struggling to make ends meet are neither a small nor a marginal group, but rather represent a substantial proportion of households in the state. Overall, using the Self-Sufficiency Standard and applying it to working-age households (excluding individuals over 65 and those with work limiting disabilities), *more than one in three households (35 percent) lack sufficient income to meet the minimum cost of living in Arkansas.*

.....

While **16%** of working-age households in Arkansas live below the official poverty measure



**35%** of working-age households in Arkansas live below the Self-Sufficiency Standard



With more than one in three Arkansas households lacking enough income to meet their basic needs, the problem of economic insecurity even before the pandemic is extensive, affecting families throughout the state, in every racial/ethnic group, among men, women, and children, in all counties. However, this report finds that certain groups in Arkansas are disproportionately more likely to face economic insecurity than others: These data are not meant to imply that certain demographic factors *cause or are the reason for* income inadequacy, but rather the patterns documented in this analysis are likely a result of structural issues that systematically impacts groups of people.

**Over a third of Arkansas households are unable to meet their needs, but state level data masks the considerable variation in household income inadequacy throughout the counties.** Counties across the state have income inadequacy levels ranging from 21 percent to 47 percent, with a few consistent patterns across each disparate region. Women, householders of color, and families with children present have higher rates of income inadequacy.

**People of color, particularly Black and Latinx householders, are disproportionately more likely to struggle with economic insecurity.** In Arkansas—48

percent of Black and of Latinx households struggled to make ends meet. This is more than one and a half times the inadequacy rate of White households (31 percent).

**Households that are linguistically isolated, meaning no one over the age of 14 speaks English well and had a household language other than English, is associated with higher rates of economic insecurity as measured by the Standard.** Of all linguistically isolated households, 47 percent struggled with economic insecurity, compared to 35 percent of households where the household language was English.

**Households with children are at a greater risk of not meeting their basic needs, accounting for close to half of households with incomes below the Standard.** The rate of income inadequacy for households with children is 41 percent—10 percentage points higher than households without children (Figure F). Moreover, the presence of children, particularly young children, has a large impact on household budgets. Reflecting the need for full-time child care, households with at least one child under the age of six have a higher rate of income inadequacy (53 percent) than households where the youngest child is six or older (33 percent).

Arkansas has 312,235 households that do not have sufficient incomes



77% of households below the Standard had at least one working adult



48% of households below the Standard had at least one child



46% of householders below the Standard had at least some college credit, a Bachelor's degree, or additional graduate degree



23% of households below the Standard received food assistance



65% of households below the Standard paid more than 30% of their income towards their cost of housing



22% of households below the Standard were married couples with children



19% of households below the Standard did not have health insurance



10% of households below the Standard did not have access to the internet

**Being a single mother and a person of color is associated with the highest levels of economic insecurity.**

Slightly less than one-third (30 percent) of married-couple households with children have incomes that do not keep up with their cost of basic needs, a lower rate than the average for households with children (41 percent). In Arkansas, 47 percent of single father households have inadequate income. In contrast, nearly two-thirds (65 percent) of single mothers do not earn enough to cover costs. These rates are particularly high for single mothers of color: 73 percent of Black and 72 percent of Latinx mothers are below the Standard—compared to 63 percent of White single mothers.

**The structural disadvantages experienced by women of color are such that they need more education to achieve the same level of economic security as White men.**

The percentage of women of color with inadequate income fell from 64 percent for those lacking a high school education or equivalent to 22 percent for those with a college degree or more, a decrease of 42 percentage points (Figure N). Despite the dramatic decrease in income inadequacy rates when a bachelor's degree is obtained, women of color in Arkansas are still far more likely to have inadequate income compared to White men with the same education levels.

**Employment is key to income adequacy in Arkansas, but it is not a guarantee.**

Among households with at least one full-time, year-round, worker, income inadequacy rates are 31 percent compared to 86 percent for households with no workers. About 78 out of 100 households below the Standard, however, have at least one worker. Nevertheless, just as with education, households headed by people of color or single mothers experienced lower returns for the same work effort. For example, *even when there is one Latinx worker with a full-time, year-round job, 53 percent of these households still struggled to meet basic needs, compared with 28 percent of White households with at least one full-time worker.*

There are many more people in Arkansas who struggle to meet their basic needs without assistance than the government's official poverty statistics capture. This undercounting is largely because measures used, such as the official poverty measure, do not accurately document what it takes to afford 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 the underestimation creates broadly held misunderstandings about who is in need, what skills and education they hold, and therefore what unmet needs they have. These misapprehensions harm our ability to respond to the changing realities facing low-income families. Although women and people of color experience inadequate income disproportionately, Arkansas households with inadequate income reflect the state's diversity: they come from every racial and ethnic group, reflect every household composition, and overwhelmingly work as a part of the mainstream workforce.

Preliminary data from the pandemic indicates exacerbated trends that are identified within this report: Latinx and Black communities experience disproportionate financial detriment from the economic shutdown. However, for families struggling to make ends meet, it 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 Arkansas policymakers, organizers, and community workers to address these challenges and make it possible for all households in the state to earn enough to meet their basic needs.

# About the Self-Sufficiency Standard

---

Though innovative for its time, researchers and policy analysts have concluded that the official poverty measure (OPM) is methodologically dated and no longer an accurate measure of poverty. This report measures how many households are struggling to make ends meet by using the Self-Sufficiency Standard for Arkansas as the alternative metric of household income adequacy—or the lack thereof.

For over three decades, many studies have critiqued the official poverty measure.<sup>5</sup> Even the Census Bureau now characterizes the OPM as a “statistical yardstick rather than a complete description of what people and families need to live.”<sup>6</sup> Others have offered alternatives, such as Renwick and Bergman’s article proposing a “basic needs budget.”<sup>7</sup>

These discussions culminated in the early 1990s with a congressionally mandated comprehensive study by the National Academy of Sciences (NAS), which brought together hundreds of scientists, and commissioned studies and papers. These studies were summarized in the 1995 book, *Measuring Poverty: A New Approach*, which included a set of recommendations for a revised methodology.<sup>8</sup> Despite substantial consensus on a wide range of methodological issues and the need for new measures, no changes have been made to the official poverty measure (OPM) itself. In 2012, the Census Bureau developed an alternative measure based on the NAS model, put forth first as “experimental,” and then published annually as the Supplemental Poverty Measure.<sup>9</sup>

Taking into account the critiques of the OPM, and drawing on both the NAS analyses and alternative “basic needs” budget proposals (such as that of Renwick), the Self-Sufficiency Standard was developed to provide a more accurate, nuanced measure of income adequacy.<sup>10</sup> While designed to address the major shortcomings of the OPM, the Self-Sufficiency Standard more substantially reflects the realities faced by today’s working parents, such as child care and taxes, which are not addressed in the federal poverty measure. Moreover, the Standard takes advantage of the greater accessibility, timeliness, and accuracy of current data and software not in existence nearly six decades ago.

The major differences between the Self-Sufficiency Standard and the official poverty measure include:

- **The Standard is based on all major budget items faced by working adults (age 18-64 years): housing, child care, food, health care, transportation, and taxes.** In contrast, the OPM is based on only one item—a 1960s food budget, and the assumption (based on then-current consumer expenditure data) that food is one-third of total expenditures. Additionally, while the OPM is updated for inflation, there is no adjustment made for the fact that the cost of food as a percentage of the household budget has decreased substantially over the years. The Standard allows different costs to increase at different rates and does not assume that any one cost will always be a fixed percentage of the budget.
- **The Standard assumes that all adults work to support their families.** Including work-related expenses, such as transportation, taxes, and child care, reflects the changes in workforce participation over the past several decades, particularly among women. The OPM continues to reflect—implicitly—a demographic model of mostly two-parent families with a stay-at-home mother.
- **The Standard varies geographically.** The OPM is the same everywhere in the continental United States while the Standard is calculated on a locale-specific basis (usually by county).
- **The Standard varies costs by the age as well as number of children.** This factor is particularly important for child care costs, but also for food and health care costs, which vary by age as well. While the OPM considers the number of adults and children, there is no variation in cost based on the ages of children.

- **The Standard includes the net effect of taxes and tax credits.** This illuminates the impact of tax policy on net family income and provides a more accurate measurement of income adequacy. The OPM does not include taxes or tax credits as taxes were very minimal for low-income families when it was developed and there were no refundable tax credits (such as the Earned Income Tax Credit).

The resulting Self-Sufficiency Standard is a set of basic needs budgets created for all family types in each county in a given state.<sup>11</sup> For example, the food budget contains no restaurant or take-out food, even though Americans spend an average of 44 percent of their food budget on take-out and restaurant food.<sup>12</sup> The Standard does not include retirement savings, education expenses, or debt repayment, nor does the Standard address “asset-building” strategies. The Census documents that over 55 percent of Americans hold unsecured debt, including credit card, student loans, and medical debt which can have high, burdensome interest rates.<sup>13</sup> It also does not

include costs for socialization activities, like recreation or entertainment expenses. However, the Standard does now include the calculation of an additional amount for emergency savings.

Finally, the Self-Sufficiency Standard is a measure of the cost of all basic needs, in a given county, for over 700 different family types *without* any public or private assistance. While the Self-Sufficiency Standard does not include public assistance, this exclusion does not imply that households should not rely on critical supports. As shown by the data in this report, due to structural inequities that maintain the cycle of poverty, many families struggle to make ends meet on earnings alone. Work supports (subsidies or assistance) help families achieve economic stability, so that they do not need to choose from among their basic needs, such as scrimping on nutrition, living in overcrowded or substandard housing, or leaving children in unsafe or non-stimulating environments.

“ The OPM continues to reflect—implicitly—a demographic model of mostly two-parent families with a stay-at-home mother.

# Different Approaches to Measuring Poverty

## The OPM is Based on Only One Cost

The official poverty measure (OPM, also known as the federal poverty guidelines or FPG/FPL) calculates the cost of food for the number of people in the family, then multiplies it by three and assumes the total amount covers all other expenses.



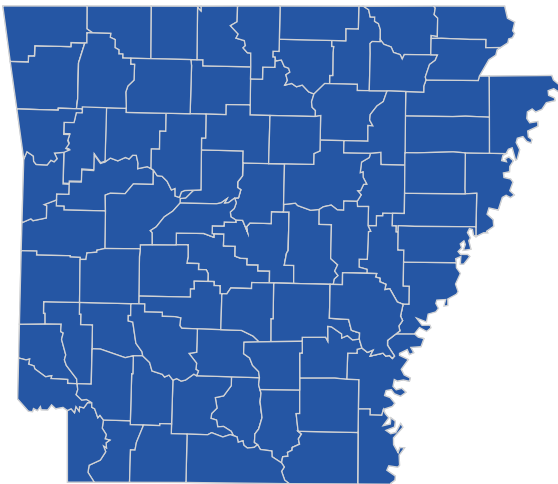
## The Standard is Based on All Budget Items

The Standard is based on all major budget items faced by working adults. The Self-Sufficiency Standard calculates how much income families need to make ends meet without public or private assistance by pricing each individual budget item.



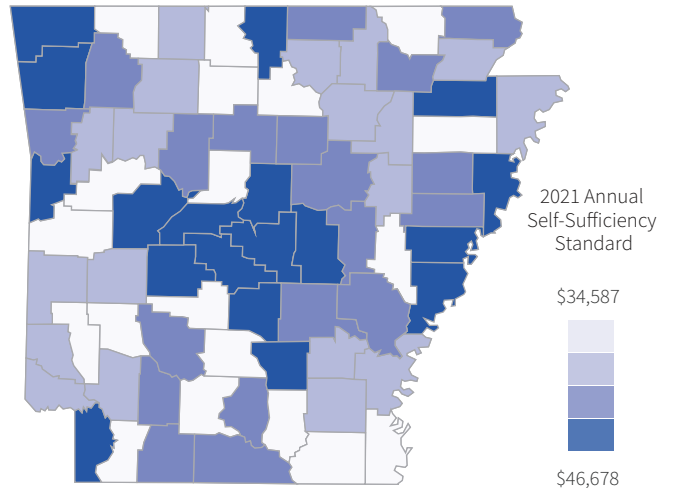
## The OPM is the Same Throughout Arkansas

According to the OPM in 2021, a family of two with an annual income of \$17,240 or more was not considered poor anywhere in Arkansas.



## The Standard Varies Within Arkansas

The Standard varies across Arkansas counties. An adult with a preschooler needs \$34,587 to \$46,678 annually to meet basic needs depending on the area.

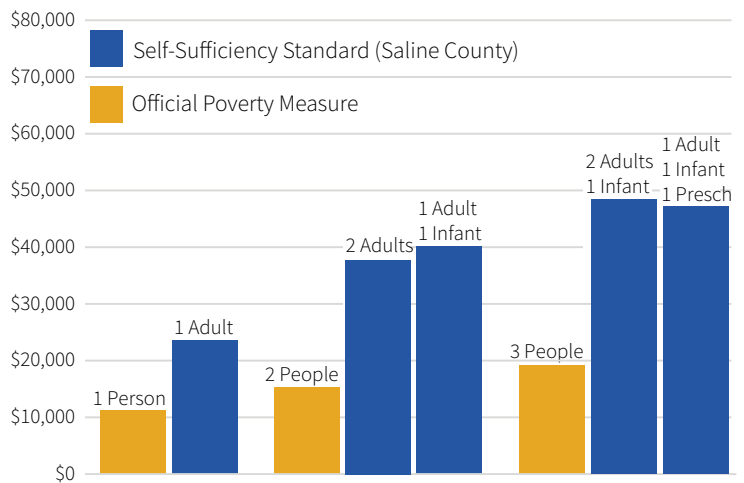


## The OPM Increases at a Constant Rate

The official poverty measure increases by a constant \$4,480 for each additional family member and therefore does not adequately account for the real costs of meeting basic needs.

## The Standard Varies by Family Type

The Standard changes by family type to account for the increase in costs specific to the type of family member, whether this person is an adult or child, and for children, by age, including infant, preschooler, school-age, and teenager.



# How Did We Calculate These Data?

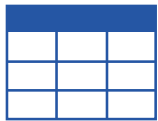
## STEP 1: Calculate the Self-Sufficiency Standard



The Self-Sufficiency Standard for Arkansas defines the amount of income necessary to meet the basic needs of Arkansas 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 such as clothing and paper products, 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 Arkansas counties.



## STEP 2: Create a Dataset of Arkansas Households



To estimate the number of households below the Self-Sufficiency Standard for Arkansas, this study uses the 2021 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. Most households in the sample consist of one family or one or more unrelated individuals, while the remaining households have two or more families. This study includes all persons residing in households, including not only the householder and their relatives, but also non-relatives such as unmarried partners, foster children, and boarders. The study assumes that members of a shared household divide the cost of basic needs.



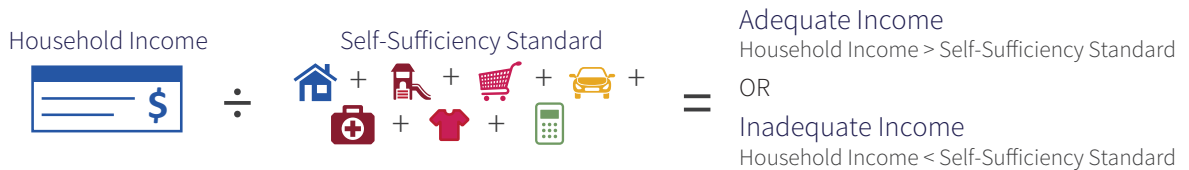
As the Self-Sufficiency Standard was initially designed as a benchmark for job training programs, the Standard assumes that all adult household members work and includes all their work-related costs (e.g., transportation, taxes, child care) in the calculation of expenses. Therefore, the population sample in this report excludes 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 884,416 households and represents **75 percent** of all Arkansas households.

## STEP 3: Compare Household Income to Income Benchmark

The Self-Sufficiency Standard for Arkansas is used to determine if a household has adequate income to cover each household members’ basic needs. Earnings for each household member are summed up 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.



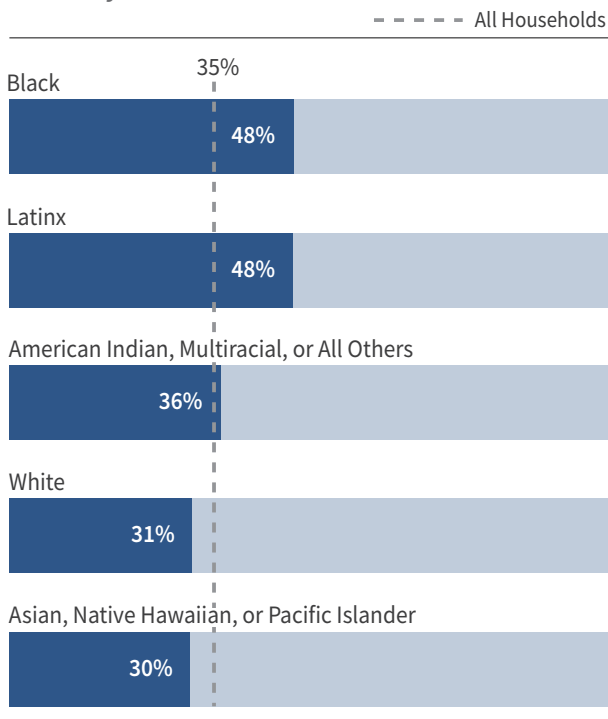
# Race/Ethnicity, Citizenship, & Language

People of color are disproportionately more likely to struggle to cover basic needs due to the systemic effects of structural racism. While citizenship and English proficiency were associated with lower rates of income insecurity for immigrant households, they were not enough to bring income adequacy rates, as defined by the Self-Sufficiency Standard, to the same level as U.S. born citizens.

As illustrated by **Figure A**, Black, Latinx, American Indian, Multiracial, or Other race householders experienced the highest rates of income inadequacy in Arkansas (see the “**Glossary of Key Terms**” for explanation of household versus householder).<sup>14</sup>

- Black and Latinx-headed households experience the highest levels of economic insecurity of all racial and ethnic groups in Arkansas—48 percent of Black and 48 percent of Latinx households struggle to make ends

**Figure A. Income Inadequacy Rate by Race/Ethnicity of Householder\***



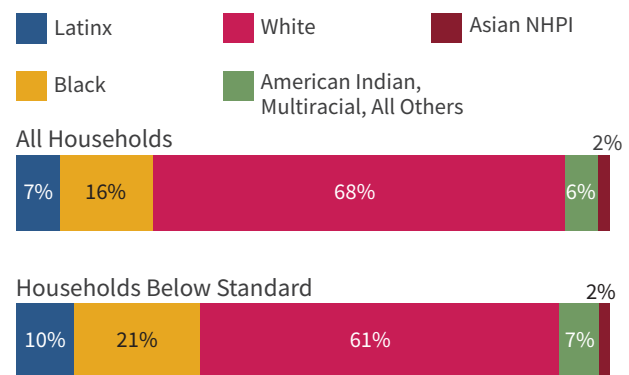
\*The householder is the person (or one of the persons) in whose name the housing unit is owned or rented or, if there is no such person, any adult member, excluding roomers, boarders, or paid employees. Note: Latinx refers to Hispanic/Latino ethnicity, regardless of race. Therefore all other racial/ethnic groups are non-Hispanic/Latino. See sidebar for more details on race/ethnicity definitions. Source: U.S. Census Bureau, 2021 ACS 1-year Public Use Microdata Sample.

meet. This is much higher the income inadequacy rate of White households (31 percent).

- The combined category of American Indian, all other and multiracial householders (see sidebar on the following page for definition) have rates of income inadequacy at 36 percent.
- Just under a third (31 percent) of households headed by White members struggled with inadequate income.
- Approximately 30 percent of Asian, Native Hawaiian, or Pacific Islander (NHPI) headed households experience income inadequacy.

White householders represent the majority of Arkansas households (see **Figure B**), but had the lowest rates of income inadequacy proportionately when compared with households of color.

**Figure B. Profile of Households with Inadequate Income by Race/Ethnicity of 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. Note: Latinx refers to Hispanic/Latino ethnicity, regardless of race. Therefore, all other racial/ethnic groups are non-Hispanic/Latino. See sidebar for more details on race/ethnicity definitions. Source: U.S. Census Bureau, 2021 ACS 1-year Public Use Microdata Sample.



## Race/Ethnicity Definitions.

This study combines the Census Bureau’s separate racial and ethnic classifications into a single set of categories. In the American Community Survey questionnaire, individuals identify if they are ethnically of Hispanic, Latinx, or Spanish origin and separately identify their race/races (they can indicate more than one race). Those who indicate they are of Hispanic, Latinx, or Spanish origin (regardless of their race category) are coded as Latinx in this study, while all others are coded according to their self-identified racial category.

The result is five mutually exclusive racial and ethnic groups:

- Latinx or Hispanic (referred to as Latinx);
- Asian, Native Hawaiian, and Pacific Islander (individuals identifying as Native Hawaiian and Pacific Islander are combined with the Asian group due to the small population size of the sample);
- Black or African-American (referred to as Black);
- White, and;
- American Indian, Multiracial, or Other Race (referred to as All Other). Individuals identifying as American Indian and Alaskan Native are combined with the All Other group due to the small population size of the sample).

## Nativity

Non-citizen householders have higher income inadequacy rates than U.S. born and naturalized householders, especially when identifying as Black, Latinx, or American Indian, multiracial, or other. While 35 percent of U.S. born, Arkansas households have inadequate income, 48 percent of non-citizens do not have adequate income to support their basic needs.

- **Overall, non-citizen immigrants account for a disproportionate share of Arkansas households with inadequate income despite their smaller population.** Though households headed by a non-citizen made up only four percent of households in Arkansas, they constitute six percent of households below the Standard. Naturalized citizens are almost consistently represented: they constitute

three percent of all households and two percent of households falling below the Standard. However, the vast majority of households with incomes below the Standard in Arkansas are citizens (see [Figure C](#)).

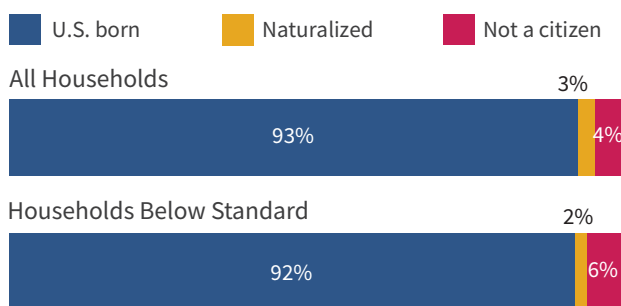
How do rates of income inadequacy among different racial and ethnic identities compare by citizenship status? Unfortunately, the ACS 2021 survey sample size was not sufficient to make a comparative statement between households headed by people of color versus White households when comparing citizenship status.

However, households led by people of color in Arkansas generally experience higher levels of income inadequacy that are compounded by citizenship status (see [Figure D](#)).

- People of color households who are not citizens had the highest rates of income inadequacy out of all categories with over 49 percent unable to meet their basic needs. The income inadequacy rate was around 19 percentage points less for naturalized and four percentage points less for U.S. born, POC householders.

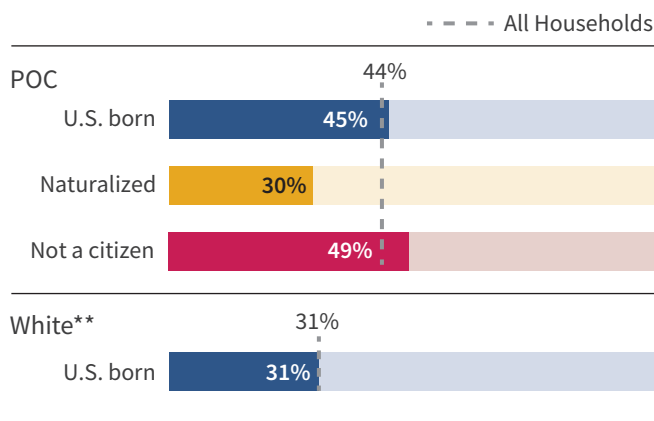
Despite immigrants making up a small percentage of Arkansas’s population, with only seven percent or 58,448 of total households not having been born in the United States, these households typically experience disproportionate levels of income inadequacy, particularly if not naturalized U.S. citizens.

**Figure C. Profile of Households with Inadequate Income by Citizenship of 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.  
Source: U.S. Census Bureau, 2021 ACS 1-year Public Use Microdata Sample.

**Figure D. Income Inadequacy Rate by Citizenship Status and Select Race/Ethnicity of 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.

\*\* There was an insufficient number of White householders who were naturalized or not a citizen to be accurately represented in this figure. Source: U.S. Census Bureau, 2021 ACS 1-year Public Use Microdata Sample.

While not included in Figure D, when disaggregating by race and ethnicity, Latinx householders also experience some of the highest rates of income inadequacy with more than half (55 percent) of all non-citizen, Latinx households having inadequate income.

## Language

Most, if not all, systems lack the ability to offer resources and services in languages that can support all households. Therefore, resources that traditionally increase income adequacy, including many jobs and educational programs, are not set up to support non-English speakers and contribute heavily to income inadequacy. The American Community Survey asks survey respondents, “How well does this person speak English?” Respondents can answer: very well, well, not well, and not at all. Householders who identify with speaking English less than very well had an income inadequacy of 48 percent, compared to those who do speak English very well (35 percent), a 13-percentage point difference.

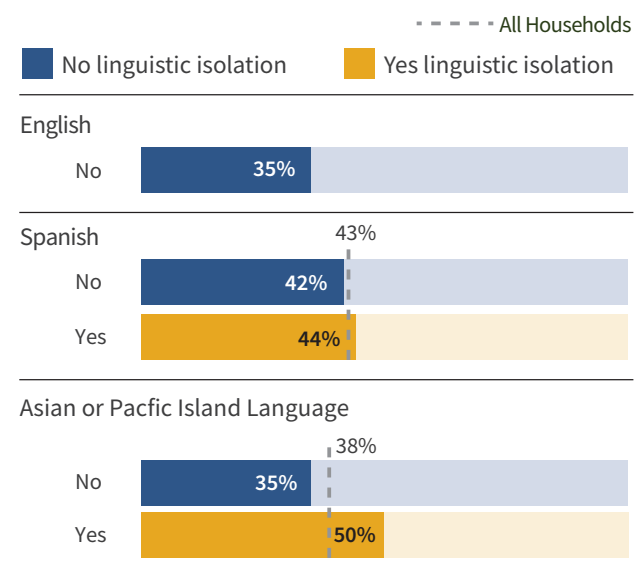
Additionally, over 11,072 households in Arkansas are linguistically isolated, meaning that no one over age 14 speaks English well, AND the household spoke

a language that was not English. Of all linguistically isolated households, 47 percent struggled with economic insecurity. In contrast, households in which the only household language was English had an income inadequacy rate of 35 percent (see Figure E).

- If households are not linguistically isolated (at least one person over 14 speaks English very well), 42 percent of Spanish-speaking households struggle to make ends meet, but if they are linguistically isolated, their income inadequacy rate increased to 44 percent.
- Among households that primarily speak an Asian or Pacific Islander language, 35 percent have inadequate income if they are not linguistically isolated, compared to 50 percent that are linguistically isolated.

Only one percent of all Arkansas households are linguistically isolated. However, two percent of households below the Standard are linguistically isolated, doubling their representation within the total population.

**Figure E. Income Inadequacy Rate by Household Language and Linguistic Isolation\***



\* Linguistically isolated households have no members over 14 who speaks English very well. Source: U.S. Census Bureau, 2021 ACS 1-year Public Use Microdata Sample.

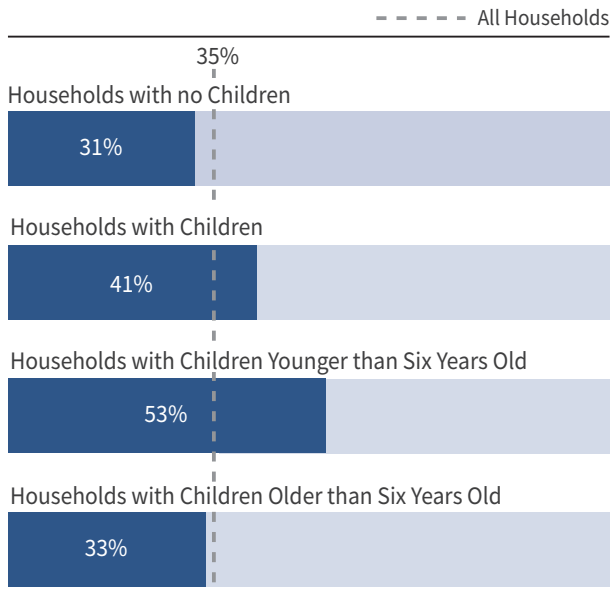
# Household Composition

Arkansas families with young children are more likely to struggle to make ends meet and cover the high cost of child care. Income inadequacy rates increase dramatically if the children present in the household are younger than six. Moreover, households headed by women have higher rates of income insufficiency regardless of the presence of children when compared to households headed by men and married-couple households.

## Presence of Children

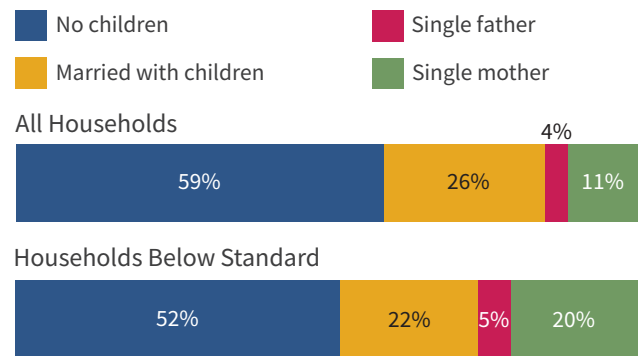
Compared to households without children, the rate of income inadequacy for households with children increases from 31 percent to 41 percent (Figure F). The presence of children, particularly young children, has a large impact on household budgets. Reflecting the need for full-time child care, households with at least one child under the age of six have a higher rate of income inadequacy than households with only school-age children or teenagers (53 percent compared to 33 percent). As a result, while households with children only account for 41 percent of all households in Arkansas, over 48 percent of households with incomes below the Standard have children present (see Figure G).

**Figure F. Income Inadequacy Rate by Presence of Children**



Source: U.S. Census Bureau, 2021 ACS 1-Year Public Use Microdata Sample.

**Figure G. Profile of Households with Inadequate Income by Household Type**



Source: U.S. Census Bureau, 2021 ACS 1-Year Public Use Microdata Sample.

## Children, Household Type, and Race/Ethnicity

Single mothers are disproportionately represented among households with incomes below the Standard. While single mothers head 11 percent of all households, they comprise 20 percent of households below the Standard. Overall, single mothers experience the highest rates of income inadequacy compared to other household compositions, with nearly two-thirds (65 percent) having inadequate income (see Figure H).

This high rate is at least partially correlated to gender. Among non-family households without children (which are mostly single persons living alone), the rate of income inadequacy for households headed by men is 36 percent compared to 38 percent for households headed by women. In other words, men and women living alone, already have an income inadequacy gap of about two percentage points.<sup>15</sup>

When we further examine the impact of the presence of children, we see even higher income inadequacy rates for households headed by single mothers, worsening the already existing gender and racial disparities.

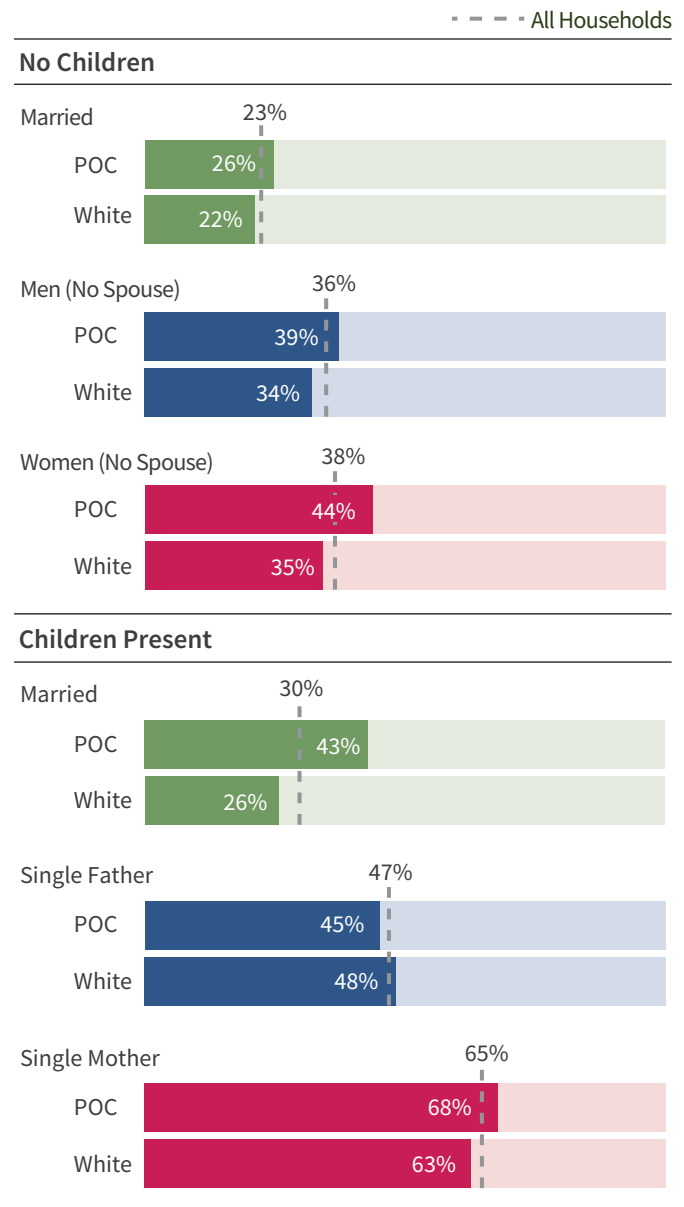
The dashed lines on **Figure H** show the overall income inadequacy rates for each household type, with the bars contrasting the differences of households of color and White households. When we divide households by presence of children, those with children have considerably higher rates of income inadequacy.

- Married-couple households without children have the lowest income inadequacy rate (23 percent). Among married-couples with children, the income inadequacy rate increases to 30 percent. However, 26 percent of White married-couple households with children have insufficient income while 43 percent of married households of color with children struggle to meet their needs.
- Households headed by men without children had an income inadequacy rate of 36 percent, while the income inadequacy rate increases to 47 percent for single fathers. Almost half (48 percent) of White single fathers did not have income that adequately supported their family compared to a marginally better 45 percent of fathers of color.
- Households headed by women without children had an income inadequacy rate of 38 percent. As a broad category, single mothers had the highest rate of being below the Standard, with an income inadequacy rate of 65 percent. Put another way, almost two thirds of all single mothers did not earn income adequate to meet their basic needs. Income inadequacy rates among single mothers of color are even higher: 68 percent lacked adequate income compared to 63 percent of White single mothers.

## Sex and Gender

The ACS asks respondents to indicate if they are either male or female, thus excluding people who do not identify with either—limiting the analysis to a binary framework due to the nature of the survey question. Additionally, while the survey question asks for a person’s sex, this report uses gender for an analysis framework with the assumption that inequities in income inadequacy rates are a result of the socially constructed characteristics and norms assigned to men and women, not their biological status.

**Figure H. Income Inadequacy Rate by Presence of Children, Household Type, and Race/Ethnicity of 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. Source: U.S. Census Bureau, 2021 ACS 1-Year Public Use Microdata Sample.

Altogether, parents, particularly single mothers, experience higher levels of income inadequacy than non-parents. The very high rates of income inadequacy for single mothers compared to single fathers suggests that a combination of gender and the presence of children—being a woman with children—contributes to the high rates of income inadequacy. Furthermore, as rates of income inadequacy are high among communities of color

regardless of family type, when children are present, households of color are at increased risk of lacking sufficient income to meet the costs of basic needs.

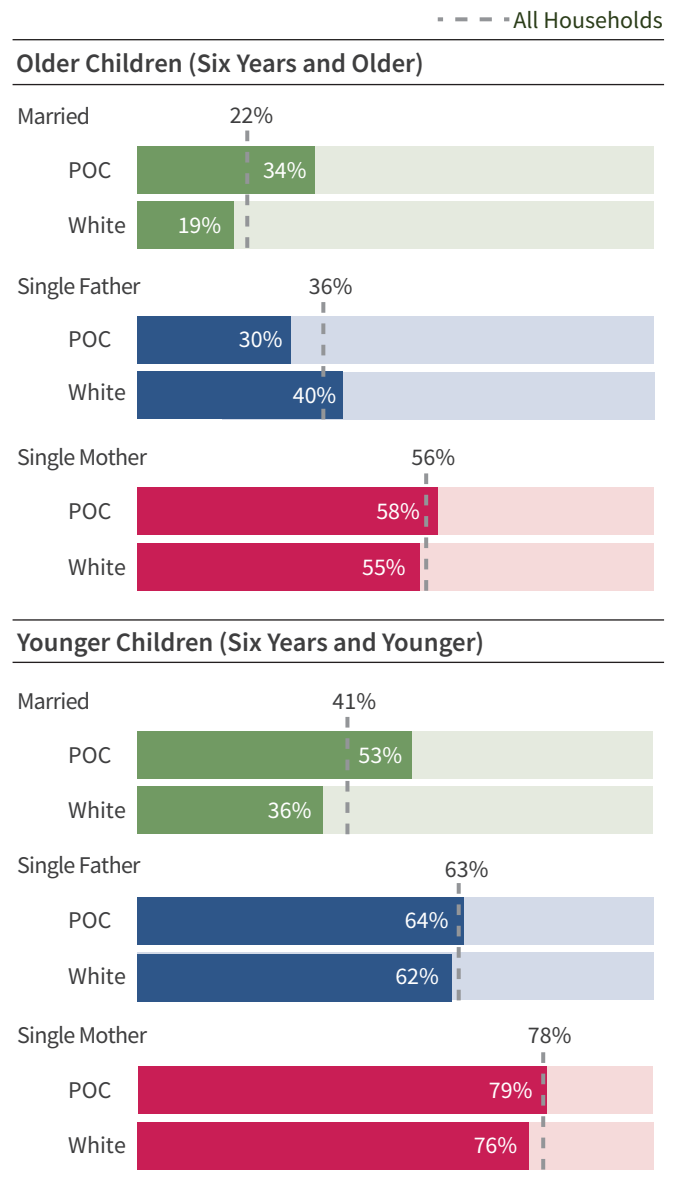
## Households with Young Children

Due to the high cost of child care, households with younger children (six years and younger) have the highest rates of income inadequacy in Arkansas for each household type (see Figure I). Consistent to other data trends, households led by single mothers experience the highest rates of income inadequacy. Almost four-fifths (78 percent) of single mothers were unable to cover the cost of basic needs when young children were present, compared to 56 percent when children had outgrown the need for full-time child care. Single mothers of color are particularly at risk for lacking adequate resources when children were young with 79 percent falling below the Standard. Even when the youngest child was old enough for full-day school (six years and older), resulting in reduced child care costs, 58 percent of single mothers of color had inadequate income.

Combining analysis by household type and race/ethnicity leads to some striking comparisons. Single mothers of color have consistently high rates of income inadequacy, regardless of children’s age. Single mother of color led households (68 percent) were over *three times as likely* to be struggling to make ends meet than White married-couple households without children (22 percent), increasing to nearly (79 percent) *four times* more likely if the children were young. With child care closures, remote learning, and disruptions in the labor market, the COVID-19 pandemic placed new pressures on already struggling single mothers, especially single mothers of color.

The causes of these high levels of income inadequacy are many, including systemic racism, pay inequity, and gender and race-based discrimination, as well as the expenses associated with children.

**Figure I. Income Inadequacy Rate by Age of Children, Household Type, and Race/Ethnicity of 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. Source: U.S. Census Bureau, 2021 ACS 1-Year Public Use Microdata Sample.

“ In Arkansas, more than 48 percent of households below the Standard have children present.

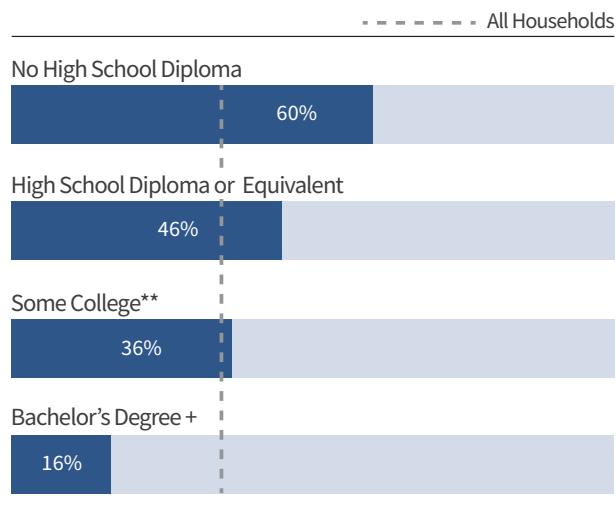
# Education

Householders with higher levels of educational attainment tend to experience lower rates of inadequate income. However, women and people of color must have considerably more education than their counterparts to achieve the same levels of income adequacy. For example, women of color with some college credit but no degree have only a slightly higher rate of income inadequacy than White men without a high school diploma.

As education levels increase, income inadequacy rates decrease dramatically (see **Figure J**). Of householders in Arkansas with less than a high school education, 60 percent have inadequate incomes, while only 16 percent of those with a bachelor’s degree or more had inadequate incomes. That is, when the householder lacked a high school diploma or equivalent high school degree, such as a GED, they are almost four times more likely to struggle to cover basic needs than householders with a bachelor’s degree or higher.

For households below the Standard in Arkansas, there are disproportionately more households represented who do not have a bachelor’s degree (see **Figure K**). While only eight percent of all households in Arkansas have less than

**Figure J. Income Inadequacy Rate by Educational Attainment of Householder\***



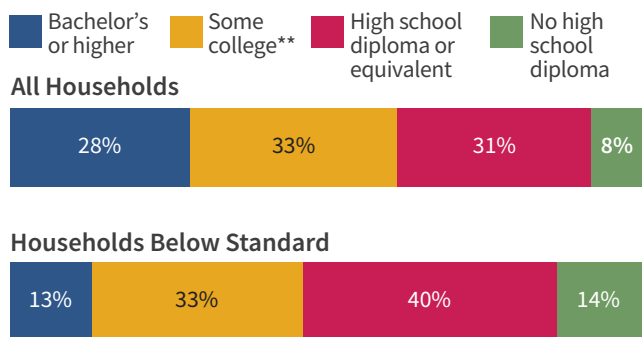
\* The householder is the person (or one of the persons) in whose name the housing unit is owned or rented or, if there is no such person, any adult member, excluding roomers, boarders, or paid employees.

\*\* Some college includes an Associate’s degree, and some college credit but no degree.

+ Includes Bachelor’s degree and higher

Source: U.S. Census Bureau, 2021 ACS 1-Year Public Use Microdata Sample.

**Figure K. Profile of Households with Inadequate Income by Educational Attainment of 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.

\*\* Some college includes an Associate’s degree, and some college credit but no degree.

Source: U.S. Census Bureau, 2021 ACS 1-Year Public Use Microdata Sample.

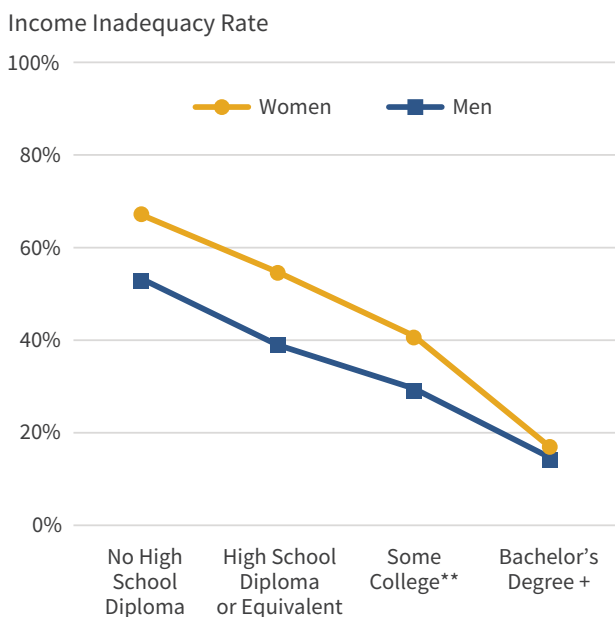
a high school degree or alternative high school degree, those households represent 14 percent of households below the Standard.

While educational attainment is an important safeguard against income inadequacy, not all groups benefit from increased education levels equally.

- Increased education is associated with substantially lower rates of income inadequacy for all groups—especially for women.** When the educational attainment of the householder increases from no high school diploma or equivalent to a bachelor’s degree or higher, income inadequacy levels fall from 67 percent to 17 percent for women (see **Figure L**). In contrast, men have income inadequacy rates that range from 53 percent for those without a high school education or equivalent to 15 percent for those with a bachelor’s degree or more.

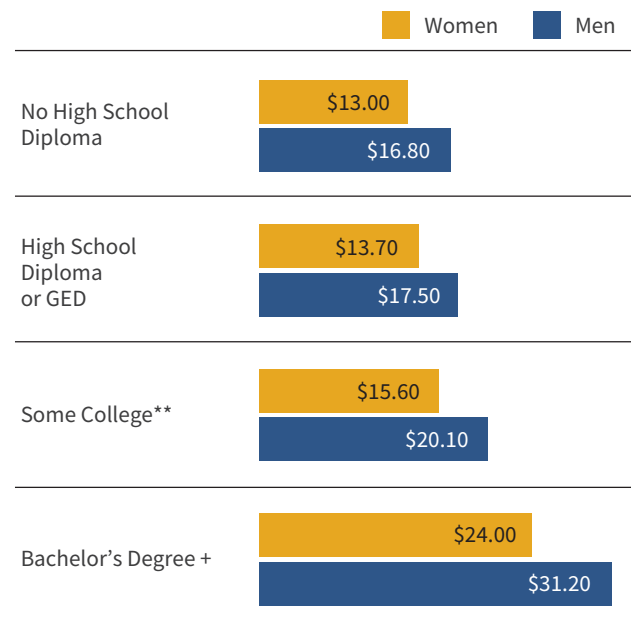
- **Despite decreasing rates of income inadequacy for women with higher levels of education, the gap between earnings for men and women remains persistent.** As documented in Figure M, women earn less than men at every level of education. In fact, men with less than a high school degree or equivalent, earn more per hour than women with some college experience. The gap increases as education increases: the median wage for men with a bachelor’s degree or higher is over seven dollars per hour more than women with the same level of education in Arkansas.
- **The difference in income inadequacy rates between race/ethnic groups narrows with increased education, although households of color tend to have higher income inadequacy rates at each level.** The difference in income inadequacy rates for householders without a high school diploma or equivalent high school certificate, such as a GED, ranges from 70 percent for Black householders to 50 percent for Asian, Native Hawaiian, or Pacific Islander householders (see Figure N). Once householders achieve a bachelor’s degree or higher, this difference

**Figure L. Income Inadequacy Rate by Education & Gender of 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.  
 + Includes Bachelor’s Degree or higher.  
 \*\* Some college includes an Associate’s degree, and some college credit but no degree.  
 Source: U.S. Census Bureau, 2021 ACS 1-Year Public Use Microdata Sample.

**Figure M. Hourly Median Earnings by Education & Gender of Householder\***

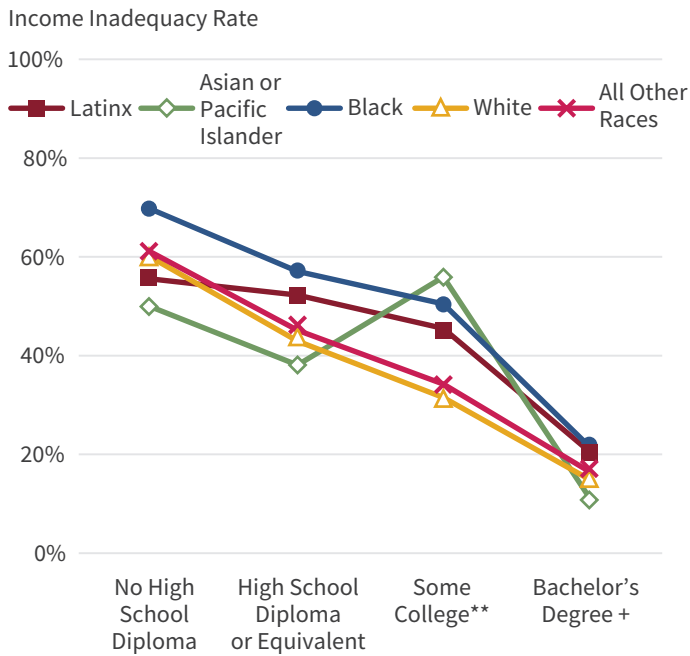


\* The householder is the person (or one of the persons) in whose name the housing unit is owned or rented or, if there is no such person, any adult member, excluding roomers, boarders, or paid employees. This is an imputed estimate. As the ACS does not include an hourly pay rate, this calculated by dividing annual earnings by usual hours worked per week.  
 \*\* Some college includes an Associate’s degree, and some college credit but no degree.  
 + Includes Bachelor’s Degree or higher.  
 Source: U.S. Census Bureau, 2021 ACS 1-Year Public Use Microdata Sample.

shrinks to seven percentage points (22 percent for Black householders versus 15 percent for White householders).

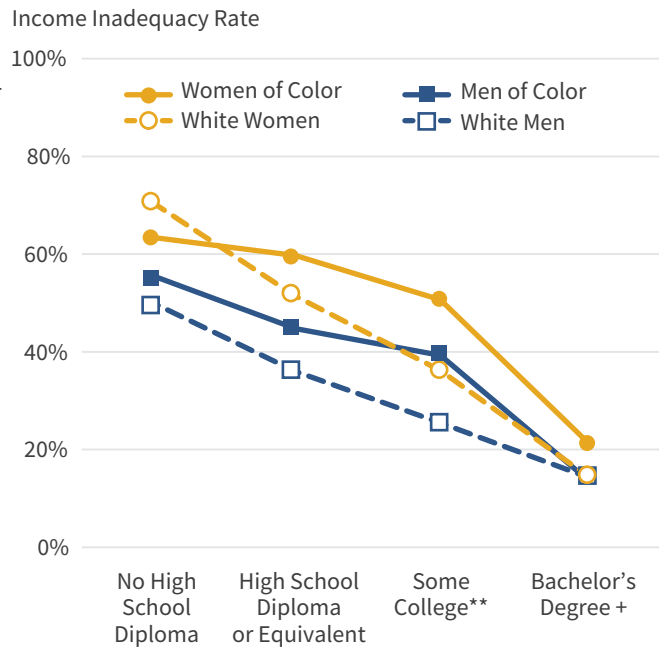
- **The combined effect of race/ethnicity and gender is such that women of color have the highest rates of income inadequacy when they having achieved at least a high school diploma or equivalent.** The percentage of women of color with inadequate income fell from 64 percent for those lacking a high school education or equivalent to 22 percent for those with a college degree or more, a decrease of 42 percentage points (see Figure O). Despite the dramatic decrease in income inadequacy rates when a bachelor’s degree is obtained, women of color in Arkansas are still far more likely to have inadequate income compared to White men with the same education levels. It is worth noting that White women experience the highest rates of income inadequacy without a high school diploma or

**Figure N. Income Inadequacy Rate by Education & Race/Ethnicity of 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.  
 \*\* Some college includes an Associate's degree, and some college credit but no degree.  
 + Includes Bachelor's Degree or higher.  
 Source: U.S. Census Bureau, 2021 ACS 1-Year Public Use Microdata Sample.

**Figure O. Income Inadequacy Rate by Education, Race/Ethnicity, & Gender of 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.  
 \*\* Some college includes an Associate's degree, and some college credit but no degree.  
 + Includes Bachelor's Degree or higher.  
 Source: U.S. Census Bureau, 2021 ACS 1-Year Public Use Microdata Sample.

equivalent high school certificate. Once they achieve that level, the percentage of inadequate income is consistently lower than women of color.

- **The disadvantages women and people of color experience as a result of systemic oppression are such that these groups need more education to achieve the same level of economic adequacy as White men.** While 50 percent of White men with

no high school diploma are below the Standard, 51 percent of women of color with some college have inadequate income.

At each educational level, both women and people of color, *especially women of color*, must attain higher levels of education than White men in order to achieve comparable levels of income adequacy.

### Impacts of Education Debt

The Standard does not factor in the economic impacts of student loans or debt acquired to increase education status. In 2023, individuals held \$37,574, on average, in federal student loans.<sup>17</sup> This amounts to approximately \$460 per month for ten years to repay their borrowing, and interest, for education alone.<sup>18</sup> Black students are also more likely to take out federal loans.<sup>17</sup> Notably, about 40 percent of education debt is held by individuals with some college or less, meaning they acquired the debt without completing the degree program.<sup>19</sup> While education can provide a pathway to higher paying jobs, debt owed may offset the economic benefits for some families. Though interest on student loans is currently on pause, it is set to resume on June 23, 2023. Some families with incomes below the Standard may also qualify for the Biden-Harris Student Debt Relief, helping to improve the long-term economic prospects of acquiring education.<sup>20</sup>



# Employment and Work Patterns

Even with a substantial amount of work hours, income does not always meet the costs of basic needs. Most households below the Standard in Arkansas had at least one employed adult (78 percent) and this is typically a full-time, year-round worker. It is largely inadequate wages, not work hours, that presents a barrier to income adequacy. Moreover, the returns from the hours of work are consistently lower for people of color and single mothers, resulting in higher levels of income inadequacy despite their substantial amount of work.

Employment is a key factor for households to secure income adequacy; however, not all households that work, even with two workers, earn enough to cover the increasing cost of basic needs. As illustrated in **Figure P**, most households that are below the Standard do have at least one worker. In fact, 25 percent of households that struggled to make ends meet have two or more workers. As shown by the dashed line on **Figure Q**, as the number of work hours per household falls, income inadequacy levels rise. For example:

- Households with two workers have an income inadequacy rate of 19 percent.
- With an income inadequacy rate of 86 percent, well over four-fifths of households with no workers have inadequate income.

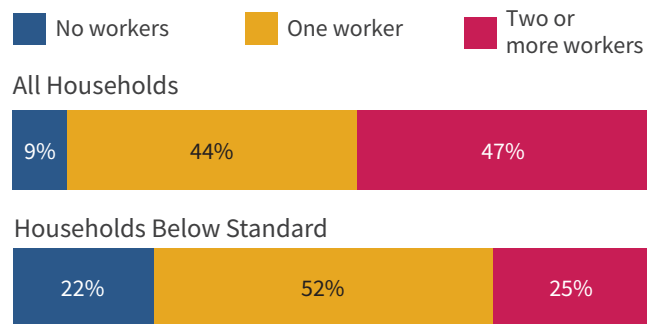
## Work Status Definitions\*

- **Full time** = 35 hours or more per week
- **Part time** = Less than 35 hours per week
- **Year round** = 50+ weeks worked during previous year
- **Part year** = 49 weeks or less worked during previous year

**Figure P** and **Figure Q** depict aggregations of these definitions including: one worker (full time and full year), meaning 35 hours or more per week with at least 50+ weeks worked in the previous year); one worker (part time or part year), meaning the worker either worked less than 35 hours per week year round or worked less than 49 weeks in the previous year.

\*This is consistent with definitions used by the U.S. Census Bureau, 2021 [American Community Survey](#).

**Figure P. Profile of Households with Inadequate Income by Work Status**



Source: U.S. Census Bureau, 2021 ACS 1-Year Public Use Microdata Sample.

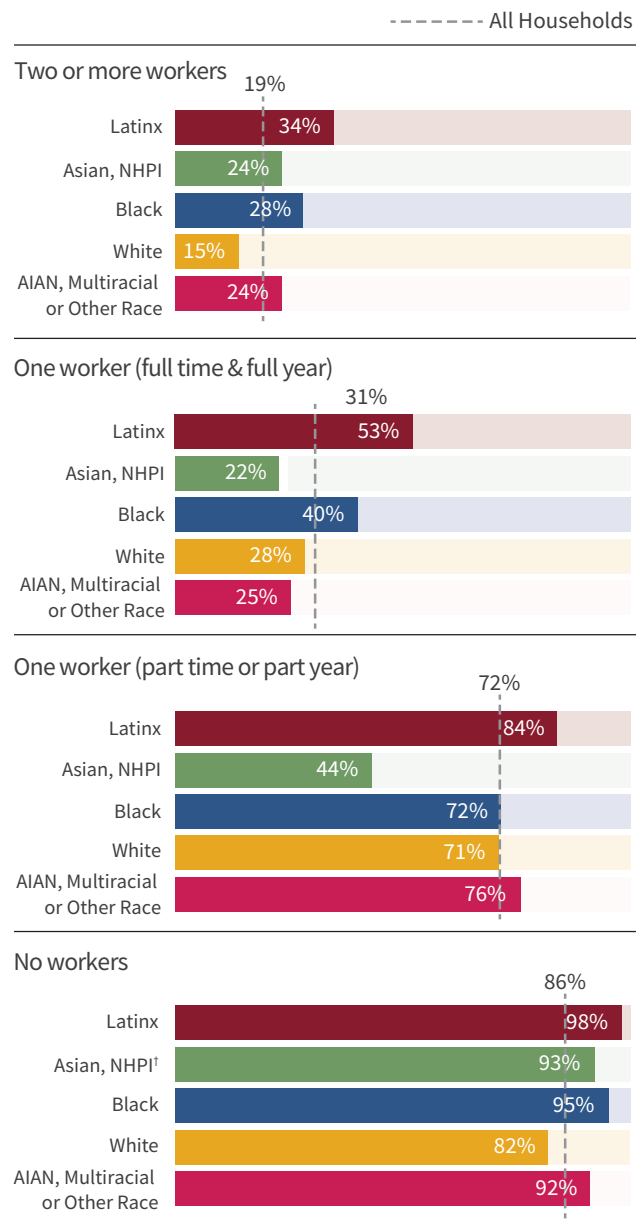
- If there is only one worker but that worker is employed full time throughout the year, income inadequacy rates rose to 31 percent. On the other hand, if the one worker is employed less than full time, income inadequacy increased substantially to 72 percent.

Below we explore that while the amount of work hours in a household lowers income inadequacy rates, gender and race-based labor market disadvantages create barriers to self-sufficiency despite similar work levels.

## Work Patterns by Race/Ethnicity

While more hours of work per household reduces income inadequacy, some POC workers, particularly Black and Latinx Arkansas residents, must work more to achieve the same levels of economic sufficiency as White workers (see **Figure Q**). For example, in households with one full-time worker, more than one fourth (28 percent) of White households, but over half (53 percent) of Latinx households do not have adequate income to cover basic

**Figure Q. Income Inadequacy Rate by Workers\* & Race/Ethnicity of Householder\*\***



\* All workers over age 16 and under 65 years old are included in the calculation of number of workers in household. A worker is defined as one who worked at least one week during the previous year.

\*\* 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, the householder is any adult member, excluding roomers, boarders, or paid employees

† The number of households in this category is considered by the ACS to be too low for statistical value but was included here for visual comparison.

Source: U.S. Census Bureau, 2021 ACS 1-Year Public Use Microdata Sample.

needs. In households with two (or more) workers, the percentage with inadequate income ranged from 15 percent for White households to 34 percent—more than twice the percentage points—for Latinx households.

When there are no workers in the household, all race/ethnic groups have high rates of income inadequacy (ranging from 82 percent to 98 percent). However, when there is one worker, there are larger differences by race/ethnicity:

- If the only worker in the household is part time or part year, income inadequacy rates stayed above 84 percent for Latinx (Hispanic) households. The rate for White and Black households is 71 and 72 percent respectively.
- When there is one fully employed worker (full time and full year) in the household, income inadequacy rates varied from 22 percent for Asian, Pacific Islander households, to 53 percent for Latinx households.

When there are two or more workers in the household, income inadequacy rates ranged from 24 to 34 percent for householders of color.

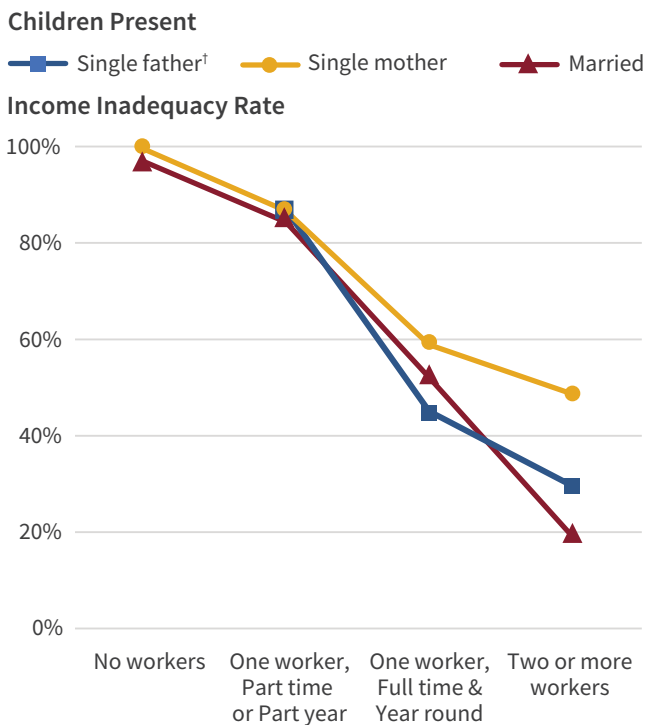
## Work Patterns by Family Type

As previously shown in this report, if a household is maintained by a woman alone or has children in it, levels of income inadequacy are consistently higher than those of childless and married-couple households, and often single father households. These higher rates of income inadequacy, in part, reflect the greater income requirements of families with children (such as child care) and gender discrimination in the labor market.

Consistently, with the same level of work hours, single parents have higher rates of income inadequacy than married-couple families with children. **Figure R** shows that among households with children:

- When the only worker is employed less than full time, year round, 85 percent of married-couples with children, 87 percent of single-father, and 87 percent of single-mother households lack adequate income.

**Figure R. Income Inadequacy Rate by Workers\* & Household Type with Children Present**



\* All workers over age 16 are included in the calculation of number of workers in household. A worker is defined as one who worked at least one week during the previous year.

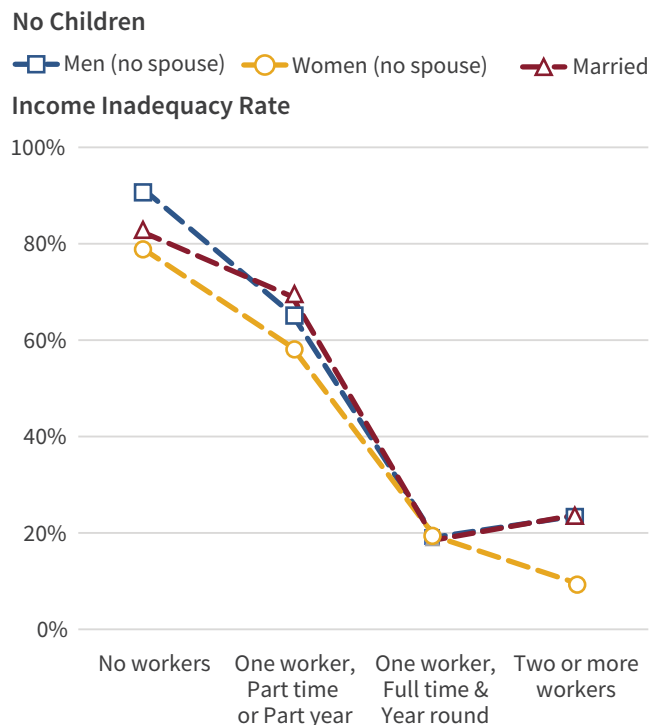
† The number of households of Single fathers in the categories of no workers, and one worker, part time, part year is considered by the ACS to be too low for statistical value.

Source: U.S. Census Bureau, 2021 ACS 1-Year Public Use Microdata Sample.

- When the only worker is employed full time, year round, 52 percent of married-couple with children, 45 percent of single-father, and 59 percent of single-mother households lack sufficient income.
- If there are two or more workers, 19 percent of married-couple with children, 29 percent of single-father, and 49 percent of single-mother households experience income insufficiency.<sup>16</sup>

Thus, in households with children, even when controlling for the numbers of workers/work hours at the household level, the disadvantages associated with being a single

**Figure S. Income Inadequacy Rate by Workers\* & Household Type with No Children Present**



\* All workers over age 16 are included in the calculation of number of workers in household. A worker is defined as one who worked at least one week during the previous year.

Source: U.S. Census Bureau, 2021 ACS 1-Year Public Use Microdata Sample.

mother in the labor market resulted in higher levels of income inadequacy compared to married-couple and single-father households.

When the same analysis is done for households with and without children, income inadequacy rates are generally lower than households with children, as to be expected with less child care expenses.

Although households above the Standard have higher percentages of full-time and year-round workers, households below the Standard also have substantial full-time and year-round work. For many, substantial work effort failed to yield sufficient income to meet even the minimum basic needs/expenses.

## Hours Versus Wage Rates

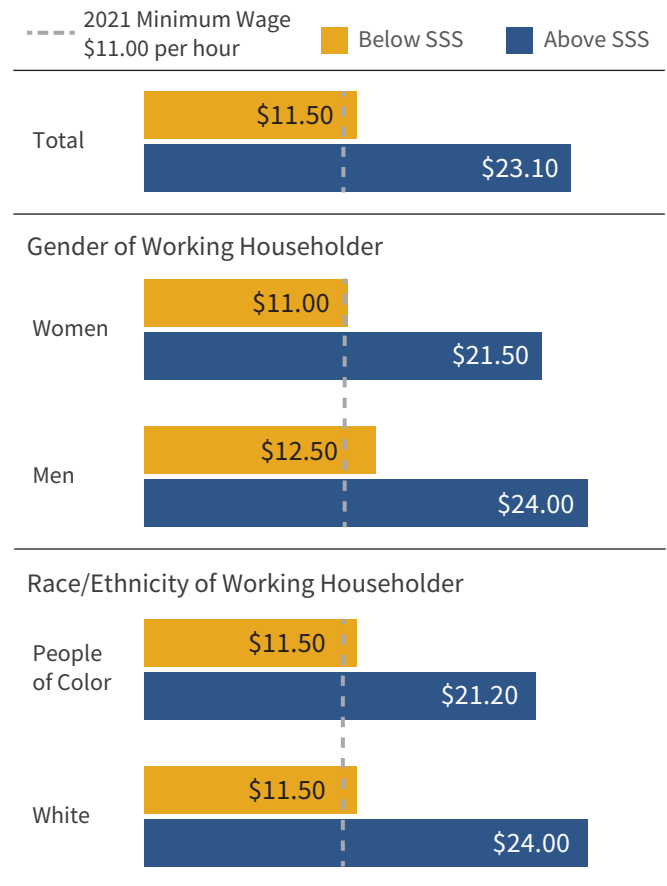
It is largely low wage rates, not lack of work hours, that result in inadequate income. Median hours among households above the Standard reflect full-time employment (2,080 hours) and worked about five percent more hours per year than those with incomes below the Standard (1,981 hours). At the same time, wages of householders above the Standard are more than twice that of householders below the Standard, \$23.10 per hour versus \$11.50 per hour (see [Figure T](#)).

**Gender.** Among employed householders in Arkansas, the median hourly wage for women (\$17.50 per hour) is 84 percent of the median hourly wage for men (\$20.90 per hour). Women householders above the Standard earn 90 percent of the median wage of men householders above the Standard (\$21.50 per hour vs. \$24.00 per hour). For households under the Standard, women earn 88 cents to every dollar a man earns, with women earning a median wage of \$11.00 per hour and men earning a median wage of \$12.50 per hour ([Figure T](#)). Women under the Standard are employed for fewer hours than men under the Standard on average, with annual hours worked being 1,820 for women householders and 2,080 for men.

**People of Color.** The racial wage gap in Arkansas between householders of color and White householders is persistent. Households of color earn only 86 percent of White household median earnings: \$17.30 versus \$20.20 per hour. Among those below the Standard, the wage gap disappears. However, households of color also working about 160 hours more on average than White householders (2,080 hours per year as opposed to 1,920 hours). For households above the Standard, White households earn a median hourly rate of \$24.00 while households of color earned only \$21.20 per hour.

Overall, the proportion of households of color with inadequate income is notably higher than the total population (39 percent versus 32 percent). Additionally, there are proportionately fewer households of color (27 percent) above the Standard than White households (73 percent).

**Figure T. Median Hourly\* Pay Rate of Working Householders\*\* by Gender and Race**



\* This is an imputed estimate. As the ACS does not include an hourly pay rate, this calculated by dividing annual earnings by usual hours worked per week.

\*\* 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, the householder is any adult member, excluding roomers, boarders, or paid employees. Working householders excludes those with self-employment income or no wages in the past year.

Source: U.S. Census Bureau, 2021 ACS 1-Year Public Use Microdata Sample.

Altogether, the data on wages and hours suggests that addressing income adequacy through employment solutions will have a greater impact if it focuses on increased wages, including addressing gender and racial wage gaps, rather than increased hours.

“ Among employed householders Arkansas, the median hourly wage for women is 84 percent of the median hourly wage for men.

## Occupations

Householders below the Standard are concentrated in relatively few occupations. Nearly half (45 percent) of all householders with inadequate income are in just 20 occupations. By contrast, just over one-fifth (21 percent) of those above the Standard are working in that group's top 20 most frequently-held occupations.<sup>22</sup>

Workers who are women and people of color with inadequate income are even more likely to be concentrated in fewer occupations: 52 percent of all households headed by women and 48 percent of all households headed by people of color with inadequate income are working in just 20 occupations. Grouping these occupations within their larger industries gives greater insight into these trends. See [Table 1](#).

**Retail.** Cashier is the most common occupation for workers heading households below the Standard in Arkansas. With a median wage of \$10.10 per hour, 81 percent of all cashiers with inadequate income are women and 41 percent are people of color. When including retail salespersons and first line supervisors of retail sales, the percentage of workers below the Standard in this field rises to over nine percent, representing more than 17,000 households.

**Education.** Elementary and secondary school districts are in the top two employers for Arkansas residents in 36 counties.<sup>23</sup> Nearly three percent of all householders below the Standard are teaching assistants, preschool, and kindergarten teachers earning a median wage of \$10.70. These workers—primarily women—represent nearly 6,000 householders who can't meet basic needs.

**Healthcare.** Nursing assistants and personal care aides are two occupations dominated by women living below the Standard (100 percent, \$11.20 per hour median wage and 82 percent, \$9.60 per hour median wage respectively). Facilities that rely heavily upon these low-wage workers—hospitals, skilled nursing facilities, and other healthcare entities—are the top employers for 15 Arkansas counties.<sup>23</sup>

**Transportation.** Transportation, encompassing laborers and material movers, truck drivers, stockers and order fillers as classified by the American Community Survey, comprise seven percent of workers under the Standard.<sup>23</sup> Workers of color hold over 50 percent of the lower median wage jobs (\$10.10 and \$12.50 per hour), but less than one third of the relatively more lucrative driver positions (\$13.00 per hour). General freight trucking is the first or second largest employer for Benton, Crawford, and Washington counties, areas of Arkansas experiencing rapid growth and relatively lower rates of income inadequacy. See "[Geography](#)" on page 25.

As highlighted above, the 20 most common occupations of householders below the Standard have a disproportionate share that are women and people of color. Indeed, 48 percent of the share of workers in the 20 most common occupations of householders with inadequate income are people of color, substantially higher than the 32 percent of the total household of color population in Arkansas.

Women are represented more than any other group in the 20 most common occupations held by householders below the Standard (67 percent). Put another way, in

**Occupation/Occupational Category.** The American Community Survey asks employed persons what their work activities are and codes responses into the 539 specific occupational categories based on the Standard Occupational Classification manual. This analysis examines the “top 20” occupational category—that is, out of 539 specific occupations, these are the 20 occupations in Arkansas with the most workers.

**Worker.** Householders in this analysis of occupations include those who worked at least one week in the previous year and who are not self-employed.

**Below Standard.** Workers are considered “below” the Standard if the household's total income is more or less, respectively, than their Self-Sufficiency Standard wages. Hourly wages are estimated by dividing the worker's annual earnings by usual hours and weeks worked during the year.

**Table 1. Twenty Most Common Occupations Among Householders Below the Standard**

Occupation	Number of Workers	Percentage of Workers	Median Wage	Share of Women (%)	Share of POC (%)
<b>Total Householders</b>	<b>188,934</b>	<b>45%</b>	<b>\$11.50</b>		
Cashiers	6,753	4%	\$10.10	81%	41%
Cooks	6,648	4%	\$9.60	58%	57%
Retail Salespersons	6,276	3%	\$9.20	47%	44%
Laborers and Material Movers	5,994	3%	\$12.50	40%	56%
Nursing Assistants	5,502	3%	\$11.20	100%	57%
Customer Service Representatives	4,945	3%	\$13.10	78%	72%
Janitors and Building Cleaners	4,475	2%	\$10.40	42%	41%
First-Line Supervisors of Retail Sales	4,407	2%	\$10.70	86%	31%
Stockers and Order Fillers	4,292	2%	\$10.10	41%	59%
Maids and Housekeeping Cleaners	4,255	2%	\$10.90	95%	48%
Waiters and Waitresses	4,010	2%	\$11.60	82%	29%
Personal Care Aides	3,717	2%	\$9.60	82%	33%
Secretaries and Administrative Assistants	3,602	2%	\$11.70	96%	38%
Driver/Sales Workers and Truck Drivers	3,310	2%	\$13.00	15%	29%
Teaching Assistants	3,168	2%	\$7.00	82%	44%
Preschool, Kindergarten Teachers	2,809	1%	\$10.70	100%	27%
Fast Food and Counter Workers	2,714	1%	\$8.10	70%	40%
Production Workers, Equipment Operators and Tenders	2,619	1%	\$14.40	29%	56%
Office Clerks, General	2,606	1%	\$9.60	100%	40%
Construction Laborers	2,579	1%	\$9.70	12%	57%

Source: U.S. Census Bureau, 2021 ACS 1-Year Public Use Microdata Sample.

the midst of the pandemic the most common low-wage jobs were held by women. Only a few of these low-wage occupations allow the ability to telework, those occupations in front line industries that maintained employment have high health risks, and the remainder of the occupations are in service categories which have seen the highest loss of employment.<sup>24</sup> Households headed by women are disproportionately below the Standard and their concentration in low-wage occupations with high pandemic unemployment rates places this group at risk of further economic marginalization.

For several decades prior to the COVID-19 pandemic, a noticeable shift began taking place: fewer workers in higher-wage jobs and sectors, such as manufacturing,

and more workers in lower-wage service sector jobs. With the COVID-19 pandemic, this trend exacerbates the economic and health risks facing low-wage workers. Low-wage workers are disproportionately in service occupations that are at higher risk for loss of income during the pandemic.<sup>25</sup> Those who stayed employed, working in essential businesses, have done so while facing increased health risks to themselves and their families.

Because these occupations rely on in person social environments and interactions, and were designated as essential workers during the pandemic, keeping employment increased employees' risk of exposure to the COVID-19 virus.

## Profile of Households Below the Standard in Arkansas

---

Using the Self-Sufficiency Standard and applying it to working-age households (excluding the elderly and disabled), more than one out of three households (35 percent) lack sufficient income to meet the minimum cost of living in Arkansas. Other variables such as housing burden, food assistance, Temporary Assistance for Needy Families (TANF), internet access, and health insurance type offer insight on the needs of households that are struggling to make ends meet, even when 78 percent of the households below the Standard have at least one working adult.

While the official poverty measure identifies 144,218 households as “poor,” more than twice as many, 312,235, actually lack enough income to meet their basic needs in Arkansas. Using the official poverty thresholds results in more than 50 percent of these Arkansas households being *overlooked and undercounted*, not officially poor yet without enough resources to cover their basic needs.

This report has demonstrated that the likelihood of experiencing inadequate income in Arkansas is concentrated among certain families by gender, race/ethnicity, education, and location. Additionally, it documents that the vast majority (78 percent) of households had at least one worker who is not earning wages sufficient to meet even basic costs for their families. **Figure U** examines a range of variables that offer insight into what households living below the Standard in Arkansas need by comparing households below the Standard to all households in Arkansas.

Housing represents a critical issue for those living below the Standard, as more than one third of households (42 percent) are paying more than 50 percent of their earnings towards housing and another 23 percent are paying more than 30 but less than 50 percent of their income towards housing. Together, that means, nearly two thirds (65 percent) of households below the Standard were considered housing cost burdened.

Additionally, almost one out of four households below the Standard in Arkansas access Supplemental Nutrition Assistance Program (SNAP) benefits (formerly called

food stamps). Work supports, like SNAP, help supplement families’ monthly budgets and improve their quality of life. Families that do not have access to work supports are forced to choose which basic needs to address, and, as a result, face both short and long-term consequences. Insufficient nutrition can also negatively impact children’s academic achievement and health levels, highlighting the importance of access to SNAP and other forms of food assistance.<sup>26</sup> Three out of four households with inadequate income according to the Self-Sufficiency Standard did not receive food assistance in 2021. Furthermore, only two percent of households under the Standard had access to cash assistance through the Temporary Assistance for Needy Families program.

Ten percent of households under the Standard do not have access to the internet (accessed through a cell phone company or internet service provider), a critical resource for education, services, and job seeking. Finally, 19 percent of households under the Standard, compared with 13 percent of total households do not have health insurance.

By examining the needs (subsidized housing, access to internet, health insurance, food assistance) of households below the Standard, a great majority of which are not eligible for public assistance programs, we can understand how to create policy mechanisms that better serve these communities.

**Figure U. Profile of Households with Inadequate Income**  
 There are 312,235 households living below the Self-Sufficiency Standard in Arkansas

**Number of Working Adults**

■ No workers ■ One worker ■ Two or more workers

All Households



Households Below Standard



**Health Insurance**

■ Employment-based ■ Other\*\* ■ Uninsured  
 ■ Direct-purchase ■ Medicaid

All Households



Households Below Standard



**Housing Burden\***

■ Housing costs > 50% of income ■ Housing costs >30% and <=50% of income  
 ■ Housing costs <=30% of income ■ No cash rent

All Households



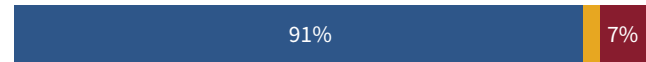
Households Below Standard



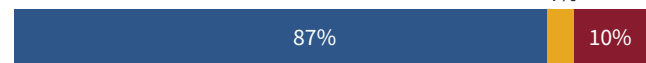
**Access to Internet**

■ Yes, paying for Internet ■ Yes, without paying for internet ■ No access to the internet

All Households



Households Below Standard



**Food Assistance (SNAP)**

■ No SNAP ■ Yes, receive SNAP

All Households



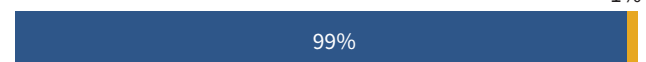
Households Below Standard



**Temporary Assistance for Needy Families (TANF)**

■ No TANF ■ Yes, receive TANF

All Households



Households Below Standard



\* The label "housing burdened" is assigned to households when more than 30 percent of their income goes to the cost of housing. Households are considered "severely housing burdened" if housing costs more than 50 percent of their income.  
 \*\* Other includes insurance from VA, TRICARE, other military healthcare, or Medicare.  
 Percentages are rounded and therefore do not always add up to 100 percent.  
 Source: U.S. Census Bureau, 2021 ACS 1-Year Public Use Microdata Sample.



## Geography

---

Although more than one in three (35 percent) Arkansas households have inadequate income, state level data masks the considerable variation in household income inadequacy throughout the counties of Arkansas. In fact, income inadequacy rates more than double when comparing the percentage of households below the Standard in Benton County (21 percent) to the percentage below the Standard in counties found in the north-central region and northeast region of the state (47 percent).

Altogether, there are 312,235 Arkansas households struggling to make ends meet—living throughout every county (see [Table 5 in Appendix B](#) for detailed data for each county). Income inadequacy affects households across Arkansas regardless of whether a household is located in a rural area or within close proximity to a metropolitan region.

As illustrated in [Figure V](#), certain regions of Arkansas have a higher percentage of households who are struggling with incomes insufficient for covering costs. Nearly one half (47 percent) of households in the north-central and northeast (Mississippi delta) region of Arkansas are below the Standard, including the counties of Cleburne, Crittendon, Fulton, Independence, Izard, Mississippi, Sharp, Stone, and Van Buren. While this grouping of counties constitutes only seven percent of total households in Arkansas, it has nine percent of households below the Standard. The top employers in these counties are poultry processors, school districts, and manufacturing companies<sup>23</sup>.

On the other hand, Benton County has the lowest percentage of working-age households with income below the Standard (21 percent). With the next closest rate of households below the Standard increasing to 31 percent in the adjacent Washington County, Benton is uniquely situated. However, despite having the lowest rate of income inadequacy in the state, Benton County still has more than one in five households struggling to cover their basic needs. The primary employer in Benton County is Walmart Associates Inc, the corporate

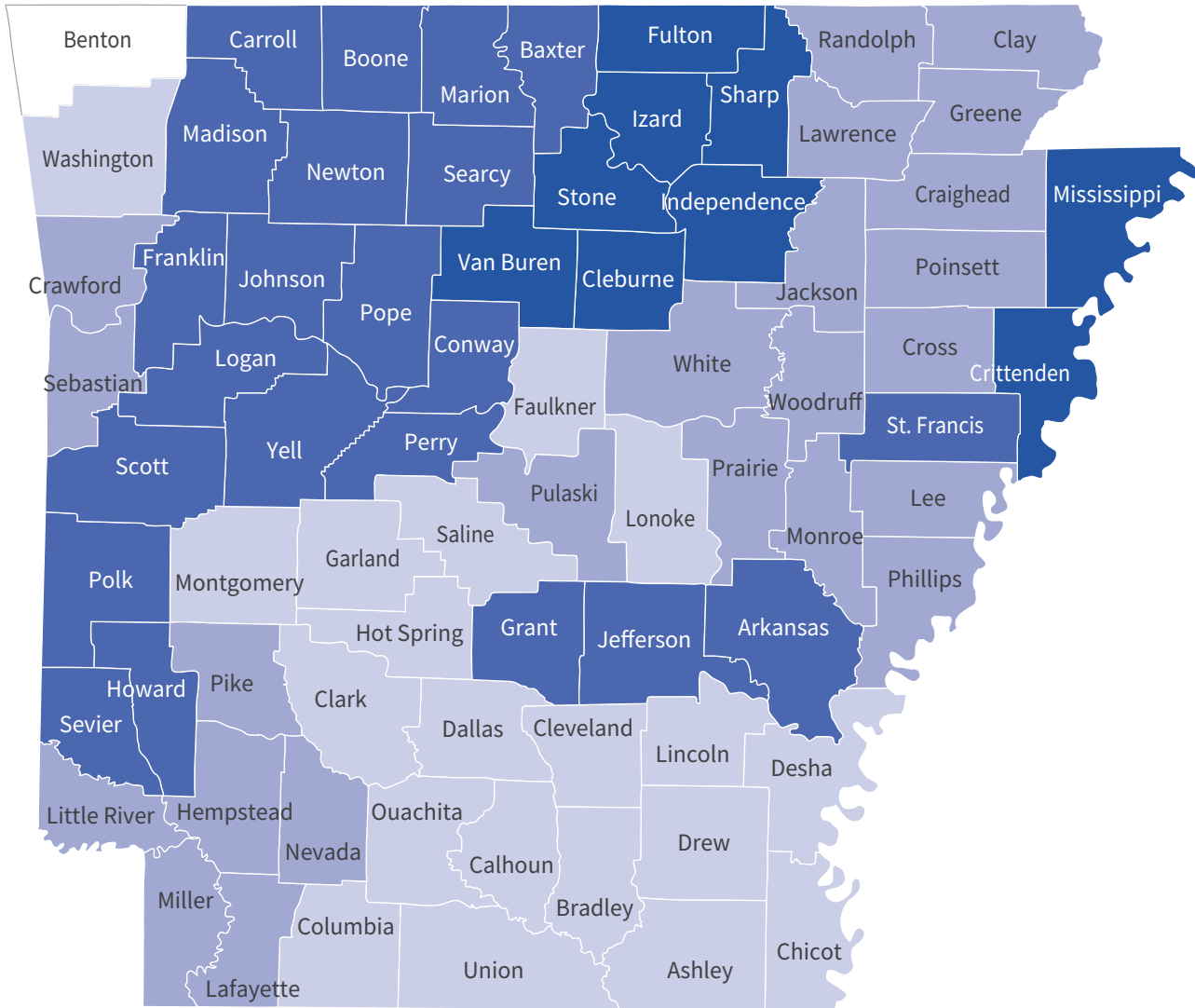
headquarters of the supermarket chain. Additionally, despite the low overall rates of income inadequacy, Benton County has some of the highest costs in Arkansas. The Self-Sufficiency Standard for a family of one adult, one preschooler, and one school-age child is \$53,327 per year in 2021. The median household income for Benton County is \$76,887 as defined by the ACS 5-year survey for 2021.

While the ends of the spectrum provide drastic contrast, the vast majority of counties in Arkansas have 31 to 43 percent of households unable to make ends meet. This includes Pulaski County which has the highest population of working-age households (132,785). More than a third of households (48,262) in Pulaski County struggle with incomes that do not cover basic costs.

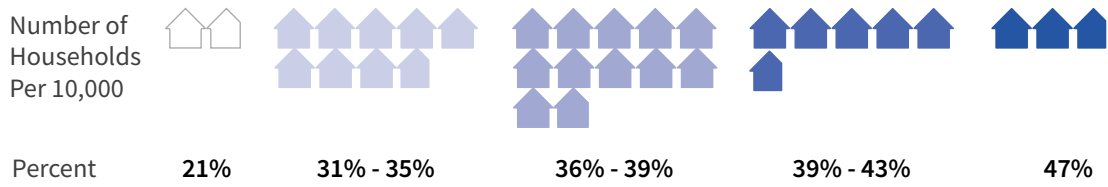
While the percentage of households below the Standard varies significantly by county, patterns of communities that are disproportionately more likely to struggle to make ends meet are fairly consistent across different geographic regions in Arkansas. [Table 2](#) highlights select variables in three different Census defined, Public Use Micro Data Areas (PUMAs) of Arkansas, including:

- **Benton County** (a growing area encompassing the Fayetteville-Springdale-Rogers MSA) with an income inadequacy rate of 21 percent
- **Saline County** (a mixed-urban-rural area in the central portion of the state) with an income inadequacy rate of 35 percent

**Figure V. Income Inadequacy Rate by County**



**Working-Age Households Below the Standard**



Source: U.S. Census Bureau, 2021 ACS 1-Year Public Use Microdata Sample.

**Table 2. Income Inadequacy Rates by Public Use Microdata Area (PUMA)**

	Benton County		Saline County		Cleburne, Fulton, Independence, Izard, Sharp, Stone, and Van Buren Counties PUMA	
	Below Standard (N)	Below Standard (%)	Below Standard (N)	Below Standard (%)	Below Standard (N)	Below Standard (%)
<b>Total Households</b>	18,154	21%	13,305	35%	16,171	47%
<b>Children present</b>						
Married with children	6,254	23%	3,314	39%	4,729	35%
No children in household	6,693	14%	9,325	46%	5,909	30%
Single father with children	1,583	40%	872	50%	1,336	71%
Single mother with children	3,624	42%	2,660	74%	1,331	58%
<b>Number of workers in household</b>						
No workers	3,102	76%	2,446	80%	3,926	91%
One worker full-time year-round	5,652	18%	4,102	32%	4,912	42%
One worker, part-time or part-year	3,158	82%	1,765	80%	3,725	89%
Two or more workers	6,242	13%	4,992	25%	3,608	26%
<b>Sex</b>						
Female	9,438	23%	7,546	41%	9,883	51%
Male	8,716	18%	5,759	30%	6,288	42%
<b>White or non-white householder</b>						
Not white	9,136	27%	3,510	52%	2,387	57%
White	9,018	17%	9,795	32%	13,784	46%

Source: U.S. Census Bureau, 2021 ACS 1-Year, Public Use Microdata Sample.

- **Cleburne, Fulton, Independence, Izard, Sharp, Stone, and Van Buren counties** (rural area with an income inadequacy rate of 47 percent)

There are some consistent patterns across each disparate region:

Women persistently have higher rates of income inadequacy than men, but the degree of gender disparity varies by geography. The highest difference in income inadequacy in **Table 2** between the genders is nine percentage points occurring in Saline County PUMA and Independence, Cleburne, Van Buren, Sharp, Izard, Stone & Fulton PUMA.

In Arkansas, the difference in income inadequacy rates for men and women range between 28 percent in the South-Central PUMA (including Bradley, Calhoun, Clark, Columbia, Dallas, Grant, Hot Spring, Ouachita, and Union counties) and negative one percent in Pulaski County (other)—North Little Rock, Sherwood, & Jacksonville Cities PUMA. This is the only area of Arkansas in which women householders have a slightly lower rate of income inadequacy.

Householders of color have consistently higher rates of income inadequacy, but the discrepancy between rates of income inadequacy for White households grows smaller

in both areas with high rates of income inadequacy and more well-off regions. For example, the gap between White and POC householders in Benton County and Cleburne, Fulton, Independence, Izard, Shary, and Van Buren counties is ten and eleven percent respectively, but 20 percent in Saline County. The highest discrepancy between White householders and householders of color occurs in Pulaski County (Central) — Little Rock City PUMA where 49 percent of households of color struggle to make ends meet, while only 18 percent of White householders fall below the Standard.

Families with children present have higher rates of income inadequacy than households without children. Single mothers struggle to cover their basic costs at significantly higher rates than married couples with children (over half of all single mothers struggle to make ends meet

in every region except Benton County). And though increased numbers of workers decrease rates of income inadequacy, even households with two or more workers struggle to meet basic needs across all regions.

Varied overall rates of income inadequacy by urban/rural/mixed-urban-rural can mask consistent patterns that reveal women in general and single mothers, specifically, struggle to make ends meet at disproportionately higher rates than men and married households. Additionally, households without workers do struggle at higher rates to cover costs, but households with one worker and even two or more workers still have significant rates of income inadequacy, demonstrating that it is not the lack of work, but low, insufficient wages that are causing families to deal with the burdensome impact of not having enough to cover their basic needs.

“The highest discrepancy between White householders and householders of color occurs in Pulaski County (Central)—Little Rock City PUMA where 49 percent of households of color struggle to make ends meet, while only 18 percent of White householders fall below the Standard.

# The American Rescue Plan Act's Effect on Wage Adequacy

The pandemic and corresponding economic crisis had profound effects on families and households across Arkansas. In order to mitigate the detrimental economic impact, the federal government passed several measures to support working adults. This section models three of the tax credit changes included in the American Rescue Plan Act (ARPA), including an increased Earned Income Tax Credit (EITC) for childless adults, an increased Child Tax Credit (CTC), and an increased refundable Child and Dependent Care Tax Credit (CDCTC). We find that almost **23,500 Arkansas households** were able to make ends meet as a direct consequence of these tax credit changes.

This section models the impact of three tax credit changes included in the 2021 American Rescue Plan Act (ARPA). The Self-Sufficiency Standard takes into account federal and state taxes and tax credits. In order to account for the total households moved from having inadequate to adequate income as a result of ARPA, we adjusted the income benchmark (Self-Sufficiency Standard) to include the ARPA tax credit changes, including the increased EITC and CTC, and the higher refundability of the Child and Dependent Care Tax Credit.

As an example, a household with one adult, one preschooler, and one school-age child living in Pulaski County in 2021 has an annual Standard of \$52,633. After accounting for the updated ARPA tax credits, the same family now requires \$40,954 per year as a result of the increased amount of tax credits. Using this ARPA adjusted

Self-Sufficiency Standard and applying it to the same American Community Survey dataset utilized throughout this report, reveals that the temporary ARPA policy changes allowed almost 23,500 households to make ends meet (see **Figure W**). The rest of this section will examine race and ethnicity, educational attainment, family type, and work status to determine which households were impacted more consequentially from the ARPA policy changes.

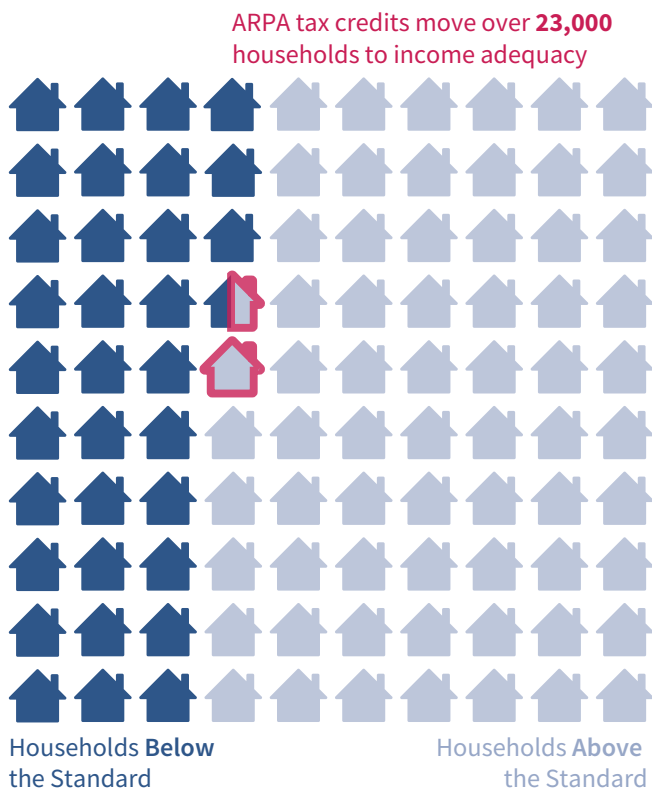
Households with children were the only beneficiaries of the ARPA changes according to this analysis. While many people received critical support from the EITC expansion, the Self-Sufficiency Standard income adequacy benchmark for childless adults did not change after the ARPA tax credit adjustments. The EITC is the only expansion modeled that would impact households

## American Rescue Plan Act (ARPA)

The American Rescue Plan Act of 2021 was enacted by the Senate and House of Representatives in March of 2021 to provide immediate relief to the thousands of families struggling with financial fallout from the pandemic. ARPA included several provisions to provide support for American workers, however, this study focuses on the provisions relating to tax credits as those are included in the Self-Sufficiency Standard calculation for Arkansas. This section models the following tax credit changes:

- **Earned Income Tax Credit** increases the maximum amount of credit to \$1,502 for adults with no children and increases the eligibility threshold to \$11,610 for single or head of household filers and \$17,550 for married filers.
- **Child Tax Credit** increases the credit to \$3,000 per child or (\$3,600 for a child under six); the credit was \$2000 per child prior to ARPA.
- **Child and Dependent Care Credit** families receive back a refundable tax credit for as much as half of their spending on child care, by increasing the refundable credit to up to \$4,000 for one child or \$8,000 for two or more children.

**Figure W. Households Above and Below the Standard with the ARPA Tax Credit Changes**



Source: U.S. Census Bureau, 2021 ACS 1-year Public Use Microdata Sample.

without children, and the EITC eligibility threshold is lower than the Self-Sufficiency Standard for childless adults. In other words, in Arkansas, a childless adult earning just enough to cover their basic needs is not eligible for the EITC.

Figure X illustrates the impact of the ARPA tax changes on three household types: married with children, single fathers, and single mothers. The blue bar highlights the original Self-Sufficiency Standard and the gold highlights the percentage of households below the Standard after accounting for tax credit changes.

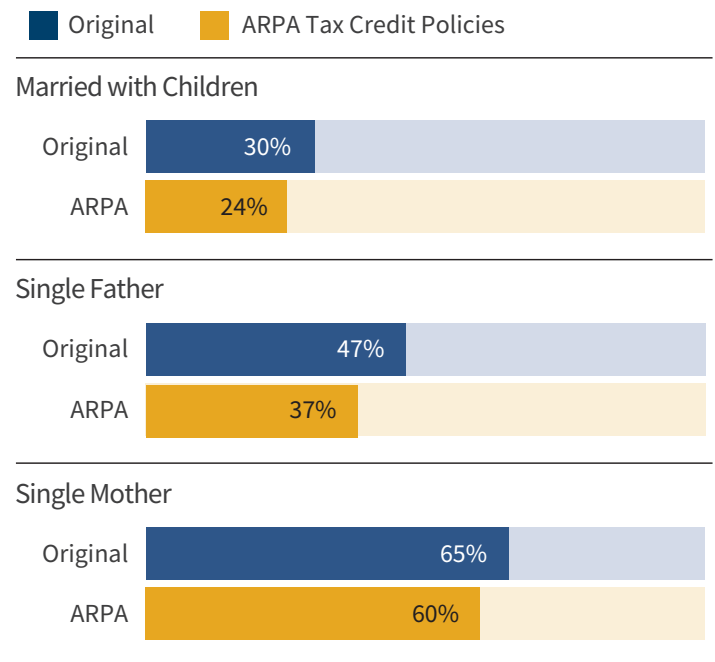
- Married couples with children experienced the largest impact from ARPA with six percent of married couple households with children (a total of 14,462 households) moving to income adequacy. Married couples with children constitute 62 percent of all the households gaining economic sufficiency as a result of the ARPA changes. When examining by broad racial categories, married couples of color with children had

4,958 households move to adequate wages, out of the 14,462 total households in this category, while 9,504 of White households gained income adequacy.

- Single fathers experienced an income adequacy rate increase of 10 percent because of the ARPA tax credits, with over 3,572 households moving to economic security.
- Single mothers, the family category with the highest rates of income inadequacy, had 5,409 households move from having inadequate incomes to adequate incomes due to the ARPA tax policy changes. Within this family type category, 3,379 single mother-headed households of color move to adequate wages, and 2,030 White single mother-headed households gained income adequacy.

Other trends emerge when examining ARPA impacts on certain demographic variables. Table 3 documents the original rate of income inadequacy, the rate when the Standard is adjusted for the ARPA tax credit changes, the percentage change, and the number of households

**Figure X. Percentage of Households below the Standard before and after the ARPA Policy Change, by Family Type**



Source: U.S. Census Bureau, 2021 ACS 1-year Public Use Microdata Sample.

**Table 3. Households below the Standard before and after the ARPA Policy Change**

Demographic Variable	Below <b>Original</b> Self-Sufficiency Standard	Below <b>ARPA</b> <b>Adjusted</b> Self-Sufficiency Standard	Percentage Point Change	Change in number of households
<b>Race and Ethnicity</b>	35%	33%	2.7%	<b>23,443</b>
Latinx	48%	43%	4.5%	2,874
Asian, Native Hawaiian, or Pacific Islander	30%	26%	3.7%	687
Black	48%	46%	2.0%	2,737
White	31%	29%	2.3%	13,773
American Indian, Other, or Multiracial	36%	31%	5.9%	3,372
<b>Highest Educational Attainment of Adults in Household</b>				
Less than High School	60%	57%	1.0%	1,754
High School Diploma or Equivalent	46%	43%	3.7%	10,039
Some College*	36%	33%	3.2%	8,407
College Graduate or Above	16%	15%	1.5%	3,243
<b>Work Status</b>				
No Workers	86%	86%	0%	0
One Worker, Part-Time or Part-Year	72%	72%	0.3%	289
One Worker, Full-Time Year-Round	31%	28%	3.5%	10,071
Two or More Workers	19%	16%	3.2%	13,083
<b>Citizenship Status</b>				
Not a Citizen**	48%	44%	3.7%	1340
Naturalized	28%	26%	2.5%	556
U.S. Born	35%	32%	2.6%	21,547

Source: U.S. Census Bureau, 2021 ACS 1-Year Public Use Microdata Sample.

\* Some college includes an Associate's degree, and some college credit but no degree.

\*\* Non-citizens are often ineligible for tax credits if the householder of their children does not have a social security number.

Note: Numbers may not add up to 100 due to rounding.

moving from inadequate to adequate wages. Four categories are analyzed: race and ethnicity, highest educational attainment of adults in household, work status, and citizenship status.

- Householders identifying as American Indian, Multiracial, or Other experienced the largest percentage point increase in households moving from below the Standard to adequate wages (six percent). While White householders had the highest number of households move from inadequate to adequate

wages, 41 percent of the households gaining income adequacy as a direct result of the ARPA policy changes were householders of color.

- Households in which the highest educational attainment of an adult with a high school diploma or equivalent experienced the largest rate increase of all the educational categories (3.7 percent). However, households with at least some college had the second most households move from inadequate to adequate incomes.

- Households with one worker, full-time, year round, or two or more workers had the highest percentage increase in households experiencing wage adequacy as a result of the ARPA changes (3.5 and 3.2 percent respectively), collectively moving 23,154 households to adequate income.
- Householders that are not-citizens experienced a four percent increase in income adequacy because of the ARPA tax changes, a large shift based on percentage out of the variables examined. Non-citizen households are excluded from access to tax credits if they do not have a social security number or if a child does not have a social security number. However, according to our modeling, if non-citizen households were able

to access the tax credits modeled in this scenario, they would experience a notable decrease in income inadequacy rates.

The rest of this report examined factors that are associated with lower rates of income inadequacy: having young children, being a single mother, being a person of color, not being born in the United States, and having lower educational attainment. This analysis demonstrates that the ARPA tax policy changes effectively impacted certain households most at risk for continued economic insecurity. The largest rate of income adequacy changes occurred in households of color, for households that do not have citizenship, and for households with children.

“ Four percent of total householders with a high school diploma or equivalent experienced an increase in income adequacy because of the ARPA tax changes.



## Conclusion

---

Arkansas experienced a sudden and substantial economic impact as a result of the COVID-19 pandemic. This report illuminates the characteristics of the more than 35 percent of households struggling with the everyday crisis of inadequate earnings to meet basic needs. These households are the ones most at risk of losing further economic ground as a result of the pandemic.

While income inadequacy exists among all groups and places in Arkansas, inadequate income does not affect all groups equally. There are substantial variations in the rates of income inadequacy among different groups and by different household characteristics. Perhaps the most telling finding is that income inadequacy is not largely due to lack of work; 78 percent of households below the Standard have at least one working adult, and the majority of those workers work full time and year round.

So what accounts for this work-based income inadequacy? Ultimately, the high work levels among households below the Standard indicate that inadequate wages not lack of work hours are an important factor. This data highlights that workers in Arkansas will not benefit from returning to just any job. The post-pandemic labor market needs improved opportunity in positions that provide a family sustaining wage.

Demographic variables are also important. Universally, higher levels of education result in decreased rates of income inadequacy. At the same time, for both women and people of color, there are substantially lower rewards from more education. Women and people of color must have several more years of education to achieve the same levels of income adequacy (and earnings) as White men at each education level.

Family composition—particularly when households are maintained by a woman alone and if children are present—impacts a family’s ability to meet costs. The demographic characteristics of being a woman, a person of color, and having children combine to result in high rates of insufficient income, while the demographic

characteristics of being a White, childless man combine to result in the higher chance of not struggling to cover basic needs. Being a single mother—especially a single mother of color—combines the labor market disadvantages of being a woman (gender-based wage gap and lower returns to education alongside race-based discrimination in the workplace) with the high costs of children (especially child care for children younger than school age) and the lower income of being a one-worker household. This results in the highest rates of income inadequacy: 87 percent of single mothers of color with young children struggle to make ends meet in Arkansas.

Immigration status is also a determining factor in wage adequacy. Foreign-born householders have higher income inadequacy rates than U.S.-born householders, especially if the householder is a person of color, and especially if they are not citizens. Thus, pandemic recovery policies must include a racial, gender, and citizenship lens to assist with an equitable recovery.

It is apparent that the American Rescue Plan Act’s temporary provision to increase the Child Tax Credit and Child and Dependent Care Tax Credit (along with making it refundable) mitigated some of the cost burden of child care and supplemented financial resources for families below the Standard with young children. Unfortunately, these provisions were short lived and did not continue after 2021.

Using the Self-Sufficiency Standard, this report finds that the problem of inadequate income is extensive, affecting families throughout Arkansas before the pandemic, in every racial/ethnic group; among men, women, and children; and in all counties. Households with inadequate incomes are part of the mainstream workforce, yet despite working long hours, they are not recognized as having inadequate income by the federal poverty level. This report is meant to provide a contribution to promoting economic self-sufficiency by identifying the extent and nature of the causes of income inadequacy.

# Endnotes

---

1. American Psychological Association. (2019). "Race and Ethnic Identity," <https://apastyle.apa.org/style-grammar-guidelines/bias-free-language/racial-ethnic-minorities> (accessed June 9, 2021).
2. Nguyen, A. and Pendleton, M. (2020). "Recognizing Race in Language: Why We Capitalize "Black" and "White," Center for the Study of Social Policy. <https://cssp.org/2020/03/recognizing-race-in-language-why-we-capitalize-black-and-white/> (accessed June 9, 2021).
3. Appiah, K.A. (2020). "The Case for Capitalizing the B in Black," The Atlantic. <https://www.theatlantic.com/ideas/archive/2020/06/time-to-capitalize-blackand-white/613159/> (accessed June 9, 2021).
4. Stone, C. and Saenz, M. (2021). "Labor Market Weaker Than Headline Numbers Suggest: Further Relief Measures Needed for Rapid and Equitable Recovery," Center on Budget and Policy Priorities, <https://www.cbpp.org/research/economy/labor-market-weaker-than-headline-numbers-suggest> (accessed March 8, 2021).
5. Ruggles, P. (1990). Drawing the line: Alternative poverty measures and their implications for public policy. The Urban Institute, Washington, D.C.
6. DeNavas-Walt, C. and Proctor, B. (2017). "Income and Poverty in the United States: 2017," U.S. Census Bureau, Current Population Reports, Series P60-263, <https://www.census.gov/library/publications/2018/demo/p60-263.html> (accessed March 8, 2021).
7. Bergmann, B. and Renwick, T. (1993). "A budget-based definition of poverty: With an application to single-parent families." The Journal of Human Resources, 28 (1), 1-24.
8. Citro, C. and Michael, R. Eds. (1995). Measuring poverty: A new approach. Washington, DC: National Academy Press.
9. Designed primarily to track poverty trends over time, the Supplemental Poverty Measure provides a new and improved statistic to better understand the prevalence of poverty in the United States. The SPM is not intended to be a replacement for the OPM, but it provides policymakers with additional data on the extent of poverty and the impact of public policies. Garner, T.I., and Short, K.S., "Creating a Consistent Poverty Measure Over Time Using NAS Procedures: 1996-2005," U.S. Department of Labor, BLS Working Papers, Working Paper 417, April 2008, <https://www.census.gov/library/working-papers/2008/demo/garner-01.html> (accessed March 8, 2021).
10. The Self-Sufficiency Standard was developed in the mid-1990s by Diana Pearce as an alternative performance standard in the workforce development system to measure more accurately and specifically what would be required to meet the goal of "self-sufficiency" for each individual participant. The development of the Standard has also benefited from other attempts to create alternatives, such as Living Wage campaigns, the National Academy of Sciences studies, and Trudi Renwick's work. See Renwick, T. and Bergmann, B. "A budget-based definition of poverty: With an application to single-parent families," The Journal of Human Resources, 28(1), (1993) p. 1-24.
11. The Self-Sufficiency Standard has been calculated for 42 states plus the District of Columbia.
12. U.S. Department of Labor, Bureau of Labor Statistics, "Consumer Expenditures in 2019," Economic News Release, <https://www.bls.gov/news.release/cesan.nr0.htm> (accessed March 8, 2021).
13. U.S. Census Bureau, "Wealth, asset ownership, & debt of households detailed tables: 2020", <https://www.census.gov/data/tables/2020/demo/wealth/wealth-asset-ownership.html> (accessed October 6, 2022).
14. Note that data for race/ethnicity, citizenship status, and language reflect that of the householder and not necessarily that of the entire household.
15. Almost 99% of non-family households are one person households.
16. Households with children maintained by a male householder with no spouse present are referred to as single-father households. Likewise, households with children maintained by a female householder with no spouse present are referred to as single-mother households.
17. Hanson, Melanie. (2023). "Student Loan Debt Statistics" EducationData.org. (accessed 30 March 2023), <https://educationdata.org/student-loan-debt-statistics>.
18. Hanson, Melanie. (2022). "Average Student Loan Payment" EducationData.org. (accessed 30 March 2023), <https://educationdata.org/average-student-loan-payment>
19. Survey of Consumer Finances. (2019). "Education installment loans by education of reference person." (accessed 30 March 2023), [https://www.federalreserve.gov/econres/scf/dataviz/scf/chart/#series:Education\\_Installment\\_Loans;demographic:edcl;population:1,2,3,4;units:have;range:1989,2019](https://www.federalreserve.gov/econres/scf/dataviz/scf/chart/#series:Education_Installment_Loans;demographic:edcl;population:1,2,3,4;units:have;range:1989,2019).
20. Federal Student Aid. "The Biden-Harris Administration's Student Debt Relief Plan Explained." (accessed 30 March 2023), <https://studentaid.gov/debt-relief-announcement>.
21. Additional workers may include teenagers, a non-married partner, roommates, or another family member other than a spouse/partner.
22. The ACS codes respondents work activities into specific occupational categories based on the Standard Occupational Classification manual. This analysis examines the "top 20" occupations—out of 539 specific occupations, these are the occupations in the state with the most workers.

23. “Largest Employers by County - AEDC.” Arkansas Economic Development Commission. Arkansas Economic Development Commission. Accessed March 7, 2023. <https://www.arkansasedc.com/why-arkansas/rankings-accolades/largest-employers-by-county>.
24. U.S. Bureau of Labor Statistics, “Table 7. Employed persons unable to work at some point in the last 4 weeks because their employer closed or lost business due to the coronavirus pandemic by receipt of pay from their employer for hours not worked, usual full- or part-time status, occupation, industry, and class of worker,” <https://www.bls.gov/web/empsit/covid19-tables.xlsx> (accessed February 24, 2021).
25. Garfield, R., Rae, M., Claxton, G., and Orgera, K. (2020) “Double Jeopardy: Low Wage Workers at Risk for Health and Financial Implications of COVID-19,” KFF (Apr 29, 2020), <https://www.kff.org/coronavirus-covid-19/issue-brief/double-jeopardy-low-wage-workers-at-risk-for-health-and-financial-implications-of-covid-19/> (accessed February 24, 2021).
26. Cook, J.T., Frank, D.A., Levenson, S.M., Neault, N.B., Heeren, T.C., Black, M.M, Berkowitz, C., Casey, P.H., Meyers, A.F., Cutts, D.B., Chilton, M. (2006). “Child Food Insecurity Increases Risks Posed by Household Food Insecurity to Young Children’s Health,” The Journal of Nutrition, Volume 136, Issue 4, April 2006, Pages 1073–1076, <https://pubmed.ncbi.nlm.nih.gov/16549481/>

# Appendix A: Methodology, Assumptions, & Sources

---

## Data and Sample

This study uses data from the 2021 1-Year American Community Survey by the U.S. Census Bureau. The American Community Survey (ACS) replaced the long form in the 2010 Census. 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.

The 2021 Public Use Microdata Sample (PUMS) is a set of data files that contains records of a one-percent sample of all housing units surveyed. For determining the PUMS sample size, the size of the housing unit universe is the ACS estimate of the total number of housing units. In Arkansas, the 2021 ACS one-percent sample size is 13,615 housing units (representing a housing unit estimate of 1,183,675 Arkansas households).<sup>1</sup>

The most detailed geographic level in the ACS available to the public with records at the household and individual level is the Public Use Micro Data Sample Areas (PUMAs), which are special, non-overlapping areas that partition a state. Each PUMA, drawn using the 2010 Census population count, contains a population of about 100,000. Arkansas's 75 counties are partitioned into 20 PUMAs, with 2021 ACS estimates reported for each.

**Exclusions.** Since the Self-Sufficiency Standard assumes that all adult household members work, the population sample in this report includes only those households in which there is at least one adult of age 18-64 without a work-limiting disability.

Adults are identified as having a work-limiting disability if they are disabled and receive Supplemental Security Income or Social Security income, or if they are disabled and are not in the labor force. Thus, although the ACS sample includes households that have disabled or elderly members, this report excludes elderly adults and adults with work-limiting disabilities and their income when determining household composition and income. Households defined as “group quarters” are also excluded from the analysis.

In total, 884,416 non-disabled, non-elderly households are included in this demographic study of Arkansas.

## Measures Used: Household Income, Census Poverty Threshold, and the Self-Sufficiency Standard

**Income.** Income is determined by calculating the total income of each person in the household, excluding seniors and disabled adults. Income includes money received during the preceding 12 months by non-disabled/non-elderly adult household members (or children) from: wages or salary; farm and non-farm self-employment; Social Security or railroad payments; interest on savings or bonds, dividends, income from estates or trusts, and net rental income; veterans' payments or unemployment and worker's compensation; public assistance or welfare payments; private pensions or government employee pensions; alimony and child support; regular contributions from people not living in the household; and other periodic income.

It is assumed that all income in a household is equally available to pay all expenses. Not included in income are: capital gains; money received from the sale of property; the value of in-kind income such as food stamps or public housing subsidies; tax refunds; money borrowed; or gifts or lump-sum inheritances.

**The Poverty Threshold.** This study uses the 2021 U.S. Census Bureau poverty thresholds, which vary by family composition (number of adults and number of children) but not place, with each household coded with its appropriate poverty threshold.

**The Self-Sufficiency Standard.** The Self-Sufficiency Standard for Arkansas 2021 was used as the income benchmark for the Overlooked and Undercounted study. The Self-Sufficiency Standard calculates a unique income threshold for over 700 family compositions in every county in the state. However, in some instances a single PUMA (the lowest geographic area included in the ACS PUMS dataset) contains more than one county. In those instances, a weighted Self-Sufficiency Standard

was calculated to apply a single Self-Sufficiency Standard as then income threshold for that PUMA. Therefore, the income inadequacy rate for each county in a given PUMA will be the same. If there are multiple PUMAs in a single county, each PUMA in the county is assigned the county's Self-Sufficiency Standard.

Households are categorized by whether household income is (1) below the poverty threshold as well as below the Self-Sufficiency Standard, (2) above the poverty threshold but below the Standard, or (3) above the Standard. Households whose income is below the Self-Sufficiency Standard are designated.

## **2021 Self-Sufficiency Standard Methodology and Source List for the 2021 American Community Survey Dataset**

This appendix explains the methodology, assumptions, and sources used to calculate the Self-Sufficiency Standard. Making the Standard as consistent and accurate as possible, yet varied by geography and the age of children, requires meeting several different criteria. To the extent possible, the data used in the Standard are:

- Collected or calculated using standardized or equivalent methodology nationwide
- Obtained from scholarly or credible sources such as the U.S. Census Bureau
- Updated regularly
- Geographically and age-specific (as appropriate)

Costs that vary substantially by place, such as housing and child care, are calculated at the most geographically specific level for which data are available, typically by county. Other costs, such as health care, food, and transportation, are varied geographically to the extent there is variation and appropriate data available. In addition, as improved or standardized data sources become available, the methodology used by the Standard is refined accordingly, resulting in an improved Standard that is comparable across place as well as time.

The Self-Sufficiency Standard assumes adult household members work full time and includes all major costs associated with employment for every adult household member (i.e., taxes, transportation, and child care for families with young children). The Standard assumes adults work eight hours per day for 22 days per month and 12 months per year.

The Self-Sufficiency Standard does not calculate costs for adults with disabilities or elderly household members who no longer work. It should be noted that for families with persons with disabilities or elderly family members, there are costs that the Standard may not reflect, such as increased transportation and health care costs.

Each cost component in the Standard is first calculated as a monthly cost. Hourly and annual Self-Sufficiency Wages are calculated based on the monthly Standard by dividing the monthly wage by 176 hours to obtain the hourly wage and by multiplying the monthly wage by 12 to obtain the annual wage.

The Self-Sufficiency Standard differentiates costs by the number of adults and the number and age of children in a family. The four ages of children in the Standard are: (1) infants—0 to 2 years old (meaning 0 through 35 months), (2) preschoolers—3 to 5 years old, (3) school-age children—6 to 12 years old, and (4) teenagers—13 to 18 years old.

The 2021 edition of the Arkansas Self-Sufficiency Standard is calculated for over 700 family types. The family types include all one, two, and three adult families with zero to six children and range from a single adult with no children, to one adult with one infant, one adult with one preschooler, and so forth, up to three-adult families with six teenagers. Additionally, Standards are calculated based on a weighted average cost per child for families with one, two, and three adults with seven to ten children and families with four to ten adults with zero to ten children.<sup>2</sup>

All adults in one- and two-adult households are assumed to be working full time. For households with more than two adults, it is assumed that any additional adults are non-working dependents of the first two working adults, as household composition analysis has shown that a substantial proportion of additional adults are under 25, often completing school, unemployed, or underemployed.<sup>3</sup> The main effect of this assumption is that the costs for these adults do not include transportation (but do include all other costs, such as food, housing, health care, and miscellaneous).

The cost components of the 2021 Self-Sufficiency Standard for Arkansas and the specific assumptions included in the calculations are described in the subsequent text.

## Housing

The Standard uses the most recent Fiscal Year (FY) Fair Market Rents (FMRs), calculated annually by the U.S. Department of Housing and Urban Development (HUD), to calculate housing costs for each state's metropolitan and non-metropolitan areas, and are used to determine the level of rent for those receiving housing assistance through the Housing Choice Voucher Program. Section 8(c)(1) of the United States Housing Act of 1937 (USHA) requires the Assistant Secretary for Policy Development and Research to publish Fair Market Rents (FMRs) periodically, but not less than annually, to be effective on October 1 of each year.

The FMRs are based on data from the 1-year and 5-year American Community Survey and are updated for inflation using the Consumer Price Index. The survey selects renters who have rented their unit within the last two years, excluding new housing (two years old or less), substandard housing, and public housing. FMRs, which include utilities (except telephone and cable), are intended to reflect the cost of housing that meets minimum standards of decency. In most cases, FMRs are set at the 40th percentile; meaning 40% of the housing in a given area is less expensive than the FMR.<sup>4</sup>

The FMRs are calculated for Metropolitan Statistical Areas (MSAs), HUD Metro FMR Areas (HMFAs), and non-metropolitan counties. The term MSA is used for all metropolitan areas. HUD calculates one set of FMRs for an entire metropolitan area.

To determine the number of bedrooms required for a family, the Standard assumes that parents and children do not share the same bedroom and no more than two children share a bedroom. Therefore, the Standard assumes that single persons and couples without children have one-bedroom units, families with one or two children require two bedrooms, families with three or four children require three bedrooms, and families with five or six children require four bedrooms. Because there are few efficiencies (studio apartments) in some areas, and their quality is very uneven, the Self-Sufficiency Standard uses one-bedroom units for the single adult and childless couple.

## DATA SOURCES

**Housing Costs.** U.S. Department of Housing and Urban Development, "County Level Data," Fair Market Rents, Data, 2021 Data, <https://www.huduser.gov/portal/datasets/fmr.html#2021> (accessed November 1, 2022).

**County-Level Housing Costs.** U.S. Department of Housing and Urban Development, "FY2021 Small Area FMRs," Datasets, Fair Market Rents, <https://www.huduser.gov/portal/datasets/fmr/smallarea/index.html#2021> (accessed November 1, 2022).

**Population Weights.** U.S. Census Bureau, "2010 ZCTA to County Relationship File," Geography, Maps and Data, [https://www2.census.gov/geo/docs/maps-data/data/rel/zcta\\_county\\_rel\\_10.txt](https://www2.census.gov/geo/docs/maps-data/data/rel/zcta_county_rel_10.txt) (accessed March 17, 2016).

## Child Care

The Family Support Act, in effect from 1988 until welfare reform in 1996, required states to provide child care assistance at market rate for low-income families in employment or education and training. States were also required to conduct cost surveys biannually to determine the market rate (defined as the 75th percentile) by facility type, age, and geographical location or set a statewide rate.<sup>5</sup> The Child Care and Development Block Grant (CCDBG) Act of 2014 reaffirms that the 75th percentile is an important benchmark for gauging equal access. The CCDBG Act requires states to conduct a market rate survey every three years for setting payment rates. Thus, the Standard assumes child care costs at the 75th percentile, unless the state sets a higher definition of market rate.

Child care costs for the 2021 Arkansas Standard were calculated using 75th percentile data from the Arkansas Department of Job and Family Services. Child care costs are updated for inflation to 2021 using the Consumer Price Index from September 2019, the data collection period. Infant and preschooler costs are calculated assuming full-time care, and costs for school-age children are calculated using part-time rates during the school year and full-time care during the summer. Costs were calculated based on a weighted average of family child care and center child care. 43% of infants are in family child care and 57% are in child care centers. These proportions are 26% and 74% respectively, for preschoolers, and 46% and 54% for school-age children.<sup>6</sup> Since one of the basic assumptions of the Standard is that it provides the cost of meeting needs without public or private subsidies, the “private subsidy” of free or low-cost child care provided by older children, relatives, and others is not assumed.

## DATA SOURCES

**Child Care Cost.** McKelvey, L.M., Johnson, D.J., & Forsman, J.A. (2019). 2019 Arkansas Child Care Market Rate Study. Little Rock, AR: University of Arkansas for Medical Sciences, [https://humanservices.arkansas.gov/wp-content/uploads/AR\\_2019\\_Market\\_Price\\_Study\\_ReviewDraft.pdf](https://humanservices.arkansas.gov/wp-content/uploads/AR_2019_Market_Price_Study_ReviewDraft.pdf) (accessed April 8, 2022).

**Inflation.** U.S. Department of Labor, Bureau of Labor Statistics, “Child care and nursery school in U.S. city average, all urban consumers, not seasonally adjusted,” CUUR0000SEEB03, <https://data.bls.gov/cgi-bin/srgate> (accessed November 1, 2022).

## Health Care

The Standard assumes that an integral part of a Self-Sufficiency Wage is employer-sponsored health insurance for workers and their families. Nationally, the employer pays 78% of the insurance premium for the employee and 72% of the insurance premium for the family.<sup>7</sup>

Health care premiums are obtained from the Medical Expenditure Panel Survey (MEPS), Insurance Component produced by the Agency for Healthcare Research and Quality, Center for Financing, Access, and Cost Trends. The MEPS health insurance premiums are the statewide average employee-contribution paid by a state’s residents for a single adult and for a family.<sup>8</sup> The premium costs are then adjusted for inflation using the Medical Care Services Consumer Price Index.

As a result of the Affordable Care Act, companies can only set rates based on established rating areas.<sup>9</sup> To vary the state premium by the rating areas, the Standard uses rates for the second lowest cost Silver plan (excluding HSAs) available through the state or federal marketplace. The state-level MEPS average premium is adjusted with the index created from the county-specific premium rates.

Health care costs also include out-of-pocket costs calculated for adults, infants, preschoolers, school-age children, and teenagers. Data for out-of-pocket health care costs (by age) are also obtained from the MEPS, adjusted by Census region using the MEPS Household Component Analytical Tool, and adjusted for inflation using the Medical Care Consumer Price Index.

Although the Standard assumes employer-sponsored health coverage, not all workers have access to affordable health insurance coverage through employers. Those who do not have access to affordable health insurance

through their employers, and who are not eligible for the expanded Medicaid program, must purchase their own coverage individually or through the federal marketplace.

## DATA SOURCES

**Premiums.** U.S. Department of Health and Human Services, Agency for Healthcare Research and Quality, Center for Financing, Access, and Cost Trends, “Table X.C.1 (X.D.1) Employee contribution distributions (in dollars) for private-sector employees enrolled in single coverage at the 10th, 25th, 50th (median), 75th and 90th percentiles, private-sector by State: United States, 2021” Medical Expenditure Panel Survey-Insurance Component, [https://meps.ahrq.gov/data\\_stats/summ\\_tables/insr/state/series\\_10/2021/ic21\\_xc\\_e.pdf](https://meps.ahrq.gov/data_stats/summ_tables/insr/state/series_10/2021/ic21_xc_e.pdf) (accessed September 22, 2022).

**Inflation.** U.S. Department of Labor, Bureau of Labor Statistics, “Consumer Price Index – All Urban Consumers, U.S. City Average,” Medical Care Services (for premiums) and Medical Services (for out-of-pocket costs), <http://www.bls.gov/cpi/> (accessed September 22, 2022).

**Out-of-Pocket Costs.** U.S. Department of Health and Human Services, Agency for Healthcare Research and Quality, Center for Financing, Access, and Cost Trends, MEPS HC-224, 2020 Full Year Consolidated Data File,” August 2022, [https://meps.ahrq.gov/mepsweb/data\\_stats/download\\_data\\_files\\_detail.jsp?cboPufNumber=HC-224](https://meps.ahrq.gov/mepsweb/data_stats/download_data_files_detail.jsp?cboPufNumber=HC-224) (accessed September 22, 2022).

**Geographic Rating Areas.** Centers for Medicare & Medicaid Services, The Center for Consumer Information & Insurance Oversight, “State Specific Geographic Rating Areas,” <https://www.cms.gov/CCIIO/Programs-and-Initiatives/Health-Insurance-Market-Reforms/state-gra> (accessed November 23, 2022).

**County Index.** Healthcare.gov, Resources: For researchers, 2021 plan data: health plan data, download (Zip file) “Individual Market Medical,” [https://data.healthcare.gov/datafile/py2021/individual\\_market\\_medical.zip](https://data.healthcare.gov/datafile/py2021/individual_market_medical.zip) (accessed November 19, 2022).

## Transportation

**Public Transportation.** If there is an “adequate” public transportation system in a given area, it is assumed that workers use public transportation to get to and from work. A public transportation system is considered “adequate” if it is used by a substantial percentage of the working population to commute to work. According to a study by the Institute of Urban and Regional Development, University of California, if about 7 percent of the general public uses public transportation, then approximately 30 percent of the low- and moderate-income population use public transit.<sup>10</sup> The Standard assumes private transportation (a car) in counties where less than 7 percent of workers commute by public transportation.

The Standard examined 2016-2020 American Community Survey 5-Year estimates to calculate the percentage of the county population that commutes within county by public transportation. However, some counties have rates over 7 percent due to special circumstances, such as resort-focused areas where workers are bussed in due to limited parking. These counties do not assume public transportation as access to a grocery store and child care facilities via public transportation are not adequate.

For public transit users, the most appropriate local transit pass, usually a 30 day or monthly unlimited ride pass, is added for each working adult— assumed for the first two adults in a household.<sup>11</sup>

**Private Transportation.** For private transportation, the Standard assumes that adults need a car to get to work. Private transportation costs are based on the average costs of owning and operating a car. One car is assumed for households with one adult and two cars are assumed for households with two adults. It is understood that the car(s) will be used for commuting five days per week, plus one trip per week for shopping and errands. In addition, one parent in each household with young children is assumed to have a slightly longer weekday trip to allow for “linking” trips to a day-care site.



Per-mile driving costs (e.g., gas, oil, tires, and maintenance) are from the American Automobile Association. The commuting distance is computed from the 2017 National Household Travel Survey (NHTS). The Arkansas statewide average round trip commute to work distance is 24.20 miles.

The fixed costs of car ownership such as fire, theft, property damage and liability insurance, license, registration, taxes, repairs, monthly payments, and finance charges are also included in the cost of private transportation for the Standard. However, the initial cost of purchasing a car is not. Fixed costs are from the 2021 Consumer Expenditure Survey data for families with incomes between the 20th and 40th percentile of the Census South region of the United States. Auto insurance premiums and fixed auto costs are adjusted for inflation to 2021 using the Consumer Price index.

The average expenditure for auto insurance was \$58.64 per month in 2019 based on data from the National Association of Insurance Commissioners (NAIC). In Arkansas, no counties utilize public transportation, so only private transportation costs are assumed.

## DATA SOURCES

**Public Transportation Use.** U.S. Census Bureau, “Table B08301: Means of Transportation to Work,” 2016- 2020 American Community Survey 5-year estimates, Detailed Tables, <https://data.census.gov/cedsci/table?q=B08301&tid=ACSDT5Y2020.B08301> (accessed August 15, 2022).

**Auto Insurance Premium.** National Association of Insurance Commissioners, “Average Expenditures for Auto insurance by State, 2015-2019,” insurance Information Institute, <https://www.iii.org/table-archive/21247> (accessed July 5, 2022).

**Fixed Auto Costs.** Calculated and adjusted for regional inflation using Bureau of Labor Statistics data query for the Consumer Expenditure Survey. U.S. Department of Labor, Bureau of Labor Statistics, “Other Vehicle expenses,” Consumer expenditure Survey 2021, <https://data.bls.gov/cgi-bin/srgate> (accessed September 22, 2022).

**Inflation.** U.S. Department of Labor, Bureau of Labor Statistics, “Consumer Price Index–All Urban Consumers, U.S. City Average,” Consumer Price Index, CPI Databases, <http://data.bls.gov/cgi-bin/surveymost?cu> (accessed September 22, 2022).

**Per-Mile Costs.** American Automobile Association, 2021 Edition, “How Much Does it Really Cost to Own a New Car?,” AAA Association Communication, <https://newsroom.aaa.com/wp-content/uploads/2021/08/2021-YDC-Brochure-Live.pdf> (accessed October 24, 2022).

**County Index.** Auto Insurance Ratios for the State of Arkansas, carinsurance.com, <https://www.carinsurance.com/calculators/average-car-insurance-rates.aspx> (accessed March 24, 2022).

## Food

Although the Supplemental Nutrition Assistance Program (SNAP, formerly the Food Stamp Program) uses the U.S. Department of Agriculture (USDA) Thrifty Food Plan to calculate benefits, the Standard uses the Low-Cost Food Plan for food costs. While both of these USDA diets were designed to meet minimum nutritional standards, SNAP (which is based on the Thrifty Food Plan) is intended to be only a temporary safety net.<sup>12</sup>

The Low-Cost Food Plan costs approximately 25% more than the Thrifty Food Plan and is based on more realistic assumptions about food preparation time and consumption patterns, while still being a very conservative estimate of food costs. Neither food plan allows for any take-out, fast-food, or restaurant meals, even though, according to the Consumer Expenditure Survey, the average American family spends about 41% of their food budget on food prepared away from home.<sup>13</sup> That is, it covers groceries only.

The USDA Low-Cost Food Plan costs vary by month and the USDA does not give an annual average food cost; therefore, the Standard follows the SNAP protocol of using June data of the most recent year to represent the annual average.

Both the Low-Cost Food Plan and the Standard's budget calculations vary food costs by the number and ages of children and the number and gender of adults. Geographic differences in food costs within the states are varied using Map the Meal Gap data provided by Feeding America. To establish a relative price index that allows for comparability between counties, Nielsen assigns every sale of UPC-coded food items in a county to one of the 26 food categories in the USDA Thrifty Food Plan (TFP). The cost to purchase a market basket of these 26 categories is then calculated for each county. Because not all stores are sampled, in low-population counties this could result in an inaccurate representation of the cost of food. For this reason, counties with a population less than 20,000 have their costs imputed by averaging them with those of the surrounding counties.<sup>14</sup>

A county index is calculated by comparing the county market basket price to the national average cost of food. The county index is used to geographically vary the Low-Cost Food Plan. For the 2021 dataset, due to the pervasive increase in food costs across the United States, the researchers for the Standard added a food cost control which prevents the cost of food from decreasing in any given county.<sup>15</sup>

## DATA SOURCES

**Food Costs.** U.S. Department of Agriculture, Center for nutrition Policy and Promotion, "Official USDA Food Plans: Cost of Food at Home at Four Levels, U.S. Average, June 2021," <https://fns-prod.azureedge.net/sites/default/files/media/file/CostofFoodJun2021.pdf> (accessed October 24, 2022).

**County Index.** Gundersen, C., Strayer, M., Dewey, A., Hake, M., & Engelhard, E. (2022). Map the Meal Gap 2022: An Analysis of County and Congressional District Food Insecurity and County Food Cost in the United States in 2020. Feeding America. Received from research@feedingamerica.org (accessed August 14, 2022).

## Miscellaneous

This expense category consists of all other essentials including clothing, shoes, paper products, diapers, nonprescription medicines, cleaning products, household items, personal hygiene items, and telephone service.

Miscellaneous expenses are calculated by taking 10% of all other costs. This percentage is a conservative estimate in comparison to estimates in other basic needs budgets, which commonly use 15% and account for other costs such as recreation, entertainment, savings, or debt repayment.<sup>16</sup>

**Broadband.** The Standard utilizes the annual Federal Communications Commission (FCC) Urban Rate Survey Data to calculate a monthly broadband cost. In order to calculate an average that represents minimally adequate broadband service for families, the Standard assumes a download bandwidth range of 12 - 100 Mbps and creates an average monthly cost from the total monthly charges from the range of internet service providers (ISP) in the surveyed area.<sup>17</sup> Recognizing that families need to pay for equipment in order to establish connectivity in a household, the Standard also adds a monthly fee that includes the cost of a modem and router.

**Cell Phone.** The Standard assumes that each adult in a household needs access to a cell phone with up to 5 GB of data per month. Averaging the cost per gigabyte with nine United States cell phone plans having widespread coverage, the Standard assumes an average monthly service cost of \$24.52.<sup>18</sup>

Assuming that an adult will also need to purchase a cell phone, Standard researchers found the average cost for five smartphones and then divided that total average cost by two years of monthly payments which is the typical amount of time that service providers finance cell phones. Local fees and taxes were added onto the monthly service fee charge and local sales tax was added to the cost of the phone.

## DATA SOURCES

**Broadband Rate.** Federal Communications Commission, “Urban Rate Survey Data & Resources: 2021,” <https://www.fcc.gov/file/20054/download> (accessed August 20, 2021).

**Federal Communications Commission.** Federal Communications Commission, “Household Broadband Guide,” <https://www.fcc.gov/consumers/guides/household-broadband-guide> (accessed August 20, 2021).

**Wireless Taxes.** Mackey, S. and Boesen, U. “Wireless Tax Burden Remains High due to Federal Surcharge Increase,” <https://taxfoundation.org/wireless-taxes-cell-phone-tax-rates-by-state-2020/> (accessed August 21, 2021).

## Federal Taxes

Federal taxes calculated in the Standard include income tax and payroll taxes. The first two adults in a family are assumed to be a married couple and taxes are calculated for the whole household together (i.e., as a family), with additional adults counted as additional (adult) tax exemptions.

Indirect taxes (e.g., property taxes paid by the landlord on housing) are assumed to be included in the price of housing passed on by the landlord to the tenant. Taxes on gasoline and automobiles are included in the calculated cost of owning and running a car.

The Standard includes federal tax credits (the Earned Income Tax Credit, the Child Care Tax Credit, and the Child Tax Credit) and applicable state tax credits. Tax credits are shown as received monthly in the Standard.

The Earned Income Tax Credit (EITC), or as it is also called, the Earned Income Credit, is a federal tax refund intended to offset the loss of income from payroll taxes owed by low-income working families. The EITC is a “refundable” tax credit, meaning working adults may receive the tax credit whether or not they owe any federal taxes.

The Child Care Tax Credit (CCTC), also known as the Child and Dependent Care Tax Credit, is a federal tax credit that allows working parents to deduct a percentage of their child care costs from the federal income taxes they owe.

Like the EITC, the CCTC is deducted from the total amount of money a family needs to be self-sufficient. Unlike the EITC, the federal CCTC is not a refundable federal tax credit; that is, a family may only receive the CCTC as a credit against federal income taxes owed. Therefore, families who owe very little or nothing in federal income taxes will receive little or no CCTC. Up to \$3,000 in child care costs are deductible for one qualifying child and up to \$6,000 for two or more qualifying children.

The Child Tax Credit (CTC) is like the EITC in that it is a refundable federal tax credit. Since 2018, the CTC provides parents with a nonrefundable credit up \$2,000 for each child under 17 years old and up to \$1,400 as a refundable credit. For the Standard, the CTC is shown as received monthly.

This report utilizes American Rescue Plan Act (ARPA) tax credits in a secondary analysis to demonstrate the impact of the ARPA tax credit policy on household income adequacy.

## DATA SOURCES

**Federal Tax Updates (2021).** Internal Revenue Service, Revenue Procedure 2020-45, <https://www.irs.gov/pub/irs-drop/rp-20-45.pdf> (accessed November 23, 2020).

**Federal Income Tax.** Internal Revenue Service, “1040 Instructions,” <https://www.irs.gov/pub/irs-pdf/i1040gi.pdf> (accessed December 21, 2021).

**Federal Child Tax Credit.** Internal Revenue Service, “Publication 972. Child Tax Credit,” <https://www.irs.gov/pub/irs-pdf/p972.pdf> (accessed January 11, 2021).

**Federal Earned Income Tax Credit.** Internal Revenue Service, “Publication 596. Earned Income Credit,” <https://www.irs.gov/pub/irs-pdf/p596.pdf> (accessed January 10, 2022).

**ARPA Adjusted Tax Credits.** Congress.gov. “Text - H.R.1319 - 117th Congress (2021-2022): American Rescue Plan Act of 2021.” March 11, 2021. <https://www.congress.gov/bill/117th-congress/house-bill/1319/text> (accessed February 15, 2023).

## State Taxes

State taxes calculated in the Standard include income tax, payroll taxes, and state sales tax where applicable. State sales taxes are assumed to apply to the miscellaneous amount plus groceries where it is taxed.

If the state has an EITC, child tax credit, child care tax credit, or similar family or low-income credit, it is included in the tax calculations. Renter's credits and other tax credits that would be applicable to the population as a whole are included as well.

## DATA SOURCES

**Income Tax and Credits.** Arkansas Department of Finance and Administration, "State of Arkansas Estimated Tax Declaration Vouchers and Instructions for Tax Year 2022," [https://www.dfa.arkansas.gov/images/uploads/incomeTaxOffice/AR1000ES\\_IndividualEstimatedTaxVouchers\\_2022.pdf](https://www.dfa.arkansas.gov/images/uploads/incomeTaxOffice/AR1000ES_IndividualEstimatedTaxVouchers_2022.pdf) (accessed April 7, 2022).

## Endnotes: Appendix A

1. U.S. Census Bureau. 2021 PUMS Accuracy of the Data, [https://www2.census.gov/programs-surveys/acs/tech\\_docs/pums/accuracy/2021AccuracyPUMS.pdf](https://www2.census.gov/programs-surveys/acs/tech_docs/pums/accuracy/2021AccuracyPUMS.pdf).
2. The Standard was originally designed to provide calculations for 70 family configurations, which includes all one- and two-adult families with zero to three children (in four different age groups).
3. Diana Pearce and Rachel Cassidy, "Overlooked and Undercounted: A New Perspective on the Struggle to Make Ends Meet in California," Seattle: University of Washington (2003), <http://www1.insightcced.org/uploads/publications/wd/overlookedexecsumm.pdf> (accessed July 28, 2016).
4. Fair Market Rents for the Housing Choice Voucher Program, Moderate Rehabilitation Single Room Occupancy Program, and Other Programs Fiscal Year 2022, Department of Housing and Urban Development, 84 FR 45789 (July 5, 2022) <https://www.federalregister.gov/documents/2022/03/10/2022-05040/fair-market-rents-for-the-housing-choice-voucher-program-moderate-rehabilitation-single-room>.
5. U.S. Government Printing Office, "Section 9. Child Care," 108th Congress 2004 House Ways and Means Committee Green Book, <http://www.gpo.gov/fdsys/pkg/GPO-CPRT-108WPRT108-6/pdf/GPO-CPRT-108WPRT108-6-2-9.pdf> (accessed June 7, 2014).
6. U.S. Census Bureau, Survey of Income and Program Participation (SIPP), 2008 Panel, Wave 8. "Who's Minding the Kids? Child Care Arrangements: Spring 2011," <https://www.census.gov/library/publications/2013/demo/p70-135.html> (accessed July 19, 2019).
7. Bureau of Labor Statistics, "Employee Benefits in the United States - March 2021," <https://www.bls.gov/news.release/pdf/ebs2.pdf> (accessed February 1, 2022).
8. U.S. Department of Health and Human Services, Agency for Healthcare Research and Quality, Center for Financing, Access, and Cost Trends, "Tables II.C.3 and II.D.3: Percent of Total Premiums Contributed by Employees Enrolled in Single/Family Coverage at Private-Sector Establishments that Offer Health Insurance by Firm Size and State: United States, 2021," Medical Expenditure Panel Survey-Insurance Component, [https://meps.ahrq.gov/mepsweb/data\\_stats/quick\\_tables\\_results.jsp?component=2&subcomponent=2&year=-1&tableSeries=2&searchText=&SearchMethod=1&Action=Search](https://meps.ahrq.gov/mepsweb/data_stats/quick_tables_results.jsp?component=2&subcomponent=2&year=-1&tableSeries=2&searchText=&SearchMethod=1&Action=Search) (accessed September 25, 2022).
9. Centers for Medicare & Medicaid Services, "Arkansas Geographic Rating Areas: Including State Specific Geographic Divisions," <https://www.cms.gov/CCIIO/Programs-and-Initiatives/Health-Insurance-Market-Reforms/ar-gra> (accessed September 28, 2022).
10. Chris Porter and Elizabeth Deakin, Socioeconomic and Journey-to-Work Data: A Compendium for the 35 Largest U.S. Metropolitan Areas (Berkeley: Institute of Urban and Regional Development, University of California, 1995).
11. U.S. Census Bureau, "Table B08101: Means of Transportation to Work," 2016- 2020 American Community Survey 5-year estimates, Detailed Tables, <https://www.census.gov/programssurveys/acs/technical-documentation/table-and-geography-changes/2020/5-year.html> (accessed September 15, 2022).
12. U.S. Department of Agriculture, Center for Nutrition Policy and Promotion, "Thrifty Food Plan, 2006," [http://www.cnpp.usda.gov/sites/default/files/usda\\_food\\_plans\\_cost\\_of\\_food/TFP2006Report.pdf](http://www.cnpp.usda.gov/sites/default/files/usda_food_plans_cost_of_food/TFP2006Report.pdf) (accessed July 28, 2016).
13. U.S. Department of Labor, Bureau of Labor Statistics, "Consumer Expenditures in 2021," Economic News Release, <http://www.bls.gov/news.release/cesan.nr0.htm> (accessed April 25, 2022).
14. Gunderson, C., Strayer, M., Dewey, A., Hake, M., & Engelhard, E. Map the Meal Gap 2021: An Analysis of County and Congressional District Food Insecurity and County Food Cost in the United States in 2019. Feeding America, 2021, received from research@feedingamerica.org (December 14, 2021).

15. United States Department of Agriculture, “Summary Findings, Food Price Outlook, 2022,” Economic Research Service, <https://www.ers.usda.gov/data-products/food-price-outlook/summary-findings> (accessed January 21, 2022).

16. Constance F. Citro and Robert T. Michael, eds., *Measuring Poverty: A New Approach* (Washington, DC: National Academy Press, 1995), [https://www.bls.gov/pir/spm/nasrpt\\_ack.pdf](https://www.bls.gov/pir/spm/nasrpt_ack.pdf) (accessed June 7, 2014).

17. The FCC recommends at least medium connectivity (12 - 25 Mbps) for moderate broadband use with two or more users at a time (see <https://www.fcc.gov/consumers/guides/household-broadband-guide>) (accessed May 10, 2021).

18. The Standard found the monthly cost for a 4 - 6 GB plan for U.S. Mobile, Tello, T-Mobile, Ting, AT&T Prepaid, Affinity Cellular, Verizon, Mint Mobile and UltraMobile and then created an average price per GB and multiplied that by 5 in order to come up with an average plan cost for 5 GB.

# Appendix B: Detailed Data Tables

**USER GUIDE.** Detailed data tables are provided in Appendix B. Generally, figures in the text section provide only the percentage of the population who fall below the Self-Sufficiency Standard. The corresponding appendix tables are more detailed, providing the raw numbers for each group as well as percentages. **Table 4.** shows an example of the data included in the appendix tables. Each column details the following data:

- A.** The total number of households in Arkansas within the row group and the total percentage in the row group are of all Arkansas households. When appropriate, the characteristics of the householder are reported. For example, women head 461,222 households and are 52 percent of all householders in Arkansas. Note that the total percentage of *persons* in Arkansas who are women may be different than percentage of who are *householders*.
- B.** The number and percentage of households whose incomes are below both the poverty threshold and the Standard (because the poverty threshold is so low, families below the poverty threshold are always below the Standard). In Arkansas, there are 88,200 households headed by women in poverty and 19 percent of all households headed by women are in poverty.

- C.** The number and percentage of households whose incomes are above the poverty threshold, but below the Standard. In Arkansas, there are 92,792 households headed by women who are not considered poor by the poverty threshold yet are still below the Standard.
- D.** The total number and percentage of households below the Standard (columns B + C). This report focuses on the results of column D. In Arkansas, there are 180,992 households headed by women with inadequate income representing a total of 39 percent of households headed by women.
- E.** The number and percentage of households whose incomes are above the Standard (which is always above the poverty threshold).

In addition to looking at the income inadequacy rate of groups (column D in Table 4), throughout the report we also discuss the characteristics of households living below the Standard. For example, there are 312,235 households below the Standard in Arkansas and 180,992 of those households are headed by women (58 percent).

**Table 4. Example Appendix Table**

	A		B		C		D		E	
	Total	Percent of Households	Below Self-Sufficiency Standard				Total Below Standard		Above Self-Sufficiency Standard	
			Below Standard & Below Poverty		Below Standard & Above Poverty					
			Number	%	Number	%	Number	%	Number	%
<b>Total Households</b>	884,416	100%	144,218	16%	168,017	19%	312,235	35%	572,181	65%
<b>Sex of Householder</b>										
Men	423,194	48%	56,018	13%	75,225	18%	131,243	31%	291,951	69%
Women	461,222	52%	88,200	19%	92,792	20%	180,992	39%	280,230	61%

Source: U.S. Census Bureau, 2021 ACS 1-Year Public Use Microdata Sample.

**Table 5. The Self-Sufficiency Standard and Official Poverty Threshold by Select Characteristics of Householder**

	A		B		C		D		E	
	Total	Percent of Households	Below Self-Sufficiency Standard						Above Self-Sufficiency Standard	
			Below Standard & Below Poverty		Below Standard & Above Poverty		Total Below Standard			
			Number	%	Number	%	Number	%	Number	%
<b>Total Households</b>	884,416	100%	144,218	16%	168,017	19%	312,235	35%	572,181	65%
<b>Section: The Geographic distribution of income adequacy</b>										
<b>County</b>										
Arkansas	5,100	1%	932	18%	1,063	21%	1,995	39%	3,105	61%
Ashley	5,318	1%	1,089	20%	781	15%	1,870	35%	3,448	65%
Baxter	12,376	1%	2,735	22%	2,589	21%	5,324	43%	7,052	57%
Benton	88,817	10%	5,790	7%	12,474	14%	18,263	21%	70,554	79%
Boone	9,475	1%	2,093	22%	1,981	21%	4,074	43%	5,401	57%
Bradley	2,878	0%	589	20%	422	15%	1,012	35%	1,867	65%
Calhoun	1,268	0%	255	20%	169	13%	424	33%	844	67%
Carroll	7,558	1%	1,670	22%	1,580	21%	3,250	43%	4,308	57%
Chicot	2,897	0%	593	20%	425	15%	1,018	35%	1,878	65%
Clark	5,445	1%	842	15%	925	17%	1,766	32%	3,679	68%
Clay	4,756	1%	765	16%	961	20%	1,726	36%	3,030	64%
Cleburne	7,470	1%	1,799	24%	1,732	23%	3,531	47%	3,939	53%
Cleveland	2,025	0%	415	20%	297	15%	712	35%	1,313	65%
Columbia	5,706	1%	1,149	20%	759	13%	1,908	33%	3,798	67%
Conway	6,291	1%	1,432	23%	1,200	19%	2,632	42%	3,660	58%
Craighead	29,776	3%	4,938	17%	6,144	21%	11,082	37%	18,694	63%
Crawford	16,736	2%	3,444	21%	2,570	15%	6,014	36%	10,722	64%
Crittenden	13,687	2%	2,948	22%	3,423	25%	6,371	47%	7,316	53%
Cross	4,050	0%	977	24%	595	15%	1,572	39%	2,477	61%
Dallas	1,796	0%	362	20%	239	13%	601	33%	1,195	67%
Desha	3,288	0%	673	20%	483	15%	1,156	35%	2,132	65%
Drew	4,686	1%	960	20%	688	15%	1,648	35%	3,039	65%
Faulkner	38,673	4%	4,693	12%	8,128	21%	12,821	33%	25,851	67%
Franklin	4,746	1%	874	18%	996	21%	1,870	39%	2,876	61%
Fulton	2,971	0%	716	24%	691	23%	1,407	47%	1,564	53%
Garland	28,582	3%	4,407	15%	4,864	17%	9,272	32%	19,310	68%
Grant	4,725	1%	794	17%	1,172	25%	1,966	42%	2,759	58%
Greene	12,197	1%	1,962	16%	2,464	20%	4,426	36%	7,771	64%
Hempstead	5,538	1%	1,269	23%	796	14%	2,064	37%	3,473	63%
Hot Spring	7,754	1%	1,194	15%	1,322	17%	2,516	32%	5,238	68%
Howard	3,783	0%	696	18%	794	21%	1,490	39%	2,293	61%
Independence	8,007	1%	1,929	24%	1,861	23%	3,790	47%	4,217	53%
Izard	3,227	0%	778	24%	750	23%	1,528	47%	1,699	53%

Source: U.S. Census Bureau, 2021 ACS 1-Year Public Use Microdata Sample.

**Table 5. The Self-Sufficiency Standard and Official Poverty Threshold by Select Characteristics of Householder**

	A		B		C		D		E			
	Total	Percent of Households	Below Self-Sufficiency Standard								Above Self-Sufficiency Standard	
			Below Standard & Below Poverty		Below Standard & Above Poverty		Total Below Standard					
			Number	%	Number	%	Number	%	Number	%		
<b>Total Households</b>	884,416	100%	144,218	16%	168,017	19%	312,235	35%	572,181	65%		
Jackson	4,640	1%	1,002	22%	646	14%	1,648	36%	2,992	64%		
Jefferson	18,425	2%	3,101	17%	4,580	25%	7,681	42%	10,744	58%		
Johnson	7,485	1%	1,703	23%	1,427	19%	3,131	42%	4,354	58%		
Lafayette	2,258	0%	517	23%	324	14%	842	37%	1,416	63%		
Lawrence	4,761	1%	767	16%	962	20%	1,729	36%	3,032	64%		
Lee	1,974	0%	476	24%	290	15%	766	39%	1,208	61%		
Lincoln	2,477	0%	507	20%	364	15%	871	35%	1,606	65%		
Little River	3,486	0%	799	23%	501	14%	1,300	37%	2,186	63%		
Logan	5,997	1%	1,104	18%	1,258	21%	2,361	39%	3,636	61%		
Lonoke	22,522	3%	2,744	12%	4,729	21%	7,473	33%	15,050	67%		
Madison	4,163	0%	917	22%	870	21%	1,787	43%	2,376	57%		
Marion	5,162	1%	1,140	22%	1,079	21%	2,219	43%	2,942	57%		
Miller	11,409	1%	2,614	23%	1,639	14%	4,253	37%	7,156	63%		
Mississippi	12,262	1%	2,641	22%	3,067	25%	5,708	47%	6,554	53%		
Monroe	2,050	0%	494	24%	301	15%	795	39%	1,255	61%		
Montgomery	2,964	0%	459	15%	504	17%	962	32%	2,002	68%		
Nevada	2,481	0%	568	23%	356	14%	925	37%	1,556	63%		
Newton	2,231	0%	493	22%	466	21%	959	43%	1,272	57%		
Ouachita	6,140	1%	1,236	20%	816	13%	2,052	33%	4,087	67%		
Perry	3,219	0%	733	23%	614	19%	1,346	42%	1,872	58%		
Phillips	4,441	1%	1,071	24%	653	15%	1,724	39%	2,717	61%		
Pike	3,050	0%	695	23%	441	14%	1,135	37%	1,915	63%		
Poinsett	5,515	1%	1,330	24%	810	15%	2,141	39%	3,374	61%		
Polk	5,910	1%	1,087	18%	1,241	21%	2,328	39%	3,582	61%		
Pope	17,551	2%	3,995	23%	3,347	19%	7,342	42%	10,209	58%		
Prairie	2,666	0%	576	22%	371	14%	947	36%	1,719	64%		
Pulaski	132,785	15%	20,175	15%	28,086	21%	48,262	36%	84,523	64%		
Randolph	5,446	1%	877	16%	1,100	20%	1,977	36%	3,469	64%		
Saline	37,865	4%	3,888	10%	9,516	25%	13,405	35%	24,460	65%		
Scott	2,984	0%	549	18%	627	21%	1,175	39%	1,808	61%		
Searcy	2,561	0%	566	22%	536	21%	1,103	43%	1,459	57%		
Sebastian	37,531	4%	7,731	21%	5,763	15%	13,494	36%	24,038	64%		
Sevier	4,144	0%	763	18%	869	21%	1,632	39%	2,512	61%		
Sharp	4,564	1%	1,100	24%	1,061	23%	2,161	47%	2,404	53%		
St. Francis	5,107	1%	1,232	24%	751	15%	1,983	39%	3,124	61%		

Source: U.S. Census Bureau, 2021 ACS 1-Year Public Use Microdata Sample.



**Table 5. The Self-Sufficiency Standard and Official Poverty Threshold by Select Characteristics of Householder**

	A		B		C		D		E			
	Total	Percent of Households	Below Self-Sufficiency Standard								Above Self-Sufficiency Standard	
			Below Standard & Below Poverty		Below Standard & Above Poverty		Total Below Standard					
			Number	%	Number	%	Number	%	Number	%		
<b>Total Households</b>	884,416	100%	144,218	16%	168,017	19%	312,235	35%	572,181	65%		
Stone	3,261	0%	785	24%	758	23%	1,543	47%	1,718	53%		
Union	9,648	1%	1,943	20%	1,283	13%	3,225	33%	6,423	67%		
Van Buren	4,643	1%	1,119	24%	1,079	23%	2,198	47%	2,445	53%		
Washington	77,057	9%	8,422	11%	15,101	20%	23,523	31%	53,535	69%		
White	21,814	2%	4,704	22%	3,042	14%	7,746	36%	14,068	64%		
Woodruff	2,128	0%	460	22%	296	14%	756	36%	1,372	64%		
Yell	6,029	1%	1,372	23%	1,150	19%	2,522	42%	3,507	58%		
<b>Race/Ethnicity of Householder</b>												
Latinx	64,580	7%	12,429	19%	18,435	29%	30,864	48%	33,716	52%		
Asian, Native Hawaiian, or Pacific Islander	18,508	2%	1,931	10%	3,637	20%	5,568	30%	12,940	70%		
Black	138,771	16%	33,714	24%	32,220	23%	65,934	48%	72,837	52%		
White	605,233	68%	87,563	14%	101,385	17%	188,948	31%	416,285	69%		
American Indian, Other, or Multiracial	57,324	6%	8,581	15%	12,340	22%	20,921	36%	36,403	64%		
<b>Citizenship of householder</b>												
U.S. born	825,968	93%	135,355	16%	153,328	19%	288,683	35%	537,285	65%		
White	599,310	68%	87,156	15%	100,420	17%	187,576	31%	411,734	69%		
Person of color	226,658	26%	48,199	21%	52,908	23%	101,107	45%	125,551	55%		
Naturalized	22,523	3%	2,064	9%	4,260	19%	6,324	28%	16,199	72%		
Not a Citizen	35,925	4%	6,799	19%	10,429	29%	17,228	48%	18,697	52%		
<b>Age</b>												
18-24	72,978	8%	19,232	26%	20,943	29%	40,175	55%	32,803	45%		
25-34	185,358	21%	32,312	17%	45,363	24%	77,675	42%	107,683	58%		
35-44	210,256	24%	31,474	15%	39,345	19%	70,819	34%	139,437	66%		
45-54	196,991	22%	23,410	12%	28,387	14%	51,797	26%	145,194	74%		
55-64	218,833	25%	37,790	17%	33,979	16%	71,769	33%	147,064	67%		
<b>Householder Speaks English less than Very Well</b>												
Yes, householder speaks English less than very well	30,560	3%	7,087	23%	7,589	25%	14,676	48%	15,884	52%		
No, household speaks English well	853,856	97%	137,131	16%	160,428	19%	297,559	35%	556,297	65%		
<b>Household language</b>												
English	799,619	90%	130,574	16%	147,104	18%	277,678	35%	521,941	65%		

Source: U.S. Census Bureau, 2021 ACS 1-Year Public Use Microdata Sample.

**Table 5. The Self-Sufficiency Standard and Official Poverty Threshold by Select Characteristics of Householder**

	A		B		C		D		E			
	Total	Percent of Households	Below Self-Sufficiency Standard								Above Self-Sufficiency Standard	
			Below Standard & Below Poverty		Below Standard & Above Poverty		Total Below Standard					
			Number	%	Number	%	Number	%	Number	%		
<b>Total Households</b>	884,416	100%	144,218	16%	168,017	19%	312,235	35%	572,181	65%		
Spanish	57,582	7%	10,388	18%	14,152	25%	24,540	43%	33,042	57%		
Other Indo-European language	10,617	1%	793	7%	3,364	32%	4,157	39%	6,460	61%		
Asian or Pacific Island language	14,386	2%	2,187	15%	3,258	23%	5,445	38%	8,941	62%		
Other language	2,212	0%	276	12%	139	6%	415	19%	1,797	81%		
<b>Linguistic Isolation of Household</b>												
Yes	11,072	1%	2,877	26%	2,340	21%	5,217	47%	5,855	53%		
No	873,344	99%	141,341	16%	165,677	19%	307,018	35%	566,326	65%		
<b>Family Type</b>												
No Children	524,436	59%	81,620	16%	81,559	16%	163,179	31%	361,257	69%		
Married	222,594	25%	23,678	11%	27,382	12%	51,060	23%	171,534	77%		
Men householder (no spouse)	147,437	17%	24,309	16%	28,586	19%	52,895	36%	94,542	64%		
Women Householder (no spouse)	154,405	17%	33,633	22%	25,591	17%	59,224	38%	95,181	62%		
At least one child	359,980	41%	62,598	17%	86,458	24%	149,056	41%	210,924	59%		
Married	228,076	26%	22,094	10%	47,226	21%	69,320	30%	158,756	70%		
Single father	35,431	4%	8,245	23%	8,390	24%	16,635	47%	18,796	53%		
Single mother	96,473	11%	32,259	33%	30,842	32%	63,101	65%	33,372	35%		
Age of Youngest Child is <6	153,660	17%	34,072	22%	47,045	31%	81,117	53%	72,543	47%		
Married	98,518	11%	12,901	13%	27,438	28%	40,339	41%	58,179	59%		
White	69,642	8%	7,464	11%	17,559	25%	25,023	36%	44,619	64%		
Person of Color	28,876	3%	5,437	19%	9,879	34%	15,316	53%	13,560	47%		
Single Father	14,151	2%	4,313	30%	4,558	32%	8,871	63%	5,280	37%		
White	7,878	1%	2,866	36%	1,997	25%	4,863	62%	3,015	38%		
Person of Color	6,273	1%	1,447	23%	2,561	41%	4,008	64%	2,265	36%		
Single Mother	40,991	5%	16,858	41%	15,049	37%	31,907	78%	9,084	22%		
White	17,986	2%	7,230	40%	6,470	36%	13,700	76%	4,286	24%		
Person of Color	23,005	3%	9,628	42%	8,579	37%	18,207	79%	4,798	21%		
Age of Youngest child is 6 or older	206,320	23%	28,526	14%	39,413	19%	67,939	33%	138,381	67%		
Married	129,558	15%	9,193	7%	19,788	15%	28,981	22%	100,577	78%		
White	97,702	11%	6,049	6%	12,184	12%	18,233	19%	79,469	81%		
Person of Color	31,856	4%	3,144	10%	7,604	24%	10,748	34%	21,108	66%		

Source: U.S. Census Bureau, 2021 ACS 1-Year Public Use Microdata Sample.

**Table 5. The Self-Sufficiency Standard and Official Poverty Threshold by Select Characteristics of Householder**

	A		B		C		D		E		
	Total	Percent of Households	Below Self-Sufficiency Standard								Above Self-Sufficiency Standard
			Below Standard & Below Poverty		Below Standard & Above Poverty		Total Below Standard		Number	%	
			Number	%	Number	%	Number	%			Number
<b>Total Households</b>	884,416	100%	144,218	16%	168,017	19%	312,235	35%	572,181	65%	
Single Father	21,280	2%	3,932	18%	3,832	18%	7,764	36%	13,516	64%	
White	13,516	2%	2,927	22%	2,535	19%	5,462	40%	8,054	60%	
Person of Color	7,764	1%	1,005	13%	1,297	17%	2,302	30%	5,462	70%	
Single Mother	55,482	6%	15,401	28%	15,793	28%	31,194	56%	24,288	44%	
White	28,540	3%	7,307	26%	8,251	29%	15,558	55%	12,982	45%	
Person of Color	26,942	3%	8,094	30%	7,542	28%	15,636	58%	11,306	42%	
<b>Educational Attainment of Householder</b>											
Less than High School	70,928	8%	25,191	36%	17,156	24%	42,347	60%	28,581	40%	
Men	37,705	4%	11,749	31%	8,330	22%	20,079	53%	17,626	47%	
White	18,151	2%	5,975	33%	3,174	17%	9,149	50%	9,002	50%	
Person of Color	19,554	2%	5,774	30%	5,156	26%	10,930	56%	8,624	44%	
Women	33,223	4%	13,442	40%	8,826	27%	22,268	67%	10,955	33%	
White	15,375	2%	6,835	44%	4,072	26%	10,907	71%	4,468	29%	
Person of Color	17,848	2%	6,607	37%	4,754	27%	11,361	64%	6,487	36%	
High School Graduate	271,717	31%	63,450	23%	62,157	23%	125,607	46%	146,110	54%	
Men	146,159	17%	26,078	18%	30,855	21%	56,933	39%	89,226	61%	
White	99,642	11%	17,474	18%	18,567	19%	36,041	36%	63,601	64%	
Person of Color	46,517	5%	8,604	18%	12,288	26%	20,892	45%	25,625	55%	
Women	125,558	14%	37,372	30%	31,302	25%	68,674	55%	56,884	45%	
White	78,477	9%	22,056	28%	18,419	23%	40,475	52%	38,002	48%	
Person of Color	47,081	5%	15,316	33%	12,883	27%	28,199	60%	18,882	40%	
Some College	290,357	33%	41,316	14%	62,933	22%	104,249	36%	186,108	64%	
Men	128,430	15%	12,992	10%	24,983	19%	37,975	30%	90,455	70%	
White	92,017	10%	9,050	10%	14,550	16%	23,600	26%	68,417	74%	
Person of Color	36,413	4%	3,942	11%	10,433	29%	14,375	39%	22,038	61%	
Women	161,927	18%	28,324	17%	37,950	23%	66,274	41%	95,653	59%	
White	110,731	13%	16,615	15%	23,632	21%	40,247	36%	70,484	64%	
Person of Color	51,196	6%	11,709	23%	14,318	28%	26,027	51%	25,169	49%	
College graduate and above	251,414	28%	14,261	6%	25,771	10%	40,032	16%	211,382	84%	
Men	110,900	13%	5,199	5%	11,057	10%	16,256	15%	94,644	85%	
White	86,005	10%	3,579	4%	9,082	11%	12,661	15%	73,344	85%	
Person of Color	24,895	3%	1,620	7%	1,975	8%	3,595	14%	21,300	86%	
Women	140,514	16%	9,062	6%	14,714	10%	23,776	17%	116,738	83%	

Source: U.S. Census Bureau, 2021 ACS 1-Year Public Use Microdata Sample.

**Table 5. The Self-Sufficiency Standard and Official Poverty Threshold by Select Characteristics of Householder**

	A		B		C		D		E			
	Total	Percent of Households	Below Self-Sufficiency Standard								Above Self-Sufficiency Standard	
			Below Standard & Below Poverty		Below Standard & Above Poverty		Total Below Standard					
			Number	%	Number	%	Number	%	Number	%		
<b>Total Households</b>	884,416	100%	144,218	16%	168,017	19%	312,235	35%	572,181	65%		
White	104,835	12%	5,979	6%	9,889	9%	15,868	15%	88,967	85%		
Person of Color	35,679	4%	3,083	9%	4,825	14%	7,908	22%	27,771	78%		
<b>Number of Workers</b>												
Two or more workers	413,276	47%	15,573	4%	63,984	15%	79,557	19%	333,719	81%		
One worker, full time/full year	287,999	33%	22,168	8%	67,577	23%	89,745	31%	198,254	69%		
One worker, part time/part year	102,772	12%	46,999	46%	26,831	26%	73,830	72%	28,942	28%		
No workers	80,369	9%	59,478	74%	9,625	12%	69,103	86%	11,266	14%		
<b>Health Insurance Coverage Status</b>												
With health insurance coverage	772,130	87%	114,683	15%	137,437	18%	252,120	33%	520,010	67%		
No health insurance coverage	112,286	13%	29,535	26%	30,580	27%	60,115	54%	52,171	46%		
Employment-based	493,173	56%	23,867	5%	64,367	13%	88,234	18%	404,939	82%		
Direct-purchase	96,660	11%	14,750	15%	19,912	21%	34,662	36%	61,998	64%		
Medicaid	150,338	17%	68,537	46%	45,282	30%	113,819	76%	36,519	24%		
Uninsured	112,286	13%	29,535	26%	30,580	27%	60,115	54%	52,171	46%		
Other	31,959	4%	7,529	24%	7,876	25%	15,405	48%	16,554	52%		
<b>Yearly Food Stamp/Supplemental Nutrition Assistance Program (SNAP) Recipient</b>												
Yes	95,482	11%	47,312	50%	25,854	27%	73,166	77%	22,316	23%		
No	788,934	89%	96,906	12%	142,163	18%	239,069	30%	549,865	70%		
<b>Receives Public Assistance/TANF</b>												
Yes, on public assistance	11,046	1%	4,746	43%	2,690	24%	7,436	67%	3,610	33%		
No, not on public assistance	873,370	99%	139,472	16%	165,327	19%	304,799	35%	568,571	65%		

Source: U.S. Census Bureau, 2021 ACS 1-Year Public Use Microdata Sample.

## 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. 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 to assess and establish income adequacy and benefit eligibility;
- develop policies that strengthen public investment in low-income women and families.

Learn more about the Center and the Self-Sufficiency Standard research project at [www.selfsufficiencystandard.org](http://www.selfsufficiencystandard.org).

## Acknowledgments

We appreciate the contributions of the following Center for Women's Welfare staff for their work on the Self-Sufficiency Standard:

### Director

Lisa Manzer, MPA

### Authors

Annie Kucklick, MSW, Sarah Broliar, MPH

### Founder Emerita

Dr. Diana Pearce, PhD

### Contributors

Alyssa Mast, Devon Bushnell

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.



Central Arkansas Development Council  
*Building Futures One Person at a Time*



**CENTER FOR WOMEN'S WELFARE**

UNIVERSITY *of* WASHINGTON

School of Social Work