

Investigating the Working Poor

Many groups that are concerned with the increasing inequality in our society advocate that cities should establish a living wage. They calculate that wage to be \$25,000 for a family of four. In Small Town, USA (STUSA) the median income for a family of four is about \$37,000. However, there are also many families living below this level. This assignment gives you an opportunity to build on your knowledge of programs and issues to see how working poor families might survive. This learning is key to thinking about social policy. The family incomes range from \$14,000 to \$20,000 per year. In 2000, the poverty line for a family of four was \$17,050. It does not just define who is poor, the figure is used to calculate eligibility for most means tested programs and for some non-profit organizations as well. Some of these families will be able to get financial or in-kind benefits from social programs to supplement their earnings.

We can expect some hardships among these families, but you have to be creative in how your families address them. In addition to using your knowledge of social programs, you also have to be creative about the family's survival strategy. As you could see from the readings, most families work actively to stretch dollars and search for services to survive. Yet, the point is not to make for a successful case where people avoid all hardships, but to understand the nature of those hardships for real families that living on limited incomes.

You have to give the family members names, race and ethnic backgrounds, specific occupations, and a residence. You must work with their earnings and develop a monthly budget for the family. Use December 2018 as the month and year. Therefore, you have to think about the types of expenses appropriate for this time of year (e.g., utility bills, holiday clothing, etc.).

The objective of the assignment is to take a concrete look at how a family on a limited income is able to live in STUSA. There are five families; you should choose only ONE to use for this assignment. All of the families have one or two employed people. You will develop a monthly budget for the family. You have to be realistic about the cost of living in STUSA. Where can citizens live and shop on these incomes? What jobs pay annual wages that correspond to the figures given here? How does the family eat on such a budget? How do they secure medical care? How would people spend their leisure time? In your paper, indicate how much money your family would spend and the level of services they can purchase for that price.

The Families

Family A	A father, mother, and two children (daughter age 4 and son age 2). The father works full-time and earns \$14,000 per year. The mother does not work outside the home.
Family B	A family of four that includes a mother, who works full-time and earns \$12,000 per year. She lives with her two sons, ages 11 and 10, and her 55-year-old unemployed father, who has not held a steady job in two years. He does odd jobs in the informal economy and brings in about \$3,500 a year. Total household income is \$15,500.
Family C	A father, mother, and two children (daughter age 4 and son age 12). The mother works full-time all year and earns \$13,000. The father works part of the year and earns \$4,000. The total family income is \$17,000.
Family D	A retired grandmother, her adult son, and his two daughters, ages 2 and 4. The grandmother collects a pension and social security that total \$6,500 per year and the son earns \$12,000. The total household income is \$18,500.
Family E	A mother and her three children. The daughter is 12 and the sons are 8 and 7 years old. The mother works full-time and earns \$20,000 a year.

Monthly Budgets

The monthly budget is to include all the items listed below. To help you in your deliberations, I have included an estimate of the percent poor and working-class families generally spend on each item. In your own budget, you have to be realistic about what your family is purchasing with their money. Perhaps your family will cut corners, but think about the consequences for their quality of life.

Percent Item of Income

- 30% Food (includes meals at home and in restaurants)
- 30% Housing and Utilities
- 10% Transportation (either public or private)
- 10% Clothing/Personal Care
- 10% Medical/Dental (includes care, insurance, prescription drugs, etc.)
- 5% Leisure (includes entertainment, books, newspapers and vacations)
- 5% Other (includes taxes, contributions, life insurance, gifts, etc.)

These figures are guidelines for the assignment. In reality, families at these income levels might not take vacations or they may neglect to have insurance. It is also possible that poor people might spend a larger percentage of their

income on food. You should work within the assigned budget and show how a family of four would survive in STUSA. All solutions to budget problems have to be legal.

Written Report

Through the readings in this course, we have begun to explore critical issues in history, socio-economic status, and poverty. Think about the issues addressed in the course readings to help you address the following questions.

1. Nationally, most attention is directed to poor people who are dependent upon the state for cash assistance. Yet, only about one-third of the poor received such support from the state in 1996. How might an investigation of the working poor expand most citizens' understanding of the sources of poverty in contemporary American society and the circumstances of those who are poor? (Think about how this assignment might have modified your own thinking.)
2. As a nation, we employ an absolute definition of poverty that tells us who is and is not poor. Poverty criteria are used to see who qualifies for social programs. Having employed this definition, what do you think it tells us about the degree of hardship in the nation? What do you see as the implications of this definition for individual families and the nation as a whole?
3. Our definition of poverty is linked to issues of eligibility for means-tested programs to supplement low wage earnings. In much of Western Europe there are more universal programs designed to address the social needs of all citizen. How do you think the introduction of more universal programs in the United States would alter our delivery of services to people facing hardships?
4. If we acknowledge that as democratic nations develop, they pass on advantages to their citizens, particularly in the form of social rights, what might our current treatment of the working poor suggest about how social policies address hardship among this population?

This assignment should be between 4-6 pages in length and adhere to APA guidelines: typed in Times New Roman, 12-point font, double-spaced, and one-inch margins. It should also be in formal English and polished (i.e., grammatically correct). It should be a full and complete analysis of the content assigned. The completed paper should be printed (double-sided is okay), stapled (top left corner), and turned in (in-class) on the due date listed in the course schedule.