

Research and Evaluation Brief

Facts, figures, and insights for workforce development practice and policy

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Poverty in 2000

The recent release of 2000 Census data, including income and economic information on Massachusetts' families and residents, speaks to the lack of progress made

by the state economy in improving the living standards of its residents over the past decade.

The analysis describes "income inadequacy" in two categories. The first refers to families and

residents living at or below the federal poverty line, described as "poor," and the second category is referred to as "low-income," or those living on an annual income less than two times the poverty line.

Estimates of the 2000 Census on the incidence of poverty problems among Massachusetts families indicate that slightly under 7% of all families in the state had an income below the poverty line, a rate identical to that from the 1990 Census.

Family poverty rates in Massachusetts in 2000 varied widely by family type, ranging from a low of slightly under 3% for married couples to a high of 22.5% among families headed by women with no male spouse in the home. The latter group of families were nearly eight times as likely as married couple families to be poor in early 2000.

The share of families in the low-income category rises sharply to 17%. The incidence of low-income problems

among families ranges from a low of 10% among married couple families to 20% among male headed families with no wife present to a high of 46% for families headed by women. Nearly one-half of all female-headed families in the state could be characterized as low-income in 2000.

Massachusetts families with children present in the home were substantially more likely to be classified as low-income than their counterparts with no children. Among those families with no children present in the home, 12% were categorized as low-income in 2000 versus 20% of those families with one child and nearly 26% of those families with two or more children living in the household.

REPORT FOCUS

Poverty and Other Income Inadequacy Problems Among Massachusetts Families in 2000: Implications for Workforce Development Policy

The Percent of Massachusetts Families that Were Poor or Low-Income in 2000 by Type of Family

Family Type	(A)	(B)
	Poor	Low-Income
All	6.7	17.1
Married Couple	2.9	10.4
Male head, no spouse	8.2	20.3
Female head, no spouse	22.5	45.6

Source: 2000 Census, PUMS files, tabulations by Center for Labor Market Studies.

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Among single mother families, 53% of those with one child were categorized as low income, and 70%, a substantial majority, of those with two or more children were low-income.

A rising share of households in Massachusetts are non-family households, consisting of either an individual person living alone or two or more persons who are not related to each other by blood, marriage, or adoption. At the time of the 2000 Census, there were 860,000 non-family households in the state, accounting for 35% of all households. Nearly 16% of these were poor, and 35% of them would have been categorized as low-income.

The overall rate of family poverty in 1990 was 6.7%, exactly identical to the poverty rate among families in 2000. During the recessionary years of the early '90s, family poverty problems rose, but economic and employment growth from 1992-1999 combined with the effects of state welfare reform and the liberalization of the federal Earned Income Tax Credit were sufficiently strong to lower the poverty rate back to its 1990 level.

The poverty rate of the state's married couple families in 1990 was 2.8%, which was statistically identical to the 2.9% poverty rate for such families in 2000. The poverty rate among the state's female headed families declined modestly over the decade from 24.7% to 22.5%.

Comparisons of the incidence of low-income problems among all Massachusetts families in 1990 and 2000 reveal no significant change over the decade. In both 1990 and

2000, 17% of all Massachusetts families were low-income. A small, but statistically significant decline in the incidence of low-income problems among married couple families was offset by increases in the incidence of low-income problems among female-headed families and male-headed families with no wife present. Overall, no progress was made in reducing either poverty or low-income problems over the decade of the 1990s.

According to earlier research by the Center for Labor Market Studies, the bulk of the region's poor family heads had limited-to-no labor force attachment, contrasted with the heads of families identified as low-income, who were much more likely to be strongly attached to the labor market, but had low hourly wages.

The multiple barriers to more active labor force participation among poor family heads will have to be addressed, including educational and occupational skill deficits and childcare, transportation, and health barriers. Given the stronger commitment to the labor market among the heads of the state's other low-income families, greater efforts will have to be made to invest in their skills through incumbent worker training and job upgrading and restructuring strategies.

Clearly, sustained progress in reducing poverty and low-income problems in our state will require an improved labor market with more job opportunities, and greater investments in the human capital of many of our poor and low-income family heads.

Comparisons of the Percent of Massachusetts Families that Were Low-Income in 1990 and 2000, All Families by Type of Family

Year	(A) All Families	(B) Married Couple	(C) Female headed, no male spouse present	(D) Male headed, no female spouse present
1990	17.2	11.2	42.4	19.2
2000	17.1	10.4	45.6	20.3
Change, 1990-2000	-.1	-.8	+3.2	+1.1