Poverty and Economic Opportunity

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Measuring Poverty
Absolute Poverty

Noun

a) condition characterized by severe deprivation of basic human needs
b) widely refers to earning below the international poverty line of $1.25/day

Relative Poverty

Noun

a) the state of one who lacks a usual or socially acceptable amount of money or material possessions
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Absolute Poverty

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Federal Poverty Level measures pre-tax cash income against a threshold that is set at three times the cost of a minimum food diet in 1963.
<table>
<thead>
<tr>
<th>Size of family unit</th>
<th>None</th>
<th>One</th>
<th>Two</th>
<th>Three</th>
<th>Four</th>
<th>Five</th>
<th>Six</th>
<th>Seven</th>
<th>Eight or more</th>
</tr>
</thead>
<tbody>
<tr>
<td>One person (unrelated individual)</td>
<td></td>
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<td></td>
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<tr>
<td>Under 65 years</td>
<td>12,331</td>
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<tr>
<td>65 years and over</td>
<td>11,367</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Two people</td>
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<td></td>
<td></td>
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<tr>
<td>Householder under 65 years</td>
<td>15,871</td>
<td>16,337</td>
<td></td>
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<tr>
<td>Householder 65 years and over</td>
<td>14,326</td>
<td>16,275</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>Three people</td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Four people</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Five people</td>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Six people</td>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Seven people</td>
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<td></td>
<td></td>
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<tr>
<td>Eight people</td>
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<tr>
<td>Nine people or more</td>
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</tr>
</tbody>
</table>

Source: U.S. Census Bureau.
## Living Wage vs. Poverty Wage vs. Minimum Wage

<table>
<thead>
<tr>
<th>Hourly Wages</th>
<th>1 Adult</th>
<th>1 Adult 1 Child</th>
<th>1 Adult 2 Children</th>
<th>1 Adult 3 Children</th>
<th>2 Adults (One Working) 1 Child</th>
<th>2 Adults (One Working) 2 Children</th>
</tr>
</thead>
<tbody>
<tr>
<td>Living Wage</td>
<td>$9.81</td>
<td>$20.96</td>
<td>$25.22</td>
<td>$31.67</td>
<td>$16.77</td>
<td>$20.73</td>
</tr>
<tr>
<td>Poverty Wage</td>
<td>$5.00</td>
<td>$7.00</td>
<td>$10.00</td>
<td>$11.00</td>
<td>$7.00</td>
<td>$10.00</td>
</tr>
<tr>
<td>Minimum Wage</td>
<td>$7.25</td>
<td>$7.25</td>
<td>$7.25</td>
<td>$7.25</td>
<td>$7.25</td>
<td>$7.25</td>
</tr>
</tbody>
</table>

Source: Living Wage Calculator Mit.edu
“Fundamentally, poverty is a denial of choices and opportunities, a violation of human dignity... It means not having enough to feed and clothe a family, not having a school or clinic to go to...

It means insecurity, powerlessness and exclusion. It means susceptibility to violence, and it often implies living on marginal or fragile environments, without access to clean water or sanitation.”
“Fundamentally, poverty is a **denial of choices** and opportunities, a **violation of human dignity**...It means not having enough to feed and clothe a family, not having a school or clinic to go to...

It means insecurity, **powerlessness** and exclusion. It means susceptibility to **violence**, and it often implies living on **marginal** or fragile environments, without access to clean water or sanitation.”
What does poverty look like in Oklahoma?
16.1% of Oklahomans live in poverty
Oklahoma poverty rate, by educational attainment, 2014

- Less than high school: 28.4%
- High school graduate/GED: 15.3%
- Some college: 11.1%
- Bachelor's degree or higher: 4.4%

Source: Census Bureau
Oklahoma poverty rate, by age, 2014

- Under 18 years: 22.4%
- 18 to 64 years: 16.2%
- 65 years and over: 8.5%

Source: Census Bureau
Oklahoma is ranked 44th in gender income inequality.

source: Census Bureau
Oklahoma poverty rate, by race/ethnicity, 2014

- Black or African American: 29.9%
- Hispanic or Latino origin (of any race): 27.2%
- American Indian and Alaska Native: 21.4%
- Two or more races: 20.6%
- White, not Hispanic or Latino: 12.9%

Source: Census Bureau
Causes and Effects
Causes

OR

Effects
Health Outcomes

• 7.5% of households went hungry at some point during the year because they couldn’t afford food.

• Malnutrition, poor health, or untreated illness stunt a worker’s capacity to earn and drains their assets.
Data from 3,139 counties in the U.S. Quintiles are cohorts of counties ranked by the percentage of people living with poverty.
Educational Attainment

• Educational attainment is highly correlated with employment and earnings
• Public schools are chronically underfunded and its physical infrastructure is badly neglected
Employment... or lack thereof

- People in eastern Oklahoma and people of color are unemployed at disproportionately higher rates
- The state consistently tops the nation for the share of adult workers that are not fully employed, currently at 5.1%
- 3 out of 10 occupations pay below poverty level*
Safety Net Programs
Most TANF dollars don’t go toward “welfare”

9% is spent on cash assistance

14% is spent on work related activities

20% is spent on childcare subsidies
894,346 total persons received SNAP benefits

average monthly benefit of $122
WIC’s Big 3 Food Benefits Nutrition Education Breastfeeding Support
Broad-based tax credits
• Earned Income Tax Credit
• Child Tax Credit
• Sales Tax Relief Credit
EARNED INCOME TAX CREDIT
Earned Income Tax Credit for Households with One Child, 2016

Maximum benefit: $3,373

- Head of household
- Married filing jointly

Note: Assumes all income is from earnings (as opposed to investments, for example).
Source: Internal Revenue Service
“People who sit on the couch all day don’t deserve the EITC. My tax dollars shouldn’t go to freeloaders.”
EARNED INCOME TAX CREDIT
5% of the federal EITC
Non-refundable!
Child Tax Credit
The Sales Tax Relief Credit, sometimes known as the “grocery tax credit,” is an income tax credit that provides a rebate of $40 per household member to households with incomes at or below the following 50K for seniors and 20K for everyone else.
983,000 Oklahomans
ABLE Act passed in Oklahoma 2016
Policy Solutions: Better Jobs & Opportunities

- **Strengthen broad-based tax credits.** Last session, lawmakers cut the state Earned Income Tax Credit by close to $30 million, taking an important tax benefit away from many low-income working families who have received little or nothing from recent tax cuts. To help support working families, the state should either restore the Earned Income Tax Credit or boost the Sales Tax Relief Credit, which helps offset the sales tax paid on groceries and other household items.

- **Bring health care to the working poor by accepting federal funds.** Expanding the state’s Medicaid program or Insure Oklahoma would extend insurance coverage to roughly 150,000 people – approximately 1 in 4 of the state’s uninsured. The successful track record of expansions in states similar to Oklahoma shows that we are making the wrong choice in rejecting health coverage [Read more about Medicaid expansion’s successful track record in other states].

- **Give parents the freedom to work by expanding child care subsidies and passing family-friendly worker protections.** Lawmakers should expand access to child care subsidies, which are currently available only to families making very low incomes. Oklahoma should also increase workplace protections for pregnant workers who may be pushed out of their jobs, working parents who may be required to work odd hours at short notice and not be allowed paid leave to care for a sick child or elder, and women who are frequently paid less for doing the same job as men.
Better Information. Better Policy.
Questions???