



Report details struggles of the working poor

October 12, 2004

By ANDRÉA MARIA CECIL,
Daily Record Business Writer

J'Nair Chatman, a wife and mother of two small children, knows she can't get a job with "decent" benefits. The 18-year-old didn't finish high school and doesn't have a general equivalency diploma.

With any full-time, low-skill, minimum-wage job, she guesses she'd make about \$900 per month after taxes, and she wouldn't be eligible for Medicaid.

Maryland provides Medicaid to those who earn less than 41 percent of the federal poverty threshold, the 11th most restrictive limit in the country, according to a national report entitled "Working Hard, Falling Short America's Working Families and the Pursuit of Economic Security." The report is to be released today by the Working Poor Families Project, a national initiative supported by the Annie E. Casey, Ford and Rockefeller foundations.

"It's a whole bunch of rules that make no sense," Chatman said from Sarah's House, a transitional housing program in Fort Meade. Chatman, her husband and two children comprise one of more than 100,000 low-income working families in the state.

More than one out of six working families in Maryland earns so little they have difficulty surviving financially, the report found. One in five Maryland jobs pays less than a poverty-level wage.

Nationally, one in four working families is low income, the study showed.

State government needs to make investments in adult education, health care and financial assistance for post-secondary education, said Deborah Povich, executive director of the Baltimore-based Job Opportunities Task Force, which advocates for better skills, jobs and incomes.

Maryland ranked well in terms of having among the fewest low-income families, according to the study. The authors doubled the federal government's poverty threshold to make their calculations because they believed the federal mark to be unrealistically low. Maryland also ranked favorably in terms of children of working adults in low-income families.

But despite the rosy picture, Povich warned of omissions.

"The interesting thing about a state-by-state comparison is that it doesn't take into account the high cost of living in Maryland," she said. "So although we recognize the strengths of this report — that it looks comprehensively at different state programs — it costs more to live in Maryland, so that calculation masks the challenge that people face when they're paying for housing."

The state ranked a stark 39th for income disparity, a measure that compares the incomes of the top fifth of families against the bottom fifth.

"We have a high income disparity, but that makes an awful lot of sense for Maryland," said Richard Clinch, director of economic research at the University of Baltimore's Jacob France Institute. "We have Potomac and Hunt Valley, as well as East Baltimore. So we have this wide variance."

There simply aren't enough middle-skill jobs in the state's historically poor areas, such as Baltimore City, Western Maryland and the Eastern Shore, he added.

"This is the biggest challenge structurally in Maryland to help low-income workers," Clinch said. "There's not a whole lot of places for them to go. There's lot of jobs on one end, and lots of jobs on the other end, but not much in the middle."

Such jobs typically exist in the suburbs, but low-skill workers have trouble getting to those jobs because of lacking public transportation.

"Northrop Grumman cannot take someone off the street and teach them how to make the most advanced radar systems in the world," Clinch said. "Well, I guess they could, but it's not economical."

Yet he did applaud state efforts to train low-skill workers for the anticipated jobs at Baltimore's biotech parks.

The national report echoes findings of a Job Opportunities Task Force report released early this year that found that nearly 118,000 working families in the state, or 17 percent of the working population, had incomes below twice the federal poverty threshold in 2001.

"It's just stressful now only having two pairs of pants; you know, stuff like that," explained Chatman, who recently had her second child. "My daughter only has one pair of shoes."