

Poverty Speaks: Climbing Out of Poverty

A report by The Center for Community Solutions



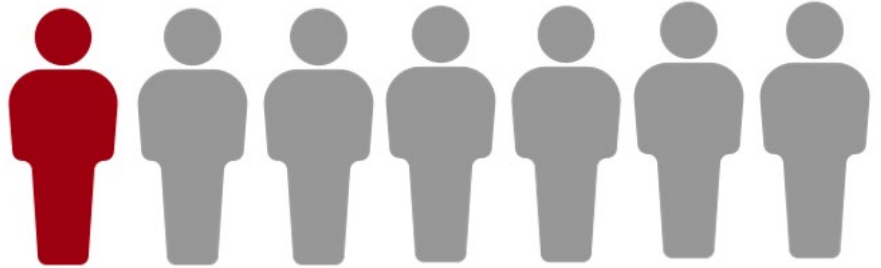
Cleveland is the second poorest large city in the United States, yet policymakers and community leaders rarely have the opportunity to hear from large numbers of people who live at or near the poverty level. The Center for Community Solutions and The Council for Economic Opportunities in Greater Cleveland (CEOGC) have collected new information directly from low-income residents of Cuyahoga County about the issues and challenges they face. This report is the first in a series that will examine the results of the survey and its implications for Cuyahoga County.

Cuyahoga County's low-income residents understand how difficult it is to climb out of poverty.

More than half (55 percent) of our poll respondents believe it is more difficult to rise out of poverty now than it was before the Great Recession, and the economic recovery hasn't reduced the level of poverty in Cuyahoga County. In fact, it's worse. The poverty rate¹ in Cuyahoga County today (18 percent) is above what it was during the height of the 2008 recession (15.6 percent), even though unemployment rates are very low. Today, nearly 220,000 people in Cuyahoga County live in poverty.

That means nearly 1 in 5 people in Cuyahoga County live in poverty. The Federal Poverty Level is \$21,330 for a family of three. However, a living wage calculator developed at MIT determined that the same family would need \$54,000 a year to get by without help from government, charity, friends or family. That's more than three times a full-time minimum wage of \$17,000 a year.

Only 1 in 7 Cuyahoga County residents believe the biggest cause of poverty is people not doing enough to help themselves



Today, close to 220,000 people in Cuyahoga County live in poverty. **Thirty-one percent of people below the poverty line in Cuyahoga County are children, and another thirty percent are older adults over age 60.** Just more than half (56 percent) live in the City of Cleveland, while the remaining 95,500 people in poverty in the county live in suburban communities.

The poll results presented here help present these statistics at a human level, illustrating the specific challenges poor people face. Over the past several decades **the share of Americans at all income levels who blame poverty on the poor has fallen**, from 60 percent in 1995 to 46 percent in 2015, the last time this question was asked in a nationwide poll.² **In Cuyahoga County, low-income residents recognize that the causes of poverty are varied.** Thirty-percent said that circumstances beyond someone's control are a bigger cause of poverty than people not doing enough to help themselves out of poverty, but half believe it is a little bit of both.

The fastest way out of poverty is to earn more, but low-income people in Cuyahoga County face challenges with their jobs.

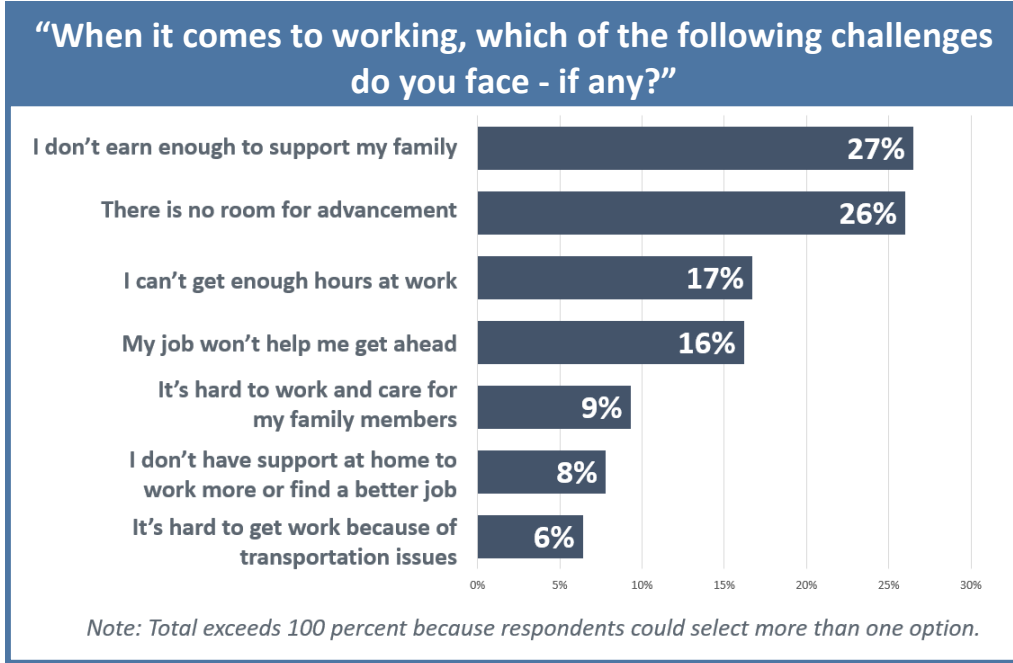
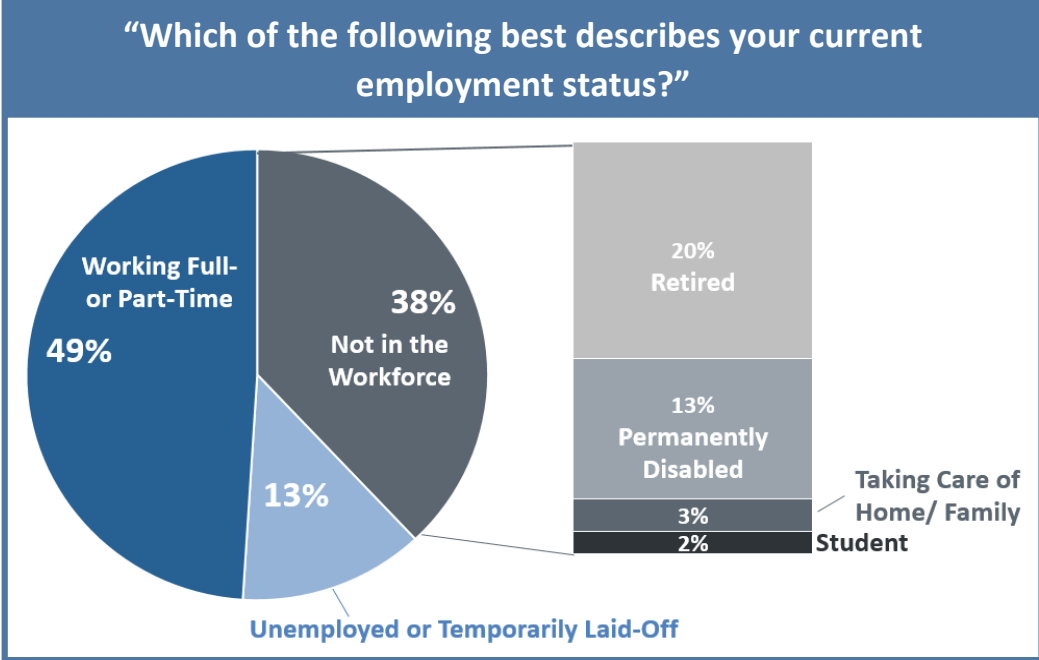
The official poverty measure uses household income to determine whether or not someone lives in poverty. Many adults in poverty have a job, but don't earn enough for their families to climb above the poverty threshold. At the time

of this poll, in May 2019, just under half (48.5 percent) of respondents were employed either full- or part-time. More than two-thirds of those who had a job reported facing at least one challenge when it comes to working.

The most common challenge was that respondents didn't earn enough to support their families. This aligns with labor market research conducted by Policy Matters Ohio, which found that "6 of Ohio's 10 most common jobs paid so little that a typical worker would need food assistance to feed a family of three, typically earning less than \$26,000."³ Low-income individuals were more likely to struggle with certain challenges, for example, **those with household incomes below \$25,000 per year were nearly twice as likely to report not being able to get enough hours at work** than those with incomes higher than that level (31 percent versus 17 percent) or report that **they didn't have support at home to get a better job (16 percent versus eight percent)**. **Nearly 1 in 5 of all respondents said they could not get enough hours at work.**

Many jobs are not sufficient to ensure that a family is above poverty. More than a quarter of low-income working people in Cuyahoga County said their job has no room for advancement. One-in-six also said that their current job won't help them get ahead. This indicates a need for more programs to connect people to career pathways.

Whether or not they are currently employed, low-income people in Cuyahoga County face challenges when looking for work. It was significantly more difficult for those living at or near poverty to find a job with convenient hours, find a job near public transit or find the right job to accommodate disabilities. These factors contribute to the fact that people who live in poverty are much more likely to be out of work but actively looking for a job. According to the latest data from the U.S. Census Bureau, **in 2017 people older than age 16 who live in poverty saw an unemployment rate of 29 percent, four times as high as the overall unemployment rate of 7.3 percent.** Overall unemployment is now around four percent in Cuyahoga County. In our survey, about 1 out of every 8 people were unemployed or temporarily laid-off.



Policies should promote living-wage jobs and connect people to employment centers.

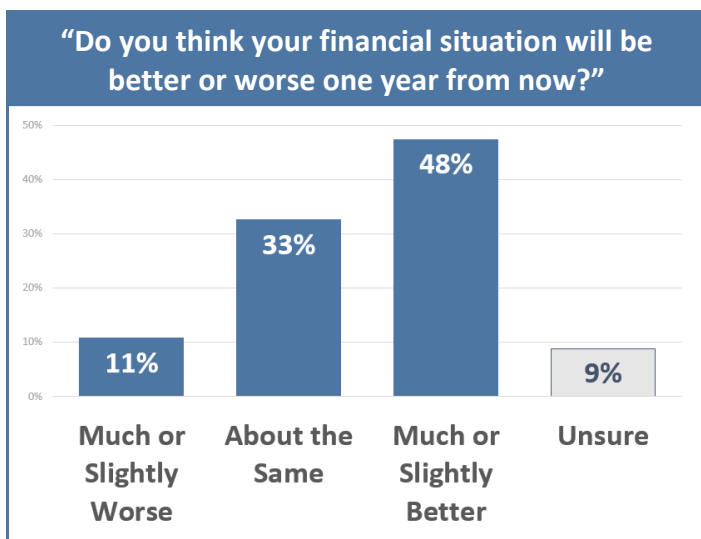
The most common problem low-income people in Cuyahoga County face when looking for work is not being able to find jobs near their homes. As employment centers have grown in the suburbs, commutes for people who live in the urban core has increased, especially if they don't drive. Increased public transit funding would help. In the private sector, proposals are now being accepted for the Paradox Prize, which will award up to \$1 million to support 15 pilot projects that seek to solve the transportation paradox of "No Car, No Job; No Job, No Car."⁴

Even if someone is able to find a job they can get to, **Ohio's current minimum wage of \$8.55 per hour is low enough that anyone in a family of three or more people could work full-time, year-round and still live in poverty.** Raising the minimum wage to \$15.00 per hour would allow the same employee who works 40 hours per week 52 weeks per year to earn \$31,200, moving them well above the poverty threshold. At that level of income, the family would be better able to make ends meet, so would qualify for fewer public benefits, such as Medicaid coverage for the parent and the Supplemental Nutrition Assistance Program (SNAP).

In addition, 1 in 6 people who live at or near poverty who are working said they are not able to get enough hours at work. This forces hourly workers to have several part-time jobs. Even some people who work more than 40 hours a week do not receive overtime, because they are classified as exempt employees. The current federal regulation sets the floor for exempt employees at \$23,660 per year, meaning that salaried managers, especially in retail and food service, can work more than 40 hours per week with no additional pay. A federal proposal to raise the minimum salary required to be an exempt employee and not eligible for overtime pay was blocked immediately before implementation in 2016.

Rank	Problem	Percent Who Experienced the Problem
1	Can't find jobs near your home	22.5%
2	Can't find jobs you're qualified for	19.4%
3	Can't find jobs with hours that work for you	18.0%
4	You can't find jobs that pay enough to support you and/or your family	15.6%
5 (tied)	Can't find the right job because of a disability	11.1%
	Family obligations make it difficult for you to find the right job	11.1%
7	Employers won't hire you because of your age	10.6%
8	Worried about losing benefits if you earn too much	10.6%
9	Can't find jobs along public transit lines	9.7%
10 (tied)	Can't afford childcare /daycare	4.5%
	You have a prior conviction or can't pass a background check	4.5%

While many people struggle financially, low-income Cuyahoga County residents are cautiously optimistic.



Fifty-nine percent of respondents rated their financial situation as “fair” or “poor.” However, one-third say their finances have improved in the past year, and almost half expect improvement in the coming year. Enacting policies that enable working families to find jobs and earn more would help.

These and other findings come from an online and phone poll of county residents conducted by Baldwin Wallace University for The Center for Community Solutions. The poll was targeted toward people below or just above the federal poverty line. Fifty-seven percent of the 434 respondents reported a household income of less than \$25,000. Our mixed-methods approach yielded results with a five percent margin of error at the 95 percent confidence interval.



August, 2019

¹ Poverty data is from the U.S. Census Bureau, American Community Survey 1-year estimates.

² Platt, Spencer, “Poll: Fewer Americans Blame Poverty on the Poor,” *NBC News*, 2014.

³ Halbert, Hannah. “Working for less: Too many jobs pay too little,” *Policy Matters Ohio*, 2018.

⁴ For more information, visit <https://paradoxprize.com/>