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AMERICA'S ECONOMIC INSECURITY RATE RISES TO 45%

Millions of Families Lack the Incomes Required to Pay for Basic Needs and Save, Face the Additional Challenges of Federal Budget Cuts, Growth of Low-Wage Work

WASHINGTON, DC (09-17-13) – While the federal government debates budget priorities and workers across the country protest low wages, a new report reveals that the nation's "economic insecurity rate" is 45%—three times the 2012 poverty rate of 15% announced today by the US Census Bureau. The new report, published by [Wider Opportunities for Women \(WOW\)](#), defines economic insecurity as the inability to afford basic needs such as decent housing, basic transportation and food, and finds millions of families are insecure even when household breadwinners are working full time.

According to the report, [Living Below the Line: Economic Insecurity and America's Families](#), while the poverty rate increased sharply in 2008 and has since remained largely unchanged, the overall insecurity rate has steadily increased, by seven percentage points, between 2007 and 2011. Insecurity rates for all major demographic groups have increased markedly, with the largest rate increases suffered by unmarried couples, white children and single fathers.

"A measure of economic insecurity provides a broad and more

accurate assessment of the state of the economy and potential policy impacts,” says WOW’s President and CEO, Shawn McMahon. “It also reminds us that nearly half of American households may be only one health problem or lay-off away from poverty.”

This month, federal lawmakers are expected to debate next fiscal year’s budget and consider reversing cuts mandated by sequestration. With almost 20 million Americans and their families struggling to find jobs or full-time work, and many new jobs concentrated in low-wage industries, the study’s findings identify the millions of American households particularly vulnerable to cuts in programs such as job training, career and technical education, housing assistance, unemployment insurance and child care and early education programs.

WOW’s analysis compares household incomes collected through the Census Bureau’s American Community Survey to WOW’s Basic Economic Security Tables™ (BEST) Index for the United States, the incomes typical working families need to cover basic expenses—housing, utilities, child care, health care, transportation, basic household items and basic savings. The measure shows that the typical American single worker needs nearly \$30,000 a year—twice the income earned by someone working full time at the federal minimum wage—to be secure. Typical single parents require twice that income to support two children, while dual-income households with two children require \$72,000.

According to the WOW report, in 2011, 41% of all women, 62% of African American women, 65% of Hispanic women, and 81% of families headed by single mothers lacked economic security incomes. Fifty-five percent of all children and approximately three-quarters of African American and Hispanic children were living in families which lacked economic security incomes. Workers in dual-income families had the lowest rates of economic insecurity, but 10% lacked security incomes.

In a separate analysis comparing US Department of Labor projections to BEST family budgets, WOW estimates that only 12% of jobs to be created by 2020 will provide economic security wages to a typical single parent who does not have a four-year degree and is raising two children. Less than 40% of the new jobs will pay economic security wages for two workers raising two young children.

The research also points to the importance of creating jobs in industries that offer family-sustaining wages by investing in job creation programs that rehire or retain teachers and first responders and employ construction workers through investments in infrastructure.

The full report is available at WOW's website [here](#).

Wider Opportunities for Women (WOW) works nationally and in its home community of Washington, DC to achieve economic independence and equality of opportunity for women and their families at all stages of life. For almost 50 years, WOW has been a leader in the areas of nontraditional employment, job training and education, welfare-to-work and workforce development policy. Since 1995, WOW has been devoted to the self-sufficiency of women and their families through the national Family Economic Security (FES) Program. Through FES, WOW has reframed the national debate on social policies and programs from one that focuses on poverty to one that focuses on what it takes families to make ends meet. Building on FES, WOW has expanded to meet its intergenerational mission of economic independence for women at all stages of life with the Elder Economic Security Initiative (EESI).

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