

**BRIEF ANALYSIS**

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## How Not To Be Poor

There is a strong correlation between poverty and certain behaviors. Thus one solution to the problem of poverty is to encourage young Americans to avoid behavior that will tend to lead them into poverty. Specifically, there are four choices young Americans can make that are more likely than any government welfare program to keep them out of poverty and on the road to a productive and prosperous life: (1) finish high school, (2) stay married, (3) get a full-time job and (4) if a woman, don't have children before age 20.

Poverty programs that focus on goals other than these four — job training and day care, for example — are unlikely to be successful.

### More Education Means Less Poverty.

There is universal agreement that more education means, on average, higher income. According to Census Bureau data:

- In an average month, 20.8 percent of persons without a high school diploma are classified by the government as poor.
- By contrast, only 9.3 percent of those with a high school diploma but no college are poor.
- And only 5.5 percent of those with some college are poor. [See Figure I.]

Further, those who have not completed high school can expect to experience poverty longer than high school graduates. The median duration of poverty for those without a high school diploma is 5.3 months, while for

high school graduates with no college it is 3.9 months and for high school graduates with at least one year of college it drops to 3.7 months.

A look at the chronically poor — those with incomes below the poverty level for 24 straight months — is even more revealing. While 9.1 percent of those without a high school diploma are chronically poor, only 2.7

percent of high school graduates with no college education and a scant 0.9 percent of those with some college fall into that category.

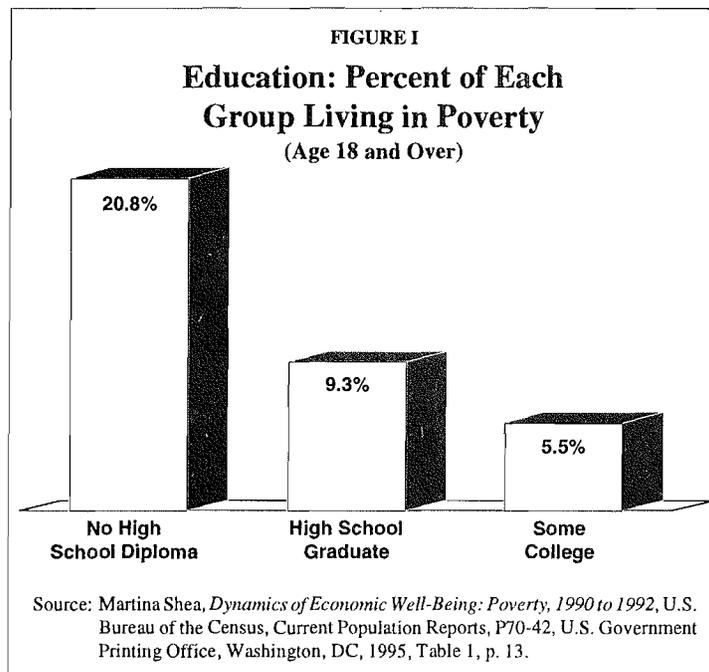
**Married Means Richer.** In the traditional wedding vows, the couple promises to stay together “for richer or for poorer.” But studies have consistently shown that if the couple remains together, it is more likely they will be richer.

■ In households headed by a female with no spouse present, 35.2 percent are poor, while only 7.0 per-

cent who live in married-couple families can be classified as poor.

■ Of the chronically poor, 17.6 percent are female-headed households, compared to only 1.4 percent in married-couple families.

A look at the median income for each group indicates why such disparities exist. In 1993, the median income for married-couple families was \$43,129, while the median income for female-headed households with no husband present was only \$18,545. The gap is widening, too. From 1992 to 1993, the real median income for married-couple families declined by only 0.2 percent, while the real median income for female-headed households fell by 2.0 percent.



**Poverty and Work.** Poverty is more likely to be the result of being underemployed than of being underpaid. In an average month:

- Only 3.7 percent of persons 18 and over who were employed full-time were poor.
- This compares to an 11.6 percent rate of poverty for those who were employed part-time and a 39.8 percent poverty rate for those who were unemployed.

The rates of chronic poverty based on employment status show an even greater disparity.

- A tiny 0.4 percent of those employed full-time and 2.2 percent of part-timers are considered chronically poor.
- Among the unemployed the chronic poverty rate is 10.2 percent.

- In other words, *an unemployed person is more than 25 times more likely to be chronically poor than a full-time worker.*

As a result, the median income of a household (1993) where the householder worked year-round, full-time, was \$44,834, versus \$14,787 for a household where the householder did not work.

Even among single mothers, the benefits of working are pronounced: 55 percent of nonpoor single mothers work full-time, in contrast to only 2.2 percent of single mothers in the Aid to Families with Dependent Children (AFDC) program. [See Figure II.]

**Young Mothers Are Poor Mothers.** A teenager who bears children greatly increases the risk that her children will grow up in poverty.

- Among females who finish high school, marry and wait until age 20 or after to have their first child, only 8 percent of their children live in poverty.

- By contrast, 79 percent of children with mothers who did not satisfy any of the three conditions live in poverty.

According to the Congressional Budget Office, roughly 50 percent of unwed teenage mothers go on welfare within one year of the birth of their first child and

77 percent within five years. And almost half of those on the rolls for three or more of the past five years started their families as unwed teens.

**Like Parent, Like Child.** As one might expect, the acorn doesn't fall far from the

tree. Children tend to emulate the behavior of their parents. Thus, unless the chain is broken, the plight of poverty, welfare dependency and single motherhood will, in many cases, be passed down through generations.

Avoiding these four poverty traps is a recipe for staying out of poverty. Rather than creating new or reformed welfare programs, if Americans really want "to end welfare as we know it," we should begin encouraging every young person to make the right choices.

*This Brief Analysis was prepared by Chris Middleton, an intern in the Washington office of the National Center for Policy Analysis.*

