

How Much Do Poor Americans Work? A Comparative Analysis

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In the United States, working families are not precluded from being poor. Although [Americans annually work longer hours than people in most developed countries](#) (figure 1), including Germany, Australia, Canada, and the UK, poverty rates are higher in the United States. In comparison to other developed countries, [U.S. children are most likely to live in households where both parents work](#) and least likely to live in households with no working adults (figure 2). Of households with children, 65% of children in the U.S reside with two working parents and only 8.8% live in a household with no working adults. Similarly, in Germany, 62.2% of children reside with two working parents and 9.2% reside with non-working parents. However, [a significant discrepancy exists between the child poverty rates of these two countries](#); while the U.S. exhibits a child poverty rate of 20.9%, Germany's child poverty rate is 7.4%, close to a third of that of the U.S. (figure 3).

Evidence suggests that the steep level of poverty among American children has *less* to do with parents not working a sufficient number of hours and *more to do with the low wages* associated with low-skill jobs. The [incidence of low-paying jobs is higher in the U.S. than in most developed countries](#). For instance, of all dependent full-time workers¹, one-quarter of Americans earn incomes equivalent to less than two-thirds of the national median income (figure 4). The same is true for 19.94% of UK households and 18.37% of German households. The [minimum wage is also lower in the United States than in most developed countries](#), with the exception of Japan (although Japan's incidence of low-wage jobs is almost half of that of the U.S.) (figure 5).

Thus, in comparison to other developed countries, it is especially difficult for low-earner families to escape poverty in the United States. A [one-earner family with 2 children making a wage at the bottom decile of earnings would need to work for 60 hours per week to exit poverty](#)^{2 3} (figure 6). The same could be accomplished by working 35 hours per week in Canada or 17 hours per week in France. This may help explain why [relative poverty](#)⁴ in the United States is so high in comparison to other industrialized nations (figure 7).

Among the families most susceptible to poverty are those led by a single-parent. [The United States exhibits a higher rate of single-parent households than most other developed countries](#); 27.5% of children reside with a single-parent in the U.S., in comparison to 23.1% of children in

¹ Figure does not include the self-employed

² Number of hours per week that a one-earner family with 2 children must work at P10 wage. P10 wage is defined as the bottom decile of earnings. Children assumed to be aged 6 to 4. Where applicable housing and social assistance are assumed to be in payment

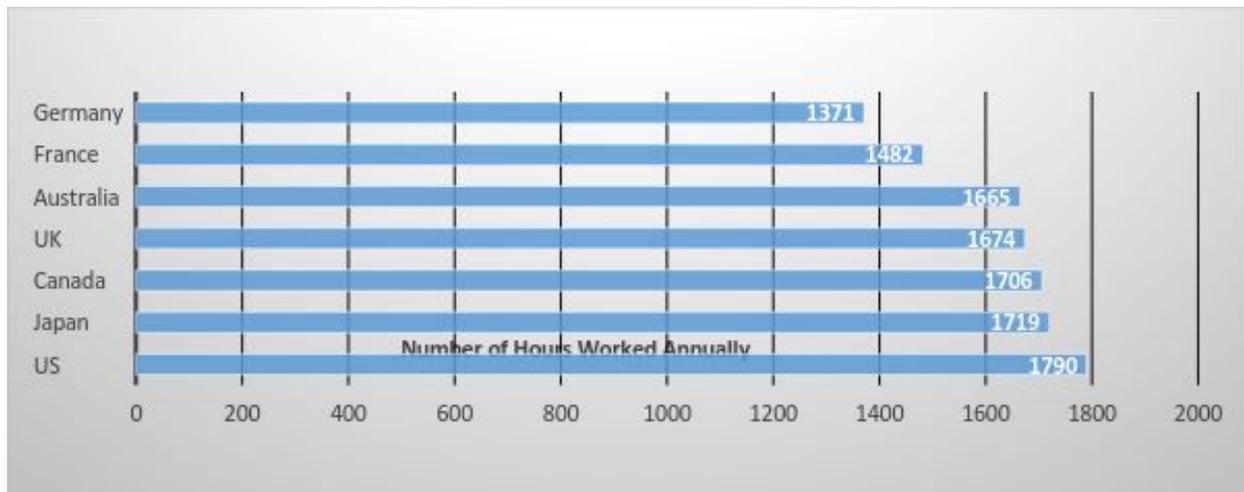
³ When using the hyperlink, see the "Compare your Country: Benefits, Taxes, and Wages" tables and click on the "Income Adequacy" tab. The data referenced here is in the right column.

⁴ See chart notes below for more information on relative poverty rates

the UK, 21.7% of children in France, and 20.3% of children in Canada. In the majority of cases, single-parent households are led by mothers. [In the United States, 71.2% of single parents with at least one child aged 0-14 work either full or part-time](#) (figure 8). The same is true of 60.5% of single parents in the UK and 55.8% of single parents in Australia.

There is a common misconception surrounding the plight of poor families in the United States—somehow, their situation is due to their own laziness or lackluster work ethic; somehow they are not hardworking enough. The data tells a different story, especially when we consider the proportion of working poor families that comprise the United States. Americans work longer hours and yet their children are more likely to live in poverty. Relative to the gross median income, Americans earn less income, despite having [less time off from work](#)⁵. While Australia, France, Germany, and the UK provide workers with 20 days or more paid vacation time, and Canada provides 10-14 days, the U.S. does not guarantee workers paid time off. Although the majority of U.S. employers do provide some paid vacation time, low-wage earners are disproportionately less likely to have access to this benefit. Single parents are more likely to work in the United States than in most developed countries. While there are many factors that contribute to the high child poverty rate evident in the United States, a look at the employment and income patterns of other developed nations suffices to debunk the myth that poor parents in America are just not working hard enough.

Figure 1:

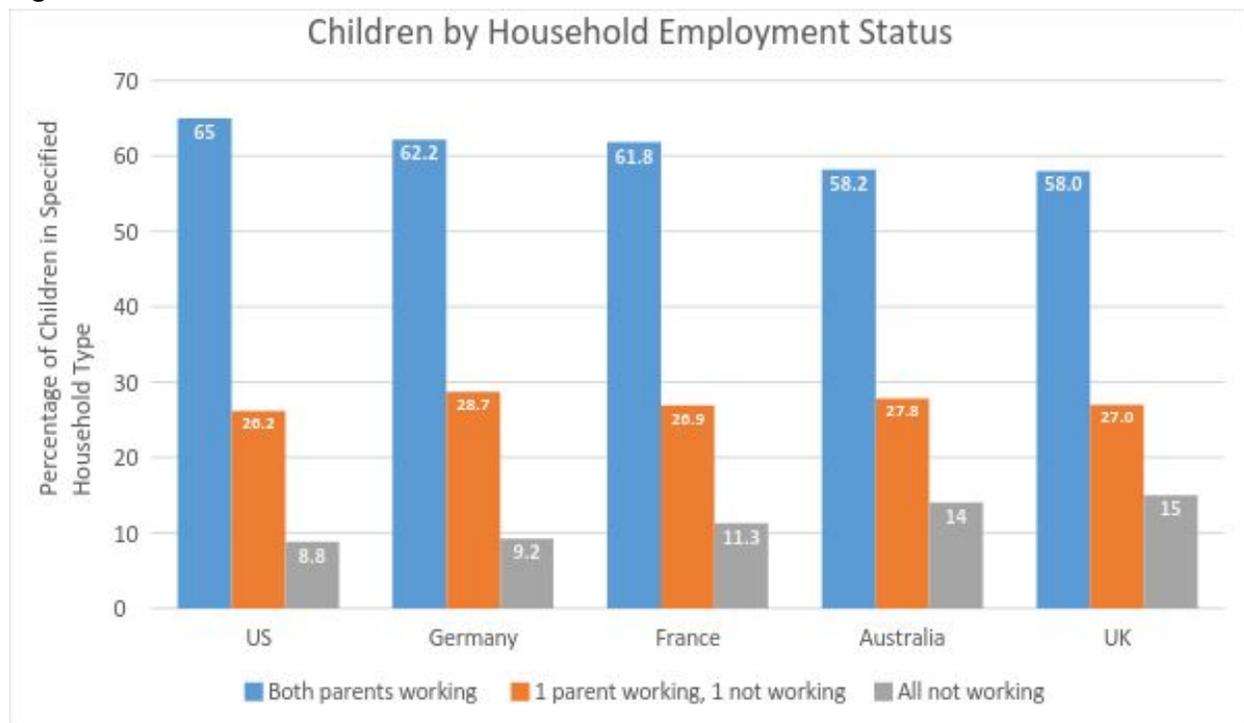


Source: OECD Average annual hours actually worked per worker (Dependent Employment, Annual)

<https://stats.oecd.org/Index.aspx?DataSetCode=ANHRS>

⁵ See page 18: "Table 4: Minimum annual leave by country and region, 2012"

Figure 2:



Source: OECD Family Database

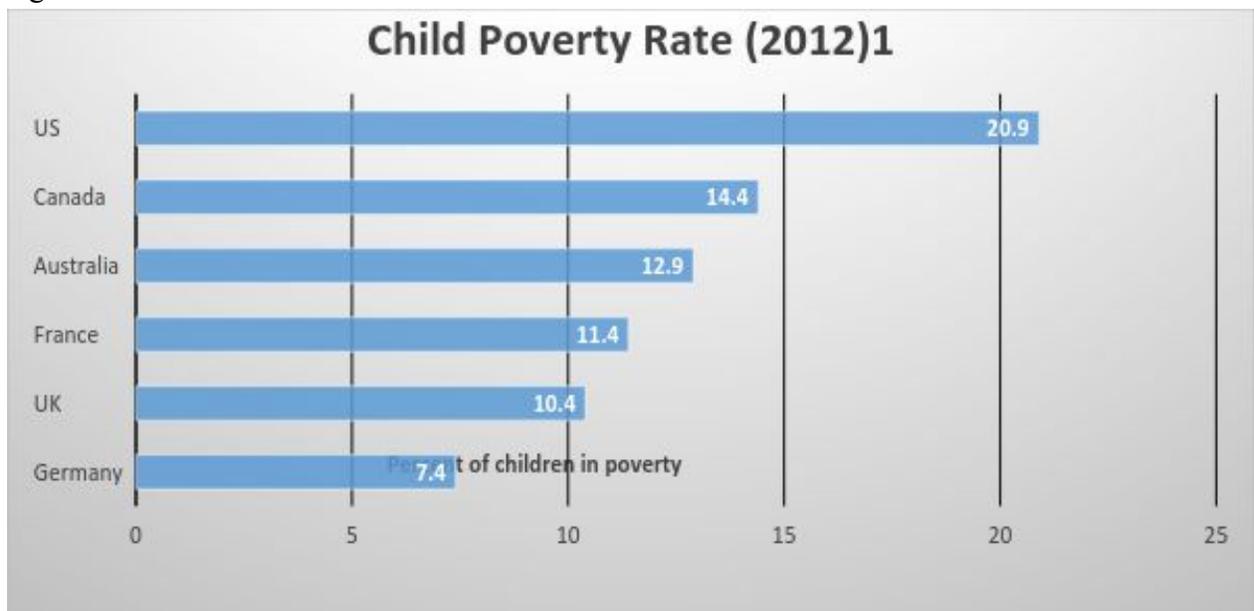
Data retrieved from LMF1.1 Children by household employment status, 2013 (see Excel file in database for exact values)

- This data displays the distribution (%) of children (aged 0-14) in all households by the employment status of adults in the household
- For the U.S., data refer to children aged between 0-17
- For Australia and the U.S., data refer to the child's parents only

http://www.oecd.org/els/family/LMF_1_1_Children_in_households_employment_status.pdf

<http://www.oecd.org/social/family/database.htm>

Figure 3:



Source: OECD Family Database

Data retrieved from CO2.2 Child income poverty rates, 2012 (see Excel file in database for exact values)

- a) Chart displays the share (%) of children (0-17) that live in households with an equivalised post-tax and transfer income of less than 50% of the national annual median equivalised post-tax and transfer household income

http://www.oecd.org/els/soc/CO_2_2_Child_Poverty.pdf

<http://www.oecd.org/social/family/database.htm>

Figure 4:



Source: OECD Decile ratios of gross earnings: Incidence of low pay (All persons)

<http://stats.oecd.org/Index.aspx?QueryId=64193>

- a) The incidence of low-paid workers is defined as the share of full-time workers earning less than two-thirds of gross median earnings of all full-time workers.
- b) Incidence rates for the United Kingdom, Canada, and the United States are for 2015 and incidence rates for Japan, Australia, and Germany are for 2014 (2015 rates were not available for these countries).

Figure 5:

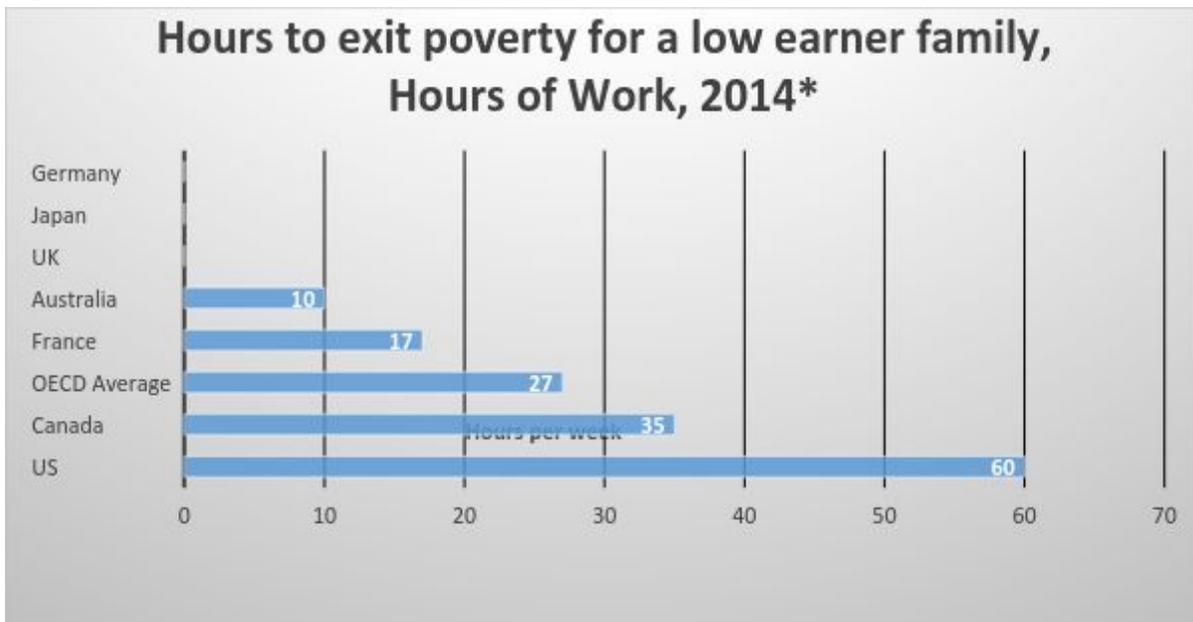


Source: OECD Real Minimum Wages

*Real minimum wages in 2014 constant prices at 2014 USD PPPs

<https://stats.oecd.org/Index.aspx?DataSetCode=RMW>

Figure 6:



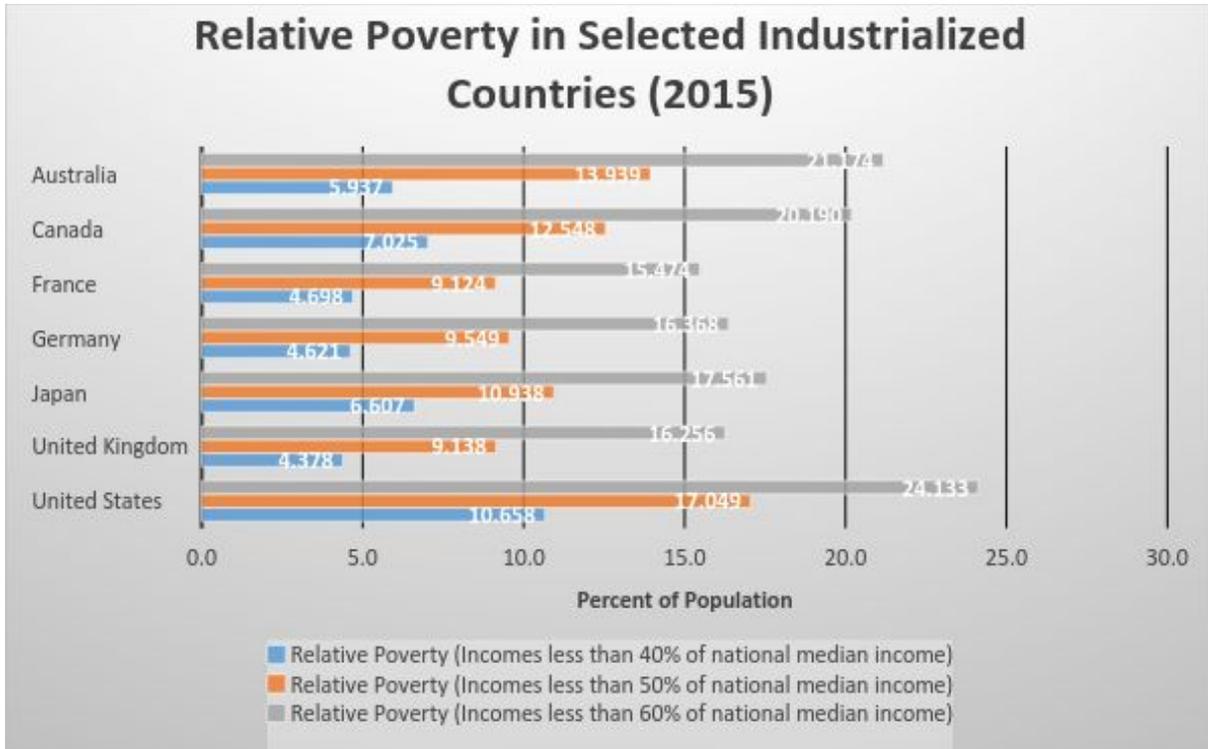
Source: Tax and Benefit Systems: OECD Indicators

*Number of hours per week that a one-earner family with 2 children must work at P10 wage.

P10 wage is defined as the bottom decile of earnings. Children assumed to be aged 6 to 4. Where applicable housing and social assistance are assumed to be in payment.

<http://www.oecd.org/els/benefits-and-wages.htm>

Figure 7:

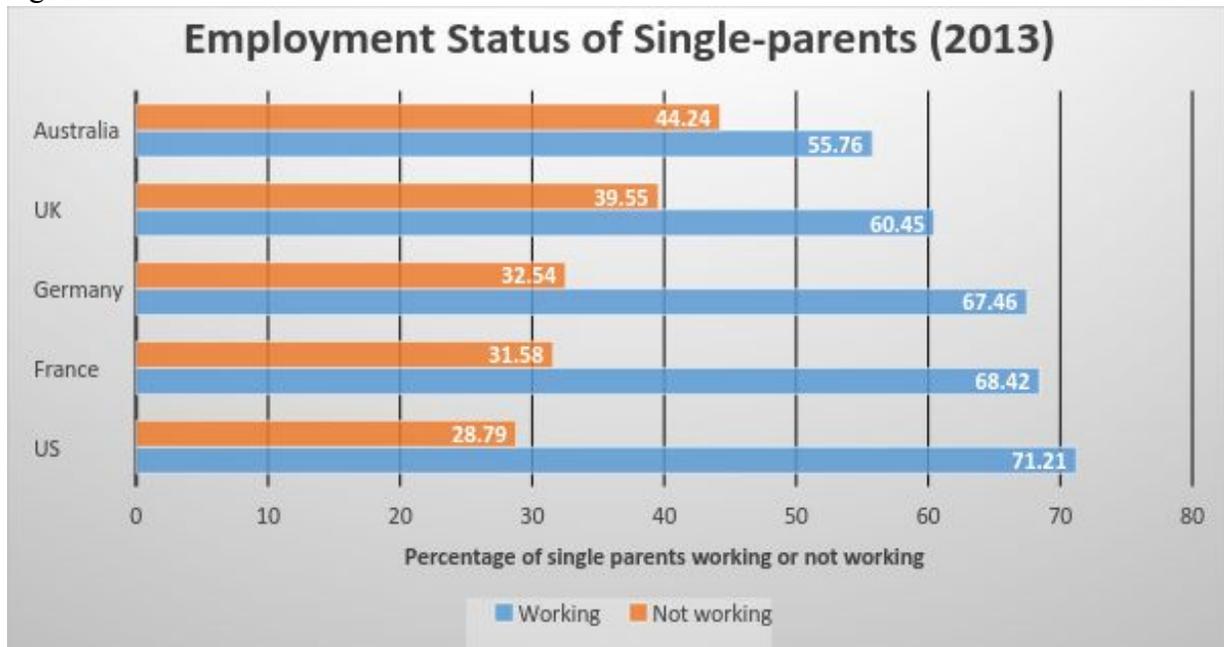


Source: Luxembourg Income Survey (LIS) Inequality & Poverty Figures

- a) Relative poverty rates (Total Population) for Australia, Canada, France, and Germany are for 2010 (most recent data available)
- b) Relative poverty rate (Total Population) for Japan is for 2008 (most recent data available)
- c) Relative poverty rates (Total Population) for the United Kingdom and the United States are for 2013 (most recent data available)

<http://www.lisdatacenter.org/lis-ikf-webapp/app/search-ikf-figures>

Figure 8:



Source: OECD Family Database

Data retrieved from LMF2.3 Employment status of sole parents, 2013 (see Excel file in database for exact values)

<http://www.oecd.org/els/family/LMF-2-3-Distribution-working-hours-sole-parent-households.pdf>

<http://www.oecd.org/els/family/database.htm>

- a) The graph denotes the employment distribution for single-parents in households with at least one child aged 0-14, with the exception of the United States, which denotes values for children ages 0-17