

## **Working Hard and Barely Getting By**

Labor Day gives the nation a chance to celebrate those who work.

America values hard work. Many of us grew up believing that if you work hard enough, you will be able to support yourself and provide a good life for your family.

If only that were always true.

The reality in Alabama and across the nation is that hard work isn't always enough. There are millions of people in the United States who work hard every day but do not make enough to provide even the basics for their children and themselves.

On Tuesday, the Census Bureau announced that in 2005, thirty-seven million Americans lived at or below the official poverty threshold. Included in that number were 4.6 million working families living in poverty. Census data also showed that the proportion of uninsured children increased between 2004 and 2005, from 10.8 percent to 11.2 percent. In Alabama, 750,000 people, or 16.8 percent, lived in poverty – including 109,463 working families.

A combination of economic forces and public policies stifle their opportunities. Many have a limited education but can't afford to go back to school. Millions of well-paying manufacturing jobs that once held the ticket to the middle class have disappeared. Since the federal minimum wage hasn't increased since 1997, a shameful number of low-skill jobs can no longer support a family.

We all know working people who struggle to get by. They are our relatives, neighbors and co-workers. Some take care of our children or aging relatives in nursing homes. They serve us in restaurants or change the sheets in our motels and hospitals.

If you have a good job, you may not always recognize their struggles.

Jobs on the middle or upper rungs of the economy typically provide not only a family-supporting wage, but also health benefits, retirement contributions and other perks. Such jobs allow workers to take time off to deal with a sick child or a broken-down car without penalty.

But many jobs in this country don't carry such flexibility. And more and more workers who had benefits like good health insurance can't count on keeping them. Realistically, workers without adequate pay or benefits sometimes need a temporary hand up to get through tough times.

They may need help paying for child care or health care for their children. Many mothers use public programs like WIC or food stamps to buy groceries. The Earned Income Tax Credit mitigates their tax burden and supplements their income. Pell grants allow many Americans who cannot afford rising tuitions to attend college.

Together, these kinds of supports allow working families to make it. Unfortunately, those programs do not come close to meeting the real need.

Finding ways to support America's working families should be a key priority for both our state and national leaders. Alabama moved in the right direction this year by lowering income taxes for the working poor. We need to continue this progress by raising the state income tax threshold to the federal poverty level of \$20,000 for a family of four.

It's a different story in Washington. Congressional leaders are working hard to abolish or gut the federal estate tax, for example. This would provide enormous tax

breaks to people who make over \$3 million a year. But repealing the estate tax after 2010 would add nearly \$1 trillion to the deficit over the following decade. That loss of revenue will inevitably lead to cuts in federal support for working families.

Congress is also working to pass a line-item veto, which would likely lead to more cuts in important social service efforts even as unfair tax breaks proliferate.

Meanwhile, Congress has been unwilling to take modest but critical steps to help working families. The federal minimum wage, for example, hasn't been increased in nine years. It's next to impossible to raise a family on a full-time minimum wage of \$5.15 an hour, or about \$10,700 a year, but Congress has yet to deliver an increase.

Congress has also been considering painful cuts to programs that are already inadequately funded. For example, there is an enormous demand for high-quality, affordable child care, which allows working parents to hold down jobs. But such programs are under threat of cuts in Congress.

We know how hard it is to make it these days. Gasoline at nearly three bucks a gallon, soaring electricity bills and mounting healthcare costs are stressing family budgets to the breaking point. Meanwhile, the Census Bureau says the typical full-time worker's earnings continue to fall.

As the rich get richer and the poor get poorer, the middle class is treading water by expanding its credit card debt. Many Americans are simply unable to sock savings away for emergencies and retirement. This is not a sustainable economic formula.

So this Labor Day, let's celebrate all those who work hard to make ends meet and provide for their families.

And let's urge our elected leaders to do a lot more to support them.

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