

Unemployment and Underemployment in the Phoenix Metro Area¹

Analysis of Regional Data from the US Census Bureau
2008 American Community Survey

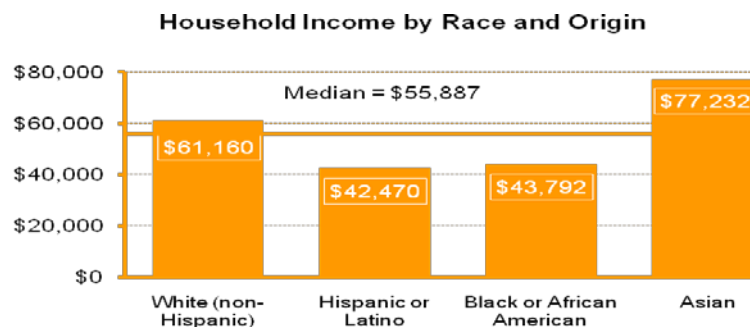


The following data comes from the 2008 American Community Survey (ACS) which was released in September 2009 by the US Census Bureau. The ACS provides economic, poverty, and employment data for individuals and households in geographic areas with populations of 65,000 or more.

Summary of Census Data		
Indicator	Number	Percentage of Total Phoenix Population
People living below the poverty line	568,413	13.4%
People living at twice the poverty line	1,317,620	31.2%
Families living in poverty	88,510	9.1%
Children living in poverty	215,682	18.8%
Working-age adults without health insurance	599,184	23.2%
Median Household Income	\$55,887	N/A

1. A significant percentage of working individuals and families in Phoenix continue to live in poverty.

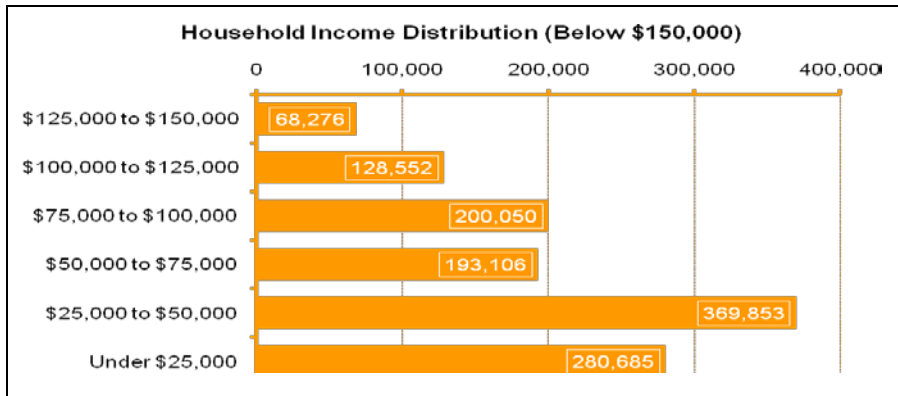
- 568,416 (13.4%) individual residents live below the federal poverty threshold, an increase of 31,564 from 2007. These Phoenixians have incomes of less than \$10,991 for an individual or \$21,834 for a family of two adults with two children.
- *Almost half (44%) of adults living under the federal poverty threshold work full- or part-time.*
- Over a million Phoenix MSA residents are living at or below 200% of the federal poverty line. These residents are experiencing economic hardship, with individuals trying to get by on less than \$21,982, and a family of four on less than \$43,668.
- There are significant economic disparities between races. The median income for Hispanic households is 76% of the overall median, and the median for Black households is 78% of the overall median.



¹ This report refers to the Phoenix-Mesa-Scottsdale Metropolitan Statistical Area ("Phoenix MSA") as the Phoenix metropolitan area. When referring to the city of Phoenix, this report will specify as such.

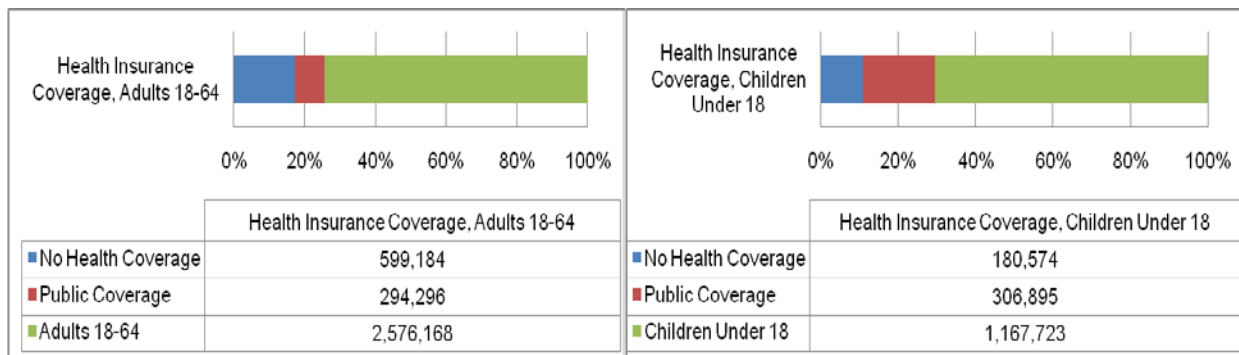
2. The recession has hit Phoenix’s working families hard. Even those who continue to have employment are experiencing a stagnation or decline in their wages.

- Median household income in the Phoenix MSA is \$55,887 and per capita income is \$26,992.
- Among the region’s households, 650,538 (44.5%) have an annual household income less than \$50,000, and only 8.2% of the region’s households have income greater than \$150,000.



3. Job loss and pervasive underemployment—the situation of people who have jobs but still live at or near the poverty level—has created an increased reliance on public assistance programs, and more people without health insurance.

- Of the 1,166,877 households that include children under 18 years old, 232,572 (20%) supplement earnings with cash public assistance income, Food Stamps or Supplemental Security Income (SSI) in the past 12 months.
- 79,791 households receive food stamps. 82.7% of those households have at least one worker, and 46.6% had two or more workers.
- Almost a quarter (23%) of working-age adults (18-65 years) is without health insurance in the Phoenix MSA. There are 599,184 working aged adults who lack insurance.
- Almost a half-million children (42%) in the Phoenix MSA either rely on public assistance programs for health insurance or have no health insurance coverage at all



4. Retail Workers: A Case Study on Working Poverty in the Phoenix Metropolitan Region

- The retail industry in the Phoenix Metropolitan area is the highest-ranking industry in our region in terms of employment numbers, providing jobs for 13.5% of all Phoenix workers.²
- Cashiers and stock clerks make up the bulk of retail industry workers. Last year, there were 43,450 cashiers and 35,270 stock clerks in the Phoenix Metro area in all industries, (including 35,910 cashiers and 14,230 clerks in the retail industry). The average wage for cashiers was \$10.04 and hour, or \$20,890 annually.³
- Low wages keep many cashiers and stock clerks priced out of the housing market, and make even rent difficult to afford. In the Phoenix Metro region, the “housing wage,” or the minimum salary necessary to be able to afford the rent and utilities on a two-bedroom apartment, is \$33,419 annually or \$16.07 per hour.⁴

Wages for Many Grocery Jobs are Insufficient to Afford Today’s Rents



- A Kaiser Family Foundation study reports that only 43% percent of workers in retail firms are covered by employer- funded health benefits, compared to 78% of workers in state and local government, 78% of workers in the transportation/ communications/ utilities industry category, and 79% of workers in the manufacturing industry.⁵

² Arizona Workforce Informer: Phoenix MSA, Retail Industry 44-44 <http://www.workforce.az.gov/led/industry-focus.htm>

⁴ National Low Income Housing Association <http://www.nlihc.org/template/index.cfm>

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The US Department of Housing and Urban Development calculates Fair Market Rents (FMRs) for metropolitan areas throughout the country. Rent is generally considered to be "affordable" if the renter is not spending more than 30% of his or her income on housing. The FMR for a two-bedroom apartment in the Phoenix MSA is \$835 in 2009. In order to afford this level of rent and utilities – without paying more than 30% of income on housing – a household must earn \$33,419 annually.⁴

⁵The Kaiser Family Foundation and Health Research & Educational Trust 2009 Annual Survey Employer Health Benefits pg. 51, 48 <http://ehbs.kff.org/pdf/2009/7936.pdf>