



MARYLAND

FAMILY POLICY IMPACT SEMINAR

Narrowed Paths to Economic Well-being for Rural Families

Background Facts

Rural families face numerous restrictions inhibiting their ability to be economically self-sufficient.

Rural residents compared to urban residents are faced with fewer employment opportunities and often are underemployed. They experienced a decline in median household income between 1999 and 2000. For many, they live in poverty that persists over time. Rural residents are more likely than urban residents to be:

- *Consistently* employed
- Employed at, or close to, minimum wage
- Dependent on hourly wages
- Experience poorer health
- Have a higher occurrence of chronic illness, diabetes, cancer, hypertension, heart disease, stroke, and lung disease
- Have a higher risk for mental health problems
- Experience greater isolation from social support and health care services

Rural women experience:

- More limited employment opportunities than rural men.
- Gender discrimination in the workplace leading to lower paying jobs.
- Lower earnings than men, especially if a female-headed household, with over one-third of these households in poverty.

Rural poor are most likely to be non-Hispanic White. However, rural African-Americans and people of Hispanic origin have a greater chance of being poor than non-Hispanic whites.

Maryland Rural Families Speak

Maryland is one of 14 states participating in a 10 year study of the economic well-being of low-income rural families. Families in Western Maryland and the Eastern Shore were first interviewed in 1999.

Employment & Earnings Overview

About 57% of the Maryland mothers were working. Of those working, 80% worked one job, 10% worked two jobs, and 10% worked three jobs. Of the 43% who were not working, close to half reported they were looking for work.

The average hourly wage received by the mothers was \$7.10. They worked an average of 30 hours per week. *Monthly, the mothers earned an average of \$765, or \$9,180 yearly.*

Most of the mothers' partners were working. Of those, 90% had one job, 5% had two jobs, and 5% had three jobs. Their average hourly wage was slightly higher than the mothers, at \$7.90. They worked an average of 45 hours per week, earning an *average monthly income of \$1,326, or \$15,900 yearly.*

For those mothers with partners, the average annual family income was \$17,400, while for mothers without partners, it was \$7,000. Even those households with two wage-earners were, on average, earning less than the federal poverty threshold for a family of four. All of these families lived under 200% of the federal poverty line and had difficulty paying for basic necessities.

Employment Benefits

Those employed reported receiving the following benefits:

- Health insurance for self – 20%
- Health insurance for children – 5%
- Sick leave – 21%
- Paid vacation – 21%
- Overtime – 25%
- Pension plan – 10%

Obstacles to Employment

The most commonly cited barriers or challenges to employment were:

- Health Problems
- Unavailable, Affordable Child Care
- Limited Education

Nearly 20% of mothers reported leaving or being fired from a job due to health problems.

Making Ends Meet

The connection between hourly wages earned and monthly income projected was tenuous. Even though they knew their hourly wage, *this wage did not easily translate into a predictable income, because the hours they worked were often extremely variable.* Mothers often expressed wanting to work more days per week, or hours per day, than employers allowed or offered.

“Right now I’m working part-time. It’s really whatever they give me. If they give me full-time, I take full-time.”

These preliminary findings imply obstacles external to the mothers that work together to keep them living in poverty:

- Insufficient wages
- Lack of available jobs or hours
- Lack of benefits
- Difficulties meeting child care needs

The economic challenges these families face are problems they are unable to solve solely through being employed.

Multi-state Findings

An analysis of 414 families in 14 states revealed similar findings. Benefits were associated with higher paying jobs. Health insurance was the primary factor in explaining variance in wages for both mothers and partners. Earnings increased as age of employees increased.

Only 9% of the 414 earned in excess of 185% of poverty placing them in a category of adequate earnings for a family of their size. In contrast, 91% were at risk of economic crisis and are not likely to become economically self-sufficient even though they have earned income.

Maryland Mothers Interviewed

Average age: 28

Average # of children: 2

Married or living with partner: 60%

Education-

Some high school or less: 31%

High school or GED: 20%

Beyond high school: 49%

Race/Ethnicity-

White, Non-Hispanic: 54%

African American: 34%

Native American: 9%

Multiracial: 3%

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References available upon request.

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