

THE LEADER IN LIFE RESTORATION



ABSTRACT

The issues of Poverty to include hunger, education, family, racial inequality, social inequality, disability and other issues all tie in with the issues of poverty. This month we look at employment and its role in creating poverty.

Lack of meaningful employment is a cause of
poverty in America

The federal poverty level is the indicator the US Government uses to determine who is eligible for federal subsidies, aid, and is also a benchmark that helps the nation know how many Americans are struggling financially. The formula used to determine the figures have been used for decades. The government identifies how much it should cost to feed a family of four for one year and then multiplies that number by three. The Department of Health and Human Services issues a new poverty guideline each January.

Some people feel that the guidelines are underestimated by 40%. The train of thought is, food is 1/5 not 1/3 of the household budget, and other expenses, which are higher should be used to determine the poverty guideline. Housing, healthcare, childcare, and transportation, all take a bigger chunk of the budget.

2018 POVERTY GUIDELINES FOR THE 48 CONTIGUOUS STATES AND THE DISTRICT OF COLUMBIA

1	\$12,140
2	\$16,460
3	\$20,780
4	\$25,100
5	\$29,420
6	\$33,740
7	\$38,060
8	\$42,380

For Alaska \$15,180 for one person, add \$5,400 for each additional person. For Hawaii for one person \$13,960, add \$4,970 each.

Employed persons are all those who:

- a) Did any work at all as paid employees

- b) Worked in their own business, profession, or own farm
- c) Worked 15 hours or more, as unpaid laborers in a family member's business
- d) Persons who were temporarily absent from their jobs because of illness, vacation, labor dispute, or another reason, also are counted as employed

Unemployment is defined by the Bureau of Labor Statistics as people who do not have a job, have actively looked for work in the past four weeks, and are CURRENTLY AVAILABLE for work. Also, people who were temporarily laid off and were waiting to be called back to that job are included in the

unemployment statistics. This is important because the number of people in the labor force, divided by the number of unemployed is how the unemployment rate is calculated. What is called the "Real Unemployment Rate" is calculated by counting, the long term unemployed, which consists

Of the 40.6 million people living in poverty in 2016, 56.1 percent were working-age adults, 18-64. The percentage of children, 32.6 percent, adults 65 and over is 11.2 percent.

of 1.4 million people that can't find work after looking for 6 months. As of September 2018, there are 383,000 discouraged workers. They want and are available to work, but have dropped out of the labor force. They believe there aren't any jobs for them. They've looked for a job in the past year, but not in the past four weeks. When we add these three groups, Long Term Unemployed, part-time workers who would like a full-time job, and the Discouraged Workers, some feel this gives a more accurate unemployment rate. In September 2018, the unemployment rate fell to 3.7 percent. The natural rate of unemployment is below the 4.5 to 5.0 percent. If the unemployment rate falls below the natural rate of unemployment businesses can't find enough workers to keep operating at full capacity. That could slow economic growth.

Employment is crucial in alleviating poverty. What is not taken into consideration is that most poor adults, are already working, looking for

work, or are disabled or ill. Increasing work will require addressing barriers to work. The minimum wage is \$7.25. Low wages and part-time, and part-year employment increases the risk of poverty. According to the Bureau of Labor Statistics, Oklahoma has the highest rate of people working at or below the minimum wage. A single parent who works full time at minimum wage and has one or more dependents, still falls below the poverty line. The globalization of the labor market has reduced pay rates for unskilled workers, making it more difficult to earn a living wage.

Simply raising the minimum wage will not help since that leads to job force reductions, hurts small business and increases the cost of living for everyone to include those we are trying to help.

Problem:

Education, or the lack of, is a barrier to employment. Education and improving skills, encouraging more training will improve employment and earnings.

Solution:

Education Reform

Currently our education system does not prepare students for careers. Every year the school district does testing but those results are only used to rate the schools. What if that testing was designed to find out where the student's strengths and weaknesses lie?

Our education system needs major reformation that is beyond the scope of this paper. However, some of the key components of what are needed are listed below.

- Testing must include basic problem solving skills in activity setting as well as "fill in the bubble" testing.
- Testing must include social awareness.
- Testing must include basics of reading, writing and arithmetic.

- Testing must include profile testing like DISC or some equivalent.
- Testing must include some sort of physical fitness.
- Testing must include the arts in some capacity.
- Testing must do more than determine the next grade but also give some indications of future careers.
- All of this testing must be focused on future potential job and life skills more than straight academics.
- The education throughout the year needs to be training minded with a focus on the future of the students beyond school.
- The public schools need a curriculum requirement to teach specifically on financial literacy for at least two semesters; no later than Junior High. One semester in Junior High and a more intense class required in High School for one semester.
- Schools need to help students to dream and create a life plan.
- Schools should be graded on how many go onto college, technical schools, labor market, jail or criminal record.
- Summer education and opportunities to explore museums and other learning experiences need to be offered to students in poverty.
- Schools need to transition to where students move toward graduation not in grades but in skill sets. (Example a student can be in the 6th grade in math but still be in the second grade in reading. Currently, that student would either be overly challenged in 6th grade in reading or under challenged in 2nd grade math.)
- Public education should provide assistance to students beginning in middle school, using Workforce and other, work/job related entities. Students should be interviewed and evaluated, as to whether college education, vocational education, or even starting a business, or an apprenticeship is in his/her best interest.
- As of January 2018, 75.5% of recent college graduates who majored in criminal justice were underemployed. Public Policy and law, 66.2%, Performing Arts 65.5%, Business Management 59.6%. We share this list to point out that it takes more than simply going to college to help

someone get a meaningful job. We must find ways to help focus the training and development toward the future career growth areas.

Problem:

A criminal background: is also a barrier to employment. Oklahoma was number one in the incarceration of women. Just recently Oklahoma made the news as becoming number one in the incarceration of men, especially, African -Americans and Hispanics. Something needs to be done, some policies set in place, so that when men and women are released into society again gainful employment is available. The recidivism rate among the unemployed offenders was 42.4%. Recidivism among the employed was 26.2%. These individuals also need stable jobs to support themselves and loved ones.

Just recently Oklahoma made the news as becoming number one in the incarceration of men, especially, African -Americans and Hispanics.

There should be more focus on reformation. There has been a request and it has been granted for money to build more prisons. We have 24 state operated prisons, 3 private prisons, and 2 that are closed. Now they want one for men and one for women. The prisons are at 112% occupancy. If there was serious focus on reformation, there wouldn't be a need to continue to build more. The recidivism and recycling of people through the penal system is a disgrace to the state of Oklahoma.

Solution:

Prison and jail reform

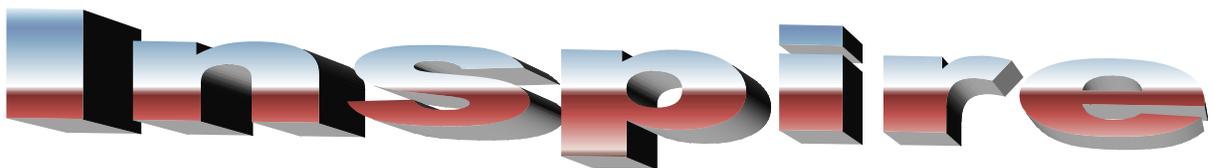
Our prison system needs major reformation that is beyond the scope of this paper. However, some of the key components of what are needed are listed below.

- When released any man or woman who has had addiction issues must go through an intensive recovery program which includes regular drug testing and a list of recovery groups to attend as condition of release.
- When released the men and women must have job skills.
- When released the men and women must not carry the “felon” label.
- When released the men and women must be deemed safe for society and determined to be able to be a productive member of society verses they have served their time. A similar system that has been proposed earlier in this paper could be used to reeducate the men and women in prison before release.
- When released men and women need to have a drivers license or some other form of ID.
- When released the men and women must be trained on what to expect on the outside world. (Transition Program like Getting Ahead When Getting Out.)

Problem:

Disabilities: The Americans With Disabilities Act passed in 1990, prohibiting discrimination in employment. This year legislation has passed in The House of Representatives to amend the ADA. Under this bill someone who wants to sue a business in Federal Court, must first deliver a written notice to that business, detailing the illegal barrier to access, give that business 60 days to come up with a plan, and an additional 60 days to take action.

Solution:



- Discourage men and women from collecting disability just because they can. We must help them find what they can do and help them to do it.

Disability payments are rarely enough to sufficiently cover living expenses at any level and most of those folks we've talked to at GRM who are on disability are not even aware of that fact.

- We must find meaningful employment for those with mental illnesses. Shorter hours or less interaction with customers can be just the ticket for some. Inspire them to accomplish their tasks.
- Vocational Rehabilitation Centers to help prepare for work or advancement on the job have shown to be very effective for those who need to change professions due to injury or illness.

Problem:

The era of labor unions has passed because they have not changed with the times.

- Labor Unions have focused simply on protecting their members and accept anyone.
- This has led many unions to cover up or protect their own.

Solution:

Introduce a new era of Labor Unions

- The new unions would be a training ground for professionals in every skill area that currently has a union.
- Unions would expect the best from their members and as they become known as the best they can expect more pay and better conditions.
- Unions develop and train folks who are not currently in the union's profession to help them learn the skills and mindset of their industry.
- Ultimate goal is that companies will want to hire union because that is how they get the best employees, not because they have to.

Problem:

Lack of Ambition: Some of the men and women that we serve at the Gospel Rescue Mission have lost hope and a desire to gain employment.

Solution:

Encourage them to dream again

- While men and women may need to take a job simply to pay the bills we must help them find employment that excites them toward an ultimate dream.
- Goal setting classes as a part on the on boarding for any minimum wage job should be required.
 - This information can help employees to stay focused on the big picture while doing mundane things. (I only need to scrub these toilets until I get promoted to manager or finish my education.)
 - This information would help employers get to better know their employees better and be able to direct them toward their dreams. (Less turn over saves the company money too.)

Employment as a cause of poverty is very relevant, but just a job alone is not a ticket out of poverty, it is definitely a step in the right direction.

Not only getting a job is critical but how to budget and how the value of the dollar needs to be part of the job training world. Additionally showing someone that if they work hard and are promoted what that difference can make in a budget.

Our Mission: Partnering with the community to serve those who are in crisis to restore them to freedom and purpose through the transforming power of the Gospel.

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Resources

Ending Poverty, eds John Edwards, Marion Crain, Arne L. Kalleberg

The Bureau of Labor Statistics at www.bls.gov

The Census Bureau's Poverty Home Page

Weakening Work Incentives SSDI

Eberstadt 2016, Krueger 2017, Abraham and Kearney 2018