

Working Poverty in Australia, 2005-06

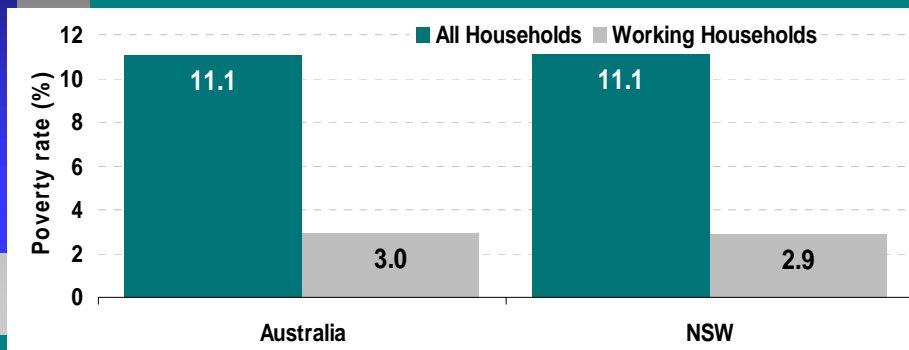
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*NCOSS Conference 2007
Perspectives on Poverty
17 October 2007*

Methodology

- What is rate of working poverty and who are working poor?
- 2005-06 ABS Survey of Income and Housing Costs
- Poverty line set at half median modified OECD equivalent disposable household income - \$590 per week for couple with 2 children
- Results for persons, not households
- 'Working' households: at least one person employed part or full-time, no one self-employed in household
- Questions about how to treat self-employed (Bradbury, 1996)

Overall and Working Poverty rates in 2005-06



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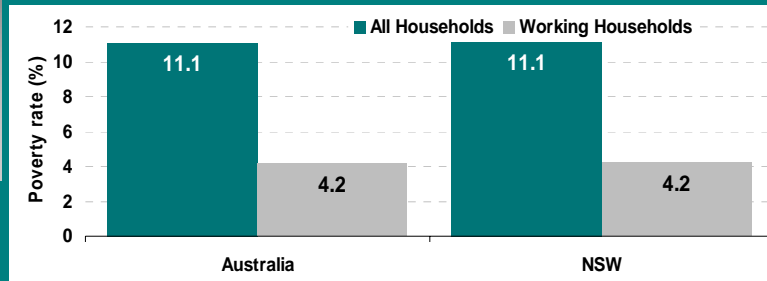
Number of people in working poor households

- Australia:
 - 439, 200 people
 - 90, 500 of them children
- NSW:
 - 144, 700 people
 - 33, 700 of them children

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Overall and working poverty rates when the self-employed are included, 2005-06



- Australia: 664, 400 people
- NSW: 224,000 people

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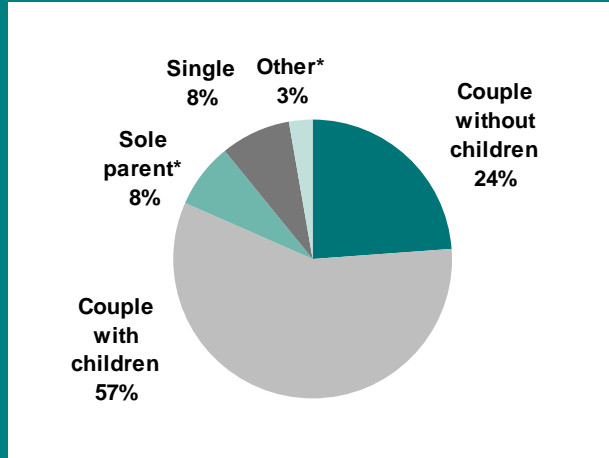
Poverty rates for people in working households by number / type of workers, 2005-06 (not including self-employed)



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Distribution of people in working poor households by household type, 2005-06

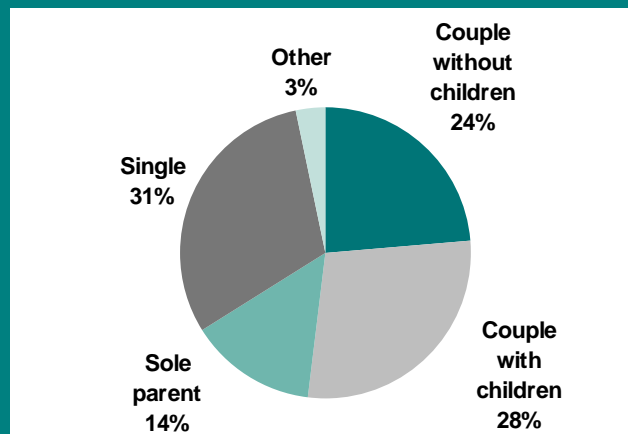


* Small cell size of less than 30 households

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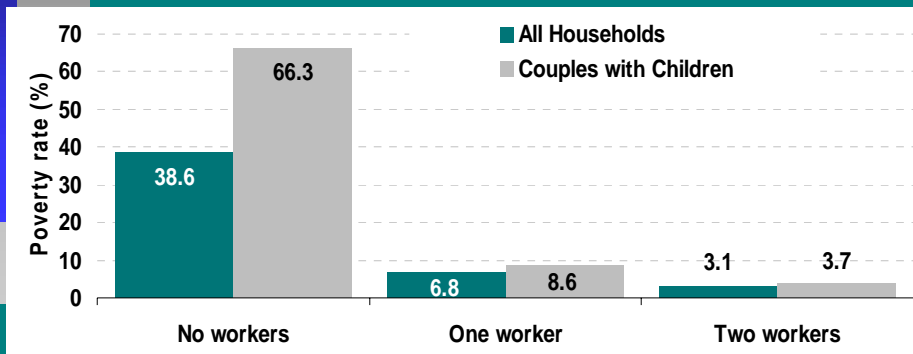
Distribution of all persons in poverty by household type, 2005-06



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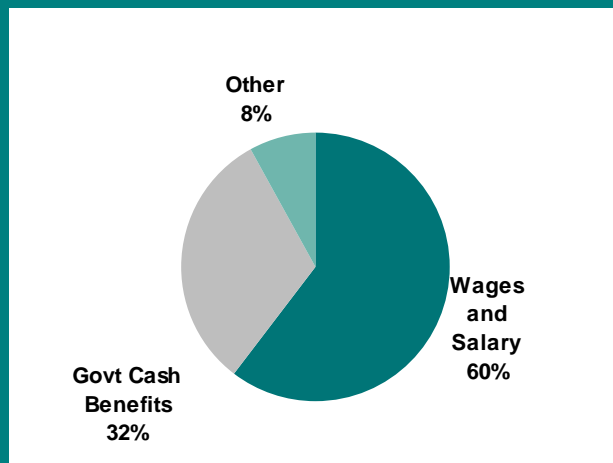
Poverty rate by number of workers in the household, 2005-06



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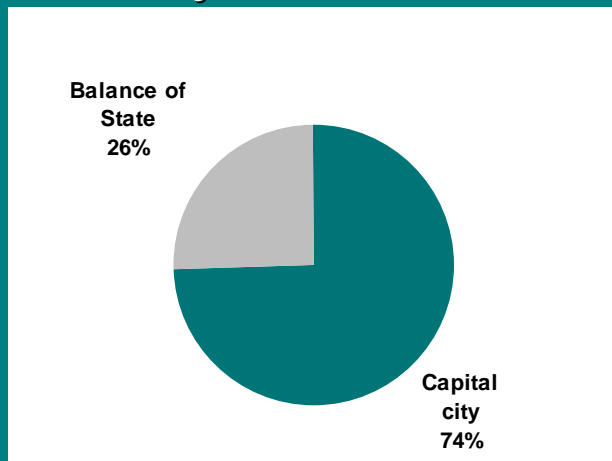
Distribution of people in working poor households by principal source of income, 2005-06



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Distribution of people in working poor households by area of residence, 2005-06

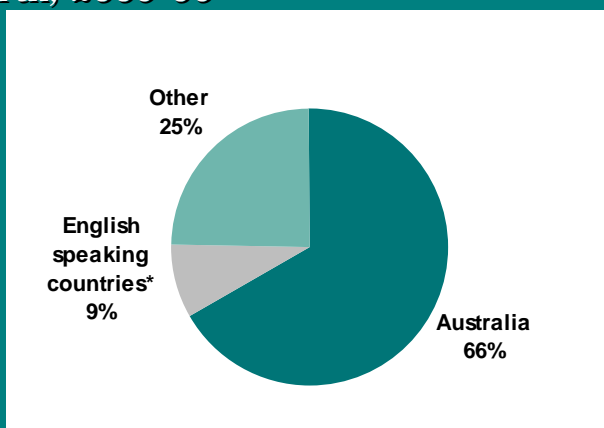


■ This excludes ACT/NT

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Distribution of people in working poor households by reference person's place of birth, 2005-06

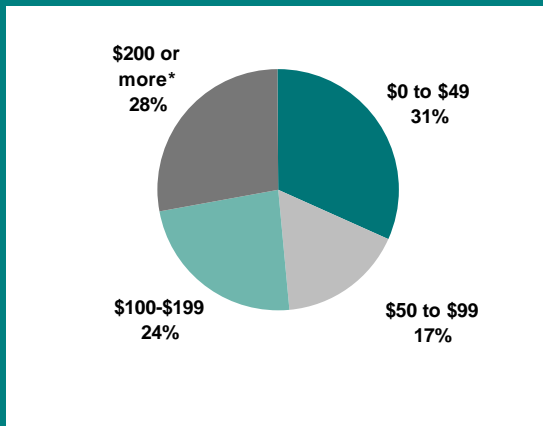


*Small cell size of less than 30 households

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Depth of poverty for people in working poor households - distribution by poverty gap, 2005-06



* This category should be treated with caution as it includes some households that have reported negative, and very low incomes

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Summary

- While employment generally keeps Australian households out of poverty, about 3% of people remain in poverty even when someone in the household works (higher when self-employed are included)
- Rates are low for people in households with FT workers, but around 10.5% of people in households with only one PT worker are poor
- Most working poor households are couples with children (57%)
- For 60% of people in working poor households, wages/salary is the principal household income source, while for 32% it is government benefits

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Summary (cont.)

- Just under three quarters of people in working poor households live in capital cities
- While 31% of people in working poor households are less than \$50 a week below the poverty line, substantial proportions are in deeper poverty, with 28% being \$200 or more below the poverty line.

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Thank you!

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