

Working poor trajectories

J. Hellier

EQUIPPE, University of Lille 1, and *LEMNA*, University of Nantes

Abstract: *To determine the different lifetime trajectories that can be followed by a working poor, we build a simple model in which (i) there is a poverty line expressed in terms of personal productivity, and (ii) poverty depreciates the personal productivity of workers. The model reveals four possible trajectories: 1) from poverty to exclusion; 2) permanent poverty; 3) exit from poverty; 4) from working poor to non-poor worker, and back to poverty. From this model and its extension to the case of families, we derive the main characteristics of the working poor in terms of skill, age, duration of poverty, family specificities etc. Introducing unemployment compensation, we show that being a working poor can be a rational choice of individuals who accept lower pay today to earn more tomorrow.*

Key words: Exclusion, poverty; working poor.

J.E.L. classification: I32, J24.