

What Keeps the Working Poor Poor?

A Systems Analysis of Working Poverty in the United States

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ABSTRACT:

Despite sustained employment, millions remain entrapped in poverty, a paradox that challenges traditional assumptions about the relationship between work and economic mobility. This paper investigates the persistence of working poverty in the United States through a systems literature review guided by the DSRP (Distinctions, Systems, Relationships, Perspectives) framework. Drawing on a sample of 130 scholarly articles out of 750 academic publications across 60 disciplines and 86 methodologies, the study identifies key patterns, conceptual blind spots, and systemic linkages often overlooked in policy discourse. The findings reveal definitional ambiguity around “working poor”, fragmented analyses that isolate micro and macro dynamics, and missing causal relationships, such as wage gap, geographic job access, and care benefits, that reinforce economic vulnerability. The literature’s overreliance on narrow definitions, spiked policy approaches, and dominant cultural narratives obscures the complex feedback loops and institutional blockades that perpetuate economic precarity. Underexplored factors, including the role of the built environment, health, legal exclusion, and intersectional identities, further limit the effectiveness of current policy responses. By synthesizing these gaps and highlighting the need for integrated, cross-sectoral solutions, this paper argues that only a holistic, systems-oriented approach can address the root causes that keep the working poor trapped in poverty. This study’s relevance lies in its potential to inform more precise research, equitable policy design, and a shift in public discourse toward structural rather than individual explanations for working poverty.

KEYWORDS: Working Poor | Economic Mobility | Systems Thinking | DSRP Framework | Structural Inequality | Policy Analysis | Intersectionality

Cite this paper: Baria A, Kamran J, Jani M, Singh T, Al-Adsani C. What keeps the working poor poor? A systems analysis of working poverty in the United States. *Journal of Systems Thinking*. 2025;5(1). doi:10.54120/jost.v25i1.ab5wpp1

Introduction

The persistence of working poverty in the United States stands as a paradox at the heart of the American narrative: millions of individuals remain trapped in economic precarity despite holding jobs, often full-time. This contradiction challenges the foundational belief in work as a guaranteed pathway to stability and upward mobility, a belief deeply embedded in the nation's cultural imaginary through myths of meritocracy and the American Dream. Yet, as this paper demonstrates, the reality of the working poor is shaped less by individual shortcomings and more by a complex web of structural barriers, policy failures, and institutional exclusions.

The enduring problem of the working poor is not simply a matter of low wages or insufficient effort, but the result of the systematic failures, conceptual, structural, and narrative, that fragment support systems, obscure the true nature of poverty, and perpetuate cycles of disadvantage. Only by interrogating these failures through an integrated, systems-thinking lens can we begin to unravel what keeps the working poor poor.

This paper interrogates the question - what keeps the working poor poor? By critically mapping the systematic, structural, and narrative dimensions of working poverty in the U.S. Drawing on a wide-ranging, systems literature review of 130 high-quality studies, our analysis uncovers how definition ambiguities, analytical silos, and missing feedback loops hinder a coherent understanding of the issue. While the literature recognizes factors such as stagnant wages, weak safety nets, and housing insecurity, it frequently fails to model how these elements interact to form a persistent poverty trap.

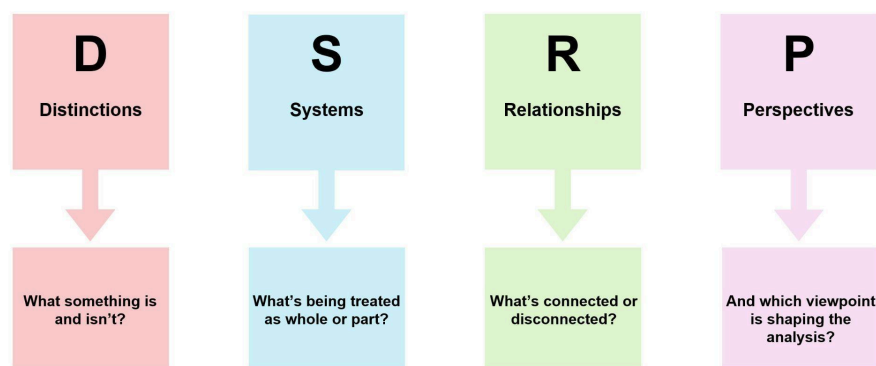
Despite many years of research and policy intervention, the literature on working poverty remains conceptually unstable and methodologically fragmented. Key distinction errors, such as inconsistent definitions of the “working poor”, varying income thresholds, and the conflation of low income and working poor population, undermine the field's ability to measure, compare, and address the problem effectively. Moreover, studies often isolate micro-level experiences from macro-level focus, missing the critical feedback loops that sustain economic vulnerability. Dominant cultural narratives reinforce a focus on personal responsibility, while institutional gatekeeping in education, housing, and legal systems further restricts mobility.

To untangle this web, we deploy the DSRP framework, focusing on Distinctions (how “working poor” is defined), Systems (what levels are analyzed and how), Relationships (which causal links are traced or omitted), and Perspectives (whose viewpoints shape the findings). Our aim is to move beyond the piecemeal explanations and surface-level solutions that dominate the field, offering instead a structural analysis that foregrounds the complex interplay between agency and constraint.

This methodological orientation builds on the research that formalized systems thinking into a structured cognitive framework. Cabrera and Cabrera (2015)¹ introduced the core DSRP theory as a practical model

for analyzing complex social systems, while Cabrera, Colosi, and Lobdell (2008)² established its application within program evaluation and policy analysis. More recently, Cabrera and Cabrera (2025)³ advanced this work through the empirical discovery of the Pareto structure of thought, identifying six foundational mental moves that govern how individuals and institutions conceptualize problems. Together, these contributions provide the theoretical backbone for applying systems thinking to the analysis of working poverty, ensuring that our review captures both structural interconnections and cognitive biases in the literature.

Using DSRP- A Systems Thinking Framework



Source: Cabrera, D., & Cabrera, L. (2023).

Figure 1: DSRP- A Systems Thinking Framework

In the sections that follow, we detail the methodology of our systems literature review, present key themes from the research, apply the DSRP lens to interrogate underlying assumptions, and propose a path forward.

Methodology: A Systems Literature Review Informed by AI-Human Intelligence Integration

To conduct this review, we employed the AIHI method-an AI-assisted Human Intelligence approach-designed to balance the computational power of artificial intelligence with the contextual discernment of expert human analysis. Our process unfolded in four iterative stages: Systematic Research, Structured Analysis, Thematic Synthesis, and Integrated Reporting.

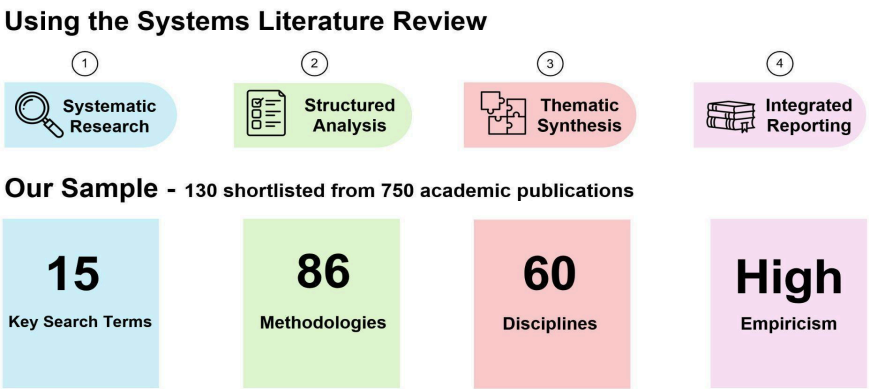


Figure 2: Methodological Flow of the Systems Literature Review

In the first stage, we initiated a systematic scan of the academic landscape using 15 carefully curated key search terms-such as “wage gap,” “american dream,” and “cost of living”, “welfare systems”, “poverty trap”- to surface approximately 750 relevant publications across databases. AI tools supported this phase by rapidly scanning, classifying, and de-duplicating records, as well as identifying recurring themes and linguistic patterns.

The second stage, Structured Analysis, involved coding and categorizing findings across 86 distinct methodological frameworks. These included quantitative econometric analyses, policy evaluations, ethnographic case studies, and randomized control trials. AI assisted in clustering studies by method and extracting metadata, while human reviewers ensured the interpretive quality and fidelity of the classifications.

In the third stage, Thematic Synthesis, we distilled key insights from the sample across 60 academic disciplines-including economics, sociology, public policy, urban planning, and public health. This cross-disciplinary approach allowed us to trace not only patterns of convergence but also critical omissions and contradictory findings. Our synthesis focused on identifying systemic linkages and conceptual blind spots, rather than simply aggregating results.

The final stage, Integrated Reporting, brought all the insights into a cohesive narrative. Rather than presenting findings in isolated silos (e.g., labor policy vs. health outcomes), we aimed to show how these dimensions interact dynamically within a larger poverty system. We emphasized the interdependence of economic, social, and environmental factors and built a structural narrative that reflects the lived complexity of working poverty.

Ultimately, we shortlisted 130 high-quality, empirically grounded studies for in-depth DSRP analysis. The empirical richness of our sample-drawn from case studies, statistical modeling, and real-world program evaluations-enabled us to move beyond theoretical abstraction. Our systems literature review is distinguished by its breadth, methodological rigor, and its integrative use of AI and human expertise to produce a robust and scalable synthesis.

Thematic Analysis: Themes, Sub-Themes, and Analytical Synthesis

This section presents a detailed thematic analysis of the literature on working poverty, explicitly introducing sub-themes under each high-level theme and synthesizing findings from the cited studies in your Excel sheet. The analysis connects each theme to your thesis and transitions toward the implications for research and policy.

Themes and Missing Connections

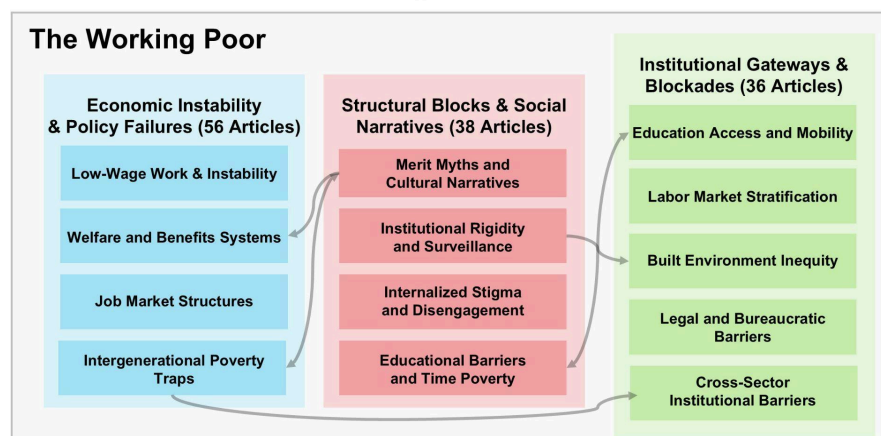


Figure 4: Thematic Clusters and Missing Linkages in the Literature on Working Poverty

Despite decades of inquiry, the literature on working poverty in the United States remains conceptually fragmented, methodologically siloed, and narratively constrained. Our systems literature review of 130 academic articles spanning over 60 disciplines and 86 methodologies, reveals recurring inconsistencies, oversights, and blind spots that prevent a comprehensive understanding of what keeps the working poor poor. Economic Instability & Policy Failures, Structural Blocks & Social Narratives, and Institutional Gateways & Blockades. Together, these themes illuminate not only what the literature captures but also what it consistently fails to see, especially regarding feedback loops, causal interdependencies, and the lived realities of poverty.

I. Economic Instability & Policy Failures (56 Studies)

Sub-Themes:

- Welfare System Limitations & Safety Net Fragmentation
- Low-Wage Work & Labor Market Instability
- Benefit Cliffs & Administrative Burden
- Policy Choices, Inequality, and Economic Shocks

The largest body of literature focuses on the interplay between labor market insecurity and ineffective policy responses. These studies highlight how stagnant wages, welfare reform, and fragmented safety nets fail to address the structural roots of working poverty.

Bitler and Hoynes⁴ demonstrate that after the 1996 welfare reform, the Temporary Assistance for Needy Families (TANF) program became increasingly unresponsive during economic downturns, weakening the social contract just as needs intensified. Similarly, Anderson and Meyer⁵ reveal how weak experience rating in unemployment insurance contributes to cross-subsidization, penalizing low-income workers while protecting more stable employment sectors.

Caputo⁶, using longitudinal panel data, shows how persistent low-wage work traps maturing adults in cycles of poverty, recommending a shift from punitive to developmental policy approaches. Meanwhile, Araújo et al⁷ explore the limits of conditional cash transfers in breaking intergenerational poverty, finding that their modest gains are often undermined by structural volatility and household precarity. Siripurapu⁸ connects these failures to a broader narrative, arguing that economic inequality in the United States is less a market failure and more a policy choice sustained through political inertia.

Earlier work by Blank et al. (1999)⁹, Laffer (1984)¹⁰, and Lindert (2005)¹¹ provides the historical context for these dynamics, showing how U.S. welfare policy has long emphasized work incentives over structural reform. These foundational studies help explain why many modern anti-poverty initiatives reproduce the same incentive-based logic that prioritizes short-term employment gains rather than long-term stability.

Sabia and Burkhauser (2010)¹² further question the effectiveness of wage-centered policy solutions, showing that increases in the federal minimum wage provide only marginal reductions in poverty when structural factors such as benefit loss, regional cost variation, and labor-market segmentation are ignored. Their findings reinforce the broader critique that income-based reforms alone cannot address the systemic vulnerabilities that define working poverty.

What unites these studies is a shared recognition of economic precarity, but also a collective reluctance to trace how short-term policy solutions (e.g., wage boosts or tax credits) interact with broader systems of care, geography, and legal exclusion. The literature tends to treat labor and welfare as separate silos, rarely modeling their interactions or their spatial implications. This fragmentation limits the field's ability to predict unintended consequences, such as benefit cliffs or decreased program uptake due to administrative burden.

II. Structural Blocks & Social Narratives (38 Studies)

Sub-Themes:

- Cultural Narratives & Myths (e.g., Meritocracy, American Dream)
- Educational and Infrastructural Exclusion
- Spatial and Demographic Disparities
- Intersectionality and Stigmatization

A second cluster of research focuses on how dominant narratives and systemic structures constrain the working poor, often by obscuring the true drivers of poverty or pathologizing the poor themselves.

A second major theme in the literature interrogates how dominant cultural narratives and systemic structures reinforce working poverty. Brockway et al¹³ illustrate how infrastructural exclusion, such as grid constraints that limit access to distributed solar energy, disproportionately affects low-income and minority communities, transforming technical challenges into structural barriers. Botezat¹⁴ expands on this by framing educational poverty as both a material and symbolic system: lacking basic skills not only limits labor-market opportunities but also reinforces narratives of personal failure.

The myth of meritocracy and the American Dream is critically examined in studies like Newman¹⁵ and Chetty et al¹⁶. Newman's experimental work finds that exposure to the realities of the working poor reduces belief in meritocratic mobility and increases support for redistributive policy, while Chetty's analysis of large-scale tax and geographic data demonstrates that intergenerational mobility is deeply spatialized and constrained by residential segregation.

Other studies, such as Lott and Bullock¹⁷ and Gilens¹⁸, critique the psychological and media framing of poverty, arguing that middle-class biases and racialized stereotypes obscure the structural causes of economic hardship. Schenck-Fontaine et al¹⁹ highlight how informal safety nets, such as kinship networks, emerge as grassroots responses to systemic abandonment.

Together, these studies challenge the individualistic framing of poverty by revealing how cultural stories and structural exclusions co-produce precarity. Yet, they stop short of theorizing these dynamics as systems: meritocratic narratives are often analyzed as ideological overlays, rather than as components in feedback loops that shape policy design, eligibility criteria, or moral judgments embedded in public service delivery.

The persistence of these structural and cultural narratives is well documented in works such as Wyatt-Nichol (2011)²⁰ and Orfield and Lee (2005)²¹, which show how myths of meritocracy and spatial segregation continue to reinforce unequal opportunity structures. These studies highlight how ideology and geography combine to naturalize poverty, making it appear as a reflection of individual effort rather than systemic design.

III. Institutional Gateways & Blockades (36 Studies)

Sub-Themes:

- Housing and Benefit Design as Gatekeepers
- Healthcare and Legal System Exclusion
- Education Access & Intergenerational Traps
- Built Environment and Infrastructure Inequity

The third major theme explores how institutions, schools, housing programs, and public benefits act as both enablers and inhibitors of economic mobility. Aurand²² and Kim et al²³ show that exclusion is

embedded in the design of housing-assistance programs, with aid mitigating poverty only for those able to navigate complex eligibility systems. Schenck-Fontaine et al¹⁹ provide further insight into how institutional timeframes and administrative burdens force families to engage in constant recalibration of labor and caregiving, turning compliance into a full-time job.

Legal exclusion is highlighted by McKernan et al²⁴, who document how poor Americans often lack access to civil justice, exacerbating vulnerability to wage theft, eviction, and benefit denial. Studies such as Barham et al²⁵ and Chetty and Hendren²⁶ demonstrate that liquidity constraints and neighborhood effects limit educational attainment, creating intergenerational poverty traps.

The built environment also emerges as a key site of inequality. Fraser et al²⁷ and Braun et al²⁸ find that lower-income and non-White neighborhoods have significantly less access to social infrastructure and transit, further restricting mobility and opportunity.

This theme underscores a recurring paradox: institutions designed to alleviate poverty often function as sites of exclusion due to their rigidity, opacity, and bureaucratic burden. What's frequently missing from these studies is a relational systems view of how these institutional dynamics interact across domains (e.g., how housing insecurity affects legal vulnerability, or how benefit design impacts educational access).

Complementary research by Bruch et al. (2018)²⁹ and Cutts et al. (2011)³⁰ expands this discussion by illustrating how decentralization and housing insecurity deepen institutional inequality. Their work underscores how variations in local governance and resource allocation lead to uneven access to basic social protections, entrenching disparities even within the same national policy framework.

Synthesis

Across all three high-level themes, the literature is rich in empirical detail but fragmented in integration. Most studies isolate variables or sectors, failing to model the feedback loops and cross-sectoral interactions that sustain working poverty. Structural feedback, such as how labor precarity leads to housing instability, which then disrupts education or legal access, remains underexplored. The dominant perspectives quantitative economics, program evaluation, and public health often miss lived experience, employer behavior, and intersectional exclusions, leading to policies that are technically sound but practically inadequate.

The persistence of working poverty in the United States is not simply a matter of low wages or individual effort, but the result of fragmented systems, exclusionary narratives, and institutional barriers that interact recursively to sustain economic vulnerability. The literature's conceptual ambiguity, methodological silos, and missing feedback loops undermine both understanding and policy effectiveness. Only a holistic, systems-oriented approach, one that integrates agency and structure, micro and macro, and lived experience with policy design can address the root causes of working poverty.

DSRP Analysis: Distinctions, Systems, Relationships and Perspectives

Distinctions: Conceptual Ambiguity and Definitional Gaps

At the level of distinctions, the literature struggles with definitional clarity and consistency. Although 18 of the reviewed studies include the phrase “working poor,” only one—A Profile of the Working Poor³¹—explicitly defines this group as individuals earning below the federal poverty line. The remainder rely on loosely related descriptors such as “minimum-wage earners,” participants in “living-wage campaigns,” or generic references to “low-wage workers,” without providing concrete thresholds in terms of income or hours worked. This lack of specificity renders the population under study effectively undefined, making it difficult to assess prevalence, risk factors, or the efficacy of policy interventions across studies.

Distinctions: Who are the Working Poor?



Figure 3: Conceptual Ambiguity in Definitions of the “Working Poor.”

The definitional ambiguity extends to the poverty thresholds employed. While the federal poverty line appears in some papers, others utilize more expansive standards such as the self-sufficiency benchmark. These measures are not interchangeable; the self-sufficiency standard reflects a higher cost of living and thus yields significantly different poverty rates than the federally defined cutoff. Mixing these metrics across studies without acknowledgment or adjustment creates artificial variation in findings and undermines cross-study comparisons.

A similar issue arises with respect to employment status. Three studies, including Working and Poor in 1990³², Working Yet Poor⁶, and Poverty in American Higher Education³³, specifically highlight the experiences of part-time workers. However, most papers either treat all earners as a homogeneous group or fail to identify employment status altogether. This erasure is critical: part-time and unstable work are central to understanding economic vulnerability. Aggregating these workers with full-time employees

obscures potentially causal distinctions and hinders efforts to isolate the structural mechanisms that perpetuate working poverty.

Moreover, many studies rely on implicit rather than explicit poverty indicators. Search terms such as “FPL” (Federal Poverty Line) or “percent of median income” are virtually absent, and “poverty line” is mentioned only once in the full sample. Instead, readers are expected to infer economic hardship from vague references or contextual cues. This lack of transparency not only complicates literature synthesis but also undermines the replicability of findings and the credibility of resulting policy claims. Without precise and consistent distinctions, the field cannot build a stable foundation for knowledge accumulation or policy evaluation.

If the literature fails to establish a coherent and consistent definition of who constitutes the working poor—whether by income threshold, employment status, or eligibility criteria—then it lacks the conceptual foundation required for effective intervention. Without clarity at this most basic level, any effort to analyze causes or craft solutions remains structurally compromised. Ambiguity at the level of definition propagates confusion in measurement, misalignment in targeting, and incoherence in policy response. Until the field can collectively resolve the question of who the working poor are, it will remain ill-equipped to address the deeper question of what keeps them poor.

Systems: Systemic Fragmentation and Cross-Level Disconnects

From a systems perspective, the literature on working poverty presents a mixed landscape. Approximately 61 percent of the reviewed studies successfully bridge individual-level experiences and structural forces, generating a robust evidentiary foundation for understanding working poverty as a systemic condition shaped by the interlocking effects of low wages, high housing costs, limited access to public services, and weak social safety nets. These studies reject the notion of working poverty as the outcome of poor individual choices, instead emphasizing its emergence from interdependent and mutually reinforcing structural barriers.

However, a substantial minority—approximately 36 percent of the literature—remains analytically siloed. Of these, 26 studies focus narrowly on household or individual behaviors, while 21 are situated exclusively at the macro level, investigating institutional frameworks or labor market trends without considering how these structural factors interact with the lived realities of economically vulnerable populations. More concerning, four studies lack a clear analytical level, offering only abstract commentary with little insight into structures or individual strategies. Such studies add more noise than clarity, perpetuating vague notions that working poverty is inevitable or that markets will self-correct inequality.

The implications of this fragmentation are significant. When studies fail to trace cross-level feedback loops—such as how benefit eligibility thresholds interact with erratic work schedules—they overlook key mechanisms by which working poverty is reproduced. For example, a family whose fluctuating hours disqualify them from child-care subsidies may face compounding disadvantages that remain invisible in single-level analyses. Without attention to these interactions, the literature cannot fully explain how

marginal gains (e.g., wage increases) may be offset by losses elsewhere (e.g., public benefit withdrawal), nor can it predict the unintended consequences of narrowly designed interventions.

Systems: Isolated Parts, Whole Realities

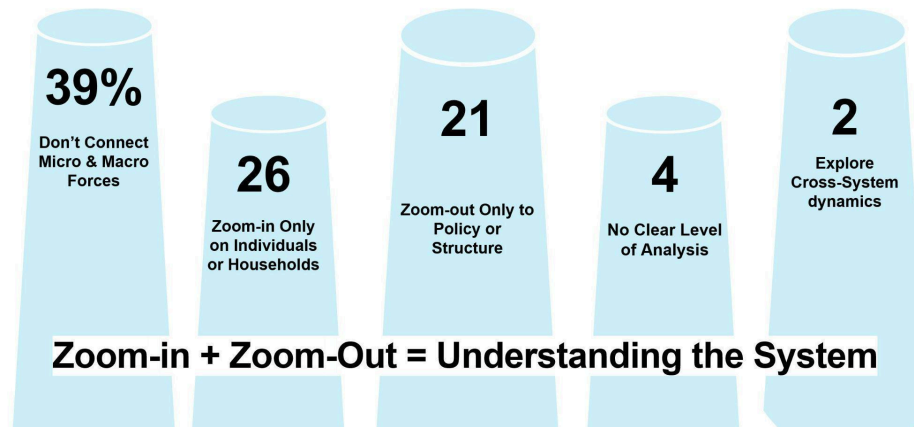


Figure 5: Fragmented Systems Analysis in Working Poverty Literature

This analytical disconnect also contributes to the piecemeal nature of many anti-poverty policies. Studies rooted solely in micro-level analysis often propose behavioral interventions, such as job training or financial literacy programs, without addressing structural constraints like transportation deserts or inaccessible child-care. Conversely, macro-level analyses recommend wage hikes or tax credits but fail to consider how such reforms are mediated by household dynamics or local implementation realities. In the absence of integrative systems thinking, these policies may offer short-term relief while leaving the broader ecosystem that sustains working poverty untouched.

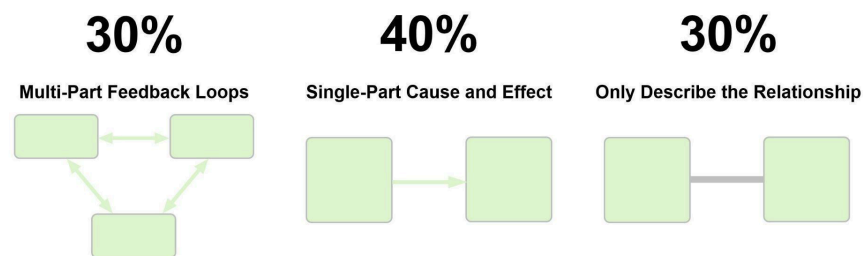
The epistemological split between micro- and macro-level studies contributes to polarized narratives. Individual-level studies can inadvertently reinforce “personal responsibility” framing of working poverty, suggesting that with enough effort, individuals can transcend structural barriers. Conversely, structure-only analyses risk portraying the poor as passive victims of impersonal forces, erasing their agency and resilience. In reality, agency and structure are braided together. A full understanding of working poverty requires models that capture the interplay between personal strategies and institutional constraints.

This fragmentation in analysis is critical. Working poverty stems from the interplay between individual behavior and structural conditions, yet isolating one level produces one-dimensional explanations and policies. Micro-level studies risk reinforcing personal-failure narratives, while macro-only analyses overlook lived agency. Robust research and effective policy must capture this entanglement; without such integration, our understanding and responses to working poverty will remain incomplete.

Relationships: Missing Mechanisms and Undermodeled Interactions

The literature on working poverty shows major blind spots. While many studies note low wages and weak benefits, few examine the causal linkages and feedback loops that sustain vulnerability, mapping symptoms rather than underlying structures.

Relationships: In the Literature



Linear Relationships, Provide Detached Outcomes

Figure 6: Linear and Limited Relationship Modeling in Working Poverty Studies

One of the most significant omissions concerns the role of emergency savings and asset buffers. Without financial cushions to absorb unexpected shocks—such as a car repair, illness, or reduced work hours—families can experience rapid reversals in financial stability. Yet few studies explore why low-income households struggle to build reserves. This omission leads to an overreliance on income-based interventions and an underemphasis on wealth-building strategies like matched savings, baby bonds, or automatic enrollment in emergency funds.

Wage theft and weak labor-law enforcement represent another major blind spot. Despite being well-documented in investigative journalism and advocacy literature, practices like unpaid overtime, worker misclassification, and tip skimming receive almost no quantitative treatment in the academic corpus. Without measuring these systemic income leaks, the literature risks overestimating earned income and overstating the efficacy of statutory wage increases.

Spatial mismatch between where low-income workers live and where jobs are located also remains underexplored. Long, expensive commutes through underfunded transit systems silently siphon income and opportunity. However, most studies treat employment access as geographically neutral, implicitly assuming that all workers can feasibly reach better jobs. As a result, zoning, transit, and land-use policies rarely appear in anti-poverty prescriptions.

The care economy—particularly access to affordable child and elder care—is another neglected dimension. These obligations limit work hours, reduce scheduling flexibility, and constrain opportunities for education or training—especially for women. Yet most policy literature fails to model care burdens

explicitly, rendering them invisible in labor supply analyses and contributing to gender-insensitive policy design.

Environmental disruptions, too, are largely absent. Climate shocks-such as heat waves, floods, and utility price spikes-are already affecting low-wage workers' ability to work and live safely. Yet the poverty literature remains largely silent on the growing risks of climate volatility, offering 20th-century solutions to 21st-century threats.

Technological access and digital literacy also represent key exclusion mechanisms. The digital divide limits entry into higher-paying, remote, or upskilling opportunities. However, most studies frame “upskilling” as a training problem, not a digital infrastructure problem-leaving out broadband access, device availability, and credential recognition.

Similarly, the structural position of undocumented workers is overwhelmingly neglected. These individuals face wage theft, lack of legal recourse, and exclusion from most public benefits. By ignoring immigration status, the literature fails to account for a substantial portion of the labor force whose poverty is both deepened and institutionalized by legal precarity.

Criminal justice involvement is another missing thread. A history of incarceration can depress wages, increase debt burdens, and restrict eligibility for housing and employment. Yet few studies integrate this trajectory into analyses of working poverty, leaving gaps in our understanding of recidivism and re-entry. Finally, occupational health and safety are rarely addressed, even though workplace injuries directly lead to medical debt, job loss, and income instability. Papers often focus on health insurance without acknowledging how hazardous jobs produce poor health outcomes and deepen economic fragility.

Relationships: Missing Links

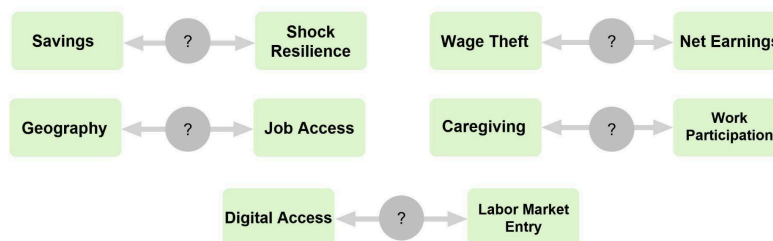


Figure 7: Missing Causal Relationships in Working Poverty Research

Taken together, these absences distort the picture of working poverty. The literature treats working poverty as a problem of insufficient income, rather than one of systemic instability. It assumes a labor force that is legally protected, geographically mobile, digitally connected, physically healthy, and free from care burdens-assumptions that do not hold true for millions of working poor.

When these relationships are excluded, we misdiagnose working poverty. We assume that a raise or a training program will be enough- but ignore why that raise disappears after one unexpected bill, or why that training never translates into a job. These oversights lead to policies that overpromise, underdeliver, and ultimately fuel frustration. Until research begins to trace the full range of feedback loops and interactions-between wages and enforcement, work and care, climate and income volatility- we will continue to generate partial solutions. And we will keep asking why the working poor remain poor, only to receive answers that are, at best, incomplete.

Perspectives: Dominant Viewpoints and Silenced Voices

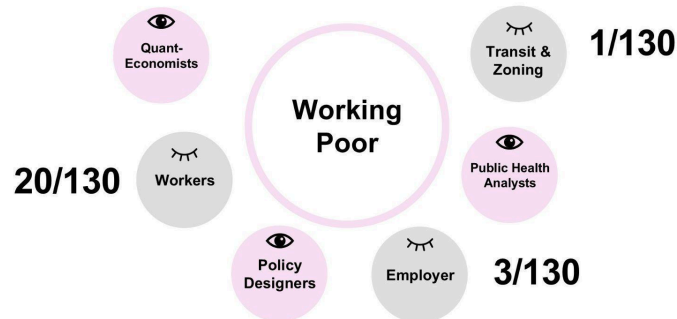
The final dimension of the DSRP framework- perspectives-reveals not only who holds the analytical lens in the literature on working poverty, but also whose experiences and institutional roles remain absent. The dominant epistemic orientations-quantitative economists, program evaluators, and public health analysts-shape what is measured, emphasized, or ignored in both research and policy design.

The largest bloc of studies (31 papers) comes from a quantitative economic perspective. These focus on wage levels, working poverty thresholds, and regression-based outcomes, offering statistically rigorous insights into income inequality and the effects of policy tools like the Earned Income Tax Credit (EITC). Yet this precision often comes at the expense of conceptual completeness. Models routinely exclude daily trade-offs, stigma, wage theft, and care burdens. As a result, working poverty is framed narrowly as a problem of insufficient earnings, with wage floors and tax credits positioned as self-sufficient remedies-solutions that are technically valid but empirically incomplete.

Program evaluators and policymakers (17 papers) offer another dominant perspective, centering on statute design, fiscal cost, and program uptake. These studies often treat individuals as policy recipients rather than agents navigating complex systems. Implementation frictions-such as bureaucratic hassle, fear of sanctions, or eligibility volatility-are frequently ignored. The result is policy that appears sound on paper but falters under real-world conditions.

Public health analysts (10 papers) focus largely on coverage status, risk profiles, and service use. While they contribute important population-level insights, most studies remain downstream-focused, rarely questioning how workplace environments or labor practices produce illness, injury, or debt in the first place.

Perspectives: Who's Holding the Camera?



The Literature is Rich in Data, but Poor in Perspective

Figure 8: Dominant and Missing Perspectives in Working Poverty Research

Social-service practitioners (8 papers) work from within institutional service delivery models, often interpreting client behavior through the lens of compliance. Grounded in administrative data and case outcomes, these studies can unintentionally reinforce “personal responsibility” narratives while obscuring structural constraints.

Worker and household voices are represented in only 20 studies. These contributions reveal mechanisms that remain invisible in administrative or quantitative work—such as time poverty, informal debt cycles, or stigma—but they are often sidelined from mainstream policy debates due to perceived limitations in generalizability or rigor. They offer depth without reach.

Equally concerning is the near-absence of the employer perspective—only three studies analyze wage-setting, scheduling, or compliance from the firm’s point of view. Without this lens, enforcement dynamics are left unmodeled, and policies are designed under the assumption of automatic compliance with labor laws.

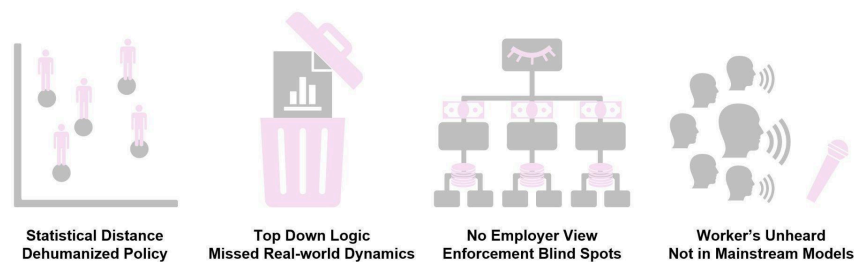
The cumulative effect of these uneven perspectives is far-reaching. Research becomes statistically rich but experientially thin. Policies are technically sound but practically unworkable. Key feedback loops—such as how poorly designed rules erode trust or reduce uptake—remain unexplored. Structural gaps like wage theft, scheduling volatility, or caregiving strain are left unmeasured. What we see is a system optimized in parts but under-theorized in whole.

Moreover, the consistent absence of certain perspectives—such as undocumented workers, children, land-use planners, climate risk managers, and occupational safety experts—removes entire causal corridors from the analytical frame. These gaps lead to anti-working poverty strategies that are reactive, fragmented, and increasingly out of step with contemporary risk.

When the literature views working poverty primarily from above-through systems, budgets, and outcomes-it sacrifices precision in human experience. It creates statistical distance: people become datapoints, and the programs that follow often ignore core elements like dignity, trust, and lived complexity. Policies then emerge that perform well in spreadsheets but collapse under real conditions, assuming stable jobs, digital access, legal status, and free time that many working poor simply do not have.

Equally overlooked is the employer behavior, only three papers studying firms, and enforcement mechanisms remain an afterthought rather than a core design feature. While worker and household voices do appear in some qualitative work, the mechanisms they highlight-time poverty, fear of sanctions, and informal debt-rarely shape mainstream models.

Perspectives: Where is the Lens?



Only 14 Studies Flipped the Lens

Figure 9: The Literature Is Data-Rich but Perspective-Poor

Very few studies flip the point of view. Only 14 in the entire sample explicitly attempt to view working poverty through an alternative lens-such as how a caregiver experiences schedule volatility or how a business reacts to wage mandates. This absence of perspective-shifting limits the field's ability to challenge its own assumptions. Without rotating the lens, the system continues to optimize itself-solving for internal logic, rather than for the realities of the people it is meant to serve.

Toward a More Complete Understanding

This review set out to explore the central question: what keeps the working poor poor? The findings of this system's literature review suggest that the answer cannot be reduced to any single cause. Rather, the persistence of working poverty stems from a confluence of poorly defined concepts, fragmented levels of analysis, missing causal relationships, and narrow vantage points that dominate the existing research. The literature tends to diagnose symptoms rather than structures-addressing wage levels without enforcement, employment without caregiving, or access without geography. What keeps the working poor poor, then, is not just low income or weak benefits, but a research and policy environment that fails to fully model the

system that produces and sustains their precarity. By failing to capture how these elements interact and reinforce one another, much of the current evidence base inadvertently contributes to the very problem it seeks to solve.

Viewed through the DSRP framework, the literature on working poverty appears conceptually unstable, methodologically fragmented, causally shallow, and epistemologically narrow. These shortcomings are not merely academic; they shape the policies that govern people's lives. Without clearer distinctions, more integrated systems thinking, robust modeling of key relationships, and a broader set of perspectives, we will continue to produce policy solutions that are at best partial and at worst counterproductive. To genuinely understand and address what keeps the working poor poor, future research must engage more fully with the multifaceted reality of working poverty—a reality that is structural and lived, economic and geographic, relational and political.

Agent and Institutions: Toward a Responsive Policy Rubric

One of the most consequential insights emerging from this review is that the working poor cannot be accurately characterized as passive recipients of structural forces, nor can institutions be regarded as neutral mechanisms for the distribution of opportunity. Rather, both function as active participants within a fragmented system, often responding to one another in disjointed and maladaptive ways.

The literature, as reviewed through DSRP, reveals a troubling dynamic: agents and systems are not engaged in mutual adaptation, but in parallel operations that rarely intersect. This separation underlies many of the ineffective or contradictory outcomes seen in current working poverty policy.

On one side, the working poor are forced into reactive forms of agency: rationing time across multiple jobs, calibrating their income to avoid benefit cliffs, relying on informal support systems, or making short-term trade-offs that ultimately undermine long-term stability. These adaptations are rational within the constraints imposed, however, they are strategies for survival, not for mobility.

On the other side, institutions such as welfare programs, housing systems, educational tracks, and labor policies are designed from the top down, often without feedback mechanisms that incorporate lived realities or adaptive behaviors. This lack of interaction produces policies that are internally coherent but externally misaligned.

To address this, we argue that institutions must move from compliance-oriented governance to adaptive policy systems; the structures should be robust in design and responsive in practice. We propose an interactive rubric that assesses how well policies support people in escaping working poverty while also reducing the barriers built into the systems around them. The elements outlined below serve as illustrative examples rather than an exhaustive list of all factors influencing agent adaptation and systemic responsiveness.

Interaction Between the Agents and Systems

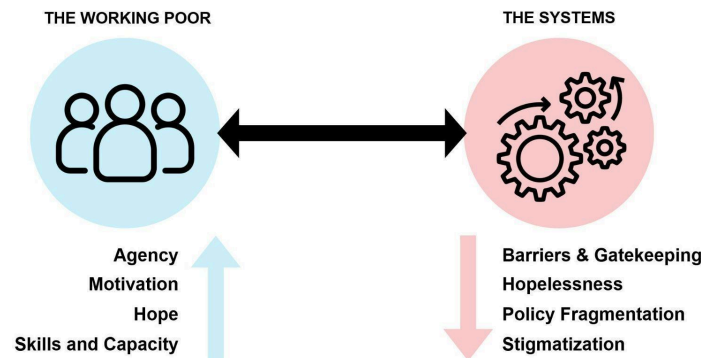


Figure 10: Interaction Between Agents and Systems

On the side of agents, effective policy should increase:

- **Agency:** Programs should enable choice and self-direction, not force constrained compliance.
- **Motivation:** Policy must reinforce the link between effort and reward, rather than penalize initiative through benefit withdrawal or administrative burden.
- **Hope:** Lived experience must include visible pathways to improvement, not chronic precarity.
- **Skills and Capacity:** Systems should invest in the development of adaptive capacity through access to learning, networks, digital tools, and stability-enhancing infrastructure.

On the side of systems, effective policy should decrease:

- **Barriers and Gatekeeping:** Policies must move away from punitive eligibility conditions and high-friction application processes that disincentivize participation.
- **Hopelessness:** Systems should avoid embedding futility into their design by ensuring that small gains do not trigger disproportionate losses.
- **Policy Fragmentation:** Institutional silos should be replaced with integrated, cross-sector strategies that align with the complex, interconnected realities of people's lives, rather than rigid bureaucratic divisions.
- **Stigmatization:** Language, media, and frontline practices should shed moralistic judgments of worthiness, which have historically shaped everything from benefit design to service delivery.

This rubric is not a checklist, but a relational model, one that positions the interaction between people and policy as a feedback system. When these interactions are calibrated well, adaptive behaviors can lead to mobility. When poorly calibrated, they generate learned helplessness, mistrust, and disengagement. This framing moves beyond individual interventions and instead evaluates systemic fitness: how well does a policy ecosystem respond to the complexity and variation of the people inside it?

It also forces a new standard of policy evaluation: If a program does not improve agency, motivation, hope, or skills, and if it does not reduce the structural weight pressing down on those capacities, it is unlikely to succeed. Such a program may function administratively but fails substantively, reinforcing the very stagnation it claims to resolve. This framework provides a way forward for researchers, analysts, policymakers, and implementers who seek to rebuild the system from a foundation of interaction rather than imposition.

Viewed through the DSRP framework, the literature on working poverty appears conceptually unstable, methodologically fragmented, causally shallow, and epistemologically narrow. These shortcomings are not merely academic; they shape the policies that govern people's lives. Without clearer distinctions, more integrated systems thinking, robust modeling of key relationships, and a broader set of perspectives, we will continue to produce policy solutions that are at best partial and at worst counterproductive.

To genuinely understand and address what keeps the working poor poor, future research must engage more fully with the multifaceted reality of working poverty—a reality that is structural and lived, economic and geographic, relational and political.

Web of Causality

Systems analysis relies heavily on structured organization and visual representation of information. The web of causality provides a foundational framework for mapping the interconnected causes and effects that shape complex problems.³⁴

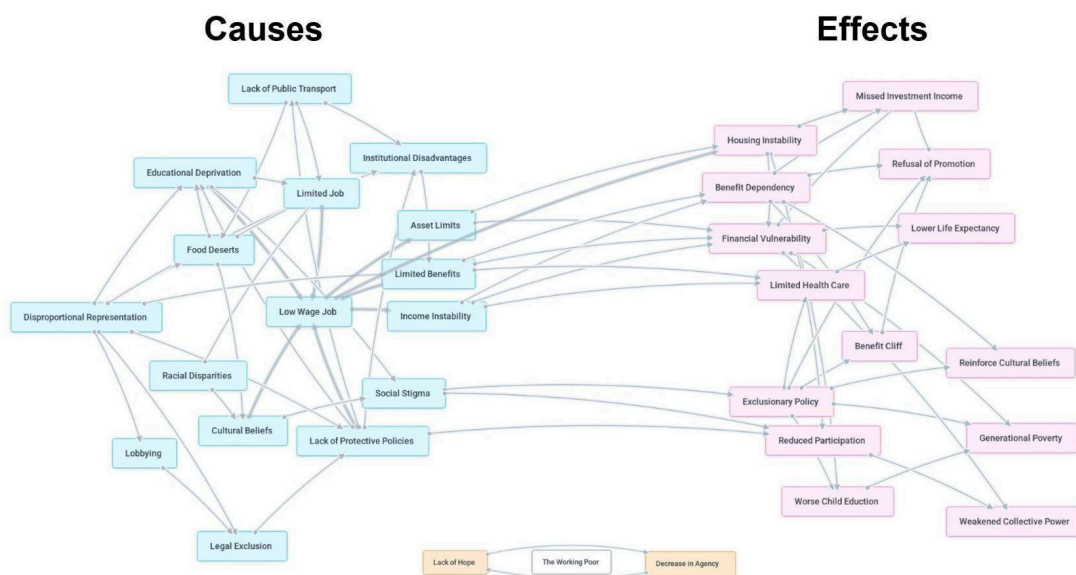


Figure 11: Web of Causality: Causes and Effects of Working Poverty

The web of causality helps visualize how different causes and effects of working poverty connect and reinforce one another. Built from thirty nodes identified across 130 studies, it maps the relationships that the literature has established, and exposes the ones it overlooks.

The network shows strong links around some issues, such as low-wage jobs, housing insecurity, and benefit design. In contrast, factors like lobbying, employer behavior, and immigration status appear on the margins with few connections. This imbalance reflects how most research focuses on visible economic outcomes while neglecting political, social, and institutional dynamics.

One key insight is the absence of human agency on the web. Individuals appear mostly as outcomes of larger systems, not as actors who can meaningfully influence them. This makes it impossible to see whether people actually have the capacity to act within these structures, or if the systems are simply too rigid and overpowering to allow it. When agency is this limited, the system fails to function as a true feedback loop. Instead, it becomes self-reinforcing, which may help explain why working poverty persists over time.

Another limitation is that many of the so-called effects, such as housing instability or poor educational outcomes, also act as causes that feed working poverty over time. Yet most studies treat these relationships as one-way rather than cyclical. A more accurate view would represent poverty as a feedback system where outcomes and causes continually influence each other.

Overall, the web of causality reveals both the value and the limits of current research. It helps organize what is known but also highlights how linear, siloed thinking hides the complex feedback loops that sustain working poverty. To move forward, studies must view working poverty as a dynamic issue; it is shaped by strong systems and constrained agency, where the balance between structure and individual capacity determines whether change is possible.

Conclusion

This paper set out to examine a deceptively straightforward question: *What keeps the working poor poor?* In pursuing this inquiry, it engaged with a body of literature that is fragmented in structure, limited in scope, and inconsistent in perspective. What emerged was not only a set of academic shortcomings, but a more fundamental institutional failure: the inability to conceptualize working poverty as a dynamic, adaptive, and systemically embedded condition.



Figure 12: Key Findings from the Systems Analysis of Working Poverty

Each component of the DSRP framework revealed distinct forms of disconnection within the literature. Conceptual distinctions were frequently vague or inconsistent, resulting in unclear definitions of working poor and weak alignment between analysis and intervention. Systemic analysis uncovered a tendency to isolate structures rather than examine their interactions. Relationships, particularly feedback loops and causal linkages, were often insufficiently explored or entirely absent. The dominant perspectives remained institutional and technocratic, with limited attention to the lived experiences of those most affected.

Collectively, these gaps suggest a broader diagnostic failure: working poverty is not only complex, but consistently mischaracterized. Attempts to address a feedback-driven and relationally dense phenomenon continue to rely on linear assumptions and fragmented tools. As a result, the literature tends to document the symptoms of working poverty without fully explaining its mechanisms.

To address this, we argue that critique must be accompanied by conceptual reconstruction. This paper represents a step in that direction by applying a systems-oriented literature review, guided by the DSRP framework, to identify where existing knowledge is incomplete and where it can be strengthened.

The recommendations offered are not intended as comprehensive solutions, but as system-level adjustments: clearer conceptual boundaries, more integrated structures, richer modeling techniques, and more inclusive perspectives.

A key insight emerging from this review is the absence of a robust web of causality. Much of the literature treats working poverty as a one-way outcome, rather than as a result of interdependent causes and effects. In reality, many of the effects of working poverty also serve as its drivers, reinforcing a cycle that is rarely made visible in academic or policy discourse. Without recognizing and mapping these cyclical feedback loops, policies risk being reactive, narrowly framed, and susceptible to unintended consequences.

At a deeper level, we contend that working poverty must be understood as a failure of interaction between people and the systems they engage with. Individuals are not poor solely due to a lack of income; they are poor because they are navigating fragmented, exclusionary systems that do not respond to their realities.

Addressing this requires a shift toward reciprocal design where policies are shaped in dialogue with those they affect. To facilitate this, we proposed an interactive rubric that assesses the extent to which policies both support individual upward mobility and reduce systemic barriers. These dimensions are illustrative rather than exhaustive, offering a framework for evaluating how policies function within complex systems.

In conclusion, meaningful progress requires reframing working poverty not as a static condition but as a complex system of relationships. Interventions must be designed to reflect this complexity: capturing feedback, acknowledging interdependence, and centering both systemic structure and human agency. Only through such an approach can policy move beyond fragmented solutions and toward outcomes that are not only effective, but equitable and enduring.

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