

THE JOB GAP ECONOMIC PROSPERITY SERIES

PAY UP!

Long Hours and Low Pay Leave Workers at a Loss





The Alliance for a Just Society's mission is to execute regional and national campaigns and build strong state affiliate organizations and partnerships that address economic, racial, and social inequities. www.allianceforajustsociety.org



The Alliance's Job Gap Economic Prosperity series examines the ability of working families to move beyond living paycheck-to-paycheck in today's economy, seeking to understand both the barriers keeping families from achieving economic prosperity and what actions policymakers can take to help families and communities thrive. www.thejobgap.org



TABLE OF CONTENTS

Executive Summary 5

Introduction 6

National Findings 8

State Findings 13

 California 13

 Connecticut..... 15

 District of Columbia 17

 Florida 18

 Idaho..... 19

 Illinois 21

 Louisiana 22

 Maine..... 23

 Massachusetts..... 25

 Michigan 26

 Montana..... 27

 New York 28

 Oregon..... 30

 Pennsylvania..... 31

 Texas 32

 Virginia..... 33

 Washington..... 35

Recommendations..... 36

Conclusion 38

Technical Notes..... 39

References..... 43

PAY UP!

EXECUTIVE SUMMARY



In recent years, a number of cities have raised their minimum wage to \$15 an hour, which is significantly above federal and state minimum wages. These changes have prompted debate around the country regarding what constitutes an adequate minimum. This report contributes to that conversation by providing living wage figures, finding that current minimum wage rates are far too low to meet individuals' and families' needs.

Since 1999, the Alliance for a Just Society has produced an annual living wage report calculating the actual cost of living for households in selected states. For the first time this year, the Job Gap Economic Prosperity Series includes a living wage for all 50 states and Washington, D.C.

Our research finds that, although \$15 per hour is significantly higher than any minimum wage in the country, it is not a living wage in most states. A national living wage for a single adult is actually \$16.87 per hour, based on a weighted average of living wages across the country.

In 35 states and in Washington, D.C., a living wage for a single adult is more than \$15 per hour. In no state is a living wage less than \$14.26 an hour.

The federal minimum wage of \$7.25 per hour represents less than half of a living wage for a single adult and the federal tipped subminimum wage of \$2.13 per hour is less than a third of that the non-tipped minimum wage. A worker supporting only herself would have to put in 93 hours a week at the federal minimum wage to make ends meet, and a tipped worker could have to work more hours than there are in a week to support herself if tips are not enough to make up the difference.

Workers supporting families must earn even more. In Massachusetts, for example, a single parent with two children must be paid \$43.30 per hour to make ends meet.

When workers do not earn a living wage, they must either find a way to work more hours or cut back on necessities. Often, these are workers in important occupations that others depend on, such as fast food and restaurant workers, retail salespersons, child care workers, and more. Women and people of color, who are more likely to work in these occupations, are less likely than their peers to earn a living wage.

Increasing the federal minimum wage to \$15 an hour and abolishing the tipped subminimum wage would move wages in the right direction, while unionization and enforcement of equal opportunity statutes will ensure that all workers have access to benefits and protections in the workplace.

At a minimum, working full-time should ensure financial stability. Such a change requires action on the part of elected officials.



INTRODUCTION

Recently, efforts have been growing to set a minimum wage of \$15. From Seattle¹ to Los Angeles² to New York,³ lawmakers have adopted the \$15 minimum to help families move beyond living paycheck to paycheck. Such a wage is significantly higher than state and federal minimums and would move families closer to a living wage. Continued progress would be needed to guarantee a living wage for all workers and families.

Since 1999, the Alliance for a Just Society has produced an annual living wage report calculating what it actually costs to make ends meet for households in selected states. For the first time this year, the Job Gap Economic Prosperity Series includes a living wage for all 50 states and Washington, D.C.

A living wage is the amount a full-time worker needs to be paid to make ends meet, including having the ability to set money aside for savings and emergencies. In urban and rural states across the country, the living wage is consistently far higher than the minimum wage, and more than most people would guess.

In 35 states and in Washington, D.C., the living wage for a single adult is greater than \$15 per hour. No state has a living wage for a single adult that is less than \$14 an hour. Nationally, the living wage for a single adult is closer to \$16.87 an hour. For working families with children, though, the cost to make ends meet is even higher.

WHAT IS A LIVING WAGE?

A living wage is one that allows families to meet their basic needs, without public assistance, and that provides them some ability to deal with emergencies and plan ahead. It is not a poverty or survival wage.

In this report, living wages are calculated on the basis of family budgets for several household types. Family budgets include basic necessities, such as food, housing, utilities, transportation, health care, child care, clothing and other personal items, savings, and state and federal taxes. This assumes full-time work on a year-round basis.

For more information, see the Technical Notes section of this report.

In the 16 states and Washington, D.C. where a living wage for other family sizes was calculated, the living wage for a single adult with two children ranges from \$25.56 in Idaho to \$43.30 in Massachusetts, and \$44.17 in Washington, D.C.

Nowhere in the country can a family with two children and two parents (who are both working) make ends meet if each working parent is paid less \$17.85 per hour. In most of the country, it costs even more.

Often, it is the workers in occupations that other workers depend on, such as fast food and restaurant workers, retail salespersons, child care workers, and more, who are paid low wages and

are unable to support themselves and their families, even working full-time. Women and people of color, who are more likely to work in these occupations, are even less likely than their peers to earn a living wage.

When full-time workers are paid a wage that does not allow them to cover even their basic necessities, they have a choice: somehow work more hours (through overtime or a second job) or skip necessities like meals or medicine.

The answer to low wages is not expecting workers to work more hours or to make additional cutbacks to necessities, though; instead, it is to pay workers enough to ensure that full-time employment provides some measure of financial stability.



Single Adult
Hourly Living Wage



\$16.87

Minimum Wage



\$7.25

Hours Per Week
at Minimum
Wage to Earn
Equivalent of a
Living Wage

93.1





NATIONAL FINDINGS

\$15 Per Hour: Progress toward a Living Wage

Fifteen dollars per hour is significantly higher than any minimum wage in the country. However, it is not a living wage in most states. In 35 states and in Washington, D.C., a living wage for a single adult is more than \$15 per hour. In no state is a living wage less than \$14.26 per hour.

In fact, nationally, the living wage for a single adult is \$16.87 per hour (\$35,087 annually) – the weighted average of single adult living wages for all 50 states and Washington, D.C.

JOBS THAT SUPPORT THE MIDDLE CLASS DON'T PAY ENOUGH FOR A SINGLE ADULT

Retail, fast food, child care, and restaurant workers provide services that almost everyone depends on. Whether it is finding a new outfit for a job interview, stopping at the drive-thru between jobs, going out for a family dinner, or dropping the kids off at child care on the way to work, workers in these occupations help us live our lives. And yet, these are the jobs that pay some of the lowest wages in the country.

In 2014, 4,562,160 people worked as retail salespersons at a median wage of \$10.29 per hour.⁴ These workers help families across the country buy the goods they need – from clothing, to televisions, to toothpaste, to power tools. They restock shelves, help customers find products, process customers' payments, and often are the ones to help clean up any messes.

While women make up about half of full-time low-wage retail salespersons, they make up only 30 percent of retail salespersons earning a living wage.* Similarly, while workers of color make up more than a quarter of full-time low-wage retail salespersons, they make up only 18 percent of those earning a living wage. For those earning the median wage of \$10.29 per hour, retail salespersons must work more than 66 hours per week for a single adult to make ends meet. To support a family, she would need to work many more hours.

Child care workers, too, are paid low wages despite the important role they play. In 2014, 582,970 people worked as child care providers at a median wage of \$9.48 per hour.⁵ Child care workers not only allow parents to go to work instead of staying home with their children; these workers take care of children's basic needs, help teach children important skills, prepare toddlers for kindergarten, and help older children with their schoolwork.

* Race and gender figures for Retail Salespersons; Child Care Workers; Combined Food Preparation and Serving Workers, Including Fast Food; and Waiters and Waitresses are based on analysis of the 2014 Current Population Survey Annual Social and Economic Supplement. For additional information, see the Technical Notes section of this report.

TABLE 1 SINGLE ADULT LIVING WAGE BY STATE

STATE	LIVING WAGE	STATE	LIVING WAGE
Alabama	\$15.13	Montana	\$14.36
Alaska	\$17.20	Nebraska	\$14.60
Arizona	\$16.19	Nevada	\$16.87
Arkansas	\$14.26	New Hampshire	\$17.23
California	\$19.39	New Jersey	\$19.76
Colorado	\$16.25	New Mexico	\$15.19
Connecticut	\$19.03	New York	\$19.90
Delaware	\$17.86	North Carolina	\$15.50
District of Columbia	\$21.86	North Dakota	\$14.61
Florida	\$17.11	Ohio	\$14.50
Georgia	\$16.27	Oklahoma	\$14.52
Hawaii	\$21.44	Oregon	\$15.99
Idaho	\$14.51	Pennsylvania	\$16.41
Illinois	\$16.93	Rhode Island	\$16.84
Indiana	\$15.13	South Carolina	\$15.45
Iowa	\$14.69	South Dakota	\$14.32
Kansas	\$14.97	Tennessee	\$14.79
Kentucky	\$14.62	Texas	\$15.75
Louisiana	\$15.64	Utah	\$15.50
Maine	\$15.77	Vermont	\$17.14
Maryland	\$20.27	Virginia	\$18.70
Massachusetts	\$19.61	Washington	\$15.95
Michigan	\$15.30	West Virginia	\$14.44
Minnesota	\$16.06	Wisconsin	\$15.17
Mississippi	\$14.96	Wyoming	\$14.71
Missouri	\$14.95		

Women are especially overrepresented in child care work, as are people of color. While people of color make up only 20 percent of all full-time workers in all occupations, about one quarter of child care workers are people of color. Further, while women make up less than half of the overall full-time workforce, 96.8 percent of child care workers are women.

As with retail salespersons, a 40-hour work week is not enough to allow child care workers to make ends meet. In fact, they must work more than 71 hours per week to make the equivalent of 40 hours at \$16.87 per hour.

Those who cook and serve food at restaurants, from fast food to finer dining, are particularly low paid. In 2014, 3,131,390 people worked as fast food workers at a median wage of \$8.85 per hour.⁶ These workers help customers quickly purchase relatively inexpensive meals, allowing others to grab a quick bite away from home whether between jobs or at the end of a busy day. Fast food workers prepare food, provide customer service, and help with cleaning.

As with retail, women are less likely than men to earn a living wage as full-time fast food workers, though only

about 5 percent of all fast food workers earn a living wage. While women make up 66 percent of low-wage full-time fast food workers, they make up only 64 percent of fast food workers earning a living wage. And, nearly all of those workers are white, with almost no full-time fast food workers of color earning a living wage. At the median wage of \$8.85 per hour, fast food workers must work more than 76 hours per week to make enough for a single adult to make ends meet.

While fast food workers are paid especially low wages, servers in restaurants also struggle to make ends meet. In 2014, 2,445,230 people worked as waiters and waitresses at a median wage of \$9.01 per hour.⁷ Waiters and waitresses take orders and provide food at dining establishments, and also help ensure that diners have a pleasant experience.

Women are overrepresented in this occupation, but are significantly less likely to be paid a living wage. While women make up more than two thirds of low-wage full-time waiters and waitresses, they account for just over 32 percent of those paid a living wage. Workers of color are also less likely to be paid a living wage, making up nearly 21 percent of full-time low-wage waiters and waitresses, but only 17 percent of those who were paid a living wage. Waiters and waitresses who are paid the median wage of \$9.01 per hour must work nearly 75 hours per week to make enough for a single adult to make ends meet.

TIPPED WORKERS

One factor leading servers to be paid low wages is the fact that they are tipped workers. Tipped workers, including waiters and waitresses, hair stylists, and car wash workers, also play an important role in their community. However, unlike other service workers, in 43 states and in Washington, D.C. tipped workers are paid a subminimum wage that is lower than the minimum wage for non-tipped workers. At the federal level, the tipped subminimum wage of \$2.13 per hour has not increased since 1991.⁸ The median tipped subminimum wage for states that allow employers to pay tipped workers less than minimum wage is \$2.70.⁹

While the tipped subminimum wage is supposed to be balanced by and adjusted based on tips received, for many tipped workers this is not the case. Industries that

employ tipped workers, like the restaurant industry, have staggering levels of wage theft; in a compliance sweep by the U.S. Department of Labor from 2010-2012, “83.8 percent of investigated restaurants had some type of violation.”¹⁰ Similarly, a 2008 survey found that 30 percent of workers in the sample were not even paid the tipped worker minimum wage, and 12 percent reported that employers or supervisors stole their tips.¹¹

Additionally, women are more likely to experience wage violations than men, and workers of color are more likely to see violations than are white workers,¹² leading to a lower likelihood of having their total compensation equal a living wage.

Like other low-wage occupations, even a 40-hour work week is not always enough to make ends meet. If a tipped worker who was paid the median subminimum wage of \$2.70 per hour had a very slow week and received no tips, and was not compensated by her employer for the lack of tips, she would need to work 250 hours per week to be paid the equivalent of 40 hours at \$16.87 per hour.¹³ She would not be able to make the equivalent of a living wage even working 24 hours, seven days a week.

MINIMUM WAGE WORKERS

While non-tipped workers are not subject to the tipped subminimum wage, workers paid the non-tipped minimum wage still fall well short of earning a living wage.

At \$7.25 per hour, the federal minimum wage is less than half of what is needed for a single adult to make ends meet in most states, requiring workers at this wage to work 93 hours per week to be paid the equivalent of 40 hours at \$16.87 per hour. That’s more than two full time jobs.

While 29 states and Washington, D.C. have a minimum wage that is higher than the federal minimum wage, many people still have to work the equivalent of two or more full-time jobs to be paid the equivalent of 40 hours at their state’s single adult living wage. In fact, in 35 states and in Washington, D.C., minimum wage workers must work more than 80 hours to earn enough for a single adult to make ends meet in that state.¹⁴

TABLE 2

HOW MANY HOURS DOES IT TAKE WORKING MINIMUM WAGE TO EARN THE EQUIVALENT OF A LIVING WAGE?

STATE	SINGLE ADULT HOURLY LIVING WAGE	MINIMUM WAGE	HOURS PER WEEK NEEDED AT MINIMUM WAGE
Alabama	\$15.13	\$7.25	83.5
Alaska	\$17.20	\$8.75	78.6
Arizona	\$16.19	\$8.05	80.5
Arkansas	\$14.26	\$7.50	76.1
California	\$19.39	\$9.00	86.2
Colorado	\$16.25	\$8.23	79.0
Connecticut	\$19.03	\$9.15	83.2
District of Columbia	\$21.86	\$10.50	83.3
Delaware	\$17.86	\$8.25	86.6
Florida	\$17.11	\$8.05	85.0
Georgia	\$16.27	\$7.25	89.8
Hawaii	\$21.44	\$7.75	110.7
Idaho	\$14.51	\$7.25	80.1
Illinois	\$16.93	\$8.25	82.1
Indiana	\$15.13	\$7.25	83.5
Iowa	\$14.69	\$7.25	81.1
Kansas	\$14.97	\$7.25	82.6
Kentucky	\$14.62	\$7.25	80.7
Louisiana	\$15.64	\$7.25	86.3
Maine	\$15.77	\$7.50	84.1
Maryland	\$20.27	\$8.25	98.3
Massachusetts	\$19.61	\$9.00	87.1
Michigan	\$15.30	\$8.15	75.1
Minnesota	\$16.06	\$9.00	71.4
Mississippi	\$14.96	\$7.25	82.5
Missouri	\$14.95	\$7.65	78.2
Montana	\$14.36	\$8.05	71.4
Nebraska	\$14.60	\$8.00	73.0
Nevada	\$16.87	\$8.25	81.8
New Hampshire	\$17.23	\$7.25	95.1
New Jersey	\$19.76	\$8.38	94.3
New Mexico	\$15.19	\$7.50	81.0
New York	\$19.90	\$8.75	91.0

HOW MANY HOURS DOES IT TAKE WORKING MINIMUM WAGE TO EARN THE EQUIVALENT OF A LIVING WAGE?

STATE	SINGLE ADULT HOURLY LIVING WAGE	MINIMUM WAGE	HOURS PER WEEK NEEDED AT MINIMUM WAGE
North Carolina	\$15.50	\$7.25	85.5
North Dakota	\$14.61	\$7.25	80.6
Ohio	\$14.50	\$8.10	71.6
Oklahoma	\$14.52	\$7.25	80.1
Oregon	\$15.99	\$9.25	69.1
Pennsylvania	\$16.41	\$7.25	90.5
Rhode Island	\$16.84	\$9.00	74.9
South Carolina	\$15.45	\$7.25	85.3
South Dakota	\$14.32	\$8.50	67.4
Tennessee	\$14.79	\$7.25	81.6
Texas	\$15.75	\$7.25	86.9
Utah	\$15.50	\$7.25	85.5
Vermont	\$17.14	\$9.15	74.9
Virginia	\$18.70	\$7.25	103.2
Washington	\$15.95	\$9.47	67.4
West Virginia	\$14.44	\$8.00	72.2
Wisconsin	\$15.17	\$7.25	83.7
Wyoming	\$14.71	\$7.25	81.2



STATE FINDINGS

What Does It Take for Families to Make Ends Meet?

This report provides state-by-state findings for 16 states and for Washington, D.C., determining the living wage for five different household types. Living wage rates for a single adult range from \$14.26 in Arkansas to \$21.86 in Washington, D.C. Workers with children need even more to make ends meet. Stories from workers struggling to support themselves and their families illustrate the hard choices families must make when they are not paid a living wage.

CALIFORNIA



Single Adult Hourly
Living Wage

Minimum Wage



\$19.39

\$9.00

The living wage for a single adult is **\$19.39** per hour. This reflects what is needed to meet basic needs and maintain some ability to deal with emergencies and plan ahead. The living wage for a single adult with two children is **\$39.59** per hour.

California's minimum wage of **\$9** does not allow working families to make ends meet. The state's minimum wage provides only **46** percent of a living wage for a single adult and less than a quarter of the living wage for a single adult with two children.

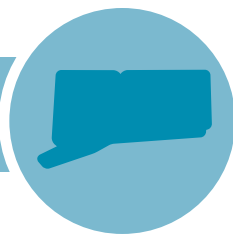
Hours Per
Week at
Minimum
Wage to Earn
Equivalent of
a Living Wage

86.2



TABLE 3: CALIFORNIA 2015 Monthly Family Budgets	Household 1: Single adult	Household 2: Single adult with a school-age child (age 6-8yrs)	Household 3: Single adult with a toddler (12-24 months) and a school-age child (6-8yrs)	Household 4: Two adults (one of whom is working) with a toddler and a school-age child	Household 5: Two adults (both of whom are working) with a toddler and a school age child
Food	\$209.63	\$402.91	\$529.78	\$771.08	\$771.08
Housing & Utilities	\$1,060.73	\$1,352.26	\$1,352.26	\$1,352.26	\$1,352.26
Transportation	\$625.37	\$571.46	\$571.44	\$1,248.48	\$1,394.28
Health Care	\$144.13	\$327.67	\$469.79	\$520.74	\$520.74
Houshold, clothing, & personal (18%)*	\$509.96	\$663.58	\$730.82	\$973.14	\$1,009.59
Savings (10%)*	\$283.31	\$368.65	\$406.01	\$540.63	\$560.88
Child Care	\$0.00	\$548.52	\$1,714.79	\$0.00	\$1,714.79
State/federal taxes (annually)	\$6,327.63	\$8,557.55	\$13,056.69	\$7,941.00	\$13,020.15
Gross income needed per working adult (monthly)	\$3,360.43	\$4,948.18	\$6,862.95	\$6,068.07	\$4,204.31
Gross income needed per working adult (annually)	\$40,325.20	\$59,378.16	\$82,355.35	\$72,816.85	\$50,451.74
Living Wage per working adult (Hourly)	\$19.39	\$28.55	\$39.59	\$35.01	\$24.26

CONNECTICUT



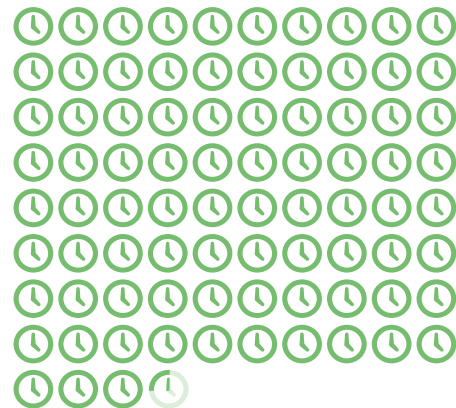
Single Adult Hourly
Living Wage

Minimum Wage



Hours Per
Week at
Minimum
Wage to Earn
Equivalent of
a Living Wage

83.2



Unfortunately, a love and dedication to nurturing and teaching young children has come at a significant personal and financial cost.

DENISE (NEISE) DOHENY | HAMDEN, CONNECTICUT

My name is Denise, but almost everyone calls me “Neise.” I have always loved taking care of children – watching them grow and helping them learn are my passion and joy. Even when I was you, my mother knew I was destined to work with young children.

When I was hired at Branford Day Care Center, I knew I had found my true calling. I have now worked as a child care provider for more than 18 years.

Unfortunately, a love and dedication to nurturing and teaching young children has come at a significant personal

and financial cost. I work 35 hours a week and I’m paid \$12 an hour. It’s not enough for me to support myself and my own two children.

You would think that child care workers, who teach and care for children, and who keep them safe while their parents are away, would be paid enough to support their own families.

Each month I carefully plan and budget expenses down to the exact penny. I make choices daily about what I can afford and what I can’t. I am regularly forced to choose between

paying my rent or my car insurance. I have to think carefully before buying even something as basic as laundry detergent.

Buying the required school binders and school supplies for my children means tough decisions. Buying crayons – just for fun, is impossible. Even with detailed financial management of my income and expenses, there is never enough to make ends meet.

The child care center in Hamden, Connecticut where I work is funded through state and federal funds, as well as parent fees. However, the public funds available for paying child care workers are inadequate and limited, and

parents are certainly not able to pay more of their income towards child care.

In August, I had a chance to talk about my experience during a roundtable forum in Hamden with Congresswoman Rosa DeLauro (D– Conn.). The event was specifically organized to address the issue of low wages for childcare workers.

If I earned \$15 an hour, it would really ease my burden. I would be able to make all of my expenses each month with confidence, and not constantly be in a position of being completely broke at the end of every single pay period.

TABLE 4: CONNECTICUT 2015 Monthly Family Budgets	Household 1: Single adult	Household 2: Single adult with a school-age child (age 6-8yrs)	Household 3: Single adult with a toddler (12-24 months) and a school-age child (6-8yrs)	Household 4: Two adults (one of whom is working) with a toddler and a school-age child	Household 5: Two adults (both of whom are working) with a toddler and a school age child
Food	\$209.63	\$402.91	\$529.78	\$771.08	\$771.08
Housing & Utilities	\$978.45	\$1,229.95	\$1,229.95	\$1,229.95	\$1,229.95
Transportation	\$625.37	\$571.46	\$571.44	\$1,248.48	\$1,394.28
Health Care	\$176.37	\$334.45	\$534.97	\$583.95	\$583.95
Houshold, clothing, & personal (18%)*	\$497.46	\$634.69	\$716.53	\$958.36	\$994.81
Savings (10%)*	\$276.36	\$352.61	\$398.07	\$532.42	\$552.67
Child Care	\$0.00	\$710.22	\$1,888.10	\$0.00	\$1,888.10
State/federal taxes (annually)	\$6,422.04	\$9,454.82	\$14,620.20	\$9,485.30	\$15,460.64
Gross income needed per working adult (monthly)	\$3,298.81	\$5,024.19	\$7,087.19	\$6,114.68	\$4,351.61
Gross income needed per working adult (annually)	\$39,585.72	\$60,290.23	\$85,046.32	\$72,816.85	\$52,219.34
Living Wage per working adult (Hourly)	\$19.03	\$28.99	\$40.89	\$35.01	\$25.11

DISTRICT OF COLUMBIA



The living wage for a single adult is \$21.86 per hour. This reflects what is needed to meet basic needs and maintain some ability to deal with emergencies and plan ahead. The living wage for a single adult with two children is \$44.17 per hour.

The minimum wage of \$10.50 in Washington, D.C. does not allow working families to make ends meet. Washington, D.C.'s minimum wage provides less than half of a living wage for a single adult and only a quarter of the living wage for a single adult with two children.

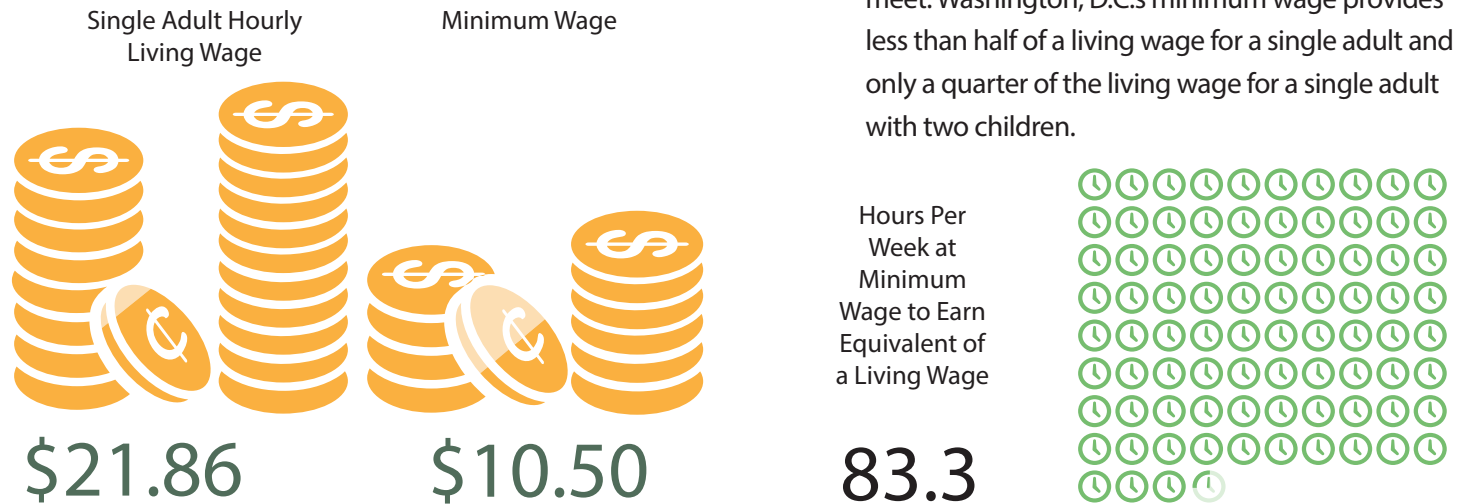


TABLE 5: DISTRICT OF COLUMBIA 2015 Monthly Family Budgets	Household 1: Single adult	Household 2: Single adult with a school-age child (age 6-8yrs)	Household 3: Single adult with a toddler (12-24 months) and a school-age child (6-8yrs)	Household 4: Two adults (one of whom is working) with a toddler and a school-age child	Household 5: Two adults (both of whom are working) with a toddler and a school age child
Food	\$209.63	\$402.91	\$529.78	\$771.08	\$771.08
Housing & Utilities	\$1,248.62	\$1,478.62	\$1,478.62	\$1,478.62	\$1,478.62
Transportation	\$625.37	\$571.46	\$571.44	\$1,248.48	\$1,394.28
Health Care	\$155.32	\$378.84	\$523.64	\$579.16	\$579.16
Houshold, clothing, & personal (18%)*	\$559.73	\$707.96	\$775.87	\$1,019.33	\$1,055.78
Savings (10%)*	\$310.96	\$393.31	\$431.04	\$566.30	\$586.55
Child Care	\$0.00	\$701.34	\$1,951.17	\$0.00	\$1,951.17
State/federal taxes (annually)	\$8,163.28	\$11,582.82	\$16,745.22	\$11,896.20	\$18,363.34
Gross income needed per working adult (monthly)	\$3,789.91	\$5,599.67	\$7,656.99	\$6,654.31	\$4,673.46
Gross income needed per working adult (annually)	\$45,478.86	\$67,196.03	\$91,883.90	\$79,851.77	\$56,081.48
Living Wage per working adult (Hourly)	\$21.86	\$32.31	\$44.17	\$38.39	\$26.96

FLORIDA



The living wage for a single adult is \$17.11 per hour. This reflects what is needed to meet basic needs and maintain some ability to deal with emergencies and plan ahead. The living wage for a single adult with two children is \$30.65 per hour.

Florida's minimum wage of \$8.05 does not allow working families to make ends meet. The state's minimum wage provides less than half of a living wage for a single adult and just over a quarter of the living wage for a single adult with two children.

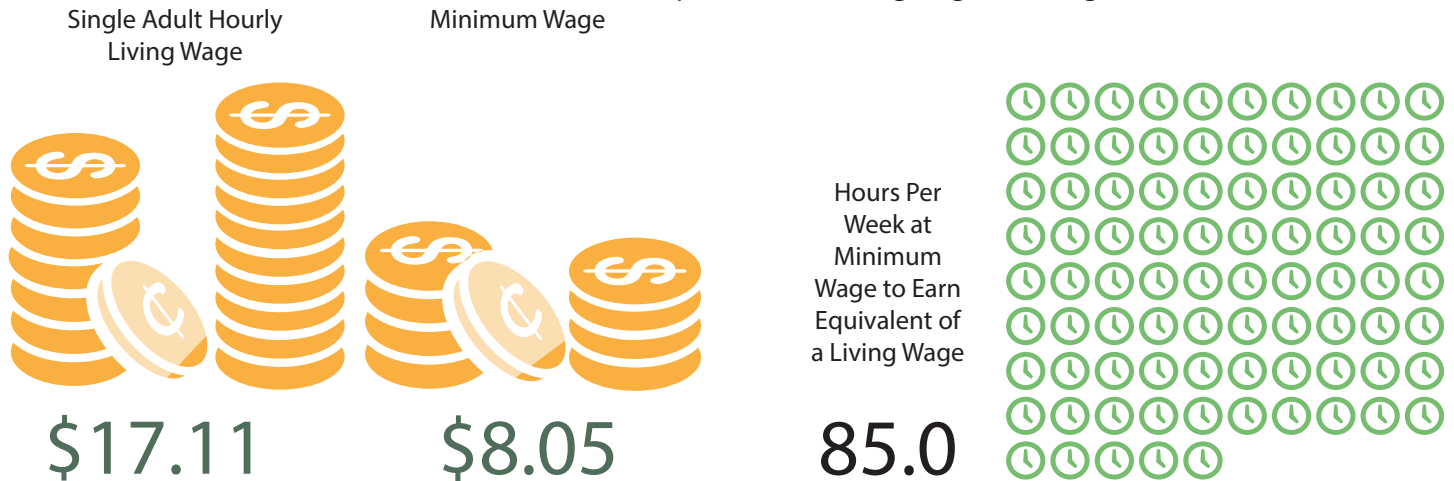


TABLE 6: FLORIDA 2015 Monthly Family Budgets	Household 1: Single adult	Household 2: Single adult with a school-age child (age 6-8yrs)	Household 3: Single adult with a toddler (12-24 months) and a school-age child (6-8yrs)	Household 4: Two adults (one of whom is working) with a toddler and a school-age child	Household 5: Two adults (both of whom are working) with a toddler and a school age child
Food	\$209.63	\$402.91	\$529.78	\$771.08	\$771.08
Housing & Utilities	\$827.48	\$1,025.77	\$1,025.77	\$1,025.77	\$1,025.77
Transportation	\$625.37	\$571.46	\$571.44	\$1,248.48	\$1,394.28
Health Care	\$175.51	\$386.68	\$565.74	\$621.26	\$621.26
Houshold, clothing, & personal (18%)*	\$459.50	\$596.70	\$673.18	\$916.64	\$953.09
Savings (10%)*	\$255.28	\$331.50	\$373.99	\$509.25	\$529.50
Child Care	\$0.00	\$384.98	\$1,009.70	\$0.00	\$1,009.70
State/federal taxes (annually)	\$4,961.88	\$5,891.19	\$6,748.25	\$6,705.77	\$8,801.37
Gross income needed per working adult (monthly)	\$2,966.25	\$4,190.93	\$5,311.95	\$5,651.28	\$3,519.06
Gross income needed per working adult (annually)	\$35,595.06	\$50,291.11	\$63,743.36	\$67,815.41	\$42,228.70
Living Wage per working adult (Hourly)	\$17.11	\$24.18	\$30.65	\$32.60	\$20.30

IDAHO



Single Adult Hourly
Living Wage

Minimum Wage



Hours Per
Week at
Minimum
Wage to Earn
Equivalent of
a Living Wage

80.1



The living wage for a single adult is \$14.51 per hour. This reflects what is needed to meet basic needs and maintain some ability to deal with emergencies and plan ahead. The living wage for a single adult with two children is \$25.56 per hour.

Idaho's minimum wage of \$7.25 does not allow working families to make ends meet. The state's minimum wage provides only half of a living wage for a single adult and only 28 percent of the living wage for a single adult with two children.



“We have nothing to put in savings, but we try to keep \$5 in our savings account just to keep it open.”

ISIK BEST | LEWISTON, IDAHO

My name is Isik Best and I have lived in Idaho all my life. I have a son who is 5 years old, and we live with my fiancé, who has two children ages 6 and 5. We are fortunate to live in subsidized housing as my two jobs combined only provide enough for a very basic lifestyle.

I work as a delivery driver for a local appliance business and I make \$10 an hour working 40 hours a week. My fiancé and I also clean a daycare center in the evenings, which also pays \$10 an hour, but it's only for about 10 hours a week.

We struggle to get through each month – but it was even harder before my fiancé's disability forced us to have her stay home with the kids and not work. With daycare costs, and time and money to transport everyone to and from work and school, it's almost easier now, even though we have less money.

My employer pays a portion of my health insurance and they take \$30 each paycheck for my share of the cost. The children all receive Medicaid. We also receive SNAP in the

amount of \$511 each month, but with our growing family we also have to rely on the food bank. We spend about \$240 for transportation each month.

We have nothing to put in savings, but we try to keep \$5 in our savings account just to keep it open. I don't have a lot of debt, but my fiancé has medical debt totaling more than \$20,000.

Ultimately, low wages and tight budgets create stress and limit everything we do. We feel disappointed that we can't take our kids to do fun stuff in the summer like a trip to Silverwood amusement park, the zoo, or even a movie.

If I had a better paying job, we could buy a house, a decent running car, and save money. We could also think about the future, and begin to put away money for college for the kids. It's tough, but we do what we have to, just to get by.

TABLE 7: IDAHO 2015 Monthly Family Budgets	Household 1: Single adult	Household 2: Single adult with a school-age child (age 6-8yrs)	Household 3: Single adult with a toddler (12-24 months) and a school-age child (6-8yrs)	Household 4: Two adults (one of whom is working) with a toddler and a school-age child	Household 5: Two adults (both of whom are working) with a toddler and a school age child
Food	\$209.63	\$402.91	\$529.78	\$771.08	\$771.08
Housing & Utilities	\$564.31	\$713.47	\$713.47	\$713.47	\$713.47
Transportation	\$625.37	\$571.46	\$571.44	\$1,248.48	\$1,394.28
Health Care	\$134.22	\$285.65	\$391.22	\$442.16	\$442.16
Houshold, clothing, & personal (18%)*	\$383.38	\$493.37	\$551.48	\$793.80	\$830.25
Savings (10%)*	\$212.99	\$274.10	\$306.38	\$441.00	\$461.25
Child Care	\$0.00	\$334.51	\$897.06	\$0.00	\$897.06
State/federal taxes (annually)	\$4,630.50	\$4,871.59	\$5,635.07	\$5,836.74	\$8,157.53
Gross income needed per working adult (monthly)	\$2,515.78	\$3,481.45	\$4,430.41	\$4,896.38	\$3,094.67
Gross income needed per working adult (annually)	\$30,189.33	\$41,777.38	\$53,164.95	\$58,756.58	\$37,136.04
Living Wage per working adult (Hourly)	\$14.51	\$20.09	\$25.56	\$28.25	\$17.85

ILLINOIS



The living wage for a single adult is \$16.93 per hour. This reflects what is needed to meet basic needs and maintain some ability to deal with emergencies and plan ahead. The living wage for a single adult with two children is \$34.14 per hour.

Illinois' minimum wage of \$8.25 does not allow working families to make ends meet. The state's minimum wage provides less than half of a living wage for a single adult and only a quarter of the living wage for a single adult with two children.

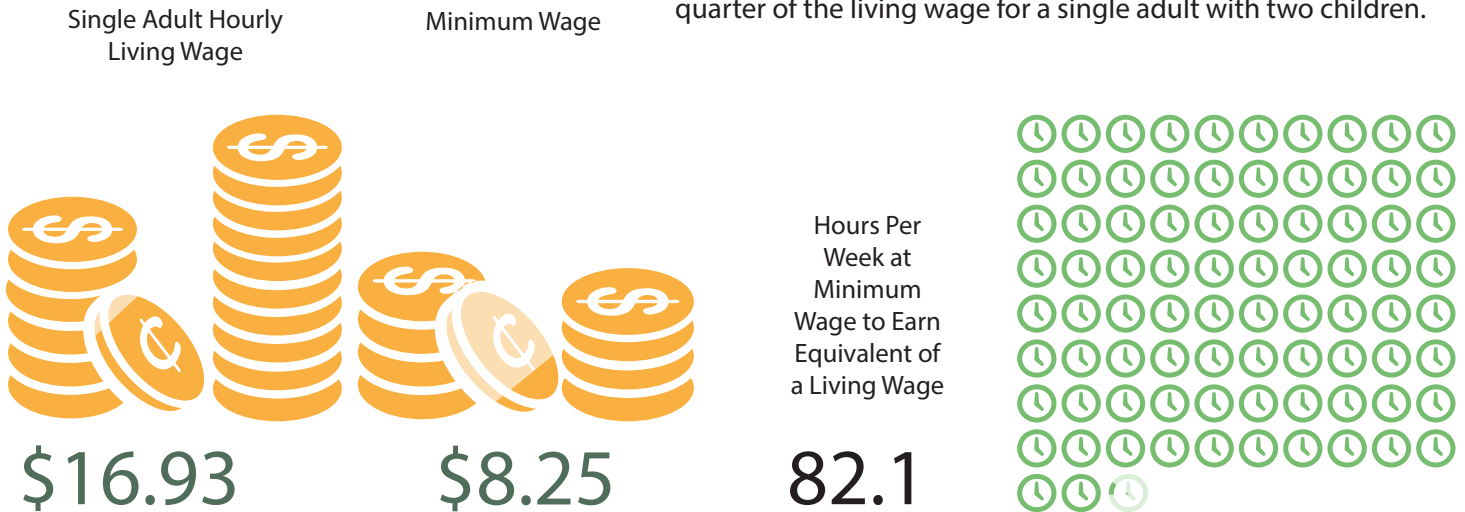


TABLE 8: ILLINOIS 2015 Monthly Family Budgets	Household 1: Single adult	Household 2: Single adult with a school-age child (age 6-8yrs)	Household 3: Single adult with a toddler (12-24 months) and a school-age child (6-8yrs)	Household 4: Two adults (one of whom is working) with a toddler and a school-age child	Household 5: Two adults (both of whom are working) with a toddler and a school age child
Food	\$209.63	\$402.91	\$529.78	\$771.08	\$771.08
Housing & Utilities	\$752.16	\$911.09	\$911.09	\$911.09	\$911.09
Transportation	\$625.37	\$571.46	\$571.44	\$1,248.48	\$1,394.28
Health Care	\$165.59	\$342.02	\$480.66	\$534.57	\$534.57
Houshold, clothing, & personal (18%)*	\$438.19	\$556.87	\$623.24	\$866.30	\$902.75
Savings (10%)*	\$243.44	\$309.37	\$346.25	\$481.28	\$501.53
Child Care	\$0.00	\$652.47	\$1,573.71	\$0.00	\$1,573.71
State/federal taxes (annually)	\$5,996.50	\$8,052.02	\$10,576.40	\$8,410.29	\$13,101.41
Gross income needed per working adult (monthly)	\$2,934.08	\$4,417.20	\$5,917.53	\$5,513.65	\$3,840.39
Gross income needed per working adult (annually)	\$35,208.91	\$53,006.43	\$71,010.37	\$66,163.81	\$46,084.71
Living Wage per working adult (Hourly)	\$16.93	\$25.48	\$34.14	\$31.81	\$22.16

LOUISIANA



The living wage for a single adult is \$15.64 per hour. This reflects what is needed to meet basic needs and maintain some ability to deal with emergencies and plan ahead. The living wage for a single adult with two children is \$27.68 per hour.

Louisiana's minimum wage of \$7.25 does not allow working families to make ends meet. The state's minimum wage provides only 46 percent of a living wage for a single adult and just over a quarter of the living wage for a single adult with two children.

Single Adult Hourly
Living Wage

Minimum Wage



\$15.64

\$7.25

Hours Per
Week at
Minimum
Wage to Earn
Equivalent of
a Living Wage

86.3



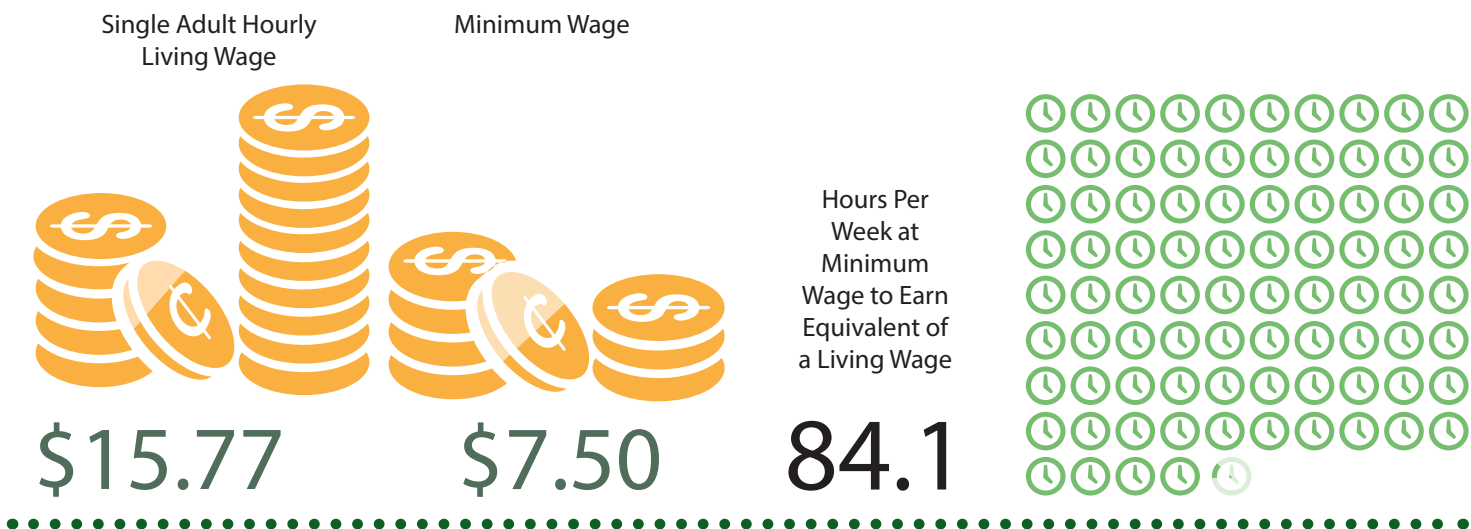
TABLE 9: LOUISIANA 2015 Monthly Family Budgets	Household 1: Single adult	Household 2: Single adult with a school-age child (age 6-8yrs)	Household 3: Single adult with a toddler (12-24 months) and a school-age child (6-8yrs)	Household 4: Two adults (one of whom is working) with a toddler and a school-age child	Household 5: Two adults (both of whom are working) with a toddler and a school age child
Food	\$209.63	\$402.91	\$529.78	\$771.08	\$771.08
Housing & Utilities	\$661.38	\$815.67	\$815.67	\$815.67	\$815.67
Transportation	\$625.37	\$571.46	\$571.44	\$1,248.48	\$1,394.28
Health Care	\$158.98	\$329.41	\$476.34	\$531.86	\$531.86
Houshold, clothing, & personal (18%)*	\$413.84	\$529.86	\$598.31	\$841.77	\$878.22
Savings (10%)*	\$229.91	\$294.37	\$332.39	\$467.65	\$487.90
Child Care	\$0.00	\$370.97	\$918.38	\$0.00	\$918.38
State/federal taxes (annually)	\$4,945.17	\$5,879.69	\$6,657.88	\$7,049.06	\$9,371.00
Gross income needed per working adult (monthly)	\$2,711.21	\$3,804.62	\$4,797.13	\$5,263.93	\$3,289.15
Gross income needed per working adult (annually)	\$32,534.53	\$45,655.48	\$57,565.61	\$63,167.11	\$39,469.83
Living Wage per working adult (Hourly)	\$15.64	\$21.95	\$27.68	\$30.37	\$18.98

MAINE



The living wage for a single adult is \$15.77 per hour. This reflects what is needed to meet basic needs and maintain some ability to deal with emergencies and plan ahead. The living wage for a single adult with two children is \$29.08 per hour.

Maine's minimum wage of \$7.50 does not allow working families to make ends meet. The state's minimum wage provides less than half of a living wage for a single adult and just over a quarter of the living wage for a single adult with two children.



“At one point, I was evicted and had to stay in the homeless shelter for a while until we could get help with a down payment for an apartment. The whole time I was working full time.”

KATIE LOGUE | AUBURN, MAINE

I have been in the retail industry half my life. Much of the last decade I spent as a single mom, struggling to make ends meet on wages that didn't pay enough to cover my expenses. Several years ago, I was making just over the minimum wage, about eight dollars an hour, newly single with a six year old son, trying to find appropriate housing for us.

It was hard to find stable child care that I could afford, and I went through many different jobs because of this. And no matter how hard I tried, there was no way I could afford \$900

to \$1,000 a month for rent. I had a car payment for a car that wasn't even safe, but was my only way to get to work.

At one point, I was evicted and had to stay in the homeless shelter for a while until we could get help with a down payment for an apartment. The whole time I was working full time.

I've been working for the past two and a half years as a cashier at a gas station. I work forty hours a week for \$9.05

an hour, and the only raises I've gotten since I started have been about 20 cents an hour. I work the morning shift from 6 a.m. – 2 p.m., but the days I am asked to work vary each week. We find out Friday afternoon what we are working the next week, starting that following Monday.

I rent a two-bedroom apartment with my new husband Matt and my son Max. My husband works three 12-hour overnights in Portland every week (Friday, Saturday, and Sunday), and makes just \$11 an hour.

We scrape by to make the bills, but have nothing in savings, which means that we don't have anything extra for any unexpected expenses. Every major expense needs to be

planned out months ahead of time. My son's birthday is coming up next month and we are slowly trying to get a few things together for him. I try to make his life as normal as possible but that isn't always easy.

I don't have a retirement account of any kind. Maine did not expand Medicaid under the Affordable Care Act and my son Max and I recently lost our MaineCare coverage. We're buy coverage under the new health insurance exchange and can barely make the payment each month.

If I was paid more, I could fix the problems with the car, buy new shoes before they are completely worn out, and have a savings plan in case of emergencies.

TABLE 10:
MAINE
2015 Monthly
Family Budgets

	Household 1: Single adult	Household 2: Single adult with a school-age child (age 6-8yrs)	Household 3: Single adult with a toddler (12-24 months) and a school-age child (6-8yrs)	Household 4: Two adults (one of whom is working) with a toddler and a school-age child	Household 5: Two adults (both of whom are working) with a toddler and a school age child
Food	\$209.63	\$402.91	\$529.78	\$771.08	\$771.08
Housing & Utilities	\$683.05	\$849.21	\$849.21	\$849.21	\$849.21
Transportation	\$625.37	\$571.46	\$571.44	\$1,248.48	\$1,394.28
Health Care	\$143.89	\$346.49	\$470.85	\$519.83	\$519.83
Houshold, clothing, & personal (18%)*	\$415.48	\$542.52	\$605.32	\$847.15	\$883.60
Savings (10%)*	\$230.82	\$301.40	\$336.29	\$470.64	\$490.89
Child Care	\$0.00	\$384.98	\$1,053.69	\$0.00	\$1,053.69
State/federal taxes (annually)	\$5,096.92	\$6,321.50	\$7,477.83	\$6,811.90	\$9,732.27
Gross income needed per working adult (monthly)	\$2,732.98	\$3,925.76	\$5,039.72	\$5,274.03	\$3,386.79
Gross income needed per working adult (annually)	\$32,795.78	\$47,109.09	\$60,476.69	\$63,288.39	\$40,641.53
Living Wage per working adult (Hourly)	\$15.77	\$22.65	\$29.08	\$30.43	\$19.54

MASSACHUSETTS



The living wage for a single adult is \$19.61 per hour. This reflects what is needed to meet basic needs and maintain some ability to deal with emergencies and plan ahead. The living wage for a single adult with two children is \$43.30 per hour.

Massachusetts' minimum wage of \$9 does not allow working families to make ends meet. The state's minimum wage provides only 46 percent of a living wage for a single adult and only one-fifth of the living wage for a single adult with two children.



TABLE 11: MASSACHU- SETTS 2015 Monthly Family Budgets	Household 1: Single adult	Household 2: Single adult with a school-age child (age 6-8yrs)	Household 3: Single adult with a toddler (12-24 months) and a school-age child (6-8yrs)	Household 4: Two adults (one of whom is working) with a toddler and a school-age child	Household 5: Two adults (both of whom are working) with a toddler and a school age child
Food	\$209.63	\$402.91	\$529.78	\$771.08	\$771.08
Housing & Utilities	\$1,004.46	\$1,256.92	\$1,256.92	\$1,256.92	\$1,256.92
Transportation	\$625.37	\$571.46	\$571.44	\$1,248.48	\$1,394.28
Health Care	\$188.58	\$342.08	\$454.23	\$503.21	\$503.21
Houshold, clothing, & personal (18%)*	\$507.01	\$643.34	\$703.09	\$944.92	\$981.37
Savings (10%)*	\$281.67	\$357.41	\$390.61	\$524.96	\$545.21
Child Care	\$0.00	\$1,076.71	\$2,317.79	\$0.00	\$2,317.79
State/federal taxes (annually)	\$6,981.51	\$11,114.93	\$15,386.99	\$9,252.18	\$16,277.44
Gross income needed per working adult (monthly)	\$3,398.52	\$5,577.08	\$7,506.10	\$6,020.57	\$4,563.15
Gross income needed per working adult (annually)	\$40,782.21	\$66,924.93	\$90,073.21	\$72,246.80	\$54,757.79
Living Wage per working adult (Hourly)	\$19.61	\$32.18	\$43.30	\$34.73	\$26.33

MICHIGAN



The living wage for a single adult is **\$15.30** per hour. This reflects what is needed to meet basic needs and maintain some ability to deal with emergencies and plan ahead. The living wage for a single adult with two children is **\$28.60** per hour.

Michigan's minimum wage of **\$8.15** does not allow working families to make ends meet. The state's minimum wage provides just **53** percent of a living wage for a single adult and just over a quarter of the living wage for a single adult with two children.

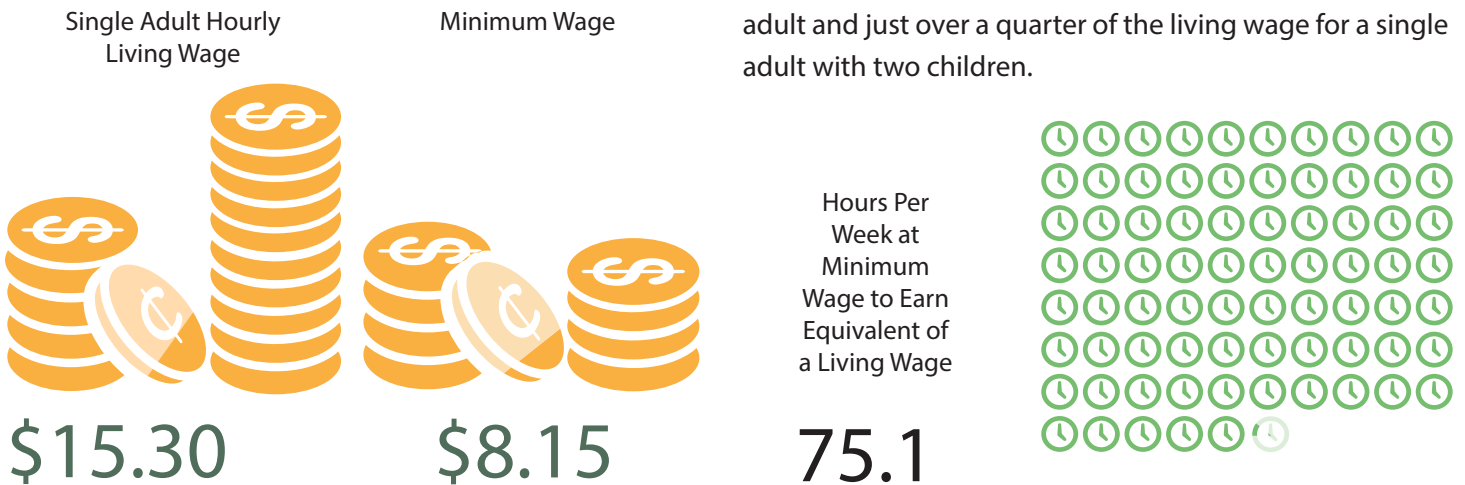
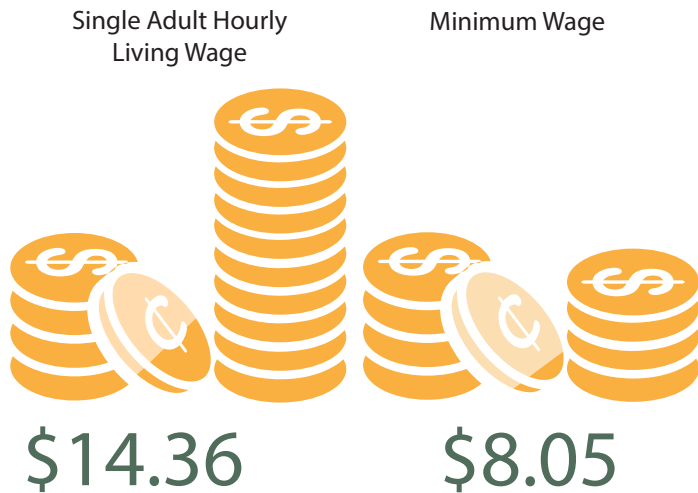
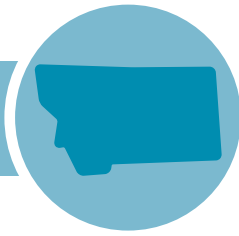


TABLE 12: MICHIGAN 2015 Monthly Family Budgets	Household 1: Single adult	Household 2: Single adult with a school-age child (age 6-8yrs)	Household 3: Single adult with a toddler (12-24 months) and a school-age child (6-8yrs)	Household 4: Two adults (one of whom is working) with a toddler and a school-age child	Household 5: Two adults (both of whom are working) with a toddler and a school age child
Food	\$209.63	\$402.91	\$529.78	\$771.08	\$771.08
Housing & Utilities	\$632.96	\$803.44	\$803.44	\$803.44	\$803.44
Transportation	\$625.37	\$571.46	\$571.44	\$1,248.48	\$1,394.28
Health Care	\$152.80	\$308.28	\$436.88	\$490.79	\$490.79
Houshold, clothing, & personal (18%)*	\$405.19	\$521.52	\$585.38	\$828.44	\$864.89
Savings (10%)*	\$225.10	\$289.73	\$325.21	\$460.25	\$480.50
Child Care	\$0.00	\$443.63	\$1,105.50	\$0.00	\$1,105.50
State/federal taxes (annually)	\$4,817.92	\$5,937.03	\$7,192.60	\$7,038.13	\$10,060.61
Gross income needed per working adult (monthly)	\$2,652.54	\$3,835.73	\$4,957.01	\$5,188.98	\$3,374.42
Gross income needed per working adult (annually)	\$31,830.44	\$46,028.75	\$59,484.14	\$62,267.72	\$40,493.09
Living Wage per working adult (Hourly)	\$15.30	\$22.13	\$28.60	\$29.94	\$19.47

MONTANA



The living wage for a single adult is \$14.36 per hour. This reflects what is needed to meet basic needs and maintain some ability to deal with emergencies and plan ahead. The living wage for a single adult with two children is \$26.77 per hour.

Montana's minimum wage of \$8.05 does not allow working families to make ends meet. The state's minimum wage provides just 56 of a living wage for a single adult and less than one-third of the living wage for a single adult with two children.

Hours Per Week at Minimum Wage to Earn Equivalent of a Living Wage

71.4



TABLE 13: MONTANA 2015 Monthly Family Budgets	Household 1: Single adult	Household 2: Single adult with a school-age child (age 6-8yrs)	Household 3: Single adult with a toddler (12-24 months) and a school-age child (6-8yrs)	Household 4: Two adults (one of whom is working) with a toddler and a school-age child	Household 5: Two adults (both of whom are working) with a toddler and a school age child
Food	\$209.63	\$402.91	\$529.78	\$771.08	\$771.08
Housing & Utilities	\$560.41	\$713.78	\$713.78	\$713.78	\$713.78
Transportation	\$625.37	\$571.46	\$571.44	\$1,248.48	\$1,394.28
Health Care	\$126.28	\$289.50	\$382.42	\$433.37	\$433.37
Houshold, clothing, & personal (18%)*	\$380.42	\$494.41	\$549.35	\$791.67	\$828.12
Savings (10%)*	\$211.34	\$274.67	\$305.20	\$439.82	\$460.07
Child Care	\$0.00	\$376.81	\$1,023.89	\$0.00	\$1,023.89
State/federal taxes (annually)	\$4,514.28	\$5,483.82	\$6,766.28	\$6,668.08	\$9,813.73
Gross income needed per working adult (monthly)	\$2,489.63	\$3,580.53	\$4,639.72	\$4,953.86	\$3,221.20
Gross income needed per working adult (annually)	\$29,875.59	\$42,966.34	\$55,676.59	\$59,446.37	\$38,654.37
Living Wage per working adult (Hourly)	\$14.36	\$20.66	\$26.77	\$28.58	\$18.58

NEW YORK



Single Adult Hourly
Living Wage

Minimum Wage



Hours Per
Week at
Minimum
Wage to Earn
Equivalent of
a Living Wage

91.0



The living wage for a single adult is \$19.90 per hour. This reflects what is needed to meet basic needs and maintain some ability to deal with emergencies and plan ahead. The living wage for a single adult with two children is \$38.13 per hour.

New York's minimum wage of \$8.75 does not allow working families to make ends meet. The state's minimum wage provides only 44 percent of a living wage for a single adult and less than a quarter of the living wage for a single adult with two children.



Everyone who works deserves a living wage, and the opportunity to do better for themselves and their family.

STACY ELLIS | ALBANY, NEW YORK

I'm Stacy Ellis, a 42-year-old single mom of five kids ranging from 6-20 years old. I have been working in fast food for 20 years, in every major chain: Wendy's, Taco Bell, Dunkin' Donuts, Burger King and now McDonald's. I actually really enjoy working with my customers – I love providing great service and making the guest happy by going above and beyond.

I make \$8.75 an hour and we are barely surviving. I am able to get by, mainly because of assistance from social services with rent and such, but also due to the fact that I recently

switched from the day shift to overnight in order to be guaranteed 40 hours.

Now I make exactly enough to cover our rent, electric, food, and transportation. I pay \$585 per month for my rent and social services pays \$190. Prior to the shift change, social services paid \$285 towards my rent.

The reality is that we live less than a paycheck-to-paycheck life. My wages only pay for our living expenses – not shampoo, or a pair of shoes or a school field trip – and there

is no way to get ahead. At the end of the school year, there were several field trips at my children's school. I just could not afford them, so instead of going with their class, my kids sat in the classroom doing busy work.

My kids are forced to go without normal things kids need. My youngest has never had new clothes, just for her. She gets hand me downs from her older siblings, and a lot of the time they are from my 10-year-old son.

It isn't right. I work hard, and I want to be able to provide for my own family without assistance – so when I work

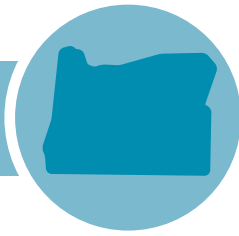
hard, I can see the benefit of that work. Everyone who works deserves a living wage, and the opportunity to do better for themselves and their family.

I am enrolled to go back to college in the fall where I will be finishing my degree. I want to be a social worker helping and supporting at risk youth through the struggles of growing up.

Earning a living wage is critical to my success. If I made \$15 an hour, I could take care of my family's needs, finish school, and build a stronger future that doesn't require public assistance.

TABLE 14: NEW YORK 2015 Monthly Family Budgets	Household 1: Single adult	Household 2: Single adult with a school-age child (age 6-8yrs)	Household 3: Single adult with a toddler (12-24 months) and a school-age child (6-8yrs)	Household 4: Two adults (one of whom is working) with a toddler and a school-age child	Household 5: Two adults (both of whom are working) with a toddler and a school age child
Food	\$209.63	\$402.91	\$529.78	\$771.08	\$771.08
Housing & Utilities	\$1,061.14	\$1,279.89	\$1,279.89	\$1,279.89	\$1,279.89
Transportation	\$625.37	\$571.46	\$571.44	\$1,248.48	\$1,394.28
Health Care	\$158.47	\$301.63	\$425.56	\$474.54	\$474.54
Houshold, clothing, & personal (18%)*	\$513.65	\$638.97	\$701.67	\$943.50	\$979.95
Savings (10%)*	\$285.36	\$354.98	\$389.82	\$524.16	\$544.41
Child Care	\$0.00	\$672.60	\$1,655.71	\$0.00	\$1,655.71
State/federal taxes (annually)	\$7,152.25	\$8,772.40	\$12,663.89	\$9,040.66	\$14,081.33
Gross income needed per working adult (monthly)	\$3,449.64	\$4,953.48	\$6,609.19	\$5,995.04	\$4,136.65
Gross income needed per working adult (annually)	\$41,395.73	\$59,441.71	\$79,310.23	\$71,940.43	\$49,639.80
Living Wage per working adult (Hourly)	\$19.90	\$28.58	\$38.13	\$34.59	\$23.87

OREGON



Single Adult Hourly
Living Wage

Minimum Wage

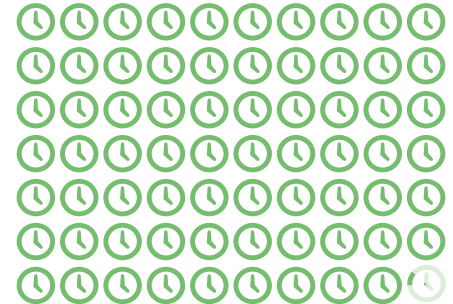


\$15.99

\$9.25

Hours Per
Week at
Minimum
Wage to Earn
Equivalent of
a Living Wage

69.1

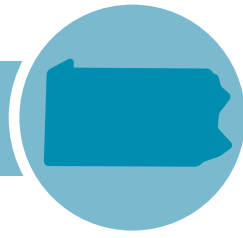


The living wage for a single adult is \$15.99 per hour. This reflects what is needed to meet basic needs and maintain some ability to deal with emergencies and plan ahead. The living wage for a single adult with two children is \$31.23 per hour.

Oregon's minimum wage of \$9.25 does not allow working families to make ends meet. The state's minimum wage provides just 58 percent of a living wage for a single adult and less than one-third of the living wage for a single adult with two children.

TABLE 15: OREGON 2015 Monthly Family Budgets	Household 1: Single adult	Household 2: Single adult with a school-age child (age 6-8yrs)	Household 3: Single adult with a toddler (12-24 months) and a school-age child (6-8yrs)	Household 4: Two adults (one of whom is working) with a toddler and a school-age child	Household 5: Two adults (both of whom are working) with a toddler and a school age child
Food	\$209.63	\$402.91	\$529.78	\$771.08	\$771.08
Housing & Utilities	\$687.78	\$856.13	\$856.13	\$856.13	\$856.13
Transportation	\$625.37	\$571.46	\$571.44	\$1,248.48	\$1,394.28
Health Care	\$119.61	\$329.47	\$453.48	\$504.43	\$504.43
Houshold, clothing, & personal (18%)*	\$410.60	\$539.99	\$602.71	\$845.03	\$881.48
Savings (10%)*	\$228.11	\$299.99	\$334.84	\$469.46	\$489.71
Child Care	\$0.00	\$519.45	\$1,253.72	\$0.00	\$1,253.72
State/federal taxes (annually)	\$5,886.11	\$8,018.62	\$9,734.45	\$8,965.27	\$13,172.90
Gross income needed per working adult (monthly)	\$2,771.61	\$4,187.62	\$5,413.30	\$5,441.70	\$3,624.28
Gross income needed per working adult (annually)	\$33,259.37	\$50,251.41	\$64,959.58	\$65,300.36	\$43,491.36
Living Wage per working adult (Hourly)	\$15.99	\$24.16	\$31.23	\$31.39	\$20.91

PENNSYLVANIA



The living wage for a single adult is **\$16.41** per hour. This reflects what is needed to meet basic needs and maintain some ability to deal with emergencies and plan ahead. The living wage for a single adult with two children is **\$31.67** per hour.

Pennsylvania's minimum wage of **\$7.25** does not allow working families to make ends meet. The state's minimum wage provides just **44** percent of a living wage for a single adult and less than a quarter of the living wage for a single adult with two children.

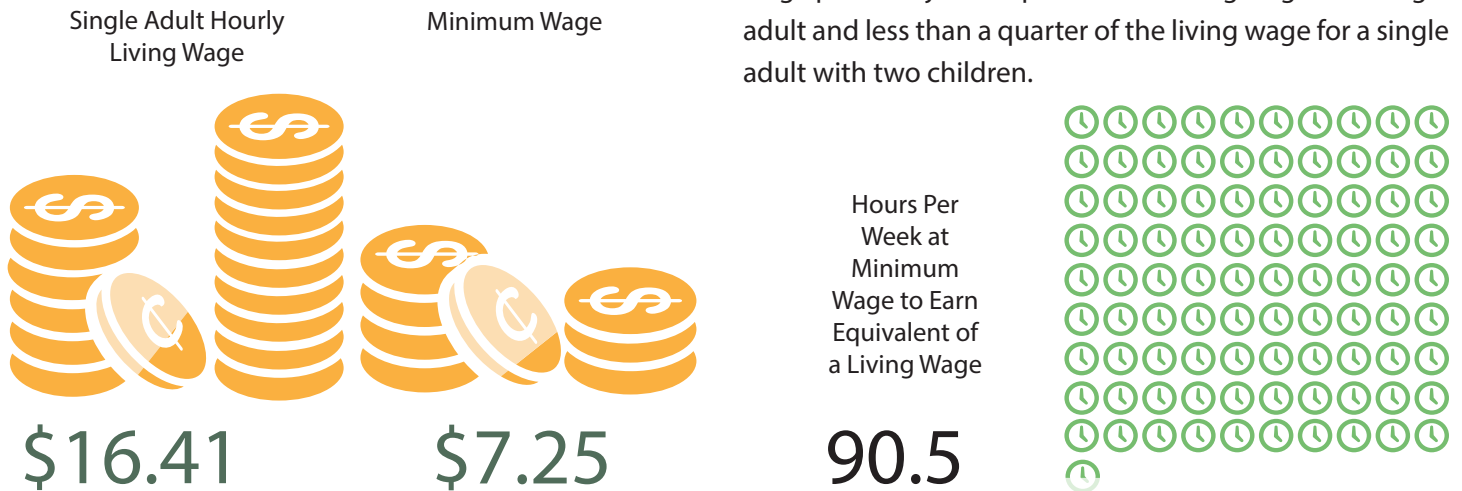


TABLE 16: PENNSYLVANIA 2015 Monthly Family Budgets	Household 1: Single adult	Household 2: Single adult with a school-age child (age 6-8yrs)	Household 3: Single adult with a toddler (12-24 months) and a school-age child (6-8yrs)	Household 4: Two adults (one of whom is working) with a toddler and a school-age child	Household 5: Two adults (both of whom are working) with a toddler and a school age child
Food	\$209.63	\$402.91	\$529.78	\$771.08	\$771.08
Housing & Utilities	\$747.87	\$920.16	\$920.16	\$920.16	\$920.16
Transportation	\$625.37	\$571.46	\$571.44	\$1,248.48	\$1,394.28
Health Care	\$140.07	\$292.98	\$407.33	\$456.31	\$456.31
Houshold, clothing, & personal (18%)*	\$430.73	\$546.88	\$607.18	\$849.01	\$885.46
Savings (10%)*	\$239.30	\$303.82	\$337.32	\$471.67	\$491.92
Child Care	\$0.00	\$595.09	\$1,400.02	\$0.00	\$1,400.02
State/federal taxes (annually)	\$5,411.49	\$7,049.73	\$8,602.65	\$7,423.86	\$11,164.09
Gross income needed per working adult (monthly)	\$2,843.93	\$4,220.77	\$5,490.12	\$5,335.36	\$3,624.78
Gross income needed per working adult (annually)	\$34,127.14	\$50,649.29	\$65,881.39	\$64,024.27	\$43,497.38
Living Wage per working adult (Hourly)	\$16.41	\$24.35	\$31.67	\$30.78	\$20.91

TEXAS



The living wage for a single adult is \$15.75 per hour. This reflects what is needed to meet basic needs and maintain some ability to deal with emergencies and plan ahead. The living wage for a single adult with two children is \$29.39 per hour.

Texas' minimum wage of \$7.25 does not allow working families to make ends meet. The state's minimum wage provides less than half of a living wage for a single adult and just a quarter of the living wage for a single adult with two children.

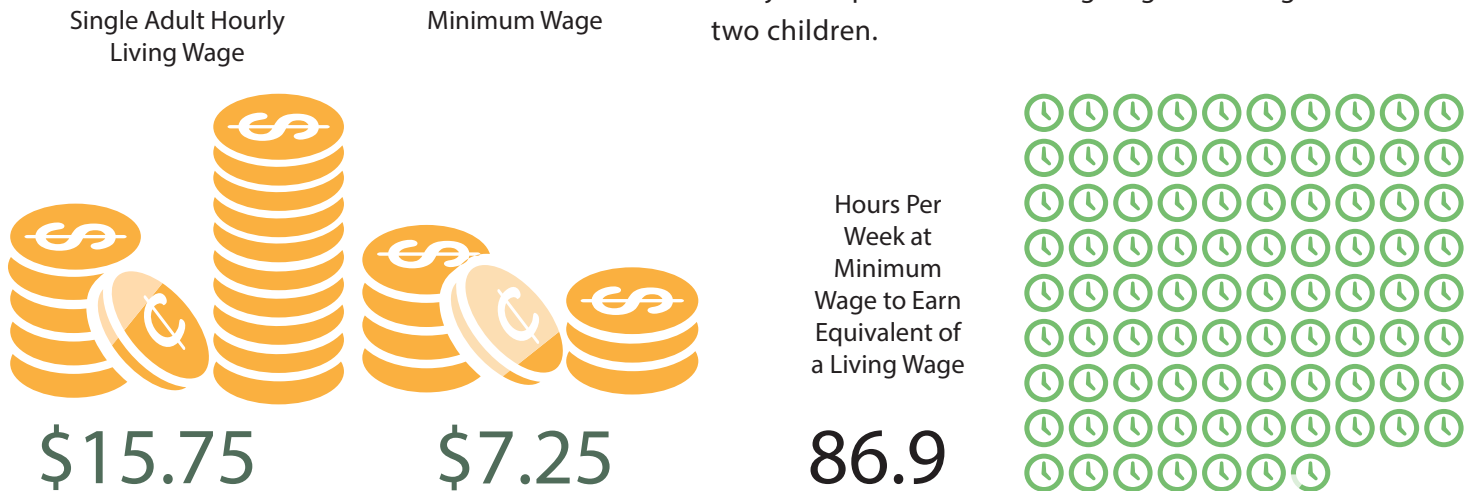


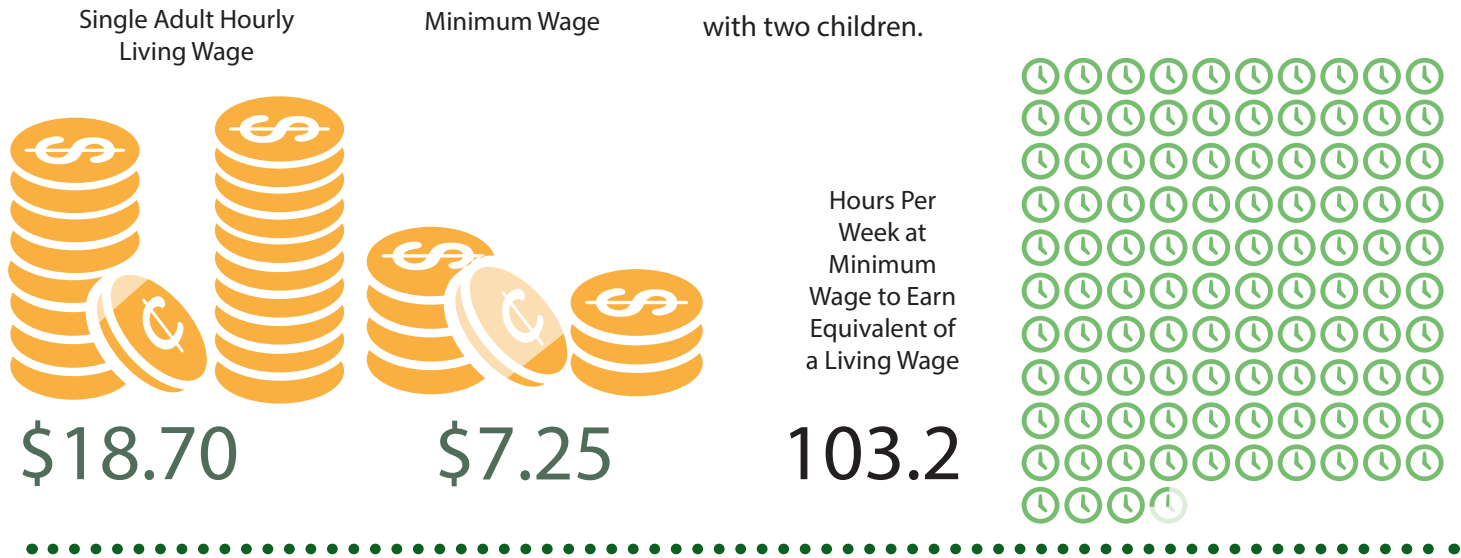
TABLE 17: TEXAS 2015 Monthly Family Budgets	Household 1: Single adult	Household 2: Single adult with a school-age child (age 6-8yrs)	Household 3: Single adult with a toddler (12-24 months) and a school-age child (6-8yrs)	Household 4: Two adults (one of whom is working) with a toddler and a school-age child	Household 5: Two adults (both of whom are working) with a toddler and a school age child
Food	\$209.63	\$402.91	\$529.78	\$771.08	\$771.08
Housing & Utilities	\$711.93	\$890.99	\$890.99	\$890.99	\$890.99
Transportation	\$625.37	\$571.46	\$571.44	\$1,248.48	\$1,394.28
Health Care	\$152.25	\$339.72	\$500.89	\$556.41	\$556.41
Houshold, clothing, & personal (18%)*	\$424.79	\$551.27	\$623.27	\$866.74	\$903.19
Savings (10%)*	\$236.00	\$306.26	\$346.26	\$481.52	\$501.77
Child Care	\$0.00	\$467.23	\$1,122.28	\$0.00	\$1,122.28
State/federal taxes (annually)	\$4,439.90	\$5,398.79	\$6,108.90	\$5,949.72	\$8,351.03
Gross income needed per working adult (monthly)	\$2,729.96	\$3,979.74	\$5,093.99	\$5,311.02	\$3,417.96
Gross income needed per working adult (annually)	\$32,759.52	\$47,756.88	\$61,127.89	\$63,732.19	\$41,015.47
Living Wage per working adult (Hourly)	\$15.75	\$22.96	\$29.39	\$30.64	\$19.72

VIRGINIA



The living wage for a single adult is \$18.70 per hour. This reflects what is needed to meet basic needs and maintain some ability to deal with emergencies and plan ahead. The living wage for a single adult with two children is \$35.51 per hour.

Virginia's minimum wage of \$7.25 does not allow working families to make ends meet. The state's minimum wage provides less than 40 percent of a living wage for a single adult and only one-fifth of the living wage for a single adult with two children.



I work hard every day to make sure my son doesn't ever know that we live in poverty.

MELVIN WHITFIELD | RICHMOND, VIRGINIA

I am a 39-year-old father who has lived in Richmond, Virginia most of my life. I am also an army veteran and now work for \$9.68 an hour in environmental services for a hospital, a service that is the first line of defense against hospital-acquired infections.

My son, my pregnant fiancée, and I, are living in an efficiency apartment and trying to make ends meet on my salary.

I am devoted to my family and want to make sure they are provided for. Even though I have a good education and a

strong work history, I had to take a low-paying job because I couldn't find higher paying work that was convenient to get to by bus. I don't have a car.

Although I am working a custodial job, my real passion is teaching.

Education is my calling and I'm working on finishing my degree so I can be a teacher. I'm not making any excuses. I know I have to work hard to get ahead and I will do whatever I have to do to take care of my family.

I know all too well that I don't make a living wage. I wish I could afford to save for emergencies and move into an apartment with more bedrooms.

It's tough to get ahead when there's always something that comes up and I don't have money saved to afford the extra expenses. I'd like to move my family into a home with more bedrooms and get a car so I can find higher paying work, but there's no way to save when I'm struggling to get by now.

Thankfully, I have veterans' benefits and I'm able to get health care. I would be unable to afford the health

insurance premiums on my salary. Since Virginia hasn't expanded Medicaid, I can't access that help under the federal Affordable Care Act.

As a veteran, I understand sacrifice. I work hard every day to make sure my son doesn't ever know that we live in poverty.

It's hard, but my son doesn't know that. We laugh and love each other as a family, but not having enough money wears on you and puts stress on relationships.

TABLE 18: VIRGINIA 2015 Monthly Family Budgets	Household 1: Single adult	Household 2: Single adult with a school-age child (age 6-8yrs)	Household 3: Single adult with a toddler (12-24 months) and a school-age child (6-8yrs)	Household 4: Two adults (one of whom is working) with a toddler and a school-age child	Household 5: Two adults (both of whom are working) with a toddler and a school age child
Food	\$209.63	\$402.91	\$529.78	\$771.08	\$771.08
Housing & Utilities	\$935.50	\$1,117.33	\$1,117.33	\$1,117.33	\$1,117.33
Transportation	\$625.37	\$571.46	\$571.44	\$1,248.48	\$1,394.28
Health Care	\$161.54	\$325.32	\$500.63	\$556.15	\$556.15
Houshold, clothing, & personal (18%)*	\$483.01	\$604.25	\$679.79	\$923.26	\$959.71
Savings (10%)*	\$268.34	\$335.70	\$377.66	\$512.92	\$533.17
Child Care	\$0.00	\$576.31	\$1,441.19	\$0.00	\$1,441.19
State/federal taxes (annually)	\$6,689.68	\$8,522.49	\$11,254.93	\$9,530.23	\$13,324.05
Gross income needed per working adult (monthly)	\$3,240.85	\$4,643.48	\$6,155.73	\$5,923.39	\$3,941.62
Gross income needed per working adult (annually)	\$38,890.20	\$55,721.79	\$73,868.82	\$71,080.73	\$47,299.43
Living Wage per working adult (Hourly)	\$18.70	\$26.79	\$35.51	\$34.17	\$22.74

WASHINGTON



Single Adult Hourly
Living Wage

Minimum Wage



\$15.95

\$9.47

Hours Per
Week at
Minimum
Wage to Earn
Equivalent of
a Living Wage

67.4



The living wage for a single adult is \$15.95 per hour. This reflects what is needed to meet basic needs and maintain some ability to deal with emergencies and plan ahead. The living wage for a single adult with two children is \$31.04 per hour.

Washington's minimum wage of \$9.47 does not allow working families to make ends meet. The state's minimum wage provides just 59 percent of a living wage for a single adult and less than one-third of the living wage for a single adult with two children.

TABLE 19: WASHINGTON 2015 Monthly Family Budgets	Household 1: Single adult	Household 2: Single adult with a school-age child (age 6-8yrs)	Household 3: Single adult with a toddler (12-24 months) and a school-age child (6-8yrs)	Household 4: Two adults (one of whom is working) with a toddler and a school-age child	Household 5: Two adults (both of whom are working) with a toddler and a school age child
Food	\$209.63	\$402.91	\$529.78	\$771.08	\$771.08
Housing & Utilities	\$775.08	\$973.38	\$973.38	\$973.38	\$973.38
Transportation	\$625.37	\$571.46	\$571.44	\$1,248.48	\$1,394.28
Health Care	\$109.02	\$286.68	\$419.57	\$470.52	\$470.52
Houshold, clothing, & personal (18%)*	\$429.77	\$558.61	\$623.54	\$865.86	\$902.31
Savings (10%)*	\$238.76	\$310.34	\$346.41	\$481.03	\$501.28
Child Care	\$0.00	\$411.62	\$1,337.16	\$0.00	\$1,337.16
State/federal taxes (annually)	\$4,516.70	\$5,354.50	\$6,957.16	\$5,936.79	\$8,924.62
Gross income needed per working adult (monthly)	\$2,764.03	\$3,961.19	\$5,381.05	\$5,305.08	\$3,546.86
Gross income needed per working adult (annually)	\$33,168.37	\$47,534.27	\$64,572.59	\$63,660.90	\$42,562.36
Living Wage per working adult (Hourly)	\$15.95	\$22.85	\$31.04	\$30.61	\$20.46

RECOMMENDATIONS



A living wage for even a single adult is considerably higher than the minimum wage in every state and in Washington, D.C., leaving millions of workers unable to make ends meet. Additionally, women and people of color are more likely to work in low-wage occupations and to earn low wages within those occupations. Ensuring that working families make ends meet will require a variety of tools, including:

Increase the federal minimum wage to a living wage to help workers across all industries. Wages from a full-time job should provide enough income for workers to make ends meet. The federal minimum wage (and state minimum wages) should reflect the true cost of living and set the wage floor at a level that ensures at least enough for a single adult to support herself.

Eliminate the Tipped Subminimum Wage. Ensuring that all workers are covered by the same minimum wage would lift more workers out of poverty and put workers on a level playing field. This would put the responsibility on business owners to pay their workers' wages, rather than relying on customers to make up the difference.

Support unions and collective bargaining. Union members earn higher wages than non-union members, and the gender wage gap is less for unionized workplaces than it is for those that are not unionized. In addition, unions put upward pressure on wages for all workers – even those whose workplaces are not unionized.

Collective bargaining can also help lower the cost of living through access to affordable health insurance and retirement plans, along with benefits like paid sick leave

and paid family leave that guarantees workers are paid while they care for their own health and when they care for their families.

Establish work supports like paid sick days, and expand eligibility for the Family Medical Leave Act to more businesses and occupations. Paid sick leave is crucial to the well-being of all workers; it provides recovery time from illness rather than forcing one to come in sick or risk losing their job.

For parents with children, and especially single mothers who are more likely to be working a low-wage job and living paycheck to paycheck, the risk of losing that job to take care of a sick child is a heartbreaking dilemma.

Additionally, women without maternity leave are at risk of losing their jobs. For women earning less than a living wage, this can threaten their housing, health, and chance for them and their children to stay out of poverty.

Strengthen and enforce equal opportunity statutes. Women and people of color continue to be more likely to earn low wages. Equal opportunity statutes like the Civil Rights Act and affirmative action

were designed to help ensure that women and people of color are not discriminated against in the workplace and in other venues, helping give them a fair shot at earning a higher wage as well as preventing other discrimination.

However, enforcement of these policies isn't consistent, leaving the statutes weak and ineffective. Strengthening and enforcing such statutes can help ensure that the statutes actually benefit women and people of color.

Invest in state and federal safety net programs.

Until there are enough living wage jobs to go around,

families will continue to make tough choices. Federal programs like the Supplemental Nutrition Assistance Program (SNAP) should be strengthened, and state supports like earned income tax credits and child care assistance should be bolstered.

Invest in living wage jobs. Federal, state, and local contracts should be tied to wages and ensure that contracted workers are paid enough to make ends meet.

Additionally, subsidies should go to companies that pay workers a living wage, with consequences for companies that fail to create and retain living wage jobs.

CONCLUSION



Across the country, current minimum wages, both state and federal, fall far short of a living wage. The federal minimum wage of \$7.25 hour represents less than half of the average living wage for a single adult. For families with children, the shortfall is even greater.

Without a living wage, workers and their families must make tough decisions that have long-term consequences. They must either work hours in excess of full-time employment, or they must cut back on necessities. Both options have negative impacts on families and communities but are consequences of an inadequate wage floor.

Even for a single adult, it is impossible to make ends meet at the current minimum wage without cutting back on essentials.

Minimum wage rates should reflect the cost of making ends meet, and at a minimum working full-time should ensure financial stability. Policymakers bear responsibility for establishing wage rates that reflect these standards.

TECHNICAL NOTES

OCCUPATIONAL ANALYSIS

Analysis of individual occupations (using the Bureau of Labor Statistics categories of Retail salespersons; Child-care Workers; Combined Food Preparation and Serving Workers, Including Fast Food; and Waiters and Waitresses) including race and gender dynamics was completed using the Current Population Survey 2014 Annual Social and Economic Supplement. This analysis included only respondents between the age of 18-65 who reported working more than 35 hours per week and who reported some earnings. The weighting variable MARSUPWT was used to calculate annual nationwide estimates.

For analysis of the racial wage gap, respondents were recoded as either White Alone or Person of Color, where White Alone was any respondent who selected White Alone and Person of Color was any respondent who selected a race other than White Alone.

LIVING WAGE ANALYSIS

Given limitations in the available data and continuity of data sets, this study updates the previous Job Gap Economic Prosperity Series living wage calculations as closely as possible using 2014 data. Where 2014 data were not available, data for the closest year available were adjusted for inflation to reflect 2014 dollars.

Family Living Wage Budgets

A living wage is a wage that provides a household with economic self-sufficiency, allowing it to meet its basic needs and have money for savings and miscellaneous personal and household expenses without government subsidy. For this study, a modified market basket approach was used. Household budgets, upon which living wages are based, include:

- v Food;
- v Housing and utilities;
- v Transportation;

- v Health care;
- v Child care;
- v Household, clothing, and personal items;
- v Savings; and
- v State and federal taxes

Household Assumptions

Household types are selected to reflect the range of budget requirements for five household types:

- v Single adult
- v Single adult with one child between the ages of 6 and 8
- v Single adult with two children, one between the ages of 6 and 8 and the other between the ages of 1 and 2
- v Two adults including one wage earner, with two children, one between the ages of 6 and 8 and the other between the ages of 1 and 2
- v Two adults, both wage earners, with two children, one between the ages of 6 and 8 and the other between the ages of 1 and 2

Calculations were completed for a single adult for all 50 states and Washington, D.C., and calculations for the other four household types were completed for 16 states and for Washington, D.C.

Food

Food costs are derived from the “Low Cost Food Plan” in the U.S. Department of Agriculture’s (USDA) monthly report “Cost of Food at Home: U.S. Average at Four Cost Levels.”¹⁵ Food costs are based on an annual average of monthly food costs.

The Low Cost Food plan values are based on food expenditures by the 25th to 50th percentiles of the U.S. population, as determined in the National Household Food Consumption Survey. This plan is 25-50 percent higher than the “Thrifty Food Plan,” which is used as the

basis for food stamp allocations and federal poverty benchmarks. The Thrifty Plan was not used because nutritionists consider it to be nutritionally inadequate on a long-term basis. The Low Cost Plan is based on the assumption that all food is prepared at home.

Households are calculated based on the following: Single Adult HH1 (20-50 year old woman); Single Adult with Child HH2 (20-50-year-old woman and 6-8-year-old child); Single Adult with two children HH3 (20-50-year-old woman, 6-8-year-old child, and 1- to 2-year-old child); HH4 and HH5 are calculated with one woman 20-50 years old, one man 20-50 years old, one 6-8-year-old child, and 1-2-year-old child.

There are no adjustments for these food plans by state or region. Other reports indicate that the variation in food prices is small enough that geographic adjustments are not necessary. The USDA values are based on 2001-2002 data and updated monthly for inflation.¹⁶

Housing and Utilities

Housing and utilities costs are derived from U.S. Department of Housing and Urban Development (HUD) Fair Market Rents and information provided by CenturyLink, Fairpoint, AT&T, Frontier, Sage Telecom, Verizon, Alaska Communications and Hawaiian Telecom.

Fair Market Rent data are provided at a county level.¹⁷ Fair Market Rents are gross rent and utilities estimates “that would be needed to rent privately owned, decent, safe, and sanitary rental housing of a modest (non-luxury) nature with suitable amenities.” They include shelter rent plus the cost of all utilities, except telephones. HUD sets Fair Market Rents at the 40th percentile (in other words, 40 percent of the standard quality rental housing units are at or below this cost, but 60 percent cost more than this figure). The 40th percentile rent is drawn from the distribution of rents of all units occupied by renter households who moved to their present residence within the past 15 months. Public housing units and units less than 2 years old are excluded. It is assumed that families with one or two children will rent a two-bedroom unit, and that a single adult household will rent a

one-bedroom unit.

Affordable housing is typically defined as less than 30 percent of a household’s annual income. Households that spend more than this are considered “cost burdened” and may have difficulty affording other necessities.¹⁸

The cost of basic service for unlimited local calls, with no call waiting, voice messaging, or other extras was determined based on the rates from CenturyLink in Alabama, Arizona, Colorado, Florida, Georgia, Idaho, Iowa, Indiana, Kansas, Michigan, Minnesota, Missouri, Mississippi, Montana, North Carolina, North Dakota, Nebraska, New Jersey, New Mexico, Ohio, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, and Washington. Verizon was used in California, Delaware, Massachusetts, Maryland, Rhode Island and Washington, D.C. and with conversations with experts in New York, where the state has a rate cap for basic phone service. AT&T was used in Arkansas, Illinois, Kentucky, Louisiana, and Oklahoma. In Connecticut and Wisconsin, rates for the most comparable phone plan from Sage Telecom were used, and Fairpoint was used for rates in Maine, Vermont, and New Hampshire. Separately, West Virginia used Frontier rates, Hawaii used Hawaiian Telecom and Alaska used Alaska Communications. The estimate does not include any long distance calls.¹⁹ The estimate also does not include set-up fees, federal fees, or taxes. Each state’s basic phone cost was added to its weighted average Fair Market Rent to determine the whole cost of rent and utilities for the state.

Housing and utilities does not include the cost of Internet, television service, or other additional optional utilities. While many families do include the costs of these in their utilities budget, for the purposes of this study, these are considered optional expenses so are not included in our report.

Transportation

Transportation costs are derived using the 2009 National Household Travel Survey from the U.S. Department of Transportation (DOT)²⁰ and 2012 Internal Revenue Service

(IRS) “Standard Mileage Rates” as an approximate cost for automobile travel.²¹

The transportation component of the family budget is based on the cost of maintaining a private vehicle, and the National Household Travel Survey provides data on the annual vehicle miles of travel. The mileage totals are adjusted for the number of adults, workers and persons in each household.²² The number of annual vehicle miles traveled per household was then multiplied by the IRS standard mileage reimbursement rate for the year of the study which accounts for vehicle cost, insurance, gasoline, repairs, depreciation, and vehicle registration fees.²³

Health Care

Health care expenses include insurance premiums as well as the out-of-pocket costs not covered by insurance. Estimates of health care expenditures are prepared for families that are covered by employer-sponsored insurance.²⁴ While many families now purchase health insurance through state or federal exchanges, the Alliance believes employers should provide insurance and therefore assumes that a living wage would include employer-sponsored insurance. Workers who earn low wages are far more likely than higher-wage earners to contribute a large share of their income to their health insurance premiums.²⁵ Additionally, low-wage workers are much less likely than higher-wage earners to work in companies that offer health insurance to their employees.²⁶ In 2013 in the U.S., 48 percent of the population had employer-based insurance, 6 percent purchased private, individual health insurance, 16 percent were covered by Medicaid, 15 percent were covered by Medicare, and 13 percent were uninsured.²⁷

Employer-Sponsored Insurance:

Average employee contributions to employer-sponsored insurance premiums were obtained for each state from the Insurance Component Tables of the 2013 Medical Expenditure Panel Survey (MEPS).²⁸ Although MEPS contains some information about co-payments and deductibles, it does not provide detailed information about the typical package of health benefits.

Out-of-Pocket Costs:

Out-of-pocket costs represent the medical expenses that are not covered by an insurance policy, and are instead paid by the individual or their family for health care received.²⁹ To arrive at a total figure for health care costs, an average value for out-of-pocket expenses was added to the family share of insurance premiums. Out-of-pocket costs are based upon figures from the 2011 MEPS Household Medical Expenditure Tables, which can be modified to produce specific out-of-pocket data by age and geographic region.³⁰ Out-of-pocket costs for those purchasing private insurance and those buying into employer-sponsored health insurance are calculated using the same methods.

Child Care

Child care expenses are based on the assumption that all single-parent households and households with two working parents require child care services. Estimates are derived from market rate surveys conducted by state welfare agencies. Because the federal government and most states subsidize child care for low-income families up to the 75th percentile — the statewide child care rate at which 75 percent of child care slots may be purchased — state-level data are typically available and are used for these estimates.

As child care market rate surveys are done by each individual state, their methods vary. For this reason, this study’s methods vary slightly state-to-state. Most states provide child care costs by region, while some provide costs by county or ZIP Code. The costs of the various types of child care are averaged for each county, weighted by that county’s population, and summed to produce a weighted average for the cost of child care in each state. 2014 data was used where available, but for states with the most recent Market Rate Survey occurring in a year other than 2014, the figures were adjusted for inflation.

Realizing that school-age children do not attend child care full-time during the school year, school-age children are assumed to attend either half-time or part-time for 9 months (depending on how the state reports data) and full-time for 3 months. In the two-parent household with only one parent working, it is assumed

that child care is not necessary. So, in Household 1 (single adult) and Household 4 (two parents, two children, with only one working parent), child care costs are \$0.

Household, Clothing, and Personal Items

Household, clothing, and personal spending estimates are derived from the Consumer Expenditure Survey (CES) and are calculated as a fixed percentage of total household spending minus child care and taxes.³¹ Spending on these items, as a proportion of total income, is consistent across income categories. No detailed expenditures or needs-based estimates are available for these budget categories. A total percentage of 18 percent for this item is used in the household budget, based on the 1998 CES estimates. It is essential to use a percentage for household, clothing, and personal expenditures that is fixed over time. The first year of the Job Gap study was based on CES data from 1998. We believe that data from that year fairly represent household costs, and we have used the same proportions for subsequent years of this study. As defined by the CES:

1. Household costs include laundry and cleaning supplies, stationery supplies and postage, household linens (towels, sheets, etc.), sewing materials, furniture, floor coverings, major appliances, miscellaneous house wares (small appliances, plates, etc.), and other items needed to operate and maintain a household. Household costs are estimated at five percent.
2. Clothing and personal costs include clothing, personal care products, reading materials, and other personal expenses. Clothing and personal costs are estimated at six percent.
3. Recreation and entertainment costs include fees for participant sports, admissions to sporting events, movies and video rentals, TV/sound equipment, music, pets, toys, and other entertainment expenses. Entertainment costs are estimated at five percent.
4. Miscellaneous costs include items not covered in the above categories such as school supplies,

bank fees, and credit card finance charges.

Miscellaneous costs are estimated at 2 percent.

Savings

The American Savings Education Council (ASEC) has developed a formula for estimating the percentage of household income that families should save.³² This study assumes that workers are not enrolled in employer-sponsored retirement plans, given that only 33 percent of those with incomes between \$10,000 and \$25,000 participate in an employer-sponsored retirement plan.³³ When applied to households in our study, the recommendation is that families should save between seven and 13 percent of household income for retirement. Using the lower estimate of seven percent, an additional three percent was added to cover emergencies and allow families to plan ahead. Savings rates are set at 10 percent of spending minus child care and taxes.³⁴

State and Federal Taxes

Taxes include federal taxes (including child care credits and the Earned Income Tax Credit), payroll taxes (Social Security and Medicare), and state income taxes where applicable. Property taxes are not included here because they are accounted for in housing (rental) costs, though rental credits are included where applicable. State and local sales taxes are not added to the income tax figure because they are already reflected in the cost of food, transportation, and household costs.³⁵

The total living wage budget before taxes is assumed to represent each household's annual income when calculating taxes. Federal and state income tax returns are prepared for each household using software from H&R Block.³⁶ Employment taxes are calculated at 7.65 percent of earned income (6.2 percent for Social Security, 1.45 percent for Medicare). For federal taxes it is assumed that families use the standard deduction and that there is no source of outside income. Where appropriate, deductions are made for applicable child care and EITC benefits, including the \$600 per child credit. Once the tax amount is calculated, it is added to each family's monthly budget to determine the total living wage.

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