

The Job Gap Economic Prosperity Series:

WAITING FOR THE

PAYOFF

By Allyson Fredericksen | October 2016



How Low Wages and Student Debt

Keep Prosperity Out of Reach

PEOPLE'S
ACTION
INSTITUTE

The Job Gap Economic Prosperity Series:

WAITING FOR THE PAYOFF

EXECUTIVE SUMMARY	2	Maine	19
INTRODUCTION	3	Michigan	20
THE LIVING WAGE	4	Montana	21
STUDENT DEBT	6	New Mexico	22
STUDENT DEBT AND THE LIVING WAGE	8	New York	23
STATE FINDINGS	10	Oregon	24
California	10	South Carolina	25
Connecticut	11	Virginia	26
District of Columbia	12	Washington	27
Florida	13	Wisconsin	28
Idaho	14	RECOMMENDATIONS	29
Illinois	15	TECHNICAL NOTES	30
Iowa	16	REFERENCES	34
Kansas	17	ACKNOWLEDGEMENTS	37
Louisiana	18		

The 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.com.

Executive Summary

Education is often lauded as the great equalizer and a solution to the growing income gap. But, as the cost of college breaks family budgets and requires students to take out thousands of dollars in educational loans, wages, even for those with a degree, have not kept pace, and have even declined in many occupations.

For millions of people in the United States, it is difficult to pay even for basic expenses like food or housing, let alone to put money aside for emergency or retirement savings or to pay off student debt.

Beginning in 1999, the Alliance for a Just Society produced an annual living wage report calculating how much it actually costs to make ends meet, including paying for basic expenses like food and housing, as well as the ability to save for the future. Now that the Alliance for a Just Society is part of People's Action Institute, this report series will continue that work to show how current state and federal minimum wage rates fall short of providing a true living wage.

In 42 states and in Washington, D.C., the living wage for a single adult is greater than \$15 per hour, and in 26 states it exceeds \$16 per hour. Nationally, the living wage for a single adult is closer to \$17.28 an hour. When adding in repayment of student debt, the national living wage for a single adult rises to \$18.67 per hour.

For families with children, the cost to make ends meet is even higher. In the 18 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 \$26.39 in South Carolina to \$41.11 in California, and \$43.86 in Washington, D.C.

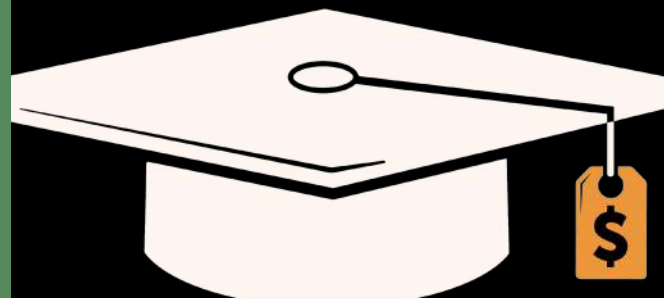
While 43 million people in the United States have student loan debt,¹ the distribution and impact of that debt is not equal. Students of color and their families are more likely to take out student loans,² and, while the average starting wage for those with a bachelor's degree is enough to cover expenses including student debt, majors with more women and people of color see starting wages below the cost of living. And, because women and people of color are overrepresented in low-wage work³ due to underlying structural issues and discrimination, they are more likely to struggle to pay off student loans after graduation.^{4 5}

When workers aren't paid enough to cover their cost of living, set aside some savings and pay their student debt, something has to give. That may mean foregoing payments on their student loans, or it might mean leaving the utility bill unpaid to put food on the table.

Attending college should not require students to be saddled with thousands of dollars in debt after graduation, and those who graduate with debt need jobs that pay enough to make ends meet, including the ability to repay their loans.

Introduction

When adding in repayment of student debt, the national living wage for a single adult rises to \$18.67 per hour.



What does it really take to make ends meet? Is a person really making ends meet if they or their family lacks access to quality health care, to affordable child care, to an affordable place to live, or doesn't have enough left over to save for emergencies and eventual retirement? What if a person can pay basic expenses, but does not have enough to pay for college or to repay their student loans?

Millions of people in the United States find it is difficult to even pay for basic expenses like food or housing, let alone have enough to put some aside for emergency or retirement savings, or to pay off their student debt.

Beginning in 1999, the Alliance for a Just Society produced an annual living wage report calculating how much it actually costs to make ends meet for households in select states. Last year, for the first time, the report included a living wage calculation for all 50 states and Washington, D.C. Now that the Alliance for a Just Society is part of People's Action Institute, this report series will continue to examine what it takes to make ends meet and show how current state and federal minimum wages rates fall short of providing a true living wage.

A living wage represents the amount a full-time worker

needs to be paid to make ends meet, including 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 higher than most people would guess.

Traditionally, though, a living wage does not include debt payments. This year, we also include a student debt living wage that takes into account the median monthly student debt payment in each state.

In 42 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 \$14.50 an hour. Nationally, the living wage for a single adult is closer to \$17.28 an hour. When adding in repayment of student debt, the national living wage for a single adult rises to \$18.67 per hour. For working families with children, the cost to make ends meet is even higher.

In the 18 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 \$26.39 in South Carolina to \$41.11 in California, and \$43.86 in Washington D.C.

While 43 million people in the United States have student loan debt,⁶ that debt is neither distributed equally nor is the impact of that debt the same for all borrowers. Students of color are more likely to take out student loans than are white students.⁷ And, because hiring discrimination and systemic and historical oppression mean women and people of color are more likely to be paid low wages,⁸ they are more likely to struggle to pay off their student loans after graduation.^{9,10}

When workers are paid a wage that falls short of their cost of living, including savings and student debt payments,

The Living Wage

While 29 states and Washington, D.C. have a state minimum wage that is higher than the federal minimum wage,¹¹ all fall well short of an actual living wage. The federal living wage for a single adult, as a weighted average of states' living wages, is \$17.28 per hour, or nearly \$36,000 annually. The federal minimum wage of \$7.25 provides just 42 percent of that.

As previous research has shown,¹² there are not enough living wage jobs to go around. This year's research shows an increase in the living wage for a single adult in nearly every state and at the national level. A combination of state and local campaigns and, in some cases, automatic increases secured in previous years led to a large number of cities and counties, as well as 17 states and Washington, D.C., to increase their minimum wage in the last year.^{13, 14} While these increases have made a significant difference in the lives of low-wage workers, even these increases have not provided workers with a living wage.

Forty-three states have a living wage above \$15 per hour for a single adult, and in no state can a single adult make ends meet on less than \$14.50 per hour. Yet, only nine states have a minimum wage greater than \$9 per hour and while California and Massachusetts reach \$10 per hour, each still falls well short of providing a living wage. Even Washington, D.C.'s recent minimum wage increase to \$11.50 provides only 52 percent of the District's single adult living wage.

Additionally, 43 states and Washington, D.C. have a lower minimum wage for tipped workers than for non-tipped workers.¹⁵ Tipped occupations such as restaurant service are often seen as a way to help students through college. However, half of tipped workers are 30 years or older and tipped workers live in poverty at three times the rate of the overall workforce.¹⁶ And, with women and people of color

something has to give. Working families make tough choices on what to cut. Yet, when it comes to buying food versus making a student debt payment, the choice for most people is clear.

Students should not be saddled with thousands of dollars in debt after graduation. However, those who do graduate with debt need jobs that pay enough to make ends meet. And, making ends meet should include not only basic necessities like food and housing, but the ability to put aside money for savings and to pay off existing debt.

more likely to work in tipped occupations, separate tipped subminimum wages only keep tipped workers farther from financial stability.

The success of higher minimum wages at the city and county level,¹⁷ as well as lower poverty rates for workers in states that do not have a separate base wage for tipped workers,¹⁸ shows that even greater increases and one fair wage for all workers can help workers and their communities to thrive.

What is a Living Wage?

A living wage allows families to meet their basic needs, without public assistance, and 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 at 40 hours per week, for 52 weeks per year (year-round).

Living wage calculations are based on data from 2015 or the most recent year available, adjusted for inflation, and use publicly available datasets from state and federal sources.

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

State	Single Adult Hourly Living Wage	Minimum Wage	Minimum Wage as % of Living Wage	State	Single Adult Hourly Living Wage	Minimum Wage	Minimum Wage as % of Living Wage
Alabama	\$15.49	\$7.25	47%	Montana	\$14.93	\$8.05	54%
Alaska	\$17.92	\$9.75	54%	Nebraska	\$15.03	\$9.00	60%
Arizona	\$16.18	\$8.05	50%	Nevada	\$16.62	\$8.25	50%
Arkansas	\$14.58	\$8.00	55%	New Hampshire	\$17.68	\$7.25	41%
California	\$19.90	\$10.00	50%	New Jersey	\$20.08	\$8.38	42%
Colorado	\$17.48	\$8.31	48%	New Mexico	\$15.60	\$7.50	48%
Connecticut	\$19.57	\$9.60	49%	New York	\$20.42	\$9.00	44%
Delaware	\$18.33	\$8.25	45%	North Carolina	\$15.88	\$7.25	46%
District of Columbia	\$21.92	\$11.50	52%	North Dakota	\$14.98	\$7.25	48%
Florida	\$17.29	\$8.05	47%	Ohio	\$14.96	\$8.10	54%
Georgia	\$16.48	\$7.25	44%	Oklahoma	\$14.96	\$7.25	48%
Hawaii	\$21.73	\$8.50	39%	Oregon	\$16.49	\$9.75	59%
Idaho	\$14.90	\$7.25	49%	Pennsylvania	\$16.73	\$7.25	43%
Illinois	\$17.57	\$8.25	47%	Rhode Island	\$17.33	\$9.60	55%
Indiana	\$15.46	\$7.25	47%	South Carolina	\$15.79	\$7.25	46%
Iowa	\$15.10	\$7.25	48%	South Dakota	\$14.50	\$8.55	59%
Kansas	\$15.23	\$7.25	48%	Tennessee	\$15.27	\$7.25	47%
Kentucky	\$15.03	\$7.25	48%	Texas	\$15.91	\$7.25	46%
Louisiana	\$15.87	\$7.25	46%	Utah	\$16.06	\$7.25	45%
Maine	\$16.27	\$7.50	46%	Vermont	\$17.89	\$9.60	54%
Maryland	\$20.40	\$8.75	43%	Virginia	\$18.95	\$7.25	38%
Massachusetts	\$19.98	\$10.00	50%	Washington	\$17.59	\$9.47	54%
Michigan	\$15.78	\$8.50	54%	West Virginia	\$15.00	\$8.75	58%
Minnesota	\$16.52	\$9.50	58%	Wisconsin	\$15.69	\$7.25	46%
Mississippi	\$15.18	\$7.25	48%	Wyoming	\$15.05	\$7.25	48%
Missouri	\$15.39	\$7.65	50%				

Table 1: Single Adult Living Wage vs. Minimum Wage by State

Student Debt

At \$1.3 trillion,¹⁹ student loan debt is second only to mortgage debt as the largest share of all consumer debt, with 43 million borrowers nationwide.²⁰ Increased tuition, room and board, and other fees – along with stagnant or declining real wages²¹ – leave families unable to afford the cost of attending even once-affordable public universities. Instead, students and their families take out thousands of dollars in student loans, adding costs to graduates' and sometimes families' budgets for years to come.

In 2006, the average total cost of attending a public 4-year university, including tuition, room and board, and other fees, was \$12,796 per year,²² or about \$15,287 in 2016 dollars. Today, that figure has risen to \$19,548 per year.²³ State investment in higher education has dropped across the country in recent years,²⁴ leaving students and their families to pick up a larger percentage of the total cost of attending college. That higher

That higher price tag for students and their families has not coincided with higher wages.

price tag for students and their families has not coincided with higher wages. Instead, wages have largely remained stagnant or dropped over the past several years,²⁵ leaving families with less money and greater costs. State and federal grants and scholarships have failed to keep up,²⁶ resulting in 70 percent of students relying on loans to help make up the difference.²⁷

In 2015, the national median student debt load for graduates of all higher education institutions was \$23,581, with a median payment of \$242 per month.²⁸ Across the country, the median student debt load for graduates upon starting repayment ranges from a low of \$14,104 in Wyoming, where most students attend 2-year colleges, to a high of \$28,205 in Hawaii, and \$32,282 in Washington, D.C.

Due to some of the same factors blocking many people of color from high-wage employment, student debt especially impacts students of color and their families. A 2013 study found that while 65 percent of white households borrowed money for college, 67 percent of Latinos and 80 percent of black households borrowed.²⁹ Additionally, black and Latino students are more likely to attend for-profit institutions, which notoriously require students to take out significant student loan debt, and are less likely to complete their degree, leaving them with student loan debt but less access to high-wage employment.³⁰



Eric Holmberg
CHICAGO, IL

I grew up in Nebraska and am now a junior at the University of Chicago, where I also work as a barista. My parents worked hard to provide for me and my siblings when we were growing up, but I am a self-supporting college student, which means that I rely entirely on my school's financial aid package to attend college.

In addition to taking out tens of thousands of dollars of loans, the University of Chicago requires me to work throughout the school year and summer in order to pay for school. I am expected to put a majority of my earnings toward tuition, leaving little for rent or groceries, let alone services I need that the university does not provide.

I appreciate the value of hard work, but it is disappointing when my wealthier peers do better in class, exceed in extracurricular activities, or get more sleep than I do because they don't have to spend so many hours working a low-wage job to survive.

If I were making a living wage, I could afford to spend more of my time in college on schoolwork and personal enrichment. My pursuit of education is held back by poverty wages.

I'm organizing workers and residents in Cook County to pass legislation to pay workers a living wage. As a student, getting a living wage on campus matters to me not only because it would help me make ends meet, but because it would affect student and non-student workers alike and

make our university a better place. We are told that students are not full workers deserving of high wages, because we are young and dependent on our university, but this is a false narrative. Fighting for living wages has allowed me to build relationships with older service workers on my campus who also suffer from poverty wages. We share many common experiences and we would all benefit from living wages.

State	Median Student Debt	Median Monthly Payment	State	Median Student Debt	Median Monthly Payment
Alabama	\$25,162	\$258	Montana	\$21,848	\$224
Alaska	\$15,451	\$159	Nebraska	\$24,970	\$256
Arizona	\$21,168	\$217	Nevada	\$25,049	\$257
Arkansas	\$25,832	\$265	New Hampshire	\$21,629	\$222
California	\$19,445	\$200	New Jersey	\$22,780	\$234
Colorado	\$24,623	\$253	New Mexico	\$24,679	\$253
Connecticut	\$23,651	\$243	New York	\$20,181	\$207
Delaware	\$24,925	\$256	North Carolina	\$25,687	\$264
District of Columbia	\$32,282	\$331	North Dakota	\$20,831	\$214
Florida	\$22,637	\$232	Ohio	\$23,533	\$242
Georgia	\$25,650	\$263	Oklahoma	\$25,671	\$263
Hawaii	\$28,205	\$289	Oregon	\$27,112	\$278
Idaho	\$27,993	\$287	Pennsylvania	\$25,714	\$264
Illinois	\$22,471	\$231	Rhode Island	\$19,572	\$201
Indiana	\$21,681	\$223	South Carolina	\$24,424	\$251
Iowa	\$27,700	\$284	South Dakota	\$27,501	\$282
Kansas	\$21,051	\$216	Tennessee	\$24,549	\$252
Kentucky	\$25,297	\$260	Texas	\$20,790	\$213
Louisiana	\$22,522	\$231	Utah	\$25,869	\$265
Maine	\$24,414	\$251	Vermont	\$21,939	\$225
Maryland	\$27,447	\$282	Virginia	\$26,026	\$267
Massachusetts	\$22,708	\$233	Washington	\$22,559	\$232
Michigan	\$23,253	\$239	West Virginia	\$23,375	\$240
Minnesota	\$23,905	\$245	Wisconsin	\$25,464	\$261
Mississippi	\$25,959	\$266	Wyoming	\$14,104	\$145
Missouri	\$24,380	\$250			

Table 2: Median Student Debt and Monthly Payment for Graduates by State

Student Debt and the Living Wage

While traditionally living wage calculations have not included any debt payments or payments for college, the reality is that workers paying for college or paying off student debts actually face a higher cost of living than those who are not. Even for households with incomes that otherwise approach a typical living wage, adding hundreds of dollars per month for education can eliminate the possibility of financial stability.

When student debt payments are added to the traditional living wage, the national student debt living wage for a single adult climbs to \$18.67 per hour. Across the country, adding in median monthly student debt payments would increase single adult living wages to more than \$16 per hour in every state and more than \$17 per hour in most states.

State	Hourly Living Wage	Student Debt Hourly Living Wage	State	Hourly Living Wage	Student Debt Hourly Living Wage
Alabama	\$15.49	\$16.98	Montana	\$14.93	\$16.23
Alaska	\$17.92	\$18.84	Nebraska	\$15.03	\$16.51
Arizona	\$16.18	\$17.43	Nevada	\$16.62	\$18.10
Arkansas	\$14.58	\$16.11	New Hampshire	\$17.68	\$18.96
California	\$19.90	\$21.05	New Jersey	\$20.08	\$21.42
Colorado	\$17.48	\$18.93	New Mexico	\$15.60	\$17.06
Connecticut	\$19.57	\$20.97	New York	\$20.42	\$21.62
Delaware	\$18.33	\$19.80	North Carolina	\$15.88	\$17.40
District of Columbia	\$21.92	\$23.83	North Dakota	\$14.98	\$16.22
Florida	\$17.29	\$18.63	Ohio	\$14.96	\$16.35
Georgia	\$16.48	\$18.00	Oklahoma	\$14.96	\$16.48
Hawaii	\$21.73	\$23.40	Oregon	\$16.49	\$18.10
Idaho	\$14.90	\$16.56	Pennsylvania	\$16.73	\$18.25
Illinois	\$17.57	\$18.90	Rhode Island	\$17.33	\$18.49
Indiana	\$15.46	\$16.74	South Carolina	\$15.79	\$17.24
Iowa	\$15.10	\$16.74	South Dakota	\$14.50	\$16.13
Kansas	\$15.23	\$16.48	Tennessee	\$15.27	\$16.72
Kentucky	\$15.03	\$16.53	Texas	\$15.91	\$17.14
Louisiana	\$15.87	\$17.21	Utah	\$16.06	\$17.59
Maine	\$16.27	\$17.71	Vermont	\$17.89	\$19.19
Maryland	\$20.40	\$22.02	Virginia	\$18.95	\$20.49
Massachusetts	\$19.98	\$21.32	Washington	\$17.59	\$18.93
Michigan	\$15.78	\$17.16	West Virginia	\$15.00	\$16.38
Minnesota	\$16.52	\$17.93	Wisconsin	\$15.69	\$17.20
Mississippi	\$15.18	\$16.71	Wyoming	\$15.05	\$15.89
Missouri	\$15.39	\$16.83			

Table 3: Traditional Single Adult Living Wage vs. Student Debt Living Wage by State

Though the average starting salary for bachelor's degree graduates is enough to cover the student debt living wage for a single adult, at \$50,651, or \$24.35 per hour,³¹ salaries vary widely by major. For example, majors with a high proportion of white males, such as computer and information sciences,³² see starting salaries of \$65,000. At the same time, English and Psychology, which see more women and people of color, have median starting salaries of \$35,000 and \$32,750 per year, respectively – lower even than the traditional living wage for a single adult. As with employment, both overt and systemic discrimination also play a part in college majors' demographics,³³ reinforcing a system where women and people of color are more likely to be in lower-paying work after graduation.

In fact, overall women and people of color with bachelor's degrees are paid significantly less than white males.³³ For example, black men and Latinos with bachelor's degrees are paid 78 cents and 81 cents, respectively, for every dollar paid to similarly-educated white men. Black women and Latinas with degrees are paid only 72 cents and 69 cents for every dollar paid to white men with degrees. These disparities are caused by discrimination in hiring, as well as systemic barriers and assumptions about what work is valued. This makes it more difficult for women and people of color to make ends meet, to cover basic expenses and to pay off their student debt.



Tonja Galvan
DES MOINES, IA

You might think that three paychecks would be enough for a family of four to make ends meet, but for my family and others like us who are paid low wages, it often doesn't come close. I have worked at the John Deere plant in Ankeny, Iowa for about nine years. It's a good job that pays what looks like a good wage – over \$20 per hour – but at the end of the month it doesn't go very far. My paycheck not only supports me, but also goes toward helping out my mom, my daughter, and my 8-year-old granddaughter, since we all moved in together to help each other out. While my mom and daughter are working too, both are paid much lower wages than I am. On top of that, my daughter is going to college right now, chipping away at her time and our budget.

On top of everything else, I don't even know how much longer I'll have a job. Over the past three years my company has laid off over 800 people, and we know it's just a matter of time before the rest of us at the plant get laid off, too. Planning for that future is impossible. Utilities have gone up, the mortgage has gone up; when we can't pay everything, we just choose bills out of a hat to see what we'll pay and what we'll push to the next month. It might not be the best system, but at least it helps keep the stress down.

For now, we push forward and lean on one another. More job stability and higher wages for everyone would mean that we don't have to all live together, and that my granddaughter wouldn't have to ask me if we can help find furniture for her classmate's family.

Because that's the thing: this isn't just us. All across our neighborhood, other families are struggling to get by, too. At least we have each other, and I know that we're teaching my granddaughter about the value of family and of sticking together through thick and thin.

Our family and our community would all be better off if jobs were steady and paid enough for us to actually make ends meet.

State Findings

Across the country, the living wage for a single adult ranges from \$14.50 per hour in South Dakota to \$21.73 in Hawaii, and \$21.92 per hour in Washington, D.C. For families with children, though, the cost of living can be even greater. In addition to the living wage for a single adult, the living wage for four other family sizes was calculated for 18 states and

for the District of Columbia. These other household sizes illustrate the added costs for families with children, including the high cost of child care. While no states' minimum wage provides a living wage for a single adult, those wage floors fall even shorter of providing enough for people with children to make ends meet.



California

\$19.90

Single Adult
Hourly Living Wage

\$10.00

Minimum Wage

\$21.05

Student Debt
Hourly Living Wage

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 \$41.11 per hour. For those paying off student debt after graduating from college, the living wage for a single adult increases to \$21.05, based on the state's median student debt payment.

California's minimum wage of \$10 does not allow working families to make ends meet. The state's minimum wage provides only 50 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 4:
California
2016 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	\$210.00	\$405.76	\$533.03	\$775.23	\$775.23
Housing & Utilities	\$1,084.70	\$1,383.27	\$1,383.27	\$1,383.27	\$1,383.27
Transportation	\$642.12	\$586.77	\$586.75	\$1,281.92	\$1,431.63
Health Care	\$154.40	\$368.88	\$506.28	\$563.75	\$563.75
Houshold, clothing, & personal (18%)	\$522.81	\$686.17	\$752.33	\$1,001.04	\$1,038.47
Savings (10%)	\$290.45	\$381.20	\$417.96	\$556.13	\$576.93
Child Care	\$0.00	\$570.30	\$1,782.91	\$0.00	\$1,782.91
State/federal taxes (annually)	\$6,532.61	\$9,107.99	\$13,949.20	\$8,332.62	\$13,707.78
Gross income needed per working adult (monthly)	\$3,448.86	\$5,141.35	\$7,124.96	\$6,255.72	\$4,347.24
Gross income needed per working adult (annually)	\$41,386.30	\$61,696.19	\$85,499.52	\$75,068.67	\$52,166.91
Living Wage per working adult (hourly)	\$19.90	\$29.66	\$41.11	\$36.09	\$25.08



Connecticut

\$19.57

Single Adult
Hourly Living Wage

\$9.60

Minimum Wage

\$20.97

Student Debt
Hourly Living Wage

The living wage for a single adult is \$19.57 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 \$41.09 per hour. For those paying off student debt after graduating from college, the living wage for a single adult increases to \$20.97, based on the state's median student debt payment.

Connecticut's minimum wage of \$9.60 does not allow working families to make ends meet. The state's minimum wage provides only 49 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 5:
Connecticut
2016 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	\$210.00	\$405.76	\$533.03	\$775.23	\$775.23
Housing & Utilities	\$1,029.01	\$1,293.79	\$1,293.79	\$1,293.79	\$1,293.79
Transportation	\$642.12	\$586.77	\$586.75	\$1,281.92	\$1,431.63
Health Care	\$161.44	\$287.10	\$421.39	\$470.93	\$470.93
Houshold, clothing, & personal (18%)	\$510.65	\$643.35	\$708.74	\$955.47	\$992.89
Savings (10%)	\$283.69	\$357.42	\$393.74	\$530.81	\$551.61
Child Care	\$0.00	\$738.59	\$1,963.52	\$0.00	\$1,963.52
State/federal taxes (annually)	\$6,671.58	\$9,680.25	\$14,647.14	\$9,356.75	\$15,600.52
Gross income needed per working adult (monthly)	\$3,392.89	\$5,119.46	\$7,121.54	\$6,087.87	\$4,389.82
Gross income needed per working adult (annually)	\$40,714.62	\$61,433.49	\$85,458.53	\$73,054.47	\$52,677.79
Living Wage per working adult (hourly)	\$19.57	\$29.54	\$41.09	\$35.12	\$25.33



District of Columbia

\$21.92

Single Adult
Hourly Living Wage

\$11.50

Minimum Wage

\$23.83

Student Debt
Hourly Living Wage

The living wage for a single adult is \$21.92 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 \$43.86 per hour. For those paying off student debt after graduating from college, the living wage for a single adult increases to \$23.83, based on the state's median student debt payment.

Washington, D.C.'s minimum wage of \$11.50 does not allow working families to make ends meet. The District's minimum wage provides only 52 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 6:
District of Columbia
2016 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	\$210.00	\$405.76	\$533.03	\$775.23	\$775.23
Housing & Utilities	1239.44	\$1,467.44	\$1,467.44	\$1,467.44	\$1,467.44
Transportation	\$642.12	\$586.77	\$586.75	\$1,281.92	\$1,431.63
Health Care	\$157.17	\$307.26	\$455.27	\$510.39	\$510.39
Houshold, clothing, & personal (18%)	\$562.18	\$691.81	\$760.62	\$1,008.74	\$1,046.17
Savings (10%)	\$312.32	\$384.34	\$422.57	\$560.41	\$581.21
Child Care	\$0.00	\$729.16	\$2,028.57	\$0.00	\$2,028.57
State/federal taxes (annually)	\$8,114.27	\$10,972.17	\$16,180.80	\$11,051.19	\$17,695.39
Gross income needed per working adult (monthly)	\$3,799.43	\$5,486.88	\$7,602.65	\$6,525.07	\$4,657.62
Gross income needed per working adult (annually)	\$45,593.17	\$65,842.57	\$91,231.76	\$78,300.80	\$55,891.46
Living Wage per working adult (hourly)	\$21.92	\$31.66	\$43.86	\$37.64	\$26.87



Florida

\$17.29

Single Adult
Hourly Living Wage

\$8.05

Minimum Wage

\$18.63

Student Debt
Hourly Living Wage

The living wage for a single adult is \$17.29 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 \$30.10 per hour. For those paying off student debt after graduating from college, the living wage for a single adult increases to \$18.63, based on the state's median student debt payment.

Florida's minimum wage of \$8.05 does not allow working families to make ends meet. The state's minimum wage provides only 47 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 7:
Florida
2016 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	\$210.00	\$405.76	\$533.03	\$775.23	\$775.23
Housing & Utilities	\$830.91	\$1,029.79	\$1,029.79	\$1,029.79	\$1,029.79
Transportation	\$642.12	\$586.77	\$586.75	\$1,281.92	\$1,431.63
Health Care	\$173.97	\$374.78	\$531.24	\$586.36	\$586.36
Houshold, clothing, & personal (18%)	\$464.25	\$599.28	\$670.20	\$918.32	\$955.75
Savings (10%)	\$257.92	\$332.93	\$372.33	\$510.18	\$530.97
Child Care	\$0.00	\$316.64	\$963.10	\$0.00	\$963.10
State/federal taxes (annually)	\$5,007.35	\$5,706.97	\$6,377.30	\$6,654.90	\$8,637.90
Gross income needed per working adult (monthly)	\$2,996.44	\$4,121.53	\$5,217.88	\$5,656.37	\$3,496.32
Gross income needed per working adult (annually)	\$35,957.32	\$49,458.42	\$62,614.58	\$67,876.46	\$41,955.87
Living Wage per working adult (hourly)	\$17.29	\$23.78	\$30.10	\$32.63	\$20.17



Idaho

\$14.90

Single Adult
Hourly Living Wage

\$7.25

Minimum Wage

\$16.56

Student Debt
Hourly Living Wage

The living wage for a single adult is \$14.90 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 \$26.85 per hour. For those paying off student debt after graduating from college, the living wage for a single adult increases to \$16.56, based on the state's median student debt payment.

Idaho's minimum wage of \$7.25 does not allow working families to make ends meet. The state's minimum wage provides only 49 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 8:
Idaho
2016 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	\$210.00	\$405.76	\$533.03	\$775.23	\$775.23
Housing & Utilities	\$574.92	\$727.11	\$727.11	\$727.11	\$727.11
Transportation	\$642.12	\$586.77	\$586.75	\$1,281.92	\$1,431.63
Health Care	\$146.67	\$299.51	\$462.67	\$520.14	\$520.14
Houshold, clothing, & personal (18%)	\$393.43	\$504.79	\$577.39	\$826.10	\$863.52
Savings (10%)	\$218.57	\$280.44	\$320.77	\$458.94	\$479.74
Child Care	\$0.00	\$365.36	\$931.27	\$0.00	\$931.27
State/federal taxes (annually)	\$4,772.96	\$5,410.62	\$6,181.17	\$6,330.19	\$8,789.75
Gross income needed per working adult (monthly)	\$2,583.46	\$3,620.62	\$4,654.08	\$5,116.95	\$3,230.55
Gross income needed per working adult (annually)	\$31,001.47	\$43,447.38	\$55,848.94	\$61,403.35	\$38,766.62
Living Wage per working adult (hourly)	\$14.90	\$20.89	\$26.85	\$29.52	\$18.64



Illinois

\$17.57

Single Adult
Hourly Living Wage

\$8.25

Minimum Wage

\$18.90

Student Debt
Hourly Living Wage

The living wage for a single adult is \$17.57 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 \$35.33 per hour. For those paying off student debt after graduating from college, the living wage for a single adult increases to \$18.90, based on the state's median student debt payment.

Illinois' minimum wage of \$8.25 does not allow working families to make ends meet. The state's minimum wage provides only 47 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 9:
Illinois
2016 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	\$210.00	\$405.76	\$533.03	\$775.23	\$775.23
Housing & Utilities	\$814.16	\$984.69	\$984.69	\$984.69	\$984.69
Transportation	\$642.12	\$586.77	\$586.75	\$1,281.92	\$1,431.63
Health Care	\$167.78	\$406.16	\$510.67	\$566.96	\$566.96
Houshold, clothing, & personal (18%)	\$458.52	\$595.84	\$653.78	\$902.20	\$939.62
Savings (10%)	\$254.73	\$331.02	\$363.21	\$501.22	\$522.01
Child Care	\$0.00	\$678.49	\$1,604.32	\$0.00	\$1,604.32
State/federal taxes (annually)	\$5,984.85	\$8,270.31	\$10,647.13	\$8,340.41	\$12,883.69
Gross income needed per working adult (monthly)	\$3,046.04	\$4,677.93	\$6,123.71	\$5,707.24	\$3,949.05
Gross income needed per working adult (annually)	\$36,552.53	\$56,135.11	\$73,484.57	\$68,486.90	\$47,388.56
Living Wage per working adult (hourly)	\$17.57	\$26.99	\$35.33	\$32.93	\$22.78



Iowa

\$15.10

Single Adult
Hourly Living Wage

\$7.25

Minimum Wage

\$16.74

Student Debt
Hourly Living Wage

The living wage for a single adult is \$15.10 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 \$28.32 per hour. For those paying off student debt after graduating from college, the living wage for a single adult increases to \$16.74, based on the state's median student debt payment.

Iowa's minimum wage of \$7.25 does not allow working families to make ends meet. The state's minimum wage provides only 48 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 10: Iowa 2016 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	\$210.00	\$405.76	\$533.03	\$775.23	\$775.23
Housing & Utilities	\$565.34	\$715.78	\$715.78	\$715.78	\$715.78
Transportation	\$642.12	\$586.77	\$586.75	\$1,281.92	\$1,431.63
Health Care	\$171.79	\$319.25	\$466.02	\$522.31	\$522.31
Houshold, clothing, & personal (18%)	\$397.31	\$506.89	\$575.40	\$823.81	\$861.23
Savings (10%)	\$220.73	\$281.61	\$319.66	\$457.67	\$478.46
Child Care	\$0.00	\$375.80	\$1,079.74	\$0.00	\$1,079.74
State/federal taxes (annually)	\$4,920.60	\$5,560.26	\$7,595.44	\$7,598.84	\$11,024.00
Gross income needed per working adult (monthly)	\$2,617.35	\$3,655.21	\$4,909.34	\$5,209.95	\$3,391.52
Gross income needed per working adult (annually)	\$31,408.21	\$43,862.58	\$58,912.03	\$62,519.39	\$40,698.29
Living Wage per working adult (hourly)	\$15.10	\$21.09	\$28.32	\$30.06	\$19.57



Kansas

\$15.23

Single Adult
Hourly Living Wage

\$7.25

Minimum Wage

\$16.48

Student Debt
Hourly Living Wage

The living wage for a single adult is \$15.23 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 \$28.75 per hour. For those paying off student debt after graduating from college, the living wage for a single adult increases to \$16.48, based on the state's median student debt payment.

Kansas' minimum wage of \$7.25 does not allow working families to make ends meet. The state's minimum wage provides only 48 percent of a living wage for a single adult and a quarter of the living wage for a single adult with two children.

TABLE 11:
Kansas
2016 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	\$210.00	\$405.76	\$533.03	\$775.23	\$775.23
Housing & Utilities	\$613.53	\$781.73	\$781.73	\$781.73	\$781.73
Transportation	\$642.12	\$586.77	\$586.75	\$1,281.92	\$1,431.63
Health Care	\$147.80	\$336.24	\$455.95	\$512.23	\$512.23
Houshold, clothing, & personal (18%)	\$403.36	\$527.62	\$589.36	\$837.78	\$875.20
Savings (10%)	\$224.09	\$293.12	\$327.42	\$465.43	\$486.22
Child Care	\$0.00	\$362.52	\$1,109.13	\$0.00	\$1,109.13
State/federal taxes (annually)	\$4,792.30	\$5,874.34	\$7,196.87	\$6,681.31	\$9,787.43
Gross income needed per working adult (monthly)	\$2,640.26	\$3,783.29	\$4,983.11	\$5,211.08	\$3,393.49
Gross income needed per working adult (annually)	\$31,683.17	\$45,399.43	\$59,797.30	\$62,533.00	\$40,721.92
Living Wage per working adult (hourly)	\$15.23	\$21.83	\$28.75	\$30.06	\$19.58



Louisiana

\$15.87

Single Adult
Hourly Living Wage

\$7.25

Minimum Wage

\$17.21

Student Debt
Hourly Living Wage

The living wage for a single adult is \$15.87 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 \$28.44 per hour. For those paying off student debt after graduating from college, the living wage for a single adult increases to \$17.21, based on the state's median student debt payment.

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 a quarter of the living wage for a single adult with two children.

TABLE 12:
Louisiana
2016 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	\$210.00	\$405.76	\$533.03	\$775.23	\$775.23
Housing & Utilities	\$661.30	\$815.04	\$815.04	\$815.04	\$815.04
Transportation	\$642.12	\$586.77	\$586.75	\$1,281.92	\$1,431.63
Health Care	\$166.12	\$341.19	\$517.51	\$572.63	\$572.63
Houshold, clothing, & personal (18%)	\$419.89	\$537.19	\$613.08	\$861.20	\$898.63
Savings (10%)	\$233.27	\$298.44	\$340.60	\$478.45	\$499.24
Child Care	\$0.00	\$380.52	\$942.55	\$0.00	\$942.55
State/federal taxes (annually)	\$5,026.85	\$5,997.98	\$6,964.96	\$7,318.28	\$9,729.55
Gross income needed per working adult (monthly)	\$2,751.61	\$3,864.74	\$4,928.97	\$5,394.32	\$3,372.87
Gross income needed per working adult (annually)	\$33,019.34	\$46,376.91	\$59,147.69	\$64,731.87	\$40,474.43
Living Wage per working adult (hourly)	\$15.87	\$22.30	\$28.44	\$31.12	\$19.46



Maine

\$16.27

Single Adult
Hourly Living Wage

\$7.50

Minimum Wage

\$17.71

Student Debt
Hourly Living Wage

The living wage for a single adult is \$16.27 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 \$29.87 per hour. For those paying off student debt after graduating from college, the living wage for a single adult increases to \$17.71, based on the state's median student debt payment.

Maine's minimum wage of \$7.50 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 a quarter of the living wage for a single adult with two children.

TABLE 13:
Maine
2016 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	\$210.00	\$405.76	\$533.03	\$775.23	\$775.23
Housing & Utilities	\$709.60	\$881.16	\$881.16	\$881.16	\$881.16
Transportation	\$642.12	\$586.77	\$586.75	\$1,281.92	\$1,431.63
Health Care	\$150.38	\$336.06	\$427.13	\$476.68	\$476.68
Houshold, clothing, & personal (18%)	\$428.03	\$552.44	\$607.02	\$853.75	\$891.17
Savings (10%)	\$237.79	\$306.91	\$337.23	\$474.30	\$495.10
Child Care	\$0.00	\$389.07	\$1,153.35	\$0.00	\$1,153.35
State/federal taxes (annually)	\$5,302.86	\$6,519.18	\$7,819.12	\$6,841.20	\$10,146.50
Gross income needed per working adult (monthly)	\$2,819.83	\$4,001.43	\$5,177.26	\$5,313.13	\$3,474.92
Gross income needed per working adult (annually)	\$33,837.92	\$48,017.12	\$62,127.09	\$63,757.56	\$41,699.07
Living Wage per working adult (hourly)	\$16.27	\$23.09	\$29.87	\$30.65	\$20.05



Michigan

\$15.78

Single Adult
Hourly Living Wage

\$8.50

Minimum Wage

\$17.16

Student Debt
Hourly Living Wage

The living wage for a single adult is \$15.78 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 \$28.79 per hour. For those paying off student debt after graduating from college, the living wage for a single adult increases to \$17.16, based on the state's median student debt payment.

Michigan's minimum wage of \$8.50 does not allow working families to make ends meet. The state's minimum wage provides only 54 percent of a living wage for a single adult and just under one-third of the living wage for a single adult with two children.

TABLE 14:
Michigan
2016 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	\$210.00	\$405.76	\$533.03	\$775.23	\$775.23
Housing & Utilities	\$634.55	\$805.75	\$805.75	\$805.75	\$805.75
Transportation	\$642.12	\$586.77	\$586.75	\$1,281.92	\$1,431.63
Health Care	\$168.55	\$306.87	\$434.52	\$490.80	\$490.80
Houshold, clothing, & personal (18%)	\$413.80	\$526.29	\$590.01	\$838.42	\$875.85
Savings (10%)	\$229.89	\$292.38	\$327.78	\$465.79	\$486.58
Child Care	\$0.00	\$445.57	\$1,109.37	\$0.00	\$1,109.37
State/federal taxes (annually)	\$5,242.80	\$5,995.20	\$7,243.92	\$7,140.93	\$10,197.49
Gross income needed per working adult (monthly)	\$2,735.81	\$3,868.99	\$4,990.87	\$5,252.99	\$3,412.50
Gross income needed per working adult (annually)	\$32,829.76	\$46,427.90	\$59,890.48	\$63,035.93	\$40,950.01
Living Wage per working adult (hourly)	\$15.78	\$22.32	\$28.79	\$30.31	\$19.69



Montana

\$14.93

Single Adult
Hourly Living Wage

\$8.05

Minimum Wage

\$16.23

Student Debt
Hourly Living Wage

The living wage for a single adult is \$14.93 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 \$28.20 per hour. For those paying off student debt after graduating from college, the living wage for a single adult increases to \$16.23, based on the state's median student debt payment.

Montana's minimum wage of \$8.05 does not allow working families to make ends meet. The state's minimum wage provides only 54 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 15:
Montana
2016 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	\$210.00	\$405.76	\$533.03	\$775.23	\$775.23
Housing & Utilities	\$580.56	\$740.12	\$740.12	\$740.12	\$740.12
Transportation	\$642.12	\$586.77	\$586.75	\$1,281.92	\$1,431.63
Health Care	\$145.38	\$334.79	\$448.33	\$505.80	\$505.80
Houshold, clothing, & personal (18%)	\$394.52	\$516.86	\$577.06	\$825.77	\$863.19
Savings (10%)	\$219.18	\$287.14	\$320.59	\$458.76	\$479.55
Child Care	\$0.00	\$392.02	\$1,065.10	\$0.00	\$1,065.10
State/federal taxes (annually)	\$4,763.06	\$6,140.74	\$7,414.51	\$7,268.81	\$10,034.10
Gross income needed per working adult (monthly)	\$2,588.67	\$3,775.20	\$4,888.85	\$5,193.32	\$3,348.40
Gross income needed per working adult (annually)	\$31,064.09	\$45,302.41	\$58,666.22	\$62,319.87	\$40,180.76
Living Wage per working adult (hourly)	\$14.93	\$21.78	\$28.20	\$29.96	\$19.32



New Mexico

\$15.60

Single Adult
Hourly Living Wage

\$7.50

Minimum Wage

\$17.06

Student Debt
Hourly Living Wage

The living wage for a single adult is \$15.60 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 \$27.69 per hour. For those paying off student debt after graduating from college, the living wage for a single adult increases to \$17.06, based on the state's median student debt payment.

New Mexico's minimum wage of \$7.50 does not allow working families to make ends meet. The state's minimum wage provides only 48 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 16:
New Mexico
2016 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	\$210.00	\$405.76	\$533.03	\$775.23	\$775.23
Housing & Utilities	\$635.10	\$783.55	\$783.55	\$783.55	\$783.55
Transportation	\$642.12	\$586.77	\$586.75	\$1,281.92	\$1,431.63
Health Care	\$173.71	\$377.98	\$471.94	\$529.41	\$529.41
Houshold, clothing, & personal (18%)	\$415.23	\$538.51	\$593.82	\$842.53	\$879.95
Savings (10%)	\$230.69	\$299.17	\$329.90	\$468.07	\$488.86
Child Care	\$0.00	\$344.14	\$959.49	\$0.00	\$959.49
State/federal taxes (annually)	\$4,769.38	\$5,782.69	\$6,502.55	\$6,452.76	\$9,111.13
Gross income needed per working adult (monthly)	\$2,704.30	\$3,817.78	\$4,800.35	\$5,218.42	\$3,303.69
Gross income needed per working adult (annually)	\$32,451.60	\$45,813.34	\$57,604.18	\$62,621.10	\$39,644.24
Living Wage per working adult (hourly)	\$15.60	\$22.03	\$27.69	\$30.11	\$19.06



New York

\$20.42

Single Adult
Hourly Living Wage

\$9.00

Minimum Wage

\$21.62

Student Debt
Hourly Living Wage

The living wage for a single adult is \$20.42 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 \$39.58 per hour. For those paying off student debt after graduating from college, the living wage for a single adult increases to \$21.62, based on the state's median student debt payment.

New York's minimum wage of \$9.00 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.

TABLE 17:
New York
2016 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	\$210.00	\$405.76	\$533.03	\$775.23	\$775.23
Housing & Utilities	\$1,099.80	\$1,326.88	\$1,326.88	\$1,326.88	\$1,326.88
Transportation	\$642.12	\$586.77	\$586.75	\$1,281.92	\$1,431.63
Health Care	\$154.41	\$303.90	\$432.71	\$482.25	\$482.25
Houshold, clothing, & personal (18%)	\$526.58	\$655.83	\$719.84	\$966.57	\$1,004.00
Savings (10%)	\$292.55	\$364.35	\$399.91	\$536.98	\$557.78
Child Care	\$0.00	\$689.21	\$1,764.21	\$0.00	\$1,764.21
State/federal taxes (annually)	\$7,369.15	\$8,814.84	\$13,171.46	\$9,032.01	\$14,484.84
Gross income needed per working adult (monthly)	\$3,539.56	\$5,067.27	\$6,860.94	\$6,122.50	\$4,274.52
Gross income needed per working adult (annually)	\$42,474.68	\$60,807.28	\$82,331.34	\$73,469.97	\$51,294.19
Living Wage per working adult (hourly)	\$20.42	\$29.23	\$39.58	\$35.32	\$24.66



Oregon

\$16.49

Single Adult
Hourly Living Wage

\$9.75

Minimum Wage

\$18.10

Student Debt
Hourly Living Wage

The living wage for a single adult is \$16.49 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 \$32.20 per hour. For those paying off student debt after graduating from college, the living wage for a single adult increases to \$18.10, based on the state's median student debt payment.

Oregon's minimum wage of \$9.75 does not allow working families to make ends meet. The state's minimum wage provides only 59 percent of a living wage for a single adult and just under one-third of the living wage for a single adult with two children.

TABLE 18:
Oregon
2016 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	\$210.00	\$405.76	\$533.03	\$775.23	\$775.23
Housing & Utilities	\$704.26	\$875.57	\$875.57	\$875.57	\$875.57
Transportation	\$642.12	\$586.77	\$586.75	\$1,281.92	\$1,431.63
Health Care	\$135.94	\$322.95	\$471.94	\$529.41	\$529.41
Houshold, clothing, & personal (18%)	\$423.08	\$547.76	\$616.82	\$865.53	\$902.96
Savings (10%)	\$235.04	\$304.31	\$342.68	\$480.85	\$501.64
Child Care	\$0.00	\$540.20	\$1,304.02	\$0.00	\$1,304.02
State/federal taxes (annually)	\$6,103.42	\$8,213.96	\$10,215.76	\$9,290.41	\$13,690.35
Gross income needed per working adult (monthly)	\$2,859.07	\$4,267.81	\$5,582.12	\$5,582.70	\$3,730.66
Gross income needed per working adult (annually)	\$34,308.80	\$51,213.73	\$66,985.45	\$66,992.42	\$44,767.87
Living Wage per working adult (hourly)	\$16.49	\$24.62	\$32.20	\$32.21	\$21.52



South Carolina

\$15.79

Single Adult
Hourly Living Wage

\$7.25

Minimum Wage

\$17.24

Student Debt
Hourly Living Wage

The living wage for a single adult is \$15.79 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 \$26.39 per hour. For those paying off student debt after graduating from college, the living wage for a single adult increases to \$17.24, based on the state's median student debt payment.

South Carolina'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.

TABLE 19:
South Carolina
2016 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	\$210.00	\$405.76	\$533.03	\$775.23	\$775.23
Housing & Utilities	\$648.07	\$779.01	\$779.01	\$779.01	\$779.01
Transportation	\$642.12	\$586.77	\$586.75	\$1,281.92	\$1,431.63
Health Care	\$168.68	\$335.05	\$437.03	\$492.15	\$492.15
Houshold, clothing, & personal (18%)	\$417.22	\$526.65	\$583.95	\$832.08	\$869.50
Savings (10%)	\$231.79	\$292.58	\$324.42	\$462.26	\$483.06
Child Care	\$0.00	\$315.41	\$855.58	\$0.00	\$855.58
State/federal taxes (annually)	\$5,029.63	\$5,483.90	\$5,698.18	\$6,457.17	\$8,411.77
Gross income needed per working adult (monthly)	\$2,737.02	\$3,698.22	\$4,574.62	\$5,160.74	\$3,193.57
Gross income needed per working adult (annually)	\$32,844.20	\$44,378.67	\$54,895.41	\$61,928.88	\$38,322.79
Living Wage per working adult (hourly)	\$15.79	\$21.34	\$26.39	\$29.77	\$18.42



Virginia

\$18.95

Single Adult
Hourly Living Wage

\$7.25

Minimum Wage

\$20.49

Student Debt
Hourly Living Wage

The living wage for a single adult is \$18.95 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 \$36.41 per hour. For those paying off student debt after graduating from college, the living wage for a single adult increases to \$20.49, based on the state's median student debt payment.

Virginia's minimum wage of \$7.25 does not allow working families to make ends meet. The state's minimum wage provides only 38 percent of a living wage for a single adult and just one-fifth of the living wage for a single adult with two children.

TABLE 20:
Virginia
2016 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	\$210.00	\$405.76	\$533.03	\$775.23	\$775.23
Housing & Utilities	\$940.65	\$1,124.14	\$1,124.14	\$1,124.14	\$1,124.14
Transportation	\$642.12	\$586.77	\$586.75	\$1,281.92	\$1,431.63
Health Care	\$165.61	\$342.98	\$537.55	\$592.67	\$592.67
Houshold, clothing, & personal (18%)	\$489.60	\$614.91	\$695.37	\$943.49	\$980.91
Savings (10%)	\$272.00	\$341.62	\$386.31	\$524.16	\$544.95
Child Care	\$0.00	\$581.94	\$1,474.36	\$0.00	\$1,474.36
State/federal taxes (annually)	\$6,777.89	\$8,709.56	\$11,684.65	\$9,830.57	\$13,762.24
Gross income needed per working adult (monthly)	\$3,284.81	\$4,723.92	\$6,311.22	\$6,060.81	\$4,035.37
Gross income needed per working adult (annually)	\$39,417.69	\$56,687.05	\$75,734.62	\$72,729.71	\$48,424.39
Living Wage per working adult (hourly)	\$18.95	\$27.25	\$36.41	\$34.97	\$23.28



Washington

\$17.59

Single Adult
Hourly Living Wage

\$9.47

Minimum Wage

\$18.93

Student Debt
Hourly Living Wage

The living wage for a single adult is \$17.59 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 \$33.58 per hour. For those paying off student debt after graduating from college, the living wage for a single adult increases to \$18.93, based on the state's median student debt payment.

Washington's minimum wage of \$9.47 does not allow working families to make ends meet. The state's minimum wage provides only 54 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 21:
Washington
2016 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	\$210.00	\$405.76	\$533.03	\$775.23	\$775.23
Housing & Utilities	\$898.09	\$1,125.57	\$1,125.57	\$1,125.57	\$1,125.57
Transportation	\$642.12	\$586.77	\$586.75	\$1,281.92	\$1,431.63
Health Care	\$137.91	\$329.21	\$467.65	\$525.12	\$525.12
Houshold, clothing, & personal (18%)	\$472.03	\$611.83	\$678.25	\$926.96	\$964.38
Savings (10%)	\$262.24	\$339.90	\$376.80	\$514.98	\$535.77
Child Care	\$0.00	\$381.83	\$1,372.70	\$0.00	\$1,372.70
State/federal taxes (annually)	\$5,122.72	\$6,070.69	\$8,157.41	\$6,781.97	\$9,882.99
Gross income needed per working adult (monthly)	\$3,049.29	\$4,286.77	\$5,820.53	\$5,714.93	\$3,776.99
Gross income needed per working adult (annually)	\$36,591.47	\$51,441.21	\$69,846.35	\$68,579.17	\$45,323.83
Living Wage per working adult (hourly)	\$17.59	\$24.73	\$33.58	\$32.97	\$21.79



Wisconsin

\$15.69

Single Adult
Hourly Living Wage

\$7.25

Minimum Wage

\$17.20

Student Debt
Hourly Living Wage

The living wage for a single adult is \$15.69 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 \$31.02 per hour. For those paying off student debt after graduating from college, the living wage for a single adult increases to \$17.20, based on the state's median student debt payment.

Wisconsin'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 less than a quarter of the living wage for a single adult with two children.

TABLE 22:
Wisconsin
2016 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	\$210.00	\$405.76	\$533.03	\$775.23	\$775.23
Housing & Utilities	\$638.15	\$811.82	\$811.82	\$811.82	\$811.82
Transportation	\$642.12	\$586.77	\$586.75	\$1,281.92	\$1,431.63
Health Care	\$163.60	\$291.93	\$428.80	\$485.08	\$485.08
Houshold, clothing, & personal (18%)	\$413.47	\$524.07	\$590.10	\$838.51	\$875.94
Savings (10%)	\$229.70	\$291.15	\$327.83	\$465.84	\$486.63
Child Care	\$0.00	\$472.68	\$1,383.42	\$0.00	\$1,383.42
State/federal taxes (annually)	\$5,078.36	\$6,419.36	\$8,579.97	\$7,640.82	\$11,262.53
Gross income needed per working adult (monthly)	\$2,720.23	\$3,919.13	\$5,376.74	\$5,295.14	\$3,594.14
Gross income needed per working adult (annually)	\$32,642.80	\$47,029.54	\$64,520.93	\$63,541.63	\$43,129.74
Living Wage per working adult (hourly)	\$15.69	\$22.61	\$31.02	\$30.55	\$20.74

Recommendations

Nowhere in the United States does either the state or federal minimum wage provide a living wage that allows a single adult to support themselves, leaving millions of people struggling to get by. With 43 million people also paying off student loans, which are not included in traditional living wage figures, the minimum wage only falls farther below what is actually needed to make ends meet.

Increase the federal minimum wage to a living wage.

Wages from a full-time job should be enough for at least a single adult to make ends meet. The federal minimum wage (and state minimum wages) should reflect the cost of living, including providing enough for workers to put aside money for emergencies and to save for retirement, and ideally to also pay off debts such as those from student loans.

Eliminate the tipped subminimum wage. Ensuring that all workers are guaranteed one fair wage, rather than having a lower base wage for tipped workers, will help millions of tipped workers out of poverty and put the responsibility on business owners to pay fair wages rather than relying on customers to provide enough in tips.

Reinvest in higher education to remove the need for student loans. Disinvestment in higher education has shifted the burden of paying for college onto students and their families and away from state governments. Reinvesting in higher education can help shift that balance back and make college affordable again so that students and their families can pay for college without falling deep in debt.

Expand tax-free student debt forgiveness. Currently, graduates working full-time for nonprofit organizations, the government, and some other occupations may have their remaining loans forgiven tax-free after 120 on-time payments.³⁵ Other graduates may have their remaining debt forgiven after 240 payments if they are participating in a low-income repayment plan. However, they must pay taxes on the amount forgiven, which can be a significant financial burden. Tax-free forgiveness should be expanded to include those with lower incomes regardless of occupation.

In addition, because barriers still exist which make women and people of color more likely to be paid low wages even with a bachelor's degree, the impact of the high cost of education and subsequent student loans falls hardest on those already struggling. Ensuring that working families can make ends meet requires a variety of tools, such as:

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 employees to come in sick or risk losing their job. For parents with children, 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. Systemic barriers and hiring discrimination continue to mean that women and people of color are 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 they actually benefit women and people of color.

Invest in state and federal safety net programs. Even if the minimum wage is increased to a living wage for a single adult, many people including caregivers, parents, those with high medical bills, and others may find that the minimum wage

falls short of covering all of their expenses, and will continue to face tough choices. Federal programs like Supplemental Nutrition Assistance Program (SNAP) and the Children's Health Insurance Program (CHIP) should be fully funded and strengthened. State programs like Earned Income Tax Credits (EITC) and child care subsidies should be bolstered.

Invest in living wage jobs. Rather than investing in low-wage employers, federal, state, and local contracts should

be tied to wages to ensure that contracted workers are paid enough to make ends meet. Additionally, subsidies should go to companies that pay workers a living wage, providing incentive for companies to pay their employees enough to support themselves and their families. Businesses that fail to create and retain living wage jobs should face meaningful consequences

Technical Notes

Student Debt Analysis

Analysis of median student debt and monthly student debt payments was completed using the 2014-2015 College Scorecard data from the U.S. Department of Education. This analysis included all institution types except institutions with 30 or fewer students in the cohort of those who had completed their program. Analysis included median debt and monthly debt payments for those who had completed their program (variables GRAD_DEBT_MDN_SUPP and GRAD_DEBT_MDN10YR_SUPP).

The national median debt and monthly payment were based on weighting data for individual institutions by the number of students in their cohort as a proportion of all students in the completed cohort (author's analysis of variable GRAD_DEBT_N_SUPP). State median debt and monthly payment were similarly based on weighting data for individual institutions by the number of students in their cohort as a proportion of all students in the completed cohort in that state.

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 2015 data. Where 2015 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 enough for a household 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:

- Food;
- Housing and utilities;
- Transportation;
- Health care;
- Child care;
- Household, clothing, and personal items;
- Savings; and
- State and federal taxes

Household Assumptions

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

- Single adult
- Single adult with one child between the ages of 6 and 8
- Single adult with two children, one between the ages of 6 and 8 and the other between the ages of 1 and 2
- 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
- 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 18 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."³⁶ 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 a 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.³⁷

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.³⁸ 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.³⁹

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.⁴⁰

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)⁴¹ and 2015 Internal Revenue Service (IRS) "Standard Mileage Rates" as an approximate cost for automobile travel.⁴²

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.⁴³ 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.⁴⁴

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.⁴⁵ While many families now purchase health insurance through state or federal exchanges, People's Action Institute believes employers have a stake in ensuring that their employees have access to quality health care, therefore assumes that a living wage includes 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.⁴⁶ Additionally, low-wage workers are much less likely than higher-wage earners to work in companies that offer health insurance to their employees.⁴⁷

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.⁴⁸ Asserting that all jobs should provide enough to make ends meet, including ensuring workers have access to quality health care, People's Action Institute continues to include employer-sponsored health coverage in our living wage calculations.

Employer-Sponsored Insurance: Average employee contributions to employer-sponsored insurance premiums were obtained for each state from the Insurance Component Tables of the 2014 Medical Expenditure Panel Survey (MEPS).⁴⁹ 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.⁵⁰ 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 2013 MEPS Household Medical Expenditure Tables, which can be modified to produce specific out-of-pocket data by age and geographic region.⁵¹ 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. 2015 data was used where available, but for states with the most recent Market Rate Survey occurring in a year other than 2015, 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.⁵² 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.⁵³ This study assumes that workers are not enrolled in employer-sponsored retirement plans, given that only 33 percent of workers have access to an employer-sponsored retirement plan.⁵⁴ When applied to households in our study,⁵⁵ 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.⁵⁶

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.⁵⁷

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.⁵⁸ 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.

References

- 1 Student Loan Hero (2016). "A look at the shocking student loan debt statistics for 2016." <https://studentloanhero.com/student-loan-debt-statistics/>
- 2 Braga, B. (2016). "Racial and ethnic difference in family student loan debt." Urban Institute. <http://www.urban.org/research/publication/racial-and-ethnic-differences-family-student-loan-debt>
- 3 Tung, I., Lathrop, y., & P. Sonn. (2015). "The growing movement for \$15." National Employment Law Project. <http://www.nelp.org/content/uploads/Growing-Movement-for-15-Dollars.pdf>
- 4 Kitroeff, N. & J. Rodkin (2015). "Student debt can hurt women more than men." <http://www.bloomberg.com/news/articles/2015-12-08/student-debt-can-hurt-women-more-than-men>
- 5 Think NC First. "Wage gaps, discrimination are making college less affordable for women and people of color." <http://www.thinkncfirst.org/research/wage-gaps-discrimination-are-making-college-less-affordable-for-women-and-people-of-color>
- 6 Student Loan Hero (2016). "A look at the shocking student loan debt statistics for 2016." <https://studentloanhero.com/student-loan-debt-statistics/>
- 7 Braga, B. (2016). "Racial and ethnic difference in family student loan debt." Urban Institute. <http://www.urban.org/research/publication/racial-and-ethnic-differences-family-student-loan-debt>
- 8 Tung, I., Lathrop, y., & P. Sonn. (2015). "The growing movement for \$15." National Employment Law Project. <http://www.nelp.org/content/uploads/Growing-Movement-for-15-Dollars.pdf>
- 9 Kitroeff, N. & J. Rodkin (2015). "Student debt can hurt women more than men." <http://www.bloomberg.com/news/articles/2015-12-08/student-debt-can-hurt-women-more-than-men>
- 10 Think NC First. "Wage gaps, discrimination are making college less affordable for women and people of color." <http://www.thinkncfirst.org/research/wage-gaps-discrimination-are-making-college-less-affordable-for-women-and-people-of-color>
- 11 National Conference of State Legislatures (2016). "State minimum wages: 2016 minimum wage by state." <http://www.ncsl.org/research/labor-and-employment/state-minimum-wage-chart.aspx>
- 12 Fredericksen, A. (2015). "Patchwork of paychecks: A shortage of living wage jobs leaves workers scrambling to make ends meet." Alliance for a Just Society. <https://thejobgap.org/job-gap-2015-patchwork-of-paychecks/>
- 13 National Employment Law Project. (2016). "City minimum wage laws: recent trends and economic evidence." <http://nelp.org/content/uploads/City-Minimum-Wage-Laws-Recent-Trends-Economic-Evidence.pdf>
- 14 Economic Policy Institute. (2016). "Minimum wage tracker." <http://www.epi.org/minimum-wage-tracker/>
- 15 U.S. Department of Labor (2016). "Minimum wages for tipped employees." <https://www.dol.gov/whd/state/tipped.htm>
- 16 Restaurant Opportunities Centers United (2013). "Infographic: Who are tipped workers?" <http://rocunited.org/infographic-who-are-tipped-workers/>
- 17 National Employment Law Project. (2016). "City minimum wage laws: recent trends and economic evidence." <http://nelp.org/content/uploads/City-Minimum-Wage-Laws-Recent-Trends-Economic-Evidence.pdf>
- 18 Restaurant Opportunities Centers United (2013). "Infographic: Who are tipped workers?" <http://rocunited.org/infographic-who-are-tipped-workers/>
- 19 Stanger, T. (2016). "Student debt vs. mortgage debt: What makes them so different?" Consumer Reports. <http://www.consumerreports.org/student-loan-debt-crisis/student-loans-vs-mortgages-what-makes-student-debt-different/>

- 20 Student Loan Hero (2016). "A look at the shocking student loan debt statistics for 2016." <https://studentloanhero.com/student-loan-debt-statistics/>
- 21 National Employment Law Project (2015). "Occupational wage declines since the Great Recession." <http://www.nelp.org/content/uploads/Occupational-Wage-Declines-Since-the-Great-Recession.pdf>
- 22 College Board (2006). "Trends in college pricing." http://trends.collegeboard.org/sites/default/files/CP_2006.pdf
- 23 College Board (2016). "Annual survey of colleges." <https://trends.collegeboard.org/college-pricing/figures-tables/average-published-undergraduate-charges-sector-2015-16>
- 24 Berman, J. (2016). "Why states are cutting back on higher education funding." MarketWatch. <http://www.marketwatch.com/story/why-states-are-cutting-back-on-higher-education-funding-2016-01-07>
- 25 Duke, B. (2016). "When I was your age: Millennials and the generational wage gap." Center for American Progress. <https://cdn.americanprogress.org/wp-content/uploads/2016/03/02125021/MillennialWages-brief1.pdf>
- 26 Mitchell, M., Leachman, M., and K. Masterson. (2016). "Funding down, tuition up." Center on Budget and Policy Priorities." <http://www.cbpp.org/research/state-budget-and-tax/funding-down-tuition-up>
- 27 Student Loan Hero (2016). "A look at the shocking student loan debt statistics for 2016." <https://studentloanhero.com/student-loan-debt-statistics/>
- 28 Author's analysis of <https://collegescorecard.ed.gov/data/>
- 29 Demos (2013). "Ending the debt-for-diploma system." <http://www.demos.org/publication/ending-debt-diploma-system>
- 30 Huelsman, M. (2015). "The debt divide: The racial and class bias behind the 'new normal' of student borrowing." Demos. <http://www.demos.org/publication/debt-divide-racial-and-class-bias-behind-new-normal-student-borrowing>
- 31 National Association of Colleges and Employers. (2015). "Average starting salary for class of 2015 climbs 5.2 percent." <http://www.naceweb.org/s11182015/starting-salary-class-2015.aspx>
- 32 Carnevale, A., Strohl, J., and M. Melton. (2014). "What's it worth? The economic value of college majors." Georgetown University. <https://cew.georgetown.edu/wp-content/uploads/2014/11/whatsitworth-complete.pdf>
- 33 Douglas-Gabriel, D. (2015). "Racial disparities in college major selection exacerbate earnings gap." The Washington Post. <https://www.washingtonpost.com/news/grade-point/wp/2015/09/16/racial-disparities-in-college-major-selection-exacerbates-earnings-gap-3/>
- 34 Patteen, E. (2016). "Racial, gender wage gaps persist in U.S. despite some progress." Pew Research Center. <http://www.pewresearch.org/fact-tank/2016/07/01/racial-gender-wage-gaps-persist-in-u-s-despite-some-progress/>
- 35 Lockert, M. (2015). "Surprise! Here's when you'll owe taxes on student loan forgiveness (and when you won't)." Student Loan Hero. <https://studentloanhero.com/featured/owe-taxes-student-loan-forgiveness/>
- 36 U.S. Department of Agriculture, Center for Nutrition Policy and Promotion "Cost of Food at Home, U.S. Average at Four Levels," available at <http://www.cnpp.usda.gov/USDAFoodCost-Home.htm>
- 37 U.S. Department of Agriculture, "Official USDA Food Plans: Cost of Food at Home at Four Levels, U.S. Average, December 2012," available at <http://www.cnpp.usda.gov/USDAFoodCost-Home.htm>
- 38 Derived from the U.S. Department of Housing and Urban Development's Fair Market Rent County Level Data File, available at <http://www.huduser.org/datasets/fmr.html>.
- 39 U.S. Department of Housing and Urban Development, "Affordable Housing," November 1, 2010, available at <http://www.hud.gov/offices/cpd/affordablehousing/>

- 40 From <https://shop.centurylink.com>, <http://www.fairpoint.com>, <http://www.sagetelecom.net/> and through email conversations with a representative from New York. Numbers are current as of October 2012 for Colorado, Idaho, Maine, Montana, Oregon, and Washington, and are current as of September 2013 for Connecticut, Florida, Nevada, and Virginia.
- 41 Available online at <http://nhts.ornl.gov/>
- 42 Internal Revenue Service, "Standard Mileage Rates," available at <http://www.irs.gov/taxpros/article/0,,id=156624,00.html>
- 43 Tim Reuscher, Oak Ridge National Laboratory, National Transportation Research Center, personal communication, August 17, 2004.
- 44 For IRS standard mileage rates, see <http://www.irs.gov/taxpros/article/0,,id=156624,00.html>
- 45 JOBS NOW Coalition, "The Cost of Living in Minnesota 2002," 2003. The methods used to update the health care section of the 2001 Northwest Job Gap Study were largely modeled on the JOBS NOW report and input from authors Colette LaFond and Bill McMahon of UrbanPlanet, and those methods have remained unchanged through the current report.
- 46 The Commonwealth Fund, *On the Edge: Low-Wage Workers and Their Health Insurance Coverage*, April 2003.
- 47 Ibid.
- 48 The Henry J. Kaiser Family Foundation. (2012). *Health Insurance Coverage of the Total Population*. <http://kff.org/other/state-indicator/total-population/>
- 49 U.S. Department of Health and Human Services, Agency for Health Care Research and Quality, *Private-Sector Data by Firm Size and State, 2012*(Table II Series), 2009, available at http://www.meps.ahrq.gov/mepsweb/data_stats/quick_tables.jsp.
- 50 Doris Lefkowitz, Director, Medical Expenditure Panel Survey, Agency for Health Care Research and Quality, personal communication, July 29, 2004.
- 51 U.S. Department of Health and Human Services, Agency for Health care Research and Quality, "Table 1: Total Health Services-Median and Mean Expenses per Person With Expense and Distribution of Expenses by Source of Payment: United States, 2010 and 2011," Medical Expenditure Panel Survey Household Component Data. Generated interactively. available at http://www.meps.ahrq.gov/mepsweb/data_stats/quick_tables_results.
- 52 Consumer Expenditure Survey, Bureau of Labor Statistics, U.S. Department of Labor, "2009 Expenditure Shares Tables by Region of Residence" (Table 52), available at <http://www.bls.gov/cex/2009/share/region.pdf>
- 53 This formula is available online at <http://www.asec.org/ballpark/>.
- 54 The Pew Charitable Trusts. (2016). "Employer-Sponsored Retirement Plan Access, Uptake and Savings." <http://www.pewtrusts.org/en/research-and-analysis/issue-briefs/2016/09/employer-sponsored-retirement-plan-access-uptake-and-savings>
- 55 This figure is consistent with previous versions of the Job Gap Study
- 56 This figure is consistent with previous versions of the Job Gap Study.
- 57 Economic Policy Institute, *How Much is Enough? Basic Family Budgets for Working Families*, 2000.
- 58 As discussed in overview of OES, available at: <http://www.bls.gov/oes/home.htm>.

Acknowledgements

Special thanks to Julie Chinitz, Kathy Mulady, Liz Ryan Murray, Sarah Chaisson Warner, Billie Kirkton, and Trevor Davis of People's Action Institute; interns Scarlett Reeves, Carla Andrade, and Kaiyan Zhang; and Haeyoung Yoon of the National Employment Law Project for feedback and contributing to the release of this report.

Additionally, thanks to People's Action Institute affiliates The People's Lobby and Iowa Citizens for Community Improvement for identifying storytellers for this report and to Tonja Galvan and Eric Holmberg for sharing their stories.

About the Author

Allyson Fredericksen is the deputy director of research at People's Action Institute. She has produced state and national reports on living wage standards, student debt, Medicaid expansion, voting rights, and the criminalization of debt. Her research has been featured in local and national media outlets including the New Yorker, Bloomberg BNA, the Huffington Post, Forbes, Seattle Times, Puget Sound Business Journal, and more. Allyson holds an M.A. in Policy Studies from the University of Washington with a focus on racial justice and the safety net.

The Job Gap Economic Prosperity Series:

WAITING FOR THE PAYOFF

PEOPLE'S
ACTION
INSTITUTE