

The Vermont Job Gap Study

Phase 5

Basic Needs and a Livable Wage 1998 Update

A report by the Peace & Justice Center.
Ellen Kahler, Project Director
Doug Hoffer, Research Director
July, 1999

Research Advisory Committee

Business Representatives

Dave Barash, Board of Directors,
VT Businesses for Social Responsibility

Pat Heffernan, Co-President,
Marketing Partners, Inc.

George Little, retired, former State
Senator

Lisa Lorimer, President, VT Bread Co.

Will Raap, President,
Gardener's Supply Co.

Frank Sadowski, Gallagher, Flynn & Co.

Peter Welch, Attorney,
Former President Pro Tem VT State Senate

Government Representatives

Roberta Harold, VT State Director, Rural
Development Administration (USDA)

David Tucker, Director,
VT Office of Economic Opportunity (AHS)

Non-Profit Representatives

Ellen Furnari, Non-profit consultant

Gretchen Morse, Executive Director,
United Way of Chittenden County

John Tucker, Director,
Racial Justice & Equity Project

Economists / Academics

Deb Brighton, Ad Hoc Associates

John Davis, Principal, Burlington Associ-
ates in Community Development

Jane Knodell, Associate Professor of
Economics, UVM

Elaine McCrate, Associate Professor of
Economics, UVM

Fred Schmidt, Director,
Center for Rural Studies, UVM

Stephanie Seguinto, Assistant Professor of
Economics, UVM

Joan Smith, Dean-Arts & Sciences, UVM

Laura Solomon, Research Associate Pro-
fessor of Psychology, UVM

Funders: VT Community Foundation,
USDA Rural Development, United
Way of Chittenden Co., Anne Slade
Frey Charitable Trust, Micah Fund, VT
Office of Economic Opportunity,
Agency of Commerce & Community
Development, Agency of Human
Services, Ben & Jerry's Homemade Ice
Cream, Autumn Harp, and Gardener's
Supply Company.

Purpose of the Study

The Vermont Job Gap Study is an effort to investigate and better understand certain aspects of the Vermont economy. Primarily, we are interested in whether the economy is producing enough jobs that pay a **livable wage, defined as an income sufficient to meet a family's basic needs.**¹ Thus far, we have published four reports including:

Phase 1 Basic Needs and a Livable Wage (Jan. '97)

Phase 2 Livable Wage Jobs: The Job Gap (May '97)

Phase 3 The Cost of Under-Employment: The Income Gap (Feb. '98)

Phase 4 Policy Recommendations (Oct. '98)

Note: The Study has focused on wages although we understand the importance of benefits as a supplement to wages and as a cost to employers. This is a rich and complex subject but is beyond our present resources. In any case, notwithstanding the value of benefits, families need cash to pay their bills.

The Study has attracted considerable attention within Vermont and around the country. Our findings have been cited in numerous reports² and have been used by community and business groups, economic development officials, and low-income advocacy organizations to help inform citizens, business leaders, and policy makers. The Study also figured prominently in the Legislature's decision to raise the minimum wage and in the decision by Burlington, Barre and Montpelier to set a base livable wage for all municipal employees. To date, similar studies have been conducted in at least six other states (with two more underway) and one major city.³ We are grateful to all of our funders for the opportunity to contribute to the discourse about wages, jobs, and economic development.

Most of the findings reported in Phases 1 and 2 were based on data from 1995 and 1996. **Phase 5 of the Study updates the basic needs budget and livable wage estimates from Phase 1, as well as some of the labor market data from Phase 2.** The Vermont Agency of Human Services has generously supported this update.

¹ We believe that, as a matter of public policy, full-time work should be adequate to ensure economic self-sufficiency and a decent standard of living.

² *Report on Childhood Hunger in Vermont – A Handbook for Action*, VT Children's Forum 1997; State of VT, Consolidated Plan for Housing & Community Development Programs, 1998; *Champlain Counts*, Champlain Initiative, 1998; *Final Report*, Commission on Childhood Poverty, 1999; Year 2000 Draft Regional Plan, Chittenden Co. Regional Planning Commission 1998.

³ *Northwest Job Gap Study* (Idaho, Montana, Oregon & Washington), Northwest Policy Center & Northwest Federation of Community Organizations; *Job Gap in Pennsylvania*, Keystone Research Center; *The Self-Sufficiency Standard for Massachusetts*, Women's Educational & Industrial Union; *Baltimore Area Jobs and Low-Skill Job Seekers*, Jobs Opportunity Task Force. Similar studies are underway in Maine and New Hampshire.

Federal Poverty Measure

The Federal poverty measure is a key social indicator and also determines eligibility for benefits for many public assistance programs. Weaknesses in the federal poverty measure identified by the National Research Council include:⁴

- No consideration of child care costs;
- No accounting for significant variations in health care costs;
- Thresholds ignore price variations across geographic areas for housing expenditures;
- Family size adjustments do not reflect changing demographics;
- The original concept of “minimum needs” (adjusted only for inflation) ignores changes in living standards and consumption patterns;
- Because the current measure assumes only gross money income, it does not reflect important government policy initiatives that have both raised disposable income (e.g., Food Stamps) and reduced disposable income (e.g., increases to Social Security payroll tax).

Table 1

Annual Average Unemployment		
County	1996	1998
Addison	4.8%	3.5%
Bennington	4.8%	3.8%
Caledonia	6.6%	4.7%
Chittenden	3.0%	2.3%
Essex	8.4%	5.9%
Franklin	5.0%	3.3%
Grand Isle	7.1%	4.9%
Lamoille	6.9%	4.7%
Orange	3.5%	2.7%
Orleans	9.3%	6.9%
Rutland	5.3%	3.8%
Washington	5.1%	4.1%
Windham	4.0%	3.1%
Windsor	3.5%	2.6%
Statewide Avg.	4.6%	3.4%

Source: VT DET

Introduction

Vermont’s statewide unemployment rate has dropped since 1996 and, although regional discrepancies persist, the unemployment rates for all counties have also declined (see Table 1 below left). Nevertheless, as we pointed out in Phase 2, the unemployment rate is only one measure of labor utilization. Reliance on the unemployment rate as a key indicator of economic well being diverts attention from an important assumption. **By focusing on those without jobs, we assume those with jobs earn enough to support their families.** The issue is further clouded by our continued use of the federal poverty measure as an indicator of how many people cannot meet their basic needs, even though many economists have called for its modification (see Box at left).⁴

Vermont’s economy has improved in some respects since our first report. However, the enthusiasm about the economy expressed by some should be tempered somewhat because many people still cannot find full-time (FT) work,⁵ and because income inequality is still a serious problem.

What are Basic Needs and a Livable Wage?

According to the U.S. General Accounting Office, economic self-sufficiency requires independence from publicly provided income and housing assistance, and adequate income to provide for basic needs.⁶

For this study, basic needs include only necessary expenses: food, housing, child care, transportation, health care, clothing, household and personal expenses, and insurance.⁷ We estimated the monthly cost of each category using market and survey data from the US Departments of Agriculture, Housing & Urban Development, Transportation, and Commerce, as well as the VT Department of Social & Rehabilitation Services, and the Vermont Health Care Administration. We also obtained rates from local service providers for telephone service, renters insurance and child care.

A livable wage is the hourly wage / annual income necessary to cover basic needs plus all applicable Federal and State taxes.

⁴ Citro, Constance F. and Michael, Robert T., ed., *Measuring Poverty: A New Approach*, National Academy Press, Wash., DC, 1995.

⁵ The Bureau of Labor Statistics reports that 12,000 Vermonters worked part-time involuntarily in 1997.

⁶ *Self-sufficiency: Opportunities and Disincentives on the Road to Economic Independence*, US GAO, GAO/HRD-93-23, August 1993.

⁷ Although not included, personal savings could be considered a necessity for supplemental retirement, children’s education, and other long-term needs.

Findings

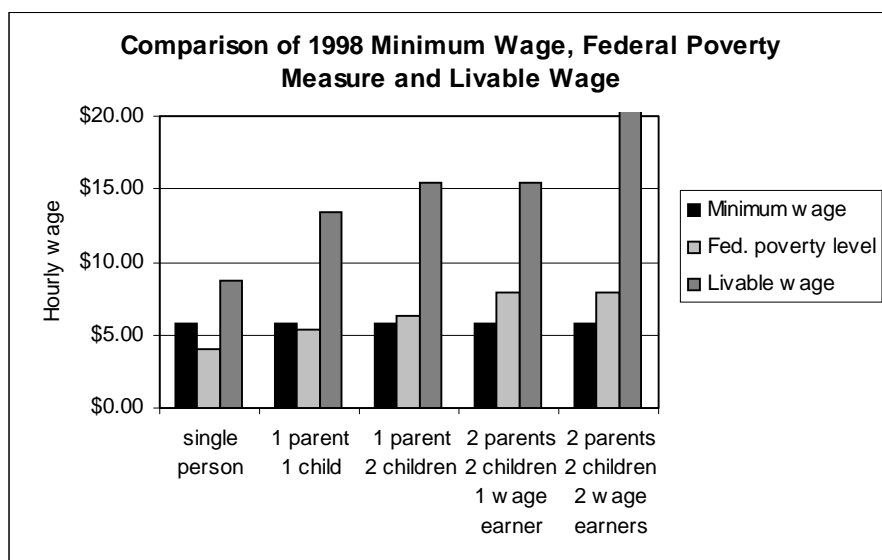
We estimated the cost of basic needs for five different family units in both rural and urban Vermont and the income required to meet their basic needs and taxes (see Table 2). The results are presented in detail on pages 6 - 8 and are similar to those from other states (see Table 3). As can be seen in Chart 1, the minimum wage is inadequate to meet families' basic needs.⁹ The change in the estimated livable wage since 1995 has been less than the rate of inflation.¹⁰ The largest increases were found in housing and child care (especially rural child care).

Table 2

Comparison of Estimated Livable Wages 1995 & 1998¹¹

Family size	Urban			Rural ¹²		
	1995	1998	▲	1995	1998	▲
Single person	\$8.21/hr (\$17,086)	\$8.78/hr (\$18,261)	6.9%	\$7.98/hr (\$16,598)	\$8.57/hr (\$17,831)	7.4%
Single parent 1 child ¹³	\$13.24/hr (\$27,546)	\$13.94/hr (\$28,989)	5.3%	\$12.36/hr (\$25,712)	\$12.99/hr (\$27,017)	5.1%
Single parent 2 children	\$15.61/hr (\$32,478)	\$16.02/hr (\$33,328)	2.6%	\$14.75/hr (\$30,684)	\$14.97/hr (\$31,143)	1.5%
Two parents (1 earner ¹⁴) 2 children	\$14.76/hr (\$30,691)	\$15.58/hr (\$32,407)	5.6%	\$14.94/hr (\$31,082)	\$15.35/hr (\$31,935)	2.7%
Two parents (2 earners) 2 children	\$19.82/hr (\$41,224)	\$20.87/hr (\$43,414)	5.3%	\$19.46/hr (\$40,474)	\$20.39/hr (\$42,420)	4.8%
Avg. per wage earner	\$9.91/hr (\$20,613)	\$10.44/hr (\$21,715)		\$9.73/hr (\$20,238)	\$10.20/hr (\$21,216)	

Chart 1*



* Livable wage figures are an average of urban and rural.

Table 3

1998 Livable Wage in Other States⁸

Single parent with two children		
State	Annual	Hourly
Idaho	\$29,994	\$14.42
Maine	26,175	12.58
Mass. (western)	29,526	13.98
Minnesota	33,114	15.92
Montana	30,784	14.80
Oregon	34,029	16.36
Penn. (rural)	26,973	12.97
Vermont (rural)	31,143	14.97
Washington	35,069	16.86

⁸ Minn. ('96) and Maine ('93) have been adjusted for inflation.

⁹ Although it has not yet taken effect, we used the new minimum wage of \$5.75 / hr adopted by the Vermont Legislature.

¹⁰ 9.3% from January 1996 to January 1999.

¹¹ We made minor changes to the methodology for the 1998 estimates. See the Methodology section on page 9 for complete details.

¹² Chittenden Co. was used for urban estimates and the rest of the state for rural.

¹³ Although 3 times as many women as men raise children alone, there were over 3,600 male single parents in 1990 (1990 Census).

¹⁴ Men are 10 times as likely to be the wage earner in two parent families with children when only one parent works (1990 Census).

Implications of Findings

- Public assistance programs with eligibility based on the federal poverty measure should be revised to reflect the actual cost of living in Vermont (see Table 5). For example, a family earning only 54% of the livable wage would be ineligible for Food Stamps.
- Welfare reform policies and programs based on the ability of wage earners to support their families at or near minimum wage should be replaced with a more realistic goal, such as achievement of a livable wage.
- To the extent that families bridge some part of the income gap with credit, personal debt creates additional burdens on their monthly budgets and may prevent families from saving for retirement, children's education, or other long-term needs (see Box below).
- If families earned a livable wage, tax revenues would rise considerably and demand for public assistance would diminish.¹⁷

Table 5

Federal Poverty Guidelines (FPG)		
Dept. of Social Welfare programs using FPG as eligibility threshold		
Program	% of FPG	As a % of LW ¹⁵
Medicaid ¹⁶	100%	41%
Fuel Assist.	125%	51%
Food stamps	130%	53%
Emerg. Fuel	150%	61%

1995 Consumer Debt¹⁸

For households with income from \$10,000 to \$24,999:

- 42% have installment and credit card debt
- Median consumer debt per family was \$5,100 (not including auto or mortgage loans)
- Median ratio of debt payments to income was 17%
- One in six families have debt ratios above 40%

\$5,100 in outstanding consumer debt @ 15% interest = a minimum monthly bill of at least \$64/mo. or a \$768 annual expense not included in our Basic Needs budget.

Labor Utilization

Although the number of unemployed seeking full-time work is down by 2,400 from 1995 (see Table 6), the number of involuntary part-time workers¹⁹ is up by 2,000 (see Table 7). Thus, it would appear that **much of the decrease in the unemployment rate is the result of an increase in the number of people working part-time involuntarily**. In addition, the number of new entrants, discouraged workers,²⁰ and marginally attached²¹ have all increased so the overall total of those unable to find full-time work is actually up from 1995.

Table 6 ²²

No. of Unemployed Seeking Full-time Work		
	1995	1997
Unemployed	12,400	11,000
On temp. layoff	-3,102	-3,471
Sub-total	9,298	7,529
Seeking PT work	-4,000	-3,000
Sub-total	5,298	4,529
Annual adjustment	x 2.44	x 2.32
Total	12,927	10,507

Table 7 ²²

Total Number Available for FT Work		
	1995	1997
Unemployed seeking FT work	12,297	10,507
New entrants	769	975
Discouraged workers	800	939
Involuntary PT workers	10,000	12,000
Marginally attached	2,400	2,817
Total	26,896	27,238

¹⁵ LW = livable wage, defined as the average of rural and urban livable wage for families with a single parent and two children.

¹⁶ Some programs have different eligibility caps: Dr. Dynasaur for children (300%), VHAP-Pharmacy (150%) and Vscript (175%).

¹⁷ We have estimated that if all those who work full-time or part-time for economic reasons earned a LW there would have been \$87.9 million in new state & federal revenues and program savings in 1995. Vermont Job Gap Study, Phase 3.

¹⁸ Kennickell, Starr-McCluer & Sunden, "Family Finances in the US: Recent Evidence from the Survey of Consumer Finances," Federal Reserve Bulletin, vol. 83, (Jan. '97), pp. 1-24.

¹⁹ Persons who work PT (<35 hrs/wk) involuntarily for business reasons (slack work or lack of FT opportunities) rather than because of personal constraints or preferences. BLS, *Revisions in the Current Population Survey Effective 1994*, p. 15.

²⁰ "Persons who want a job, are available to take a job, and who had looked for work within the past year but not within the prior 4 weeks because they believed the search would be futile." BLS, *Revisions in the Current Population Survey Effective 1994*, p. 16.

²¹ Not actively seeking work because of personal / financial reasons (e.g., ill health, lack of childcare or transportation, etc.).

²² Source: VT DET and US Bureau of Labor Statistics.

How Do Families Make Up The Difference?

Since we know that many working families earn less than we estimate is necessary to meet their basic needs, we must ask how, if at all, they make up the difference. Unfortunately, many are unable to do so and have no choice but to do without some of the basics (e.g., 40,000 have no health care²⁶). Others rely on public assistance (see Table 8). Some live in substandard housing or pay a high percentage of their income for housing, thereby reducing available funds for other expenses. Others receive help from family members, work two jobs, barter and / or work “under the table.” Many depend on credit, which creates additional burdens from debt service. As a result of insufficient income, the standard of living for many working Vermonters is one of insecurity, dependence, and, in some cases, deprivation.

Child Support: We estimated the impact of child support on the livable wage for single parents. Because child support covers some expenses, the recipient’s need for earned income decreases somewhat. But as the recipient’s income decreases (child support is not taxed), 3 of the 4 hypothetical single parent families became eligible for the Earned Income Tax Credit and / or the renter’s rebate, which are income-based assistance programs. As a result, families that had been self-sufficient in our model ended up receiving public assistance and remained dependent on the non-custodial parent. In contrast, the required child support payment will increase the non-custodial parent’s basic needs budget so he or she must earn more to meet the obligation and pay income taxes on the increased earnings. **Thus, the lower livable wage for the recipient is offset by the need for a higher wage for the non-custodial parent.**

Table 8

Vermont Benefit Programs: FY 98²³		
Program	Recipients	Costs (state & federal)
Food stamps	48,913	\$37,047,828
TANF ²⁴	20,987	\$46,810,826
LIHEAP ²⁵	16,912	\$6,159,877
Medicaid	NA	\$280,897,784

Table 9

Livable Wage Comparison With and Without Child Support								
	Single parent & one child				Single parent and two children			
	Urban		Rural		Urban		Rural	
	no child support	with child support	no child support	with child support	no child support	with child support	no child support	with child support
Annual wages*	\$28,995	\$26,565	\$27,014	\$24,082	\$33,329	\$30,346	\$31,143	\$26,943
Fed. & state taxes ²⁷	-4,469	-3,799	-3,917	-3,018	-4,108	-3,321	-3,531	-2,195
After-tax income	24,526	22,766	23,097	21,064	29,221	27,025	27,612	24,748
Child support ²⁸	0	1,524	0	1,524	0	2,196	0	2,196
EITC	0	0	0	383	0	0	0	668
Renter’s rebate	32	267	0	126	0	0	0	0
Disposable income	24,558	24,557	23,097	23,097	29,221	29,221	27,612	27,612
Equivalent hrly wage**	13.94	12.77	12.99	11.58	16.02	14.59	14.97	12.95

* To determine the annual wage (LW) we worked backwards from disposable income (which is the cost of basic needs), subtracted child support, and estimated the tax implications (income, EITC and renter’s rebate).

** Divide annual wages by 2,080 hours.

²³ VT Department Of Social Welfare.

²⁴ Temporary Aid to Needy Families (TANF) is the new designation for what had been called ANFC.

²⁵ Low Income Heat Assistance Program.

²⁶ Source: VT Health Care Administration. Figure for 1997.

²⁷ Includes federal and state income taxes, FICA, Medicare tax, childcare credit, and per child credit.

²⁸ Average child support payments = \$127/mo. for 1 child and \$183/mo. for 2 children (Department of Social Welfare)

Estimated Cost of Basic Needs and Livable Wages 1998

Single Person Household

(Full-time work and employer-assisted health care)

Category	Single Person			
	Urban		Rural	
	Cost/mo.	%	Cost/mo.	%
Food	\$168	13.5%	\$168	13.8%
Rent & Utilities	519	41.6%	455	37.4%
Telephone	26	2.1%	26	2.1%
Health Care	105	8.4%	105	8.6%
Transportation	224	17.9%	255	21.0%
Child Care	---	---	---	---
Clothing / HHold	160	12.8%	160	13.2%
Personal Expenses	37	3.0%	36	3.0%
Renters Insurance	10	0.8%	10	0.8%

Total monthly expenses	\$1,249	100%	\$1,215	100%
------------------------	---------	------	---------	------

Annual expenses	\$14,988		\$14,580	
------------------------	-----------------	--	-----------------	--

Federal & State taxes*	\$3,273	17.9%	\$3,251	18.2%
-----------------------------------	----------------	-------	----------------	-------

Annual Income	\$18,261		\$17,831	
----------------------	-----------------	--	-----------------	--

		1995		1995
Equivalent hourly wage	\$8.78	\$8.21	\$8.57	\$7.98

Federal poverty level	\$8,480
Equivalent hourly wage	\$4.08

* includes federal & state income taxes, FICA, Medicare and renter's rebates (\$246 urban & \$154 rural)

Primary Sources

Food:	USDA - "Low Cost Food Plan" (12/98)
Housing:	HUD - Fair Market Rents (2/99)
Telephone:	Bell Atlantic - Standard Use Measured Service (1/99)
Health Care:	CHP / Kaiser Permanente (1/99)
Transportation:	US DOT - National Personal Transportation Survey ('90) & IRS ('98), CES ('97)
Child Care:	VT Social & Rehabilitation Services & Child Care Resources (1998)
Clothing / Household:	Bureau of Labor Statistics (BLS), Consumer Expenditure Survey (CES 1997)
Personal Expenses:	Derived from BLS / CES
Insurance:	Smith, Bell & Thompson (1/99)

See Appendix for complete description of methodology.

CHP Single Plan 910 (\$188/mo), \$10 co-pay, \$500 ded. For inpatient hosp.;

34% employee contribution + \$493 annual out-of-pocket expenses (1/99)

Estimated Cost of Basic Needs and Livable Wage 1998

Single Parent Families (Full-time work with employer-assisted health care)

Category	Single Parent & One Child				Single Parent & Two Children			
	Urban		Rural		Urban		Rural	
	Cost/mo.	%	Cost/mo.	%	Cost/mo.	%	Cost/mo.	%
Food	\$256	12.5%	\$256	13.3%	\$373	15.3%	\$373	16.2%
Rent & Utilities	692	33.8%	570	29.6%	692	28.4%	570	24.8%
Telephone	26	1.3%	26	1.4%	26	1.1%	26	1.1%
Health Care	161	7.9%	161	8.4%	228	9.4%	228	9.9%
Transportation	224	10.9%	255	13.2%	224	9.2%	255	11.1%
Child Care	414	20.2%	387	20.1%	607	24.9%	568	24.7%
Clothing / HHold	202	9.9%	202	10.5%	202	8.3%	202	8.8%
Personal Expenses	61	3.0%	58	3.0%	73	3.0%	69	3.0%
Renters Insurance	10	0.5%	10	0.5%	10	0.4%	10	0.4%
Total monthly expenses	\$2,046	100%	\$1,925	100%	\$2,435	100%	\$2,301	100%
Annual expenses	\$24,552		\$23,100		\$29,220		\$27,612	
Federal & State taxes*	\$4,437	15.3%	\$3,917	14.5%	\$4,108	12.3%	\$3,531	11.3%
Annual Income	\$28,989		\$27,017		\$33,328		\$31,143	
		1995		1995		1995		1995
Equivalent hourly wage	\$13.94	\$13.24	\$12.99	\$12.36	\$16.02	\$15.61	\$14.97	\$14.75
Federal poverty level	\$11,235				\$13,133			
Equivalent hourly wage	\$5.40				\$6.31			

* includes federal & state income taxes, FICA, Medicare and renter's rebates (\$246 urban & \$154 rural)

Primary Sources

Food:	USDA - "Low Cost Food Plan" (12/98)
Housing:	HUD - Fair Market Rents (2/99)
Telephone:	Bell Atlantic - Standard Use Measured Service (1/99)
Health Care:	CHP / Kaiser Permanente (1/99)
Transportation:	US DOT - National Personal Transportation Survey ('90) & IRS ('98), CES ('97)
Child Care:	VT Social & Rehabilitation Services & Child Care Resources (1998)
Clothing / Household:	Bureau of Labor Statistics (BLS), Consumer Expenditure Survey (CES 1997)
Personal Expenses:	Derived from BLS / CES
Insurance:	Smith, Bell & Thompson (1/99)

See Appendix for complete description of methodology.

CHP Two Person Plan 910 (\$375/mo) & CHP Family Plan 910 (\$499/mo.), \$10 co-pay, \$500 ded. For inpatient hosp.;
21% employee contribution + \$493 annual out-of-pocket expenses (1/99)

Estimated Cost of Basic Needs and Livable Wage 1998

Two Parent Families

(Full-time work and employer-assisted health care)

Category	Two Parents & Two Children <i>One parent working</i>				Two Parents & Two Children <i>Both parents working</i>			
	Urban		Rural		Urban		Rural	
	Cost/mo.	%	Cost/mo.	%	Cost/mo.	%	Cost/mo.	%
Food	\$516	22.1%	\$516	22.4%	\$516	16.6%	\$516	16.9%
Rent & Utilities	692	29.6%	570	24.7%	692	22.3%	570	18.7%
Telephone	26	1.1%	26	1.1%	26	0.8%	26	0.9%
Health Care	269	11.5%	269	11.7%	269	8.7%	269	8.8%
Transportation	520	22.3%	614	26.6%	591	19.0%	693	22.7%
Child Care	---	---	---	---	607	19.5%	568	18.6%
Clothing / HHold	231	9.9%	231	10.0%	305	9.8%	305	10.0%
Personal Expenses	70	3.0%	69	3.0%	93	3.0%	91	3.0%
Renters Insurance	10	0.4%	10	0.4%	10	0.3%	10	0.3%

Total monthly expenses	\$2,334	100%	\$2,305	100%
------------------------	---------	------	---------	------

\$3,109	100%	\$3,048	100%
---------	------	---------	------

Annual expenses	\$28,008		\$27,660	
------------------------	-----------------	--	-----------------	--

\$37,308		\$36,576	
-----------------	--	-----------------	--

Federal & State taxes*	\$4,399	13.6%	\$4,275	13.4%
-----------------------------------	----------------	-------	----------------	-------

\$6,106	14.1%	\$5,844	13.8%
----------------	-------	----------------	-------

Annual Income	\$32,407		\$31,935	
----------------------	-----------------	--	-----------------	--

\$43,414		\$42,420	
-----------------	--	-----------------	--

	1995		1995	
Equivalent hourly wage	\$15.58	\$14.76	\$15.35	\$14.94

	1995		1995
\$20.87	\$19.82	\$20.39	\$19.46

Avg. per wage earner			
-----------------------------	--	--	--

\$10.44	\$9.91	\$10.20	\$9.73
----------------	--------	----------------	--------

Federal poverty level	\$16,530
Equivalent hourly wage	\$7.95

* includes federal & state income taxes, FICA, Medicare and renter's rebates (\$246 urban & \$154 rural)

Primary Sources

Food:	USDA - "Low Cost Food Plan" (12/98)
Housing:	HUD - Fair Market Rents (2/99)
Telephone:	Bell Atlantic - Standard Use Measured Service (1/99)
Health Care:	CHP / Kaiser Permanente (1/99)
Transportation:	US DOT - National Personal Transportation Survey ('90) & IRS ('98), CES ('97)
Child Care:	VT Social & Rehabilitation Services & Child Care Resources (1998)
Clothing / Household:	Bureau of Labor Statistics (BLS), Consumer Expenditure Survey (CES 1997)
Personal Expenses:	Derived from BLS / CES
Insurance:	Smith, Bell & Thompson (1/99)

See Appendix for complete description of methodology.

CHP Family Plan 910 (\$499/mo.), \$10 co-pay, \$500 ded. For inpatient hosp.; 21% employee contribution + \$493 annual out-of-pocket expenses (1/99)

