

## Questions and Discussions

- A. How is "a living wage" defined? "Living wage" is defined as the employment earnings that a full-time worker requires to cover/support the costs of their family's basic needs where they live.
- B. How many family types does the Living Wage Calculator support? Which one or two family types do you foresee for your own family fitting into in the future? The Living Wage Calculator supports 12 different family types. I foresee my future family being 2 working adults with 2 children.
- C. What are eight *basic needs* used to compute the cost of living for the living wage? The 8 basic needs include food, childcare, health care, housing, transportation, civic engagement, broadband, and other necessities.
- D. The data sources for *basic needs* do not have consistent data (publication) dates. How do the makers of Living Wage Calculator account for this? All the data used in calculating a living wage is adjusted for inflation to December 2024 dollars.
- E. What components other than the eight *basic needs* are factored into the cost of living for a household? Other components include relevant income and payroll taxes.
- F. Think back to when you were in high school. Can you think of any example expense your family may have had in the "Civic engagement" category of *basic needs*? Expenses that my family had in the "civic engagement" category include pet expenses and sports league fees
- G. Which items are covered under the "Other necessities" category of *basic needs*? Items include clothing, personal care products, and housekeeping supplies.

- H. What assumption regarding the income contributions ratio does that the Living Wage Calculator make for families that have multiple earners? It is assumed that families select the lowest cost option that enables them to meet each of the basic needs at a minimum but adequate level (doesn't budget for eating out/meals not prepared at home; leisure time, holidays/unpaid vacations; or savings, retirement, and other long-term financial investments).
- I. How is an hourly living wage calculated?
1. Calculate annual family budget less taxes
  2. Identify additional cost of income & payroll taxes
  3. Divide by number of working adults
  4. Generate an hourly living wage
- J. What's new to the Living Wage Calculator this year? A family size index accounts for both the size and composition of consumer units to all data from the Consumer Expenditure Survey.

Glasmeier, A. K. (n.d.). *Living Wage Calculator: Methodology*. Massachusetts Institute of Technology. Retrieved March 18, 2025, from <https://livingwage.mit.edu/pages/methodology>