**9.1**  The Cost of Living in Different Parts of the United States **1**

9.1 THE COST OF LIVING IN DIFFERENT PARTS OF THE UNITED STATES

The cost of living can vary considerably across the United States. According to the Missouri Economic Research and Information Center, Mississippi offers the lowest average cost of living while Hawaii tops the list as the most expensive state in the nation. In this activity, we will investigate the cost of living in two metropolitan areas.

The figures in the following table represent a reasonable monthly budget for a family of four with two working adults to attain a modest, yet adequate, standard of living in both the Toledo Metro Area in Ohio and in the Providence Metro area in Rhode Island.

|  |  |  |
| --- | --- | --- |
| **Expense** | **Toledo, OH** | **Providence, RI** |
| Housing | $726 | $1014 |
| Food | $701 | $798 |
| Child Care | $1120 | $1659 |
| Transportation | $1164 | $1112 |
| Health Care | $895 | $793 |
| Other Necessities | $576 | $731 |
| Taxes | $643 | $901 |
| Monthly Total | $5825 | $7008 |

1. The 2021 minimum wage in Ohio is $8.80 per hour. How many hours must each adult in the family work per month at this pay rate to earn the $5825 dollars needed to live in Toledo?
2. Repeat your calculation for Providence, knowing that the 2021 minimum wage is Rhode Island is $12.25 and the necessary income is $7008.
3. Which city is the one with a true higher cost of living compared to the state’s minimum wage.

Now, assume that a regular work week is made of 40 hours and that there are approximately 4.3 weeks in a month.

1. What must each adult earn per hour in Toledo to meet their budget assuming they work regular work weeks during a month? How many times is that compared to the minimum wage in Ohio? Assume both adults have equal incomes.
2. What must each adult earn per hour in Providence in order to meet their budget assuming they work regular work weeks during a month? How many times is that compared to the minimum wage in Rhode Island? Assume both adults have equal incomes.
3. Now search on the web to find the minimum wage and the monthly cost of housing (e.g. could be an apartment listing you like) in the city you would like to live in after college. How many hours must you work per month at this pay rate to cover your housing expenses?