

Project C Pre work - Cost of Living Wages Discussion Questions

A. How is "a living wage" defined?

- The employment earnings that a full-time worker requires to cover or support the cost 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?

- 12 different family types are represented on the calculator. For myself I could see either two kids and one or two adults working, or three kids and two adults working.

C. What are eight *basic needs* used to compute the cost of living for the living wage?

- 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?

- They adjust the values for inflation rates.

E. What components other than the eight *basic needs* are factored into the cost of living for a household?

- Taxes and the amount of children are also considered in the cost of living per household.

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*?

- TVs, a dog, toys, tutor

G. Which items are covered under the "Other necessities" category of *basic needs*?

- 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 assumes that they will be making more money combined, which is not always true. One doctor can make significantly more than two retail workers combined.

I. How is an hourly living wage calculated?

- Step 1: Calculating an annual family budget less taxes
- Step 2: Identifying the additional cost of income and payroll taxes
- Step 3: Dividing by the number of working adults
- Step 4: Generating an hourly living wage

J. What's new to the Living Wage Calculator this year?

- This year, a family-size index was added that accounts for the size and composition of consumer units to the data from the survey. This updated the living wage estimates with families for five people.