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CAC

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### Project C Pre-Work

A. How is "a living wage" defined?

“A living wage is what one full-time worker must earn on an hourly basis to help cover the cost of their family’s minimum basic needs where they live while still being self-sufficient.”

B. How many family types does the Living Wage Calculator support? Which one or two family types do you foresee your own family fitting into in the future?

12 family types. 2 adults (two working) with 3 kids. 2 adults (1 working) with 3 kids.

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

Food, Childcare, Health Insurance / Medical Care, Housing, Transportation, Civic Engagement, Internet and Mobile, and Other Necessities (like clothing).

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?

“To account for this localized variation in costs, the Living Wage Calculator data is computed and primarily meant to be used at the county-level. For ease of reporting, however, we also provide living wage estimates for 384 Metropolitan Statistical Areas – more commonly called MSAs or metros – and each of the 50 states plus Washington, D.C.”

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

The impact of income, payroll taxes, and number of working adults in a family.

- 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*?

Perhaps the cost of tickets to go to see the Angels play baseball? Cat food and cat litter also seem to fit into this category. This category does not make much sense to me because “civic engagement” is not a necessity and would be greatly minimized by those who are poor (i.e. not spending \$225 on Kendrick Lamar’s concert in Inglewood this May).

- 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 the Living Wage Calculator make for families that have multiple earners?

It assumes that they will equally share the cost of living.

- I. How is an hourly living wage calculated?

Calculated Annual Budget - Income and Payroll taxes / number of working adults in the family / 2080 = hourly living wage.

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

They added, “a family size index that accounts for both the size and composition of consumer units to all data from the Consumer Expenditure Survey.”