

# Basic Needs Budgets and the Minimum Wage

*January 15, 2005*

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Act No. 66 (2003), Sec. 51 (a) and  
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**PREPARED BY**  
The Joint Fiscal Office

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## **Part I – 2005 Basic Needs Budgets Update**

### *Introduction*

This is the fifth consecutive year of publication of the Vermont Basic Needs Budgets. A Basic Needs Budget is a market-based analysis that accounts for estimated actual monthly living expenses. Vermont's Basic Needs Budget includes food, rent & utilities, transportation, child care, clothing & household expenses, telephone charges, a personal expense allowance, health care, dental care, renter's insurance, life insurance, and savings. Using these basic needs (established in 1999), and including tax obligations, an hourly "livable wage" is calculated by dividing total annual expenses by the number of hours that make up a year of full-time work.

"Livable wages" are produced for six possible family configurations:

- Single Person
- Single Parent with One Child
- Single Parent with Two Children
- Two Adults with No Children – both wage earners
- Two Adults with Two Children – one wage earner
- Two Adults with Two Children – both wage earners

The Budgets are further divided by urban or rural areas and also by the low-cost or moderate-cost food plan options.

### *Components*

A majority of the component data of the Basic Needs Budgets is updated each year and reflects modest inflationary price changes annually – such as food costs, fair market rents, clothing and household expenses, telephone charges and renter's insurance. Some of the component data are only released periodically – such as the transportation data from the National Household Transportation Survey, which is conducted once every five years. While these data are adjusted between surveys in an attempt to reflect annual increases, the results may change considerably when new data are released. Finally, the health care component of the Budgets, a significant and driving factor in the outcome of the annual study, has changed significantly each year, and the differences are due to changes in the Vermont health care market (see health care discussion below). It is important to note that data from various years are combined to produce the annual Basic Needs Budgets, thereby making year-to-year comparisons difficult.

### *Health Care*

There are two factors that make the calculation of family health care costs particularly challenging. The first is that the individual health insurance market (where those without access to employer-sponsored coverage may buy their insurance) is extremely volatile. The second is the calculation of estimated out-of-pocket (OOP) liability (spending for care not covered by insurance, including deductibles and coinsurance).

Selection of health insurance is a highly individual decision. Individuals and families with higher anticipated health care costs are likely to purchase richer coverage (less cost-sharing and higher premiums), while those who do not anticipate much health care use will select products with higher cost-sharing, but lower premiums.

The carrier that dominated the market in 2002, Mutual of Omaha, stopped selling individual health insurance in early 2003. In 2003, estimations were based on a Blue Cross Blue Shield offering, which was structured somewhat differently from Mutual of Omaha, and had premiums which did not vary by age. In 2004, MVP Health Plan Inc. (MVP) entered the individual market with a plan that was priced based on age and differed from previous plans in how it dealt with catastrophic expenditures (no out-of-pocket maximum).

Because of this change, a new method was developed to estimate out-of-pocket costs. This method was based on the national Medical Expenditure Panel Survey (MEPS) distribution of total health care costs. OOP was estimated by applying insurance benefits to predicted average total health care spending. This approach produced a lower estimate of out-of-pocket costs than previous methods.

In 2004, estimated health care costs for those without access to employer-sponsored health insurance have declined substantially from 2003 estimates. This is a result of lower premiums for the new MVP product, combined with the revised method of estimating out-of-pocket costs. On average, the two effects contribute an equal amount to the change.

### *Tax Calculations*

For each family configuration federal and state taxes are estimated and included in the annual budget. The federal tax liability is calculated using standard deduction and exemption amounts for various filing statuses. The federal tax liability is net of any earned income credit, child tax credit, and dependent care tax credits. The state tax liability is also net of the state earned income credit which is 32% of the federal amount, dependent care tax credit which is 24% of the federal amount, and the renter rebate program.

None of the families qualify for either the federal or state earned income credit because the phase-out of the credit is well below the livable wage incomes. For example, a single taxpayer with no dependents does not qualify for a benefit if the income is above \$11,200 but the lowest livable wage configuration is \$22,034, a significant difference. Taxpayers filing jointly with two children phase-out of the earned income credit at \$34,692, and the lowest Vermont livable wage budget for a two working parent family with two children is \$52,670. The earned income credit is targeted at a much lower income group and does not benefit any of the families in this report.

A recent change in the Vermont dependent care tax credit allows taxpayers to receive up to 50% of the federal dependent care tax credit, instead of the basic 24%, if the taxpayer meets specific criteria. In order to qualify for the increased credit amount, the child care must be in a registered home or a certified center, and the taxpayer must have an income of less than \$30,000 if filing singly, or less than \$40,000 filing jointly. For the purposes of the Basic Needs Budgets, all families receive the basic 24% amount if they have child care expenses.

### *Other 2005 Changes*

Several other changes have been made to the 2005 Basic Needs Budgets. These include 1) using a standard assumption of utilities costs as a portion of rent, 2) modifying the transportation mileage survey data, 3) increasing personal expenses by the CPI, and 4) differentiating between urban and rural costs for renter's insurance. These changes are explained in detail in Appendix B – Methodology and Sources. Any year-to-year comparisons of the Basic Needs Budgets results should be done with care because of the outlined 2005 changes.

### *Basic Needs Studies in Other States*

Many states and metropolitan areas prepare Basic Needs Budgets, Livable Income, Self-Sufficiency Standards or other studies for their state or region. Appendix E contains a partial list of these studies. A review of these studies shows that the Vermont Basic Needs Budgets is the only study which is updated annually. Some studies are updated periodically, every three or five years, and others may have only been produced one time. Each study uses a slightly different methodology to calculate a livable income and have different data sources to tailor the results to their state or region. Some regions, such as the Northwest, have produced studies with the same methodology for multiple states. In addition, the Self-Sufficiency Standards have been produced for 35 states as well as New York City and Washington DC (see Appendix E for more information).

## **Part II – Basic Needs Budgets Comparisons**

The Vermont Basic Needs Budgets or “livable wage” is one type of income benchmark. To put the livable wage measure in context, it is helpful to compare it with two other well-known income thresholds, the federal poverty guidelines and minimum wage rates.

### *Federal Poverty Guidelines*

The federal poverty guidelines are a version of the federal poverty measure developed in the 1960s and are issued each year in the *Federal Register* by the Department of Health and Human Services (HHS). The guidelines are a simplification of the poverty thresholds used for administrative purposes. Many government programs, both federal and state, determine eligibility using these guidelines. Often, programs use a multiple of the federal poverty level to measure need because it is generally recognized that many families with incomes above these guidelines lack sufficient resources.

### **2004 Health and Human Services (HHS) Federal Poverty Guidelines (48 Contiguous States and D.C.)**

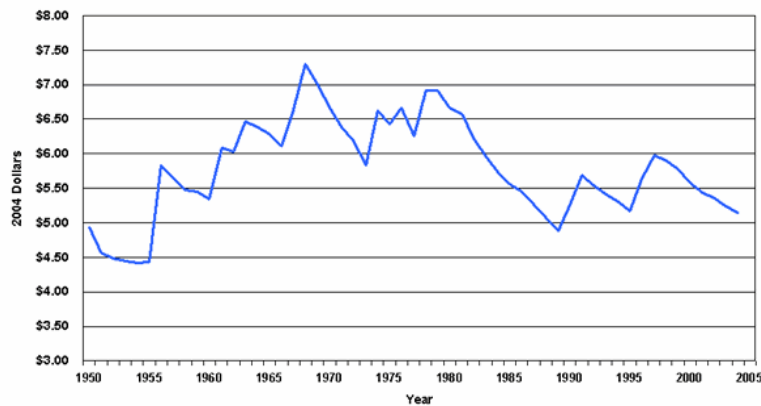
<b>Yearly Rates with Percentage Multiples</b>								
Size of Family Unit	100%	120%	150%	175%	185%	200%	225%	300%
1	9,310	11,172	13,965	16,293	17,224	18,620	20,948	27,930
2	12,490	14,988	18,735	21,858	23,107	24,980	28,103	37,470
3	15,670	18,804	23,505	27,423	28,990	31,340	35,258	47,010
4	18,850	22,620	28,275	32,988	34,873	37,700	42,413	56,550
5	22,030	26,436	33,045	38,553	40,756	44,060	49,568	66,090
6	25,210	30,252	37,815	44,118	46,639	50,420	56,723	75,630
7	28,390	34,068	42,585	49,683	52,522	56,780	63,878	85,170
8	31,570	37,884	47,355	55,248	58,405	63,140	71,033	94,710
For each additional person add:	3,180	3,816	4,770	5,565	5,883	6,360	7,155	9,540

**SOURCE:** *Federal Register*, Vol. 69, No. 30, February 13, 2004, pp. 7336-7338.

## Minimum Wage

The minimum wage was established in 1938 as part of the Fair Labor Standards Act. Minimum wage increases are passed at the will of Congress and have not kept pace with inflation. The last federal minimum wage increase was in 1997 and is currently \$5.15 per hour for all covered nonexempt workers. States also mandate minimum wage rates, and employees are entitled to the higher of the two minimum wages. The Vermont minimum wage is \$6.75 (used in the comparisons) and will be \$7.00 as of January 1, 2005. More data on the minimum wage is in Appendix C.

Figure 1: Real value of the federal minimum wage, 1950-2004



Source: Economic Policy Institute <http://www.epinet.org>

## Median Family Income

The median family income data for Vermont is by family size and comes from the Census Bureau for federal fiscal year 2004, the most recent data available.

### Comparisons

Two family configurations are used for comparison with the federal poverty guidelines, full-time minimum wage earnings and median family incomes; 1) the single parent with one child, and 2) two working parents with two children households. Each family is rural, with an employer assisted health care plan and the low cost food plan.

The first table and pie chart illustrate the breakdown of the major expense components of the family budget both pre-tax and within the overall budget. For the single-parent family, housing is the largest component of the budget at 25% followed by child care and transportation. Housing, child care, and transportation are a majority of the budget in the two-parent family. The health care costs of 7 – 8% may seem low because each of these families qualifies for the Dr. Dynasaur program in which most of the health and dental care costs for the children are covered by the state. Federal and state taxes for both families are around 10 - 12%.

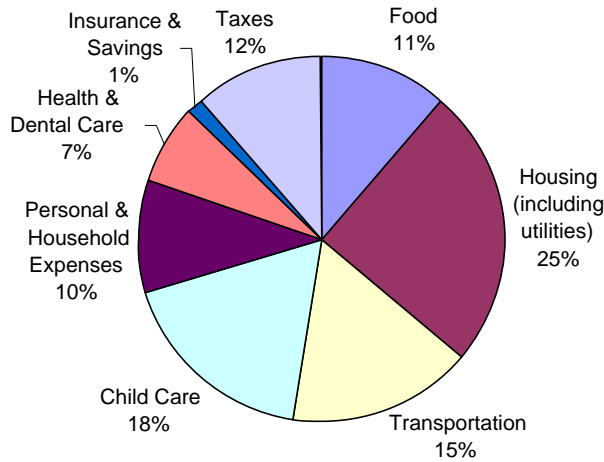
The Vermont livable wage is almost three times the federal poverty level and roughly twice the full-time minimum wage earnings. The single-parent family budget is approximately 160% of the federal poverty guidelines while the four-person family budget is approximately 179% of the federal poverty guidelines. The Census median family income is also shown for comparison purposes.

<b>Single Parent with One Child</b>			
Rural, w/ Employer Assisted Health Care & Low Cost Food Plan			
Major Budget Components	Monthly	Annual	% of Budget
Food	315	3,777	11.3%
Housing (including utilities & telephone)	688	8,250	24.7%
Transportation	459	5,511	16.5%
Child Care	493	5,921	17.7%
Personal & Household Expenses [1]	284	3,408	10.2%
Health & Dental Care	190	2,276	6.8%
Insurance & Savings [2]	36	436	1.3%
<b>Expense Budget</b>	<b>2,465</b>	<b>29,579</b>	<b>88.5%</b>
Taxes	321	3,848	11.5%
<b>Overall Budget</b>	<b>2,786</b>	<b>33,427</b>	

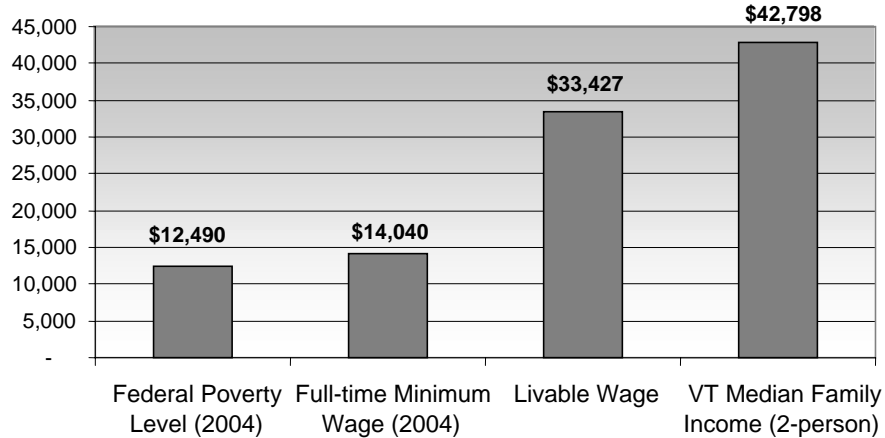
[1] Personal, Household & Clothing expenses

[2] Rental Insurance, Term Life Insurance, and 5% Savings

**Percentage of Income Needed to Meet Basic Needs in Vermont**



**Vermont Livable Income Compared to Other Benchmarks**

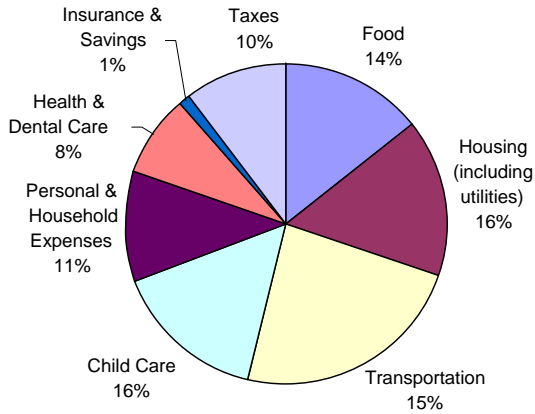


<b>Two Working Parents with Two Children</b>			
Rural, w/ Employer Assisted Health Care & Low Cost Food Plan			
<u>Major Budget Components</u>	<u>Monthly</u>	<u>Annual</u>	<u>% of Budget</u>
Food	636	7,634	14.5%
Housing (including utilities & telephone)	688	8,250	15.7%
Transportation	1,029	12,349	23.4%
Child Care	681	8,167	15.5%
Personal & Household Expenses			
[1]	494	5,927	11.3%
Health & Dental Care	367	4,402	8.4%
Insurance & Savings [2]	44	532	1.0%
<b>Expense Budget</b>	<b>3,938</b>	<b>47,261</b>	<b>89.7%</b>
Taxes	451	5,410	10.3%
<b>Overall Budget</b>	<b>4,389</b>	<b>52,670</b>	

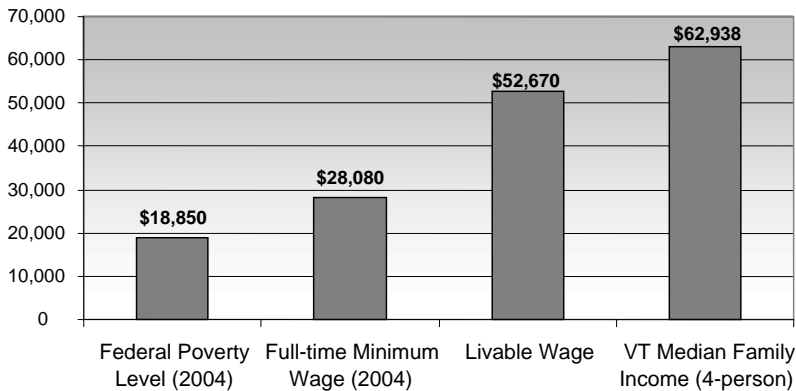
[1] Personal, Household & Clothing expenses

[2] Rental Insurance, Term Life Insurance, and 5% Savings

**Percentage of Income Needed to Meet Basic Needs in Vermont**



**Vermont Livable Income Compared to Other Benchmarks**





### **Part III – Basic Needs Budgets Data**

The first set of tables is the Basic Needs Budget data by family configuration. The top half of the table shows the cost per month for the various categories. The middle lines, total monthly expenses, annual expenses, federal and state taxes, and annual income are used to calculate the equivalent hourly wage. The federal and state tax calculations are shown on the bottom half of the page. The second set of charts shows the exact same data by profile.

### Single Person

Category	Urban			Rural		
	A	B	C	A	B	C
	No Employer Assisted Health Care	With Employer Assisted Health Care		No Employer Assisted Health Care	With Employer Assisted Health Care	
	<i>cost estimates are per month</i>			<i>cost estimates are per month</i>		
	Moderate Cost Food Plan	Low Cost Plan		Moderate Cost Food Plan	Low Cost Plan	
Food	253	253	207	253	253	207
Housing (rent & utilities)	638	638	638	520	520	520
Transportation	331	331	331	516	516	516
Child Care	0	0	0	0	0	0
Clothing / Household	159	159	159	159	159	159
Telephone	37	37	37	37	37	37
Personal Expenses	68	68	34	68	68	34
Renter's Insurance	14	14	14	18	18	18
Health Care [1]	240	73	73	240	73	73
Dental Care [2]	47	47	47	47	47	47
Term Life Insurance	0	0	0	0	0	0
Savings (5%)	89	81	0	93	84	0
<b>Total Monthly Expenses</b>	<b>1,874</b>	<b>1,699</b>	<b>1,538</b>	<b>1,950</b>	<b>1,774</b>	<b>1,610</b>
<b>Annual Expenses</b>	<b>22,490</b>	<b>20,387</b>	<b>18,458</b>	<b>23,396</b>	<b>21,293</b>	<b>19,321</b>
<b>Federal &amp; State Taxes</b>	<b>5,563</b>	<b>4,613</b>	<b>3,576</b>	<b>5,886</b>	<b>5,137</b>	<b>4,332</b>
<b>Annual Income</b>	<b>28,054</b>	<b>25,000</b>	<b>22,034</b>	<b>29,282</b>	<b>26,430</b>	<b>23,653</b>
<b>Equivalent Hourly Wage</b>	<b>\$ 13.49</b>	<b>\$ 12.02</b>	<b>\$ 10.59</b>	<b>\$ 14.08</b>	<b>\$ 12.71</b>	<b>\$ 11.37</b>
<i>Average Wage per Earner</i>						

Tax Calculations	2003 Tax Year - Single Taxpayer					
	Urban A	Urban B	Urban C	Rural A	Rural B	Rural C
AGI	28,054	25,000	22,034	29,282	26,430	23,653
Standard Deduction	(4,750)	(4,750)	(4,750)	(4,750)	(4,750)	(4,750)
Personal Exemption(s)	(3,050)	(3,050)	(3,050)	(3,050)	(3,050)	(3,050)
Taxable Income	20,254	17,200	14,234	21,482	18,630	15,853
Federal Tax (before credits)	2,688	2,230	1,785	2,872	2,444	2,028
EITC-Federal	-	-	-	-	-	-
Child Credit	-	-	-	-	-	-
Dependent Care Credit	-	-	-	-	-	-
Net Federal Tax	2,688	2,230	1,785	2,872	2,444	2,028
State Tax (before credits)	729	619	512	773	671	571
EITC-State	-	-	-	-	-	-
Dependent Care Credit	-	-	-	-	-	-
Renter Rebate	-	(149)	(407)	-	-	(76)
Net State Tax	729	470	105	773	671	495
FICA/Medicare	2,146	1,913	1,686	2,240	2,022	1,809
<b>Total</b>	<b>5,563</b>	<b>4,613</b>	<b>3,576</b>	<b>5,886</b>	<b>5,137</b>	<b>4,332</b>

[1] & [2] Bold indicates that coverage for children is through Dr. Dynasaur for both health and dental care.

### Single Parent with One Child

Category	Urban			Rural		
	A	B	C	A	B	C
	No Employer Assisted Health Care	With Employer Assisted Health Care		No Employer Assisted Health Care	With Employer Assisted Health Care	
	<i>cost estimates are per month</i>			<i>cost estimates are per month</i>		
	Moderate Cost Food Plan	Low Cost Plan		Moderate Cost Food Plan	Low Cost Plan	
Food	387	387	315	387	387	315
Housing (rent & utilities)	850	850	850	651	651	651
Transportation	250	250	250	459	459	459
Child Care	549	549	549	493	493	493
Clothing / Household	216	216	216	216	216	216
Telephone	37	37	37	37	37	37
Personal Expenses	135	135	68	135	135	68
Renter's Insurance	14	14	14	18	18	18
Health Care [1]	310	143	143	310	143	143
Dental Care [2]	47	47	47	47	47	47
Term Life Insurance	18	18	18	18	18	18
Savings (5%)	141	132	0	139	130	0
Total Monthly Expenses	2,952	2,777	2,506	2,910	2,735	2,465
Annual Expenses	35,430	33,327	30,067	34,918	32,815	29,579
Federal & State Taxes	6,093	5,263	3,790	5,870	5,081	3,848
Annual Income	41,523	38,590	33,857	40,788	37,896	33,427
<b>Equivalent Hourly Wage</b>	<b>\$ 19.96</b>	<b>\$ 18.55</b>	<b>\$ 16.28</b>	<b>\$ 19.61</b>	<b>\$ 18.22</b>	<b>\$ 16.07</b>
<i>Average Wage per Earner</i>						

Tax Calculations	2003 Tax Year - Head of Household					
	A	B	C	A	B	C
AGI	41,523	38,590	33,857	40,788	37,896	33,427
Standard Deduction	(7,000)	(7,000)	(7,000)	(7,000)	(7,000)	(7,000)
Personal Exemption(s)	(6,100)	(6,100)	(6,100)	(6,100)	(6,100)	(6,100)
Taxable Income	28,423	25,490	20,757	27,688	24,796	20,327
Federal Tax (before credits)	3,763	3,324	2,614	3,653	3,219	2,549
EITC-Federal	-	-	-	-	-	-
Child Credit	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Dependent Care Credit	(630)	(690)	(750)	(660)	(690)	(750)
Net Federal Tax	2,133	1,634	864	1,993	1,529	799
State Tax (before credits)	1,023	918	747	997	893	732
EITC-State	-	-	-	-	-	-
Dependent Care Credit	(240)	(240)	(240)	(240)	(240)	(240)
Renter Rebate	-	-	(171)	-	-	-
Net State Tax	783	678	337	757	653	492
FICA/Medicare	3,177	2,952	2,590	3,120	2,899	2,557
<b>Total</b>	<b>6,093</b>	<b>5,263</b>	<b>3,790</b>	<b>5,870</b>	<b>5,081</b>	<b>3,848</b>

### Single Parent with Two Children

Category	Urban			Rural		
	A	B	C	A	B	C
	No Employer Assisted Health Care	With Employer Assisted Health Care		No Employer Assisted Health Care	With Employer Assisted Health Care	
	<i>cost estimates are per month</i>			<i>cost estimates are per month</i>		
	Moderate Cost Food Plan	Low Cost Plan		Moderate Cost Food Plan	Low Cost Plan	
Food	566	566	460	566	566	460
Housing (rent & utilities)	850	850	850	651	651	651
Transportation	250	250	250	459	459	459
Child Care	758	758	758	681	681	681
Clothing / Household	216	216	216	216	216	216
Telephone	37	37	37	37	37	37
Personal Expenses	203	203	101	203	203	101
Renter's Insurance	14	14	14	18	18	18
Health Care [1]	310	143	143	310	143	143
Dental Care [2]	47	47	47	47	47	47
Term Life Insurance	20	20	20	20	20	20
Savings (5%)	163	155	0	160	152	0
<b>Total Monthly Expenses</b>	<b>3,433</b>	<b>3,258</b>	<b>2,896</b>	<b>3,367</b>	<b>3,192</b>	<b>2,833</b>
<b>Annual Expenses</b>	<b>41,201</b>	<b>39,098</b>	<b>34,753</b>	<b>40,407</b>	<b>38,304</b>	<b>33,997</b>
<b>Federal &amp; State Taxes</b>	<b>4,924</b>	<b>4,175</b>	<b>3,209</b>	<b>4,641</b>	<b>3,812</b>	<b>3,114</b>
<b>Annual Income</b>	<b>46,125</b>	<b>43,273</b>	<b>37,962</b>	<b>45,049</b>	<b>42,116</b>	<b>37,111</b>
<b>Equivalent Hourly Wage</b>	<b>\$ 22.18</b>	<b>\$ 20.80</b>	<b>\$ 18.25</b>	<b>\$ 21.66</b>	<b>\$ 20.25</b>	<b>\$ 17.84</b>
<i>Average Wage per Earner</i>						

Tax Calculations	2003 Tax Year - Head of Household					
	Urban A	Urban B	Urban C	Rural A	Rural B	Rural C
AGI	46,125	43,273	37,962	45,049	42,116	37,111
Standard Deduction	(7,000)	(7,000)	(7,000)	(7,000)	(7,000)	(7,000)
Personal Exemption(s)	(9,150)	(9,150)	(9,150)	(9,150)	(9,150)	(9,150)
Taxable Income	29,975	27,123	21,812	28,899	25,966	20,961
Federal Tax (before credits)	3,996	3,569	2,772	3,835	3,395	2,644
EITC-Federal	-	-	-	-	-	-
Child Credit	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
Dependent Care Credit	(1,200)	(1,200)	(1,380)	(1,200)	(1,260)	(1,380)
Net Federal Tax	796	369	-	635	135	-
State Tax (before credits)	1,079	976	785	1,040	935	755
EITC-State	-	-	-	-	-	-
Dependent Care Credit	(480)	(480)	(480)	(480)	(480)	(480)
Renter Rebate	-	-	-	-	-	-
Net State Tax	599	496	305	560	455	275
FICA/Medicare	3,529	3,310	2,904	3,446	3,222	2,839
<b>Total</b>	<b>4,924</b>	<b>4,175</b>	<b>3,209</b>	<b>4,641</b>	<b>3,812</b>	<b>3,114</b>

**Two Adults with No Children (2 wage earners)**

Category	Urban			Rural		
	A	B	C	A	B	C
	No Employer Assisted Health Care	With Employer Assisted Health Care	With Employer Assisted Health Care	No Employer Assisted Health Care	With Employer Assisted Health Care	With Employer Assisted Health Care
	<i>cost estimates are per month</i>			<i>cost estimates are per month</i>		
	Moderate Cost Food Plan	Low Cost Plan		Moderate Cost Food Plan	Low Cost Plan	
Food	503	503	408	503	503	408
Housing (rent & utilities)	638	638	638	520	520	520
Transportation	765	765	765	1053	1053	1053
Child Care	0	0	0	0	0	0
Clothing / Household	287	287	287	287	287	287
Telephone	37	37	37	37	37	37
Personal Expenses	135	135	68	135	135	68
Renter's Insurance	14	14	14	18	18	18
Health Care [1]	479	218	218	479	218	218
Dental Care [2]	79	79	79	79	79	79
Term Life Insurance	18	18	0	18	18	0
Savings (5%)	148	135	0	156	143	0
Total Monthly Expenses	3,103	2,828	2,512	3,286	3,011	2,687
Annual Expenses	37,234	33,937	30,146	39,435	36,138	32,243
Federal & State Taxes	8,369	7,196	5,846	9,153	7,979	6,593
Annual Income	45,603	41,132	35,992	48,588	44,117	38,835
<b>Equivalent Hourly Wage</b>	<b>\$ 21.92</b>	<b>\$ 19.78</b>	<b>\$ 17.30</b>	<b>\$ 23.36</b>	<b>\$ 21.21</b>	<b>\$ 18.67</b>
<i>Average Wage per Earner</i>	<i>10.96</i>	<i>9.89</i>	<i>8.65</i>	<i>11.68</i>	<i>10.61</i>	<i>9.34</i>
<b>Tax Calculations</b>	<b>2003 Tax Year - Married Filing Jointly</b>					
AGI	45,603	41,132	35,992	48,588	44,117	38,835
Standard Deduction	(9,500)	(9,500)	(9,500)	(9,500)	(9,500)	(9,500)
Personal Exemption(s)	(6,100)	(6,100)	(6,100)	(6,100)	(6,100)	(6,100)
Taxable Income	30,003	25,532	20,392	32,988	28,517	23,235
Federal Tax (before credits)	3,800	3,130	2,359	4,248	3,578	2,785
EITC-Federal	-	-	-	-	-	-
Child Credit	-	-	-	-	-	-
Dependent Care Credit	-	-	-	-	-	-
Net Federal Tax	3,800	3,130	2,359	4,248	3,578	2,785
State Tax (before credits)	1,080	919	734	1,188	1,027	836
EITC-State	-	-	-	-	-	-
Dependent Care Credit	-	-	-	-	-	-
Renter Rebate	-	-	-	-	-	-
Net State Tax	1,080	919	734	1,188	1,027	836
FICA/Medicare	3,489	3,147	2,753	3,717	3,375	2,971
<b>Total</b>	<b>8,369</b>	<b>7,196</b>	<b>5,846</b>	<b>9,153</b>	<b>7,979</b>	<b>6,593</b>

**Two Adults with Two Children (one wage earner)**

Category	Urban			Rural		
	A	B	C	A	B	C
	No Employer Assisted Health Care	With Employer Assisted Health Care	With Employer Assisted Health Care	No Employer Assisted Health Care	With Employer Assisted Health Care	With Employer Assisted Health Care
	<i>cost estimates are per month</i>			<i>cost estimates are per month</i>		
	Moderate Cost Food Plan	Low Cost Plan	Low Cost Plan	Moderate Cost Food Plan	Low Cost Plan	Low Cost Plan
Food	785	785	636	785	785	636
Housing (rent & utilities)	850	850	850	651	651	651
Transportation	592	592	592	772	772	772
Child Care	0	0	0	0	0	0
Clothing / Household	339	339	339	339	339	339
Telephone	37	37	37	37	37	37
Personal Expenses	270	270	135	270	270	135
Renter's Insurance	14	14	14	18	18	18
Health Care [1]	549	288	288	549	288	288
Dental Care [2]	79	79	79	79	79	79
Term Life Insurance	22	22	22	22	22	22
Savings (5%)	143	134	0	164	150	0
Total Monthly Expenses	3,681	3,410	2,992	3,686	3,410	2,977
Annual Expenses	44,173	40,924	35,904	44,234	40,924	35,721
Federal & State Taxes	5,938	4,782	3,130	5,960	4,781	3,107
Annual Income	50,111	45,706	39,034	50,194	45,705	38,827
<b>Equivalent Hourly Wage</b>	<b>\$ 24.09</b>	<b>\$ 21.97</b>	<b>\$ 18.77</b>	<b>\$ 24.13</b>	<b>\$ 21.97</b>	<b>\$ 18.67</b>
<i>Average Wage per Earner</i>						

Tax Calculations	2003 Tax Year - Married Filing Jointly					
	Urban A	Urban B	Urban C	Rural A	Rural B	Rural C
AGI	50,111	45,706	39,034	50,194	45,705	38,827
Standard Deduction	(9,500)	(9,500)	(9,500)	(9,500)	(9,500)	(9,500)
Personal Exemption(s)	(12,200)	(12,200)	(12,200)	(12,200)	(12,200)	(12,200)
Taxable Income	28,411	24,006	17,334	28,494	24,005	17,127
Federal Tax (before credits)	3,562	2,901	1,900	3,574	2,901	1,869
EITC-Federal	-	-	-	-	-	-
Child Credit	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
Dependent Care Credit	-	-	-	-	-	-
Net Federal Tax	1,562	901	-	1,574	901	-
State Tax (before credits)	1,023	864	624	1,026	864	617
EITC-State	-	-	-	-	-	-
Dependent Care Credit	(480)	(480)	(480)	(480)	(480)	(480)
Renter Rebate	-	-	-	-	-	-
Net State Tax	543	384	144	546	384	137
FICA/Medicare	3,833	3,496	2,986	3,840	3,496	2,970
<b>Total</b>	<b>5,938</b>	<b>4,782</b>	<b>3,130</b>	<b>5,960</b>	<b>4,781</b>	<b>3,107</b>

**Two Adults with Two Children (two wage earners)**

Category	Urban			Rural		
	A	B	C	A	B	C
	No Employer Assisted Health Care	With Employer Assisted Health Care	With Employer Assisted Health Care	No Employer Assisted Health Care	With Employer Assisted Health Care	With Employer Assisted Health Care
	<b>cost estimates are per month</b>			<b>cost estimates are per month</b>		
	Moderate Cost Food Plan	Low Cost Plan		Moderate Cost Food Plan	Low Cost Plan	
Food	785	785	636	785	785	636
Housing (rent & utilities)	850	850	850	651	651	651
Transportation	790	790	790	1029	1029	1029
Child Care	758	758	758	681	681	681
Clothing / Household	359	359	359	359	359	359
Telephone	37	37	37	37	37	37
Personal Expenses	270	270	135	270	270	135
Renter's Insurance	14	14	14	18	18	18
Health Care [1]	549	288	288	549	288	288
Dental Care [2]	79	79	79	79	79	79
Term Life Insurance	26	26	26	26	26	26
Savings (5%)	163	149	0	213	199	0
Total Monthly Expenses	4,680	4,404	3,971	4,697	4,421	3,938
Annual Expenses	56,162	52,851	47,657	56,362	53,052	47,261
Federal & State Taxes	8,578	7,400	5,551	8,649	7,471	5,410
Annual Income	64,740	60,251	53,208	65,011	60,523	52,670
<b>Equivalent Hourly Wage</b>	<b>\$ 31.12</b>	<b>\$ 28.97</b>	<b>\$ 25.58</b>	<b>\$ 31.26</b>	<b>\$ 29.10</b>	<b>\$ 25.32</b>
<i>Average Wage per Earner</i>	15.56	14.48	12.79	15.63	14.55	12.66
<b>Tax Calculations</b>	<b>2003 Tax Year - Married Filing Jointly</b>					
AGI	64,740	60,251	53,208	65,011	60,523	52,670
Standard Deduction	(9,500)	(9,500)	(9,500)	(9,500)	(9,500)	(9,500)
Personal Exemption(s)	(12,200)	(12,200)	(12,200)	(12,200)	(12,200)	(12,200)
Taxable Income	43,040	38,551	31,508	43,311	38,823	30,970
Federal Tax (before credits)	5,756	5,083	4,026	5,797	5,123	3,946
EITC-Federal	-	-	-	-	-	-
Child Credit	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
Dependent Care Credit	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)
Net Federal Tax	2,556	1,883	826	2,597	1,923	746
State Tax (before credits)	1,549	1,388	1,134	1,559	1,398	1,115
EITC-State	-	-	-	-	-	-
Dependent Care Credit	(480)	(480)	(480)	(480)	(480)	(480)
Renter Rebate	-	-	-	-	-	-
Net State Tax	1,069	908	654	1,079	918	635
FICA/Medicare	4,953	4,609	4,070	4,973	4,630	4,029
<b>Total</b>	<b>8,578</b>	<b>7,400</b>	<b>5,551</b>	<b>8,649</b>	<b>7,471</b>	<b>5,410</b>

## NO Employer Assisted Health Care

### Urban

#### Moderate Cost Food Plan

Category	Single Person	Single Parent with One Child	Single Parent with Two Children	Two Adults No Children (both wage earners)	Two Adults Two Children (one wage earner)	Two Adults Two Children (two wage earners)
<b>cost estimates are per month</b>						
Food	253	387	566	503	785	785
Housing (rent & utilities)	638	850	850	638	850	850
Transportation	331	250	250	765	592	790
Child Care	0	549	758	0	0	758
Clothing / Household	159	216	216	287	339	359
Telephone	37	37	37	37	37	37
Personal Expenses	68	135	203	135	270	270
Renter's Insurance	14	14	14	14	14	14
Health Care	240	310	310	479	549	549
Dental Care	47	47	47	79	79	79
Term Life Insurance	0	18	20	18	22	26
Savings (5%)	89	141	163	148	143	163
<b>Total Monthly Expenses</b>	<b>1,874</b>	<b>2,952</b>	<b>3,433</b>	<b>3,103</b>	<b>3,681</b>	<b>4,680</b>
<b>Annual Expenses</b>	<b>22,490</b>	<b>35,430</b>	<b>41,201</b>	<b>37,234</b>	<b>44,173</b>	<b>56,162</b>
<b>Federal &amp; State Taxes</b>	<b>5,563</b>	<b>6,093</b>	<b>4,924</b>	<b>8,369</b>	<b>5,938</b>	<b>8,578</b>
<b>Annual Income</b>	<b>28,054</b>	<b>41,523</b>	<b>46,125</b>	<b>45,603</b>	<b>50,111</b>	<b>64,740</b>
<b>Equivalent Hourly Wage</b>	<b>\$13.49</b>	<b>\$19.96</b>	<b>\$22.18</b>	<b>\$21.92</b>	<b>\$24.09</b>	<b>\$31.12</b>
<i>Average Wage per Earner</i>				\$10.96		\$15.56

### Tax Calculations

#### 2003 Tax Year - Various Filing Statuses

AGI	28,054	41,523	46,125	45,603	50,111	64,740
Standard Deduction	(4,750)	(7,000)	(7,000)	(9,500)	(9,500)	(9,500)
Personal Exemption(s)	(3,050)	(6,100)	(9,150)	(6,100)	(12,200)	(12,200)
Taxable Income	20,254	28,423	29,975	30,003	28,411	43,040
Federal Tax (before credits)	2,688	3,763	3,996	3,800	3,562	5,756
EITC-Federal	-	-	-	-	-	-
Child Credit	-	(1,000)	(2,000)	-	(2,000)	(2,000)
Dependent Care Credit	-	(630)	(1,200)	-	-	(1,200)
Net Federal Tax	2,688	2,133	796	3,800	1,562	2,556
State Tax (before credits)	729	1,023	1,079	1,080	1,023	1,549
EITC-State	-	-	-	-	-	-
Dependent Care Credit	-	(240)	(480)	-	(480)	(480)
Renter Rebate	-	-	-	-	-	-
Net State Tax	729	783	599	1,080	543	1,069
FICA/Medicare	2,146	3,177	3,529	3,489	3,833	4,953
<b>Total</b>	<b>5,563</b>	<b>6,093</b>	<b>4,924</b>	<b>8,369</b>	<b>5,938</b>	<b>8,578</b>



## NO Employer Assisted Health Care

### Rural

#### Moderate Cost Food Plan

Category	Single Person	Single Parent with One Child	Single Parent with Two Children	Two Adults No Children (both wage earners)	Two Adults Two Children (one wage earner)	Two Adults Two Children (two wage earners)
<i>cost estimates are per month</i>						
Food	253	387	566	503	785	785
Housing (rent & utilities)	520	651	651	520	651	651
Transportation	516	459	459	1053	772	1029
Child Care	0	493	681	0	0	681
Clothing / Household	159	216	216	287	339	359
Telephone	37	37	37	37	37	37
Personal Expenses	68	135	203	135	270	270
Renter's Insurance	18	18	18	18	18	18
Health Care	240	310	310	479	549	549
Dental Care	47	47	47	79	79	79
Term Life Insurance	0	18	20	18	22	26
Savings (5%)	93	139	160	156	164	213
<b>Total Monthly Expenses</b>	<b>1,950</b>	<b>2,910</b>	<b>3,367</b>	<b>3,286</b>	<b>3,686</b>	<b>4,697</b>
<b>Annual Expenses</b>	<b>23,396</b>	<b>34,918</b>	<b>40,407</b>	<b>39,435</b>	<b>44,234</b>	<b>56,362</b>
<b>Federal &amp; State Taxes</b>	<b>5,886</b>	<b>5,870</b>	<b>4,641</b>	<b>9,153</b>	<b>5,960</b>	<b>8,649</b>
<b>Annual Income</b>	<b>29,282</b>	<b>40,788</b>	<b>45,049</b>	<b>48,588</b>	<b>50,194</b>	<b>65,011</b>
<b>Equivalent Hourly Wage</b>	<b>\$14.08</b>	<b>\$19.61</b>	<b>\$21.66</b>	<b>\$23.36</b>	<b>\$24.13</b>	<b>\$31.26</b>
<i>Average Wage per Earner</i>				<i>\$11.68</i>		<i>\$15.63</i>

### Tax Calculations

#### 2003 Tax Year - Various Filing Statuses

AGI	29,282	40,788	45,049	48,588	50,194	65,011
Standard Deduction	(4,750)	(7,000)	(7,000)	(9,500)	(9,500)	(9,500)
Personal Exemption(s)	(3,050)	(6,100)	(9,150)	(6,100)	(12,200)	(12,200)
Taxable Income	21,482	27,688	28,899	32,988	28,494	43,311
Federal Tax (before credits)	2,872	3,653	3,835	4,248	3,574	5,797
EITC-Federal	-	-	-	-	-	-
Child Credit	-	(1,000)	(2,000)	-	(2,000)	(2,000)
Dependent Care Credit	-	(660)	(1,200)	-	-	(1,200)
Net Federal Tax	2,872	1,993	635	4,248	1,574	2,597
State Tax (before credits)	773	997	1,040	1,188	1,026	1,559
EITC-State	-	-	-	-	-	-
Dependent Care Credit	-	(240)	(480)	-	(480)	(480)
Renter Rebate	-	-	-	-	-	-
Net State Tax	773	757	560	1,188	546	1,079
FICA/Medicare	2,240	3,120	3,446	3,717	3,840	4,973
<b>Total</b>	<b>5,886</b>	<b>5,870</b>	<b>4,641</b>	<b>9,153</b>	<b>5,960</b>	<b>8,649</b>

**With Employer Assisted Health Care**

**Urban**

Moderate Cost Food Plan

	Single Person	Single Parent with One Child	Single Parent with Two Children	Two Adults No Children (both wage earners)	Two Adults Two Children (one wage earner)	Two Adults Two Children (two wage earners)
<b>Category</b>	<b>cost estimates are per month</b>					
Food	253	387	566	503	785	785
Housing (rent & utilities)	638	850	850	638	850	850
Transportation	331	250	250	765	592	790
Child Care	0	549	758	0	0	758
Clothing / Household	159	216	216	287	339	359
Telephone	37	37	37	37	37	37
Personal Expenses	68	135	203	135	270	270
Renter's Insurance	14	14	14	14	14	14
Health Care	73	143	143	218	288	288
Dental Care	47	47	47	79	79	79
Term Life Insurance	0	18	20	18	22	26
Savings (5%)	81	132	155	135	134	149
<b>Total Monthly Expenses</b>	<b>1,699</b>	<b>2,777</b>	<b>3,258</b>	<b>2,828</b>	<b>3,410</b>	<b>4,404</b>
<b>Annual Expenses</b>	<b>20,387</b>	<b>33,327</b>	<b>39,098</b>	<b>33,937</b>	<b>40,924</b>	<b>52,851</b>
<b>Federal &amp; State Taxes</b>	<b>4,613</b>	<b>5,263</b>	<b>4,175</b>	<b>7,196</b>	<b>4,782</b>	<b>7,400</b>
<b>Annual Income</b>	<b>25,000</b>	<b>38,590</b>	<b>43,273</b>	<b>41,132</b>	<b>45,706</b>	<b>60,251</b>
<b>Equivalent Hourly Wage</b>	<b>\$12.02</b>	<b>\$18.55</b>	<b>\$20.80</b>	<b>\$19.78</b>	<b>\$21.97</b>	<b>\$28.97</b>
<i>Average Wage per Earner</i>				\$9.89		\$14.48
<b>Tax Calculations</b>	<b>2003 Tax Year - Various Filing Statuses</b>					
AGI	25,000	38,590	43,273	41,132	45,706	60,251
Standard Deduction	(4,750)	(7,000)	(7,000)	(9,500)	(9,500)	(9,500)
Personal Exemption(s)	(3,050)	(6,100)	(9,150)	(6,100)	(12,200)	(12,200)
Taxable Income	17,200	25,490	27,123	25,532	24,006	38,551
Federal Tax (before credits)	2,230	3,324	3,569	3,130	2,901	5,083
EITC-Federal	-	-	-	-	-	-
Child Credit	-	(1,000)	(2,000)	-	(2,000)	(2,000)
Dependent Care Credit	-	(690)	(1,200)	-	-	(1,200)
Net Federal Tax	2,230	1,634	369	3,130	901	1,883
State Tax (before credits)	619	918	976	919	864	1,388
EITC-State	-	-	-	-	-	-
Dependent Care Credit	-	(240)	(480)	-	(480)	(480)
Renter Rebate	(149)	-	-	-	-	-
Net State Tax	470	678	496	919	384	908
FICA/Medicare	1,913	2,952	3,310	3,147	3,496	4,609
<b>Total</b>	<b>4,613</b>	<b>5,263</b>	<b>4,175</b>	<b>7,196</b>	<b>4,782</b>	<b>7,400</b>

**With Employer Assisted Health Care**

**Rural**

Moderate Cost Food Plan

	Single Person	Single Parent with One Child	Single Parent with Two Children	Two Adults No Children (both wage earners)	Two Adults Two Children (one wage earner)	Two Adults Two Children (two wage earners)
<b>Category</b>	<b>cost estimates are per month</b>					
Food	253	387	566	503	785	785
Housing (rent & utilities)	520	651	651	520	651	651
Transportation	516	459	459	1053	772	1029
Child Care	0	493	681	0	0	681
Clothing / Household	159	216	216	287	339	359
Telephone	37	37	37	37	37	37
Personal Expenses	68	135	203	135	270	270
Renter's Insurance	18	18	18	18	18	18
Health Care	73	143	143	218	288	288
Dental Care	47	47	47	79	79	79
Term Life Insurance	0	18	20	18	22	26
Savings (5%)	84	130	152	143	150	199
<b>Total Monthly Expenses</b>	<b>1,774</b>	<b>2,735</b>	<b>3,192</b>	<b>3,011</b>	<b>3,410</b>	<b>4,421</b>
<b>Annual Expenses</b>	<b>21,293</b>	<b>32,815</b>	<b>38,304</b>	<b>36,138</b>	<b>40,924</b>	<b>53,052</b>
<b>Federal &amp; State Taxes</b>	<b>5,137</b>	<b>5,081</b>	<b>3,812</b>	<b>7,979</b>	<b>4,781</b>	<b>7,471</b>
<b>Annual Income</b>	<b>26,430</b>	<b>37,896</b>	<b>42,116</b>	<b>44,117</b>	<b>45,705</b>	<b>60,523</b>
<b>Equivalent Hourly Wage</b>	<b>\$12.71</b>	<b>\$18.22</b>	<b>\$20.25</b>	<b>\$21.21</b>	<b>\$21.97</b>	<b>\$29.10</b>
<i>Average Wage per Earner</i>				<i>\$10.61</i>		<i>\$14.55</i>

**Tax Calculations**

**2003 Tax Year - Various Filing Statuses**

AGI	26,430	37,896	42,116	44,117	45,705	60,523
Standard Deduction	(4,750)	(7,000)	(7,000)	(9,500)	(9,500)	(9,500)
Personal Exemption(s)	(3,050)	(6,100)	(9,150)	(6,100)	(12,200)	(12,200)
Taxable Income	18,630	24,796	25,966	28,517	24,005	38,823
Federal Tax (before credits)	2,444	3,219	3,395	3,578	2,901	5,123
EITC-Federal	-	-	-	-	-	-
Child Credit	-	(1,000)	(2,000)	-	(2,000)	(2,000)
Dependent Care Credit	-	(690)	(1,260)	-	-	(1,200)
Net Federal Tax	2,444	1,529	135	3,578	901	1,923
State Tax (before credits)	671	893	935	1,027	864	1,398
EITC-State	-	-	-	-	-	-
Dependent Care Credit	-	(240)	(480)	-	(480)	(480)
Renter Rebate	-	-	-	-	-	-
Net State Tax	671	653	455	1,027	384	918
FICA/Medicare	2,022	2,899	3,222	3,375	3,496	4,630
<b>Total</b>	<b>5,137</b>	<b>5,081</b>	<b>3,812</b>	<b>7,979</b>	<b>4,781</b>	<b>7,471</b>

**With Employer Assisted Health Care**

**Urban**

**Low Cost Food Plan[1]**

	Single Person	Single Parent with One Child	Single Parent with Two Children	Two Adults No Children (both wage earners)	Two Adults Two Children (one wage earner)	Two Adults Two Children (two wage earners)
<b>Category</b>	<b>cost estimates are per month</b>					
Food	207	315	460	408	636	636
Housing (rent & utilities)	638	850	850	638	850	850
Transportation	331	250	250	765	592	790
Child Care	0	549	758	0	0	758
Clothing / Household	159	216	216	287	339	359
Telephone	37	37	37	37	37	37
Personal Expenses	34	68	101	68	135	135
Renter's Insurance	14	14	14	14	14	14
Health Care	73	143	143	218	288	288
Dental Care	47	47	47	79	79	79
Term Life Insurance	0	18	20	0	22	26
Savings (5%)	0	0	0	0	0	0
<b>Total Monthly Expenses</b>	<b>1,538</b>	<b>2,506</b>	<b>2,896</b>	<b>2,512</b>	<b>2,992</b>	<b>3,971</b>
<b>Annual Expenses</b>	<b>18,458</b>	<b>30,067</b>	<b>34,753</b>	<b>30,146</b>	<b>35,904</b>	<b>47,657</b>
<b>Federal &amp; State Taxes</b>	<b>3,576</b>	<b>3,790</b>	<b>3,209</b>	<b>5,846</b>	<b>3,130</b>	<b>5,551</b>
<b>Annual Income</b>	<b>22,034</b>	<b>33,857</b>	<b>37,962</b>	<b>35,992</b>	<b>39,034</b>	<b>53,208</b>
<b>Equivalent Hourly Wage</b>	<b>\$10.59</b>	<b>\$16.28</b>	<b>\$18.25</b>	<b>\$17.30</b>	<b>\$18.77</b>	<b>\$25.58</b>
<i>Average Wage per Earner</i>				\$8.65		\$12.79
<b>Tax Calculations</b>	<b>2003 Tax Year - Various Filing Statuses</b>					
AGI	22,034	33,857	37,962	35,992	39,034	53,208
Standard Deduction	(4,750)	(7,000)	(7,000)	(9,500)	(9,500)	(9,500)
Personal Exemption(s)	(3,050)	(6,100)	(9,150)	(6,100)	(12,200)	(12,200)
Taxable Income	14,234	20,757	21,812	20,392	17,334	31,508
Federal Tax (before credits)	1,785	2,614	2,772	2,359	1,900	4,026
EITC-Federal	-	-	-	-	-	-
Child Credit	-	(1,000)	(2,000)	-	(2,000)	(2,000)
Dependent Care Credit	-	(750)	(1,380)	-	-	(1,200)
Net Federal Tax	1,785	864	-	2,359	-	826
State Tax (before credits)	512	747	785	734	624	1,134
EITC-State	-	-	-	-	-	-
Dependent Care Credit	-	(240)	(480)	-	(480)	(480)
Renter Rebate	(407)	(171)	-	-	-	-
Net State Tax	105	337	305	734	144	654
FICA/Medicare	1,686	2,590	2,904	2,753	2,986	4,070
<b>Total</b>	<b>3,576</b>	<b>3,790</b>	<b>3,209</b>	<b>5,846</b>	<b>3,130</b>	<b>5,551</b>

[1] Low Cost Food Plan assumptions include no life insurance w/out children and no savings in addition to the food costs.

**With Employer Assisted Health Care**

**Rural**

**Low Cost Food Plan [1]**

	Single Person	Single Parent with One Child	Single Parent with Two Children	Two Adults No Children (both wage earners)	Two Adults Two Children (one wage earner)	Two Adults Two Children (two wage earners)
<b>Category</b>	<b>cost estimates are per month</b>					
Food	207	315	460	408	636	636
Housing (rent & utilities)	520	651	651	520	651	651
Transportation	516	459	459	1053	772	1029
Child Care	0	493	681	0	0	681
Clothing / Household	159	216	216	287	339	359
Telephone	37	37	37	37	37	37
Personal Expenses	34	68	101	68	135	135
Renter's Insurance	18	18	18	18	18	18
Health Care	73	143	143	218	288	288
Dental Care	47	47	47	79	79	79
Term Life Insurance	0	18	20	0	22	26
Savings (5%)	0	0	0	0	0	0
<b>Total Monthly Expenses</b>	<b>1,610</b>	<b>2,465</b>	<b>2,833</b>	<b>2,687</b>	<b>2,977</b>	<b>3,938</b>
<b>Annual Expenses</b>	<b>19,321</b>	<b>29,579</b>	<b>33,997</b>	<b>32,243</b>	<b>35,721</b>	<b>47,261</b>
<b>Federal &amp; State Taxes</b>	<b>4,332</b>	<b>3,848</b>	<b>3,114</b>	<b>6,593</b>	<b>3,107</b>	<b>5,410</b>
<b>Annual Income</b>	<b>23,653</b>	<b>33,427</b>	<b>37,111</b>	<b>38,835</b>	<b>38,827</b>	<b>52,670</b>
<b>Equivalent Hourly Wage</b>	<b>\$11.37</b>	<b>\$16.07</b>	<b>\$17.84</b>	<b>\$18.67</b>	<b>\$18.67</b>	<b>\$25.32</b>
<i>Average Wage per Earner</i>				\$9.34		\$12.66
<b>Tax Calculations</b>	<b>2003 Tax Year - Various Filing Statuses</b>					
AGI	23,653	33,427	37,111	38,835	38,827	52,670
Standard Deduction	(4,750)	(7,000)	(7,000)	(9,500)	(9,500)	(9,500)
Personal Exemption(s)	(3,050)	(6,100)	(9,150)	(6,100)	(12,200)	(12,200)
Taxable Income	15,853	20,327	20,961	23,235	17,127	30,970
Federal Tax (before credits)	2,028	2,549	2,644	2,785	1,869	3,946
EITC-Federal	-	-	-	-	-	-
Child Credit	-	(1,000)	(2,000)	-	(2,000)	(2,000)
Dependent Care Credit	-	(750)	(1,380)	-	-	(1,200)
Net Federal Tax	2,028	799	-	2,785	-	746
State Tax (before credits)	571	732	755	836	617	1,115
EITC-State	-	-	-	-	-	-
Dependent Care Credit	-	(240)	(480)	-	(480)	(480)
Renter Rebate	(76)	-	-	-	-	-
Net State Tax	495	492	275	836	137	635
FICA/Medicare	1,809	2,557	2,839	2,971	2,970	4,029
<b>Total</b>	<b>4,332</b>	<b>3,848</b>	<b>3,114</b>	<b>6,593</b>	<b>3,107</b>	<b>5,410</b>

[1] Low Cost Food Plan assumptions include no life insurance w/out children and no savings in addition to the food costs.

## Appendix A – Statutory History

### **2003 Act No. 66 Sec. 4.**

#### BASIC NEEDS BUDGET CALCULATIONS; JOINT FISCAL OFFICE

The joint fiscal office shall issue a report on or before January 15 of each year until January 15, ~~2004~~ 2006 that includes a computation of base line data of the cost of living in Vermont and the current wage levels within various sectors of the economy, using the methodology of the report prepared for the livable income study committee issued on November 9, 1999. The report shall include:

- (1) A set of “basic needs budgets” for various household configurations for the previous year. The “basic needs budgets” are calculations of the amount of money needed by various household configurations to maintain a decent standard of living in Vermont, using current state and federal data sources for determining such basic monthly expenses as food, housing, transportation, child care, utilities, personal expenses and health care.
- (2) A review of current state wage distributions.
- (3) Changes in the federal minimum wage and in the minimum wage rates of surrounding and comparable states.

### **2000 Act. 119 Sec. 4.**

#### BASIC NEEDS BUDGET CALCULATIONS; JOINT FISCAL OFFICE

The joint fiscal office shall issue a report on or before January 15 of each year until January 15, 2004 that includes a computation of base line data of the cost of living in Vermont and the current wage levels within various sectors of the economy, using the methodology of the report prepared for the livable income study committee issued on November 9, 1999. The report shall include:

- (1) A set of “basic needs budgets” for various household configurations for the previous year. The “basic needs budgets” are calculations of the amount of money needed by various household configurations to maintain a decent standard of living in Vermont, using current state and federal data sources for determining such basic monthly expenses as food, housing, transportation, child care, utilities, personal expenses and health care.
- (2) A review of current state wage distributions.
- (3) Changes in the federal minimum wage and in the minimum wage rates of surrounding and comparable states.

### **1999 Act No. 21 Sec. 2.**

#### LIVABLE WAGE RATE STUDY COMMITTEE; REPORT

(a) A committee is created to study the issues related to minimum wage and providing livable compensation to Vermont wage earners and to submit a report to the General Assembly on or before December 17, 1999, outlining findings, conclusions and recommendations. The committee shall consist of 10 members: three members from the House Committee on General, Housing and Military Affairs, one member each from the House Committee on Commerce and the House Committee on Health and Welfare appointed by the speaker; and three members from the Senate Committee on General Affairs and Housing and one member each from the Senate Committee on Finance and the Senate Committee on Health and Welfare appointed by the committee on committees. The members of the committee shall be entitled to compensation and reimbursement of expenses as provided in 2 V.S.A. § 406 for six meetings to be held during adjournment of the General Assembly, with the intention that at least one organization and planning meeting will be held before adjournment of the 1999 session. The committee shall have the assistance of the staff of the joint fiscal office, the legislative council and the departments of taxes, labor and industry, employment and training

and social welfare. The committee shall also enlist the participation of Vermont business and labor organizations and other entities in gathering data and providing input. The committee may contract for additional professional research to provide data and analysis.

(b) The committee shall:

(1) Determine the amount of a minimum livable wage rate with recommendations for achieving it in a reasonable time, a system for maintaining a livable minimum wage in light of inflation and any other economic factors that may affect buying power.

(2) Consider the impact of a livable wage on public assistance payments and other employee benefits, including the cost to the state and employers of providing those benefits.

(3) Consider how wage increases may affect the economy and propose innovative methods to assure the economic viability of businesses if the minimum wage is increased.

(4) Consider the effects of the increasing use of temporary and part-time employees not receiving benefits.

(5) Consider the effect of multi-state employers on the ability of Vermont businesses to pay a living wage and be competitive.

(c) The committee shall issue a report that includes, at a minimum, all the following:

(1) A profile, including age, gender, educational and training level and location of the full and part-time workers at various wage rate levels, beginning at minimum wage with 50-cent increments to a livable wage.

(2) A profile of the numbers, types and percentage of jobs that pay less than a livable wage. The profile shall include the types of businesses or occupations, the economic sector of these jobs, the turnover rate and the level of education and training required for each job.

(3) An analysis of how increased earnings might affect taxes and public assistance, including food stamps, LIHEAP, Dr. Dynasaur, TANF, Medicaid and any other relevant income-sensitive public assistance benefits.

(4) An analysis, using historic data available in Vermont and other states and countries, of the impact of minimum wage increases on the number of jobs, the buying power of workers, wage compression, costs of goods and services, business closures and growth, economic development and any other factors deemed relevant.

(5) A methodology to track, to the extent possible, the factors listed in subdivision (4) of this subsection to provide data for future policy making.

(6) Proposals for effective and realistic preferential policies, including procedures and criteria, for awarding state service contracts and state construction contracts to Vermont-based employers who pay all employees at livable wage rates.

(7) An analysis of the correlation between workforce training efforts and increased wages, including the impact on workers who participate in those training programs. This analysis shall integrate available data from the human resources investment council and other related data.

(8) Proposals for tax credit plans and other similar programs that would assist Vermont businesses to compete with multi-state companies as wages increase.

(9) A comparison of the cash value of employment to basic needs as identified in studies such as the Vermont Job Gap Study and an assessment of the availability, type and amount of public assistance that has been provided to low-wage workers during the past ten years and projected public assistance expenditures during the next five years.

(10) An analysis of the advisability of implementing a probationary, training or apprentice wage that is lower than the minimum wage and, if advisable, the rate and criteria of such a wage.

## Appendix B – Methodology and Sources

### Assumptions

- Single persons and single parents are women between 20 and 50 years old and work outside the home; all other adults are between 20 and 50 years old
- All families live independently (i.e., not as sub-families living with others)
- One child is 4 years old; two children are 4 and 6 years old
- Housing estimates are for rental units with 1 bedroom for singles and two bedrooms for all other family configurations
- Single parents receive no child support
- The urban designation is for Chittenden County and rural is the rest of the state

### Food

USDA has four levels of food plans for the cost of food at home: thrifty, low-cost, moderate, and liberal plans. For comparative purposes the budgets are prepared using both the low-cost and moderate-cost food plans.

<b>Select USDA Monthly Food Plans: June 2004<sup>1</sup></b>		
<u>Age/Gender Group</u>	<u>Low-cost</u>	<u>Moderate</u>
Child 3 – 5 years	\$105.10	\$130.00
Child 6 – 8 years	\$140.50	\$173.10
Adult Male 20 – 50 years	\$183.10	\$227.80
Adult Female 20 – 50 years	\$159.50	\$195.00

In addition, a percentage adjustment is applied to the monthly food costs depending on the family size and recommended by USDA below:

<b>Family Size Adjustments</b>	
<u>Family size</u>	<u>Percentage adjustment</u>
1-person	20%
2-person	10%
3-person	5%
4-person	No adjustment

Lastly, these figures are adjusted for Vermont based on a regional variation of 8.1% more than the national average for food consumed at home according to the 2002 Consumer Expenditure Survey. As in past Basic Needs Budgets, there is no difference between the urban and rural food costs.

<sup>1</sup> Source: USDA Food Plans <http://www.usda.gov/cnpp/>



## Rent and Utilities

The Housing data are from HUD's Fair Market Rents (FMR) survey.<sup>2</sup> The 2004 data are finalized in October 2004. FMR's are established for units of varying size (0 – 4 bedrooms) for every county in Vermont. The FMR for the Burlington Metropolitan Statistical Area (MSA) is used for the urban housing estimate. For the rural estimate, a population-weighted average of the remaining counties is used. Housing estimates are for rental units with 1 bedroom for singles and two bedrooms for all other family configurations.

<b>HUD Fair Market Rents</b>		
County	1 Bedroom	2 Bedrooms
Addison	\$559	\$650
Bennington	\$528	\$678
Caledonia	\$482	\$588
Chittenden	\$687	\$775
Essex	\$464	\$573
Franklin	\$525	\$643
Grand Isle	\$480	\$594
Lamoille	\$513	\$613
Orange	\$503	\$621
Orleans	\$430	\$531
Rutland	\$549	\$670
Washington	\$494	\$666
Windham	\$530	\$704
Windsor	\$559	\$698
Burlington, VT MSA	\$638	\$850

Utilities are included in the HUD data. In order to calculate the Vermont renter rebate, the rent alone must be separate from utility costs. Utilities are estimated to be 13% of the FMRs.

## Transportation

The US Department of Transportation (DOT) conducts a National Household Transportation Survey every five years.<sup>3</sup> The last survey was in 2001 and these "new" transportation data were first used in the 2004 Basic Needs Budgets. The same data are the basis of this year's transportation figures as well.

Annual vehicle mileage per driver is estimated using a cross-tabulation of survey data. To more closely approximate the Basic Needs family configurations, a different table was created with the data this year. The following datasets were used: Northeast, Urban and Rural, and Household Lifecycle. After a determination of annual mileage, the base DOT mileage data are multiplied by the most recent Internal Revenue Service mileage reimbursement rate (2003 is \$0.360 per mile). In past Basic Needs Budgets – since the 2001 NHTS data were released – the household income was the only factor used to determine annual vehicle mileage, which was

<sup>2</sup> Source: HUD /[www.huduser.org/datasets/fmr.html](http://www.huduser.org/datasets/fmr.html)

<sup>3</sup> NHTS Source: <http://nhts.ornl.gov/2001/index.shtml>

then adjusted by the Consumer Expenditure Survey differential between transportation costs in the Northeast compared to the rest of the country as well as drivers per household.

2001 NHTS Average Annual Vehicle Miles of Travel (VMT) Per Driver		
	Annual VMT / Driver (Mean)	
Household Life Cycle	Northeast	
	Urban	Rural
HH life cycle one adult, no children	11,030	17,201
HH life cycle 2+ adults, no children	12,755	17,555
HH life cycle one adult, youngest child 0-5	8,334	15,309
HH life cycle 2+ adults, youngest child 0-5	13,165	17,152
HH life cycle one adult, youngest child 6-15	10,118	16,264
HH life cycle 2+ adults, youngest child 6-15	12,522	15,234
HH life cycle one adult, youngest child 16-21	10,928	11,164
HH life cycle 2+ adults, youngest child 16-21	13,189	13,224
HH life cycle one adult, retired, no children	6,007	8,419
HH life cycle 2+ adults, retired, no children	8,532	9,853

### Child Care

The Vermont Agency of Human Services, Department of Children and Families conducted the study *Child Care Programs: A Survey of Market Rates and Capacity*, published in January 2003 based on data collected in 2002. This thorough survey shows, by county, average weekly child care rates by age of the child (infant, toddler, preschooler), and type of child care (either in a Registered Home or Licensed Center). The rural estimates are an average of all the counties except Chittenden and the two types of child care. The urban estimate is the average of the two types of care in Chittenden County.

The four-year-old child (single child configurations) is assumed to require 50 weeks of full-time child care, while the 6-year-old child (two child configurations) is assumed to require 10 weeks of full-time care and 40 weeks of part-time care. The single adult household and the two-parent one-wage-earner households are the only family configurations without any child care costs.

This survey was not updated this year, but may be updated in the spring of 2005. Therefore the base child care data has not changed at all since last year's report on the Basic Needs Budgets was released. Child Care Resource provided data from their Chittenden County survey in both 2003 and 2004, and the changes were used to inflate the existing estimates.

Some of these families may qualify for a child care subsidy from the State of Vermont that has not been included in the calculations. The Vermont Department for Children and Families and Youth Justice (part of the Agency of Human Services) provides child care subsidies for parents enrolled in approved training programs. The subsidies are dependent on 1) the approved training program, 2) family income levels, and 3) type of child care.

### Clothing and Household

These figures are from the 2002 Consumer Expenditure Survey by consumer units (Table 5 Composition of consumer unit: Average annual expenditures and characteristics). This category includes housekeeping supplies, household furnishings and equipment, and apparel and services. Major appliances and misc. household equipment have been subtracted from the totals because these are renter households. There is no urban/rural distinction for these costs.

### Telephone

This includes the Verizon Standard Use Measured Services (SUMS), the FCC Line Charge, applicable state and federal taxes and \$10.00 per month for long distance charges.

### Personal Expenses

Personal expenses of \$2.00 per person per day across all family configurations and \$1.00 per person per day for low-cost food plan families have been unchanged since 1999. This year's personal expenses have been increased by the CPI and are now \$2.25 per person per day and \$1.125 for the low-cost food plan configurations.

### Renter's Insurance

Insurance rates are from Smith, Bell & Thompson in Burlington. Coverage includes \$20,000 replacement value, \$1,000 medical, \$500,000 liability, and a \$250 deductible. For the first time this year, the estimates distinguish between urban (Chittenden County – Class 3) and rural (for these Orleans County – Class 9) coverage costs. Rural premiums are 34% higher than urban areas mainly because fire protection in rural areas is predominantly volunteer.

### Health Care

There are two factors that make the calculation of family health care costs particularly challenging. The first is that the individual health insurance market (where those without access to employer-sponsored coverage buy their insurance) is extremely volatile. The second is the calculation of estimated out-of-pocket (OOP) liability (spending for care not covered by insurance, including deductibles and coinsurance).

When employer-sponsored insurance is not available, selection of health insurance is a highly individual decision. Individuals and families with higher anticipated health care costs are likely to purchase richer coverage (less cost-sharing), while those who do not anticipate much health care use will select products with higher cost-sharing but lower premiums.

The carrier that dominated the market in 2002, Mutual of Omaha, stopped selling individual health insurance in early 2003. In 2003, estimations were based on a Blue Cross Blue Shield offering, which was structured somewhat differently from Mutual of Omaha, and had premiums which did not vary by age but had similar benefits. In 2004, MVP Health Plan Inc. entered the individual market with a plan that was priced based on age and differed from previous plans in

how it dealt with catastrophic expenditures (no OOP maximum) but had a deductible similar to Mutual of Omaha and BCBS.

The table below shows all individual insurance market products available in Vermont from 2001 through 2004. The product used in the calculation of health care costs is shown in bold.

### Vermont Health Care Insurance Products 2001 - 2004

Product	Co-pay	Deductible	Coins.	OPM1	7/1/2004	4/1/2003	4/1/2002	7/1/2001
<b>BCBS</b>								
Vt. Freedom	\$20	\$3,000	20%	\$6,000	\$348	<b>\$284</b>	\$242	\$201
Vt. Freedom	\$20	\$5,000	20%	\$6,000	\$281	\$234	\$204	\$177
Vt. Freedom	\$20	\$7,500	20%	\$6,000	\$238	\$206	\$179	\$156
Vt. Freedom	\$20	\$10,000	20%	\$6,000	\$208	\$180	\$157	\$136
Vt. Hlth. Part.	\$20	\$3,000	none			\$434	\$369	\$308
<b>Mutual of Omaha</b>		\$3,500					<b>\$125</b>	<b>\$108</b>
		\$5,000					\$106	\$92
		\$10,000					\$85	\$74
<b>MVP</b>								
Managed Care	\$25	\$2,000			\$670	\$516	\$466	\$351
Schedule 1		\$3,500	30%	none	<b>\$166</b>			
Schedule 2		\$5,000	30%	none	\$141			
Schedule 3		\$10,000	30%	none	\$113			
Schedule 4		\$25,000	30%	none	\$46			
Schedule 5		\$100,000	30%	none	\$12			

<sup>1</sup> Out of Pocket Maximum

For those with employer-sponsored insurance, a different issue arises. About 340,000 Vermonters have employer-based coverage (BISHCA, 2002 data). For about 90% of these people, including those in the association and large group markets and those whose employers self-insure, premiums are not public information. This report uses premiums in the small group market, which are subject to approval by BISHCA. It is likely that for an equivalent employer-sponsored product, premiums will be highest in the small group market, so health care costs may be somewhat overstated. Employer-sponsored plans are estimated to contribute 84% of the premium costs for single persons and 73% for families. These figures are from the 2003 Kaiser Family Foundation Employer Health Benefits Survey.

Due in part to the unlimited out-of-pocket costs under the MVP product, a new method was developed to estimate these costs. This method was based on the national Medical Expenditure Panel Survey (MEPS) distribution of total health care costs. OOP was estimated by applying insurance benefits to predicted average total health care spending. This approach produced a lower estimate of out-of-pocket costs than previous methods, which were based on a percentage of out-of-pocket maximum.

In 2004, estimated health care costs for those without access to employer-sponsored health insurance have declined substantially from 2003 estimates. This is a result of lower premiums for the new MVP product combined with the revised method of estimating out-of-pocket costs. On average, the two effects contribute an equal amount to the change.

### Comparison of Monthly Premiums and Out-of-Pocket

		2003	2004	Change
Single Adult	Premium	\$290.02	\$166.42	(\$123.61)
	OOP	\$150.00	\$73.22	(\$76.78)
	<b>Total</b>	<b>\$440.02</b>	<b>\$239.63</b>	<b>(\$200.39)</b>
Two Adults	Premium	\$580.04	\$332.83	(\$247.21)
	OOP	\$375.00	\$146.44	(\$228.56)
	<b>Total</b>	<b>\$955.04</b>	<b>\$479.27</b>	<b>(\$475.77)</b>
Family (no Dr. D.)	Premium	\$783.05	\$473.55	(\$309.50)
	OOP	\$600.00	\$292.88	(\$307.12)
	<b>Total</b>	<b>\$1,383.05</b>	<b>\$766.43</b>	<b>(\$616.62)</b>

#### Dental Care

These prices are from Northeast Delta Dental for the "Preventer 1" plan. Monthly premiums are \$46.95 for a single person, \$79.20 for two people, and \$134.05 for a family.

#### Life Insurance

Jim Handy of National Life continues to supply annual advice on the average term life insurance policies and premiums. In the past, the recommended amount of policy coverage was 4 - 6 times annual earnings.<sup>4</sup> This year he advised that more people were choosing an amount nearer to eight times annual earnings. In order to remain conservative, six times annual income was used for these calculations. For premium pricing the "rule of thumb" is \$0.80 per \$1,000 of coverage plus an annual \$75 policy fee. This report assumes that single persons do not have life insurance coverage and the low-cost food plan configuration of the couples without children also do not pay for life insurance coverage.

#### Savings

The low-cost food configuration in each family group does not have any savings included in their budget. All other family configurations have a fixed 5% of before-tax income used for savings amounts.

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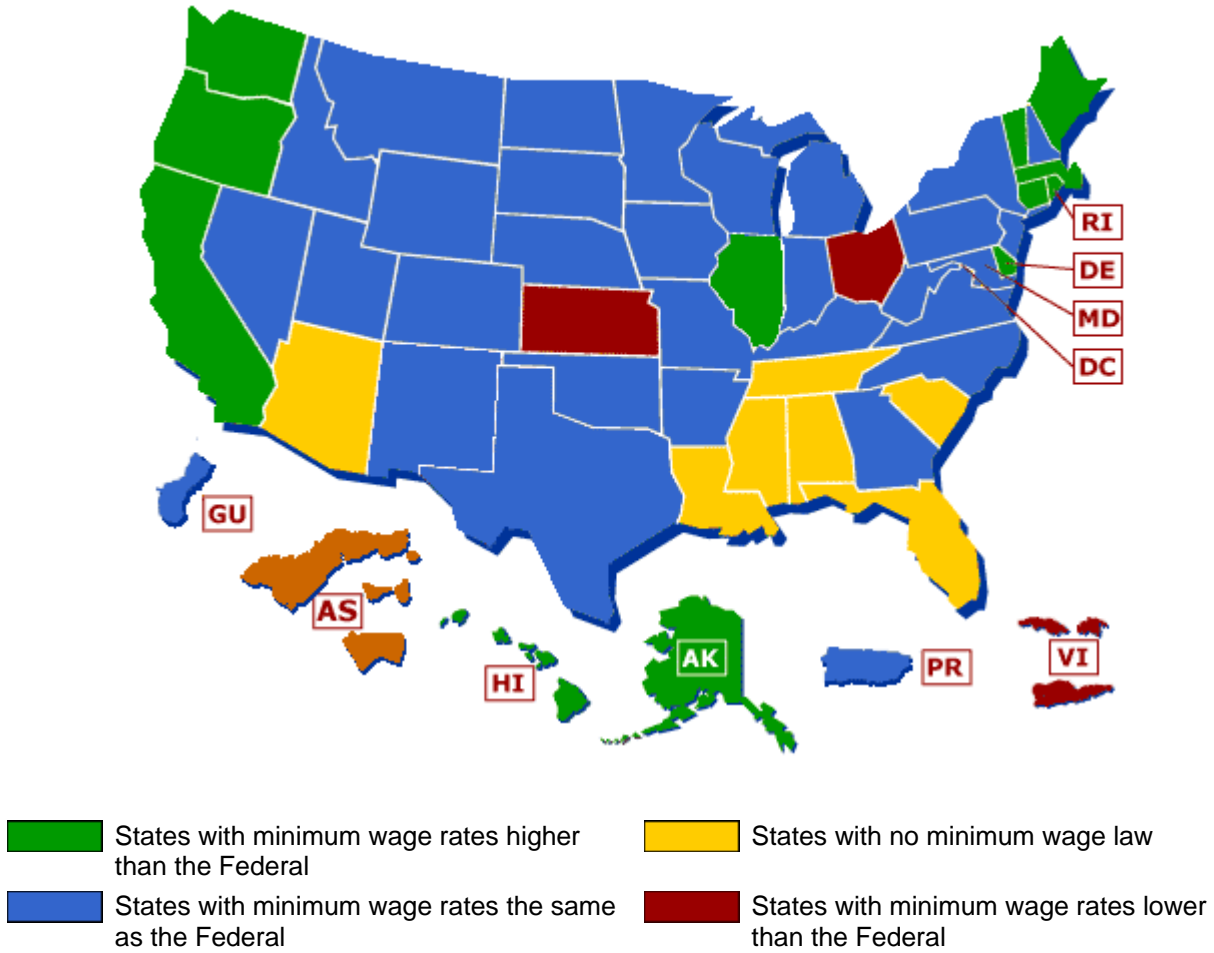
<sup>4</sup> 1999 Livable Income Study Appendix 1A.

## Data Sources

Budget Category	Data Source (s)	Date and Frequency
Food	U.S. Department of Agriculture (USDA), Center for Nutrition Policy and Promotion <a href="http://www.usda.gov/cnpp/">http://www.usda.gov/cnpp/</a>	June 2004 - monthly
Housing	U.S. Department of Housing and Urban Development (HUD) "Fair Market Rents" <a href="http://www.huduser.org/datasets/fmr.html">http://www.huduser.org/datasets/fmr.html</a>  U.S. Census Bureau – County level population data <a href="http://www.ers.usda.gov/Data/Population/PopList.asp?ST=VT&amp;LongName=Vermont">http://www.ers.usda.gov/Data/Population/PopList.asp?ST=VT&amp;LongName=Vermont</a>	October 2003 – annually  2003
Transportation	U.S. Department of Transportation, National Household Transportation Survey, 2001 National Household Transportation Survey <a href="http://www.bls.gov/cex/home.htm#tables">http://www.bls.gov/cex/home.htm#tables</a>  Internal Revenue Service (IRS) Standard Mileage Rate - cost per mile <a href="http://www.irs.gov/faqs/faq-kw216.html">http://www.irs.gov/faqs/faq-kw216.html</a>	2001 – updated every 5 years  2003 - annually
Child Care	Vermont Agency of Human Services, Department for Children and Families, Child Development Division – <i>Child Care Programs in Vermont: A Survey of Market Rates and Capacity</i> <a href="http://www.state.vt.us/srs/childcare/research/index.htm">http://www.state.vt.us/srs/childcare/research/index.htm</a>  Child Care Resource – <i>Weekly Cost of Full-Time Child Care Survey Results</i> , Williston, VT	January 2003 – Special Study  April 2003 and June 2004
Clothing / Household	U.S. Department of Labor, Bureau of Labor Statistics, Consumer Expenditure Survey, 2002 Table 5 and Table 8 <a href="http://www.bls.gov/cex/home.htm#tables">http://www.bls.gov/cex/home.htm#tables</a>	2002 - annually
Telephone	Verizon, Standard Use Measured Service	2004 - annually
Personal Expenses	CPI used to increase \$2.00 per day from 1999	
Renters Insurance	Smith Bell & Thompson, Burlington, VT	Annually
Health Care	Vermont Department of Banking, Insurance, Health Care Administration Monthly Rates for Small Group Plans (MVP Health Plan) <a href="http://www.bishca.state.vt.us/HcaDiv/consumerpubs_healthcare/Shop_Indiv_SmallGroup/rates_smallgroup.htm">http://www.bishca.state.vt.us/HcaDiv/consumerpubs_healthcare/Shop_Indiv_SmallGroup/rates_smallgroup.htm</a> and Monthly Rates for Individual (Non-Group) Plans <a href="http://www.bishca.state.vt.us/HcaDiv/consumerpubs_healthcare/Shop_Indiv_SmallGroup/rates_individual.htm">http://www.bishca.state.vt.us/HcaDiv/consumerpubs_healthcare/Shop_Indiv_SmallGroup/rates_individual.htm</a>	July 2004
Dental Care	Northeast Delta Dental – Preventer I Plan	2004
Term Life Insurance	National Life of Vermont, Montpelier, VT	Annually
Savings	5% of before tax income	
Tax Sources	Federal and Vermont Income Tax Publications Dependent Care Credit – IRS Publication 503	2003 Tax Year

Appendix C – Minimum Wage Data

Minimum Wage Laws in the States  
January 1, 2005



Note: Where Federal and state law have different minimum wage rates, the higher standard applies.

**Comparison of Vermont and Federal Minimum Wage Rates  
1991 to 2005**

<b>Year</b>	<b>Federal</b>	<b>Vermont</b>	<b>Difference</b>
1991	4.25	3.95	-0.30
1992	4.25	3.95	-0.30
1993	4.25	3.95	-0.30
1994	4.25	3.95	-0.30
1995	4.25	4.50	0.25
1996	4.75	4.75	0.00
1997	5.15	5.00	-0.15
1998	5.15	5.25	0.10
1999	5.15	5.75	0.60
2000	5.15	6.25	1.10
2001	5.15	6.25	1.10
2002	5.15	6.25	1.10
2003	5.15	6.25	1.10
2004	5.15	6.75	1.60
2005	5.15	7.00	1.85

**Comparison of New England States  
as of January 1, 2005**

<b>State</b>	<b>Effective 1/1/2005</b>	<b>% Difference from Federal</b>
Connecticut	7.10	37.9%
Maine	6.35	23.3%
Massachusetts	6.75	31.1%
New Hampshire	5.15	0.0%
New York [1]	6.00	16.5%
Rhode Island	6.75	31.1%
Vermont	7.00	35.9%
NE Average	6.44	25.0%
Federal	5.15	0.0%

[1] The New York is scheduled to increase to \$6.75 on January 1, 2006 and \$7.15 on January 1 2007.



## Appendix D – State Wage Distribution

### Average Annual Wage by Vermont County

County	1999	2000	2001	2002	2003
Addison	26,032	27,015	28,502	29,556	30,576
Bennington	24,628	25,457	27,037	27,919	28,704
Caledonia	22,631	23,617	24,385	25,536	26,272
Chittenden	32,896	34,301	35,583	36,370	37,432
Essex	24,815	24,694	25,510	25,976	25,500
Franklin	25,017	26,390	27,362	28,711	30,102
Grand Isle	19,317	20,624	21,395	21,507	22,396
Lamoille	20,833	21,829	23,562	24,516	25,421
Orange	22,606	23,240	24,775	25,524	26,479
Orleans	21,956	23,177	23,971	24,539	26,114
Rutland	25,202	26,570	27,894	28,717	30,074
Washington	26,825	28,306	29,820	30,531	31,902
Windham	26,782	27,888	29,229	30,939	31,883
Windsor	25,829	27,421	28,047	29,167	30,083

Source: VT Department of Labor and Industry  
 UI Covered Employment and Wages  
 2003 figures are preliminary

### Vermont Median Household Income Three-Year Moving Averages

Years	Income	% Change
2001 - 2003	\$43,212	0.8%
2000 - 2002	\$42,890	-1.5%
1999 - 2001	\$43,529	-1.5%
1998 - 2000	\$44,190	1.7%
1997 - 1999	\$43,446	n/a

Source: U.S. Census Bureau

## Appendix E

### Basic Needs Budgets / Livable Wage Studies

Indiana	<i>Pathways to a Livable Wage</i> , Indiana Economic Development Council, Inc., 2000 Update ( <a href="http://iedc.org/publications.htm">http://iedc.org/publications.htm</a> )
Maine	<i>Getting By: Maine Livable Wages in 2002</i> , Maine Center for Economic Policy, 2002 ( <a href="http://www.mecep.org/lwages/lwfs_index.htm">http://www.mecep.org/lwages/lwfs_index.htm</a> )
Massachusetts	<i>The Self-Sufficiency Standard for Massachusetts</i> , Wider Opportunities for Women, 1998 and 2003 ( <a href="http://www.chapa.org/SSStandard1.pdf">http://www.chapa.org/SSStandard1.pdf</a> )
Minnesota	<i>Basic Needs Budgets for Custodial and Non Custodial Parents</i> , Minnesota House Research, 1999 ( <a href="http://www.house.leg.state.mn.us/hrd/publications">http://www.house.leg.state.mn.us/hrd/publications</a> )
New Hampshire	<i>New Hampshire Basic Needs and a Livable Wage</i> , The NH Small Business Development Center and The Josiah Bartlett Center for Public Policy, 1999 ( <a href="http://www.jbartlett.org/nh_basicneeds.html">http://www.jbartlett.org/nh_basicneeds.html</a> )
Idaho, Montana, Washington, Oregon	<i>Northwest Job Gap Study</i> , Northwest Federation of Community Organizations 1999 and 2004, ( <a href="http://www.nwfco.org">http://www.nwfco.org</a> )
Vermont	<i>Basic Needs Budgets and the Minimum Wage</i> , Joint Fiscal Office, annually ( <a href="http://www.leg.state.vt.us/jfo">www.leg.state.vt.us/jfo</a> )
Alabama, Arizona, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maryland, Massachusetts, Mississippi, Missouri, Montana, Nebraska, Nevada, New Jersey, New York City/State, North Carolina, Oklahoma, Pennsylvania, South Dakota, Tennessee, Texas, Utah, Virginia, Washington State, Washington DC, West Virginia, Wisconsin	Self-Sufficiency Standards Reports ( <a href="http://www.sixstrategies.org/includes/productlistinclude.cfm?strProductType=resource&amp;searchType=type&amp;strType=self-sufficiency%20standard">http://www.sixstrategies.org/includes/productlistinclude.cfm?strProductType=resource&amp;searchType=type&amp;strType=self-sufficiency%20standard</a> )

### New England Comparison of Basic Needs Budgets Single Parent with One Child

Statewide Average Comparisons	Annual	Equivalent Hourly Wage	Year Published
Maine	28,985	13.94	2002
New Hampshire	32,698	15.72	2000
Vermont	38,590	18.55	2005
Massachusetts	35,849	17.24	2003

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Susan Richards, Child Care Resource

**Vermont Organizations which Utilize the Basic Needs Budgets Data**

Brattleboro Savings & Loan  
Burlington Electric Department  
City of Burlington  
Earthscape  
Healthy Habitat  
Heartworks  
Homeshare  
Hunger Mountain Coop  
Kellogg-Hubbard Library  
Small Dog Electronics  
Spectrum Youth Services  
Vermont Bread Company  
Vermont Morning  
VSEA (Vermont State Employees Association)  
VT AFL-CIO  
VT Oral & Maxillo Facial  
VT Teddy Bear Company  
VT-NEA

**Basic Needs Budget Survey**

Optional: Name \_\_\_\_\_ Organization \_\_\_\_\_

1) When did you first begin to use the Basic Needs Budgets?

1999 2000 2001 2002 2003 2004 2005

2) How does your organization use the Basic Needs Budgets? Is there a particular family configuration or component of the Basic Needs Budgets that is most important?

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3) Is the information organized clearly and in a usable format? Yes / No

4) Are you able find answers about the data sources or methodology used to develop the Basic Needs Budgets?

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5) Does your organization consult with the Basic Needs Budgets every year?

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6) Do you use the Minimum Wage information that is also included in the study? Yes / No

7) Other comments? Suggestions?

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**Please Return to:**  
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