

Cost of meeting basic needs rising faster than wages in Washington state

November 20 2014

A Washington family of four must spend 46 percent more on average to make ends meet today than 13 years ago, according to a new report from the University of Washington.

The Self-Sufficiency Standard for Washington State 2014, released Thursday (Nov. 20), provides a sobering look at how much it [costs](#) individuals and families statewide to meet basic needs—and how far short they're falling.

The study found that Washington families with two adults, a preschooler and a school-aged child saw the costs of meeting their most basic requirements jump as much as 72 percent between 2001 and 2014, depending on where they live. But median wages increased just 21 percent during that time.

"We're looking at a bigger and bigger crunch for people struggling to survive economically," said Diana Pearce, author of the report and the director of the Center for Women's Welfare at the UW School of Social Work.

"Everything's going up, even though people's wages are not," Pearce said. "Costs for basic needs are even going up faster than overall inflation."

Just in the last three years, the cost of basic needs increased 10 percent on average for four-person Washington families, while wages increased

just 4 percent.

The report, funded by the Workforce Development Council of Seattle-King County, calculates how much individuals and families must earn in each of the state's 39 counties to cover housing, food, [child care](#), health care, taxes, transportation and other necessities without outside assistance. Costs are based on the numbers of adults and children of varying ages in each household and where the family lives, with 152 different family types included in the report.

Not surprisingly, families with young children needed considerably more money to stay afloat. For example, a single person in Tacoma needs to make \$11.06 an hour, or \$23,360 annually, to meet basic needs, while a single parent with a preschooler and school-age child must make at least \$26.02 hourly, or \$54,946 annually.

"That's just the basics," Pearce pointed out. "There's no pizza or latte in the food budget."

The study also found:

- Health care and child care were the biggest factors driving up costs for four-person families in Washington, increasing 68 and 70 percent, respectively, between 2001 and 2014. By comparison, housing costs went up 40 percent.
- Costs for a four-person family went up the most in Seattle and Walla Walla County, with increases of 62 and 72 percent, respectively.
- For a family with a single parent, a preschooler and a school-age child, Seattle was the third-most-expensive city of 14 nationwide, after San Francisco and San Diego.
- A Seattle family with two adults, a preschooler and a school-age child needs to make \$65,716 annually - the equivalent of more

than three full-time minimum wage jobs - to cover costs. In East King County, the same family would need to make \$73,914.

- A single person in Seattle must make \$22,199 to meet basic needs. In East King County, the figure rises to \$26,668.

The report also found that of the 10 most common occupations in the state, only two—software engineering and nursing—paid enough for a [single parent](#) supporting a preschooler and a school-age child to get by in all but the most inexpensive counties, such as Okanogan and Asotin, Pearce said.

Pearce developed the standard while working as the director of a women's organization in Washington, D.C. Since the first report was published in 2001, the standard has been adopted in 37 states and the cities of New York and Washington, D.C.

The Workforce Development Council uses the report in conjunction with a statewide online calculator to help job-seekers figure out what they need to be self-sufficient and connect them with resources that can move them toward that goal.

"The standard serves as an accurate and robust cost-of-living benchmark that supports good career planning and allows us to measure the extent to which our programs help customers progress toward economic self-sufficiency," said Marléna Sessions, the council's chief executive officer.

"Despite our economy's gradual recovery, increases in the cost of living have dramatically outpaced wage growth in Washington state."

The self-sufficiency standard differs from the federal poverty measure by factoring in a range of costs, family composition and geography. The federal poverty level, still the most commonly used benchmark for

determining who is defined as poor or in need of public assistance, was created in the 1960s and is based primarily on estimates of minimal food costs. The level is the same nationwide, whether one lives in Manhattan or Mississippi.

"It's so outdated," Pearce said. "It was developed half a century ago, when in two-parent families one parent worked, and one-parent families were on welfare. Child care was rarely a cost.

"Now, basic costs include housing, food, child care, [health care](#), transportation, taxes," she said. "In today's [family](#), you have to budget for all of those things."

Provided by University of Washington

Citation: Cost of meeting basic needs rising faster than wages in Washington state (2014, November 20) retrieved 20 April 2024 from <https://medicalxpress.com/news/2014-11-basic-faster-wages-washington-state.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.