

**Getting By:
Maine
Livable
Wages
in 2002**

MBCCEP
Maine
Center for
Economic
Policy

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MECEP

The Maine Center for Economic Policy is an independent, nonpartisan research organization. Our mission is to advance public policy solutions to achieve a prosperous, fair, and sustainable economy. Our primary topic areas are fair budgets and taxes, livable wages and family support, affordable health care, and sustainable development. MECEP is one of twenty-two state groups funded through the Ford and Charles Stewart Mott Foundations' State Fiscal Analysis Initiative.

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Introduction

Getting By: Maine Livable Wages in 2002 offers estimates of what it costs Maine families to make ends meet in today's marketplace and what they need to earn to meet those costs. The estimates are meant to provide a realistic benchmark for how we look at and address economic security for all Maine people.

A common understanding of economic well-being for American families is based on a measure known as the federal poverty level. Eligibility for public programs and estimates of how many people are "poor" are based on this measure and its methodology. However, the federal poverty level is grossly below any reasonable standard of livability.

Policy makers have been setting a "minimum wage" for 75 years but these thresholds are guided more by politics than by data about family income needs. Given today's costs, a family in Maine or elsewhere simply cannot meet basic expenses on a minimum wage income.

Since the early 1990s, researchers across the U.S. have been proposing new ways to measure what families need for income in order to get by. One of these is the "basic needs budget" – a market-basket analysis that accounts for today's actual living expenses, including housing, transportation, child care, health care, and taxes as well as regional variations and family make-up. Some researchers also refer to such budgets as "self-sufficiency standards."¹

Using basic needs budgets, a "livable wage" is calculated by dividing the total expenses in a basic needs budget by the number of hours that make up a year of full-time work. This determines the adequate or "livable" hourly wage. A family whose earners are making a livable wage will be more likely to get by without worrying about their family's health care needs, staving off bill collectors, or falling so far into debt that they jeopardize their own and their children's futures.

Over the past several years, the idea of basic needs budgets and livable wages has begun to take root across the U.S. Using similar methodology, various research groups have collectively created basic needs budgets and livable wages for all 50 states and many individual communities (see websites of the Economic Policy Institute and ACORN for resource lists).

The use of these estimates has proliferated through a living wage movement that includes labor groups, religious organizations, civil rights groups, students, and advocates for low-income people. As a result, more than 70 localities have instituted livable wage requirements for certain municipal suppliers and contractors. College campuses have seen living wage campaigns that resulted in higher wage thresholds for campus workers. And many state policymakers, including Maine's, have raised the state minimum wage higher than the federal minimum, based in part on livable wage research.

This report begins with a brief description of the economy in 2002 to provide context for how Maine and its families were doing during the relevant period of these estimates. The next several sections describe the problems with the federal poverty level as a measure of economic well-being, how the minimum wage has eroded in value, and why the basic needs budgets and livable wage estimates are more accurate determinations of what families need to get by. We then show a summary table of the 2002 livable wage estimates across the state and provide analysis of these estimates. Next we compare the 2002 livable wage income estimates with other frequently used income benchmarks. There follows a discussion of some of the occupations in Maine that fall below a livable wage and Maine's consistent inability to provide enough livable wage jobs. This has had negative impacts on families and on the entire state economy. We then provide examples of how basic needs and livable wage estimates have been used to influence policy in Maine and across the country. Finally, we outline several recommendations to improve economic self-sufficiency for Maine families. The 2002 basic needs budgets by county and Metropolitan Statistical Areas (MSAs) begin on page 28.

The Economy in 2001-2002

By 2002 in the U.S., the evidence of the 2001 recession and subsequent slow recovery could be seen in the lack of significant job creation, the slowing of earnings, and declining and unequal family income growth.² Unlike much of the country, unemployment rates in Maine remained low until the end of the year, but have recently begun to rise. Official unemployment rates do not include the increasing number of discouraged workers giving up active job searching. Including such workers has been estimated to double the total number of workers reflected in the unemployment rate.³

During the economic boom of the late 1990s, there was wage growth for those at the bottom of the economic spectrum. However, real incomes of middle- and low-income families reversed course and fell in real terms in 2001, and earnings growth continued to decelerate through 2002.⁴

Income inequality has continued to grow in Maine as elsewhere. While Maine's income inequality ranked 37th among the states in the late 1990s, Maine nevertheless has recorded an increase in inequality since the late 1970s. In the late 1990s, the average income of the bottom 20% of families was \$15,894, while the average income of the top 20% of families was \$133,049, or a top-to-bottom ratio of 8.3. In two decades, this ratio has grown from 6.6 to 8.3, an increase of 12.5%.⁵

A key factor in the growing income disparity is wage growth, since wages represent the largest share of most families' total income. Wages from the bottom to the middle of the wage scale have shown either little growth or actual decline from the late 1970s to the late 1990s while the highest paid workers have enjoyed very rapid wage increases.

Nationally and in Maine, workers without a college education (about 75% of the workforce in Maine) have seen declining wages due to globalization and the loss of highly paid manufacturing jobs; the expansion of lower wage service jobs, which are often also part-time or seasonal; declining value of the minimum wage; and declining union membership.

Top income families meanwhile have enjoyed the majority of extraordinary increases in investment income such as dividends, interest, rent and capital gains. Executive pay has soared. In 1965 CEOs nationally made 26 times more than a typical worker; this ratio rose to 72-to-1 by 1989 and 310-to-1 by 2000.⁶

In addition, Maine like most states has begun to experience budget shortfalls as the impact of federal tax cuts and the slowing economy has settled in. Belt-tightening at the state level is expected to negatively impact employment and wage growth within key sectors that rely significantly on public sector funding, such as health care and education.

In short, times are tougher than ever for low-income families and there are relatively more of them. To a large extent, these outcomes are related to corporate and public policy

decisions. Some of these decisions are based on outmoded ideas and measures of what families need for income in order to get by in today's economy.

What's Wrong with the Federal Poverty Level?

The federal poverty level is a measure used to estimate the economic well-being of U.S. families. The poverty level is widely used for policy formation, program eligibility determination, analytical research, and general public understanding.

The formula for calculating the federal poverty level was derived in the early 1960s. It is based on the assumption that families spend one-third of their income on food – an assumption that was true when the formula was originally devised. The poverty level is calculated very simply by multiplying by three the cost of a minimum food budget (as determined by U.S. Department of Agriculture research). It is adjusted by a standard amount per person to reflect family size and is adjusted annually for inflation using the Consumer Price Index (CPI). The federal poverty level is issued annually by the U.S. Department of Health and Human Services.

Table 1: Federal Poverty Level 2002 (in dollars)

Family Size	100%		150%		185%		200%	
	Annual	Hourly	Annual	Hourly	Annual	Hourly	Annual	Hourly
1	8,860	4.26	13,290	6.39	16,391	7.88	17,720	8.52
2	11,940	5.74	17,910	8.61	22,089	10.62	23,880	11.48
3	15,020	7.22	22,530	10.83	27,787	13.36	30,040	14.44
4	18,100	8.70	27,150	13.05	33,485	16.10	36,200	17.40

Source: U.S. Department of Health and Human Services, 2002 Poverty Guidelines for the 48 Contiguous States and the District of Columbia. <http://aspe.os.dhhs.gov/poverty/02poverty.htm>

It is generally recognized that there are many families with incomes above the federal poverty level that still lack sufficient resources to adequately meet their basic needs. As a result, many assistance programs use a multiple of the poverty level to measure need. For example, in

Maine, Medicaid – or MaineCare – is extended to children in families up to 200% of the federal poverty level and to parents up to 150% (see Table 1 for these income thresholds).

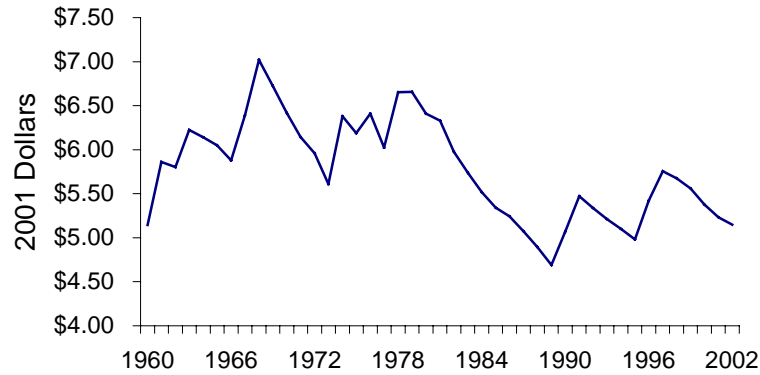
There have been many critiques of the federal poverty level as a measure. It does not include non-cash income, such as housing subsidies, food stamps and Medicaid, which has led some to claim it overstates the incidence of poverty. Most critics point to the fact that living expenses such as housing, utilities and medical costs have risen at a much faster rate than food. Additionally, there has been a significant increase in child care expenses in both one- and two-parent households as more women have entered the job market. The result is that spending on food has fallen dramatically as a proportion of all costs, making the multiplier of three inaccurate. But the poverty level formula has not been adjusted to reflect these changes, and therefore considerably underestimates what families actually need.⁷ The poverty level also reflects no regional differences in costs.

As a result of these critiques, many people have recommended revising the federal poverty level, including those on the Panel on Poverty and Family Assistance of the National Research Council.⁸ The U.S. Census Bureau has implemented a new measure on an experimental basis, which corrects many of the shortcomings of the federal poverty level. However, the federal poverty level remains the most consistently used measure of family well-being.

Falling Behind on the Minimum Wage

Congress first established a federal “minimum wage” in 1938 as part of the Fair Labor Standards Act. It was an attempt to minimize exploitation of labor and provide a basic standard of living for workers. Minimum wage increases are passed at the will of Congress as amendments to the Fair Labor Standards Act. However, those raises have not kept pace with inflation. If there was a time when a family could actually live on the income of one minimum wage earner, it was likely in the late 1960s when the minimum wage reached its highest real value.⁹ Since then, the lack of regular raises by Congress has meant that the minimum wage has lost value precipitously (Figure 1). The last federal minimum wage increase was in 1997 and even since then it has lost 10% of its buying power.¹⁰

**Figure 1: Real Value of the Minimum Wage,
1960-2002**



Calculated using the Congressional Budget Office's consumer price index forecast and assuming no legislative increases.

Source: Economic Policy Institute

Some businesses resist raising the minimum wage because they fear wage increases will drive up costs, cut into profits, and price low-wage workers out of the labor market. There is a common misperception that teens make up the majority of minimum wage workers, rather than adults supporting families, and that such “starting” wages are to be expected. Some policymakers believe the market alone should determine wages rather than the government setting a wage floor.

Proponents of minimum wage increases point out that adults make up the majority of minimum wage workers and that families are negatively impacted by such a low wage. The average minimum wage worker brings home more than half (54%) of his or her family’s weekly earnings. Additionally, 68% of the workers who would benefit from an increase to \$6.65 in 2003 are adults.¹¹ Studies have also determined that the recent federal minimum wage increases caused no loss of jobs, even among the most vulnerable workers, and contributed to the first

decrease in the gap between middle- and low-income workers in almost twenty years.¹² It has been suggested that job loss did not occur because employers could absorb some of the increased costs through higher productivity, lower recruitment and training costs, decreased absenteeism, and increased worker morale.¹³

Why Basic Needs Is a Better Measure

According to the U.S. General Accounting Office, economic self-sufficiency requires independence from publicly provided income and housing assistance as well as adequate income to meet basic needs.¹⁴ The basic needs approach, then, is more realistic than the federal poverty level because it is a direct measure of families' economic self-sufficiency. As a market-basket approach, it identifies budget items needed for a working family to maintain a reasonable standard of living. Most basic needs budgets include the same seven expense categories used for family budgets by the U.S. Department of Labor's Bureau of Labor Statistics: food, housing, transportation, health care, child care, clothing and personal care. Most now also include taxes and some include modest savings.

A basic needs budget is the total of these expenses, calculated monthly. The basic needs approach also recognizes that family budgets naturally vary according to family size, work status of adults in the household, and regional variations in costs. Today, basic needs budgets – and the livable wages needed to meet them – have been calculated for all 50 states by researchers across the U.S.¹⁵

The Maine Center for Economic Policy began to work on livable wage estimates in 1995, assisting University of Maine economist Stephanie Seguino and the Margaret Chase Smith Center for Public Policy in their publication of *Living on the Edge: Women Working and Providing for Families in the Maine Economy, 1979-1993*.¹⁶ MECEP later published *Getting By in 1999: Basic Needs and Livable Wages in Maine*, which is now followed by *Getting By: Maine Livable Wages in 2002*. (MECEP also calculated estimates for 2001, which were not published but have been circulated and cited.)

It is important to stress that changes in the way state and federal data are collected from year to year do not allow comparisons between years. Additionally, the methodologies used to calculate basic needs budgets and livable wage estimates vary depending on the researchers. For this reason, estimates can generally not be compared between states unless done by the same researchers. However, findings invariably show that basic needs budgets call for an income at least twice the federal poverty level and for a wage over twice the minimum wage.

What the 2002 Estimates Tell Us

Getting By: Maine Livable Wages in 2002 offers basic needs budgets and livable wages for five family configurations living in Maine's 16 counties and four key urban areas. Since the budgets necessarily vary by family size and location, there is no one "livable wage" for the state of Maine. However, as a reference point, the 2002 statewide average livable wage for a single-parent family with one child came to \$13.94.

The 2002 budgets reflect changes since the Maine Center for Economic Policy did its 1999 basic needs budget estimates. In 2000-01 the 119th Maine Legislature enacted a state Earned Income Tax Credit equal to 5% of the federal EITC, which helps a modest number of families. The federal EITC, which helps mostly low-wage earners with children, is meant to "make work pay" and has been strikingly successful in helping to reduce poverty in the U.S. It is a refundable tax credit, meaning that if the credit exceeds a family's income-tax liability, the family receives a check for the difference. This refundability is crucial, because many low-income families owe little or no federal income tax. The federal EITC also has the effect of relieving part of the payroll-tax burden, which for a majority of taxpayers exceeds their income taxes.¹⁷ Maine's state EITC is not refundable, however, which means that most of the families represented in these budgets receive little if any benefit from it.

The 2002 budgets also reveal striking "cliff effects." The cliff effect occurs when a family receives some government benefit at one level of income and then becomes ineligible for that assistance when their income increases. Unless the benefit is very slowly phased out at higher income levels, a "cliff" can occur where much more income is needed to cover the loss of

**Table 2: 2002 Estimated Livable Wages per Household by Family Size in
Maine Counties and Metropolitan Statistical Areas**

	Single person	Single parent, 1 child	Single parent, 2 children	Two parents (1 earner), 2 children	Two parents (2 earners), 2 children
Statewide Average	8.77	13.94	17.05	12.75	(2 x) 10.81
Androscoggin	8.28	13.21	16.58	12.17	(2 x) 10.57
Lewiston/Auburn MSA	8.18	12.85	16.30	11.84	(2 x) 10.43
Aroostook	8.11	10.84	13.85	11.72	(2 x) 10.18
Cumberland	8.98	15.12	18.27	13.31	(2 x) 11.41
Portland MSA	9.93	16.32	19.53	14.83	(2 x) 12.05
Franklin	8.11	12.71	14.31	11.72	(2 x) 10.34
Hancock	8.51	13.20	16.34	12.15	(2 x) 10.46
Kennebec	8.46	11.01	13.04	11.90	(2 x) 9.91
Knox	8.42	13.34	16.60	12.27	(2 x) 10.59
Lincoln	8.85	13.72	17.74	12.19	(2 x) 11.15
Oxford	8.11	11.33	13.93	11.72	(2 x) 10.21
Penobscot	8.11	11.29	13.98	11.72	(2 x) 10.23
Bangor MSA	8.50	13.17	16.41	12.33	(2 x) 10.49
Piscataquis	8.11	12.71	16.33	11.72	(2 x) 10.45
Sagadahoc	9.29	14.39	17.53	13.31	(2 x) 11.05
Somerset	8.17	10.84	13.51	11.72	(2 x) 10.07
Waldo	8.11	13.19	16.63	11.72	(2 x) 10.60
Washington	8.11	11.06	13.60	11.72	(2 x) 10.10
York	8.76	14.13	17.30	13.00	(2 x) 10.93
Portsmouth-Kittery MSA	10.27	15.87	19.12	15.20	(2 x) 11.85

a government benefit. Such benefits can include publicly subsidized health care, earned-income tax credits, or renter's property tax rebates. Another example of the cliff effect is the impact of taxes. One family may experience a jump in income tax levied because they crossed a higher tax bracket. Another family may experience a significant drop in taxes because their income allowed for child credits or a large Earned Income Tax Credit. Income levels and resulting cliff effects are also driven by the expenses working families have, such as child care or work-related clothing and transportation costs, and regional differences in costs.

Here are some illustrations of the cliff effect. The first is a combination of regional variation in expenses and income tax impacts. In Washington County total required income for a family of two is estimated to be \$23,004 (page 46). In York County (excluding the metropolitan areas around Portland and Kittery) the same family needs \$29,390 (page 47). The family in York must make \$3 more per hour in wages or an additional \$6,386 per year than the Washington County family. A little more than half of the difference in this basic needs income between the two areas is the difference in the costs of housing and child care in the two regions of the state. The other half of the difference is due to taxes. The family in Washington County owes only \$1,140 in net taxes while the York County owes \$4,058. A higher state income tax bracket and the loss of the federal Earned Income Tax Credit significantly impact the York County family.

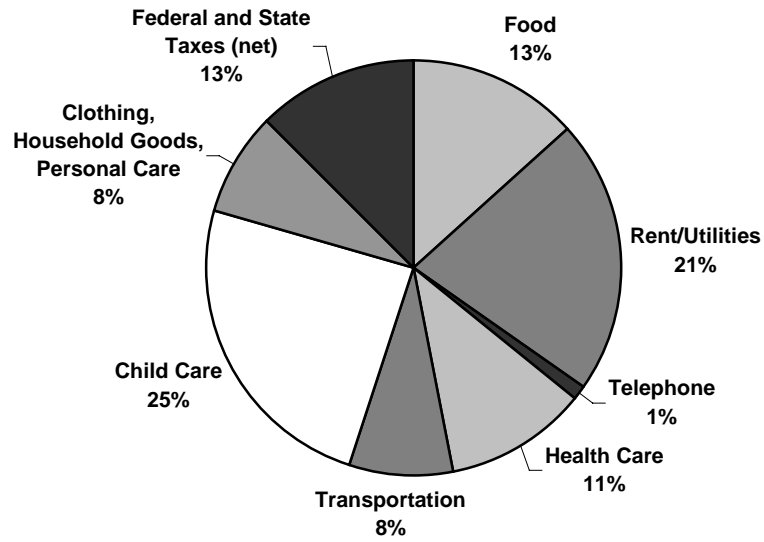
The next illustration involves work-related expenses and income tax impacts. Using York County to illustrate again, when both parents are working they need wages averaging only \$10.93 per hour per person to support basic needs for themselves and two children. If one of those parents stays home with the children, the wage required of the single earner is \$13 per hour – not anywhere close to the sum of the two wages required if both work. The single earner family saves on child care (\$727 per month or \$8,724 per year) and work-related clothing and transportation expenses. This family also sees a tremendous difference in tax treatment (a \$100 net tax bill vs. \$6,258 for the two earners) due to the significant Earned Income Tax Credit gained by the two-parent one-earner family.

The last illustration highlights the way single parents are disadvantaged by expenses and by the tax code. A single parent obviously has to pay child care expenses. They cannot claim the higher number of exemptions and higher standard deductions as a two parent household. In York County, the single parent with one child has basic needs expenses of \$25,332 but has to earn a gross income of \$29,390 because of a combined state and federal tax bill of \$4,058. In contrast, a family of four in York County needs a gross income of \$27,040 because their net tax bill is only \$100. These dramatic findings raise important red flags for state tax policy, as discussed in the recommendations.

Finally, Figure 2 indicates that, for a single-parent family of three in Maine as a statewide average, child care costs took one-quarter of their income and housing about one-fifth. Food was

only 13%, significantly less than the one-third calculation upon which the federal poverty level calculation is based, furthering the argument that the poverty level methodology is outdated.

**Figure 2: Percentage of Income Needed To Meet Basic Needs in Maine, 2002
Single-Parent Family of 3**

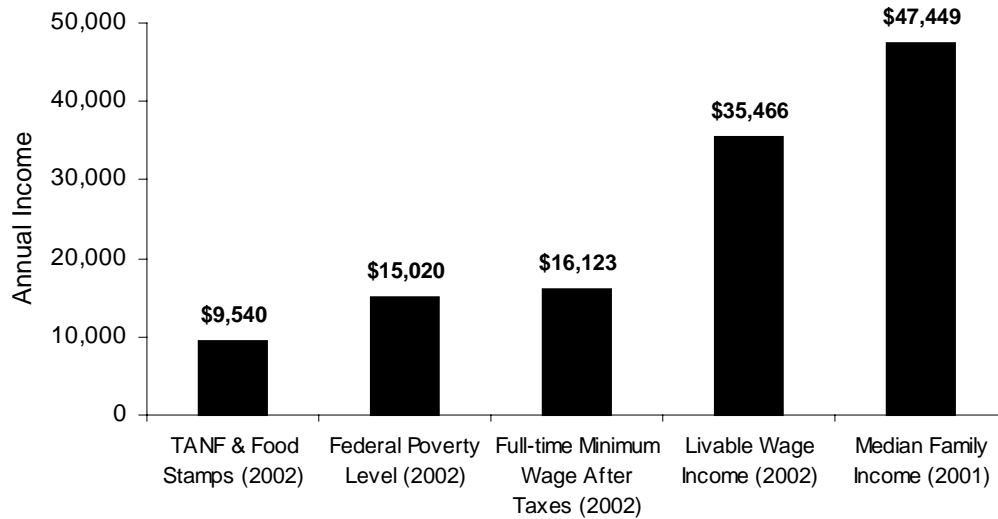


Comparing Income Benchmarks

To put the basic needs and livable wage measure in context, it is useful to compare it to other measures (Figure 3). For purposes of comparison, a three-person single-parent family is used in this comparison. The statewide average livable wage income for a single-parent, three-person family in Maine is \$35,466. The other benchmarks presented are also for three-person

families, although not specifically designated as single-parent families. (The average family size in Maine is 2.9 persons as of the 2000 Census; thus median family income also approximates a three-person family.)

Figure 3: Maine Livable Wage Income Compared to Other Benchmarks
Family of 3, 2002



TANF and Food Stamps

In 2002, the maximum welfare or TANF (Temporary Assistance for Needy Families) monthly allowance for a three-person family was \$439. The maximum monthly food stamp allowance for a three-person family was \$356, for a combined maximum annual total of \$9,540. This is actually high since most families relying on the maximum TANF grant would not get the full food stamp benefit. These families would also likely receive health care through MaineCare. This calculation assumes that there is no earned income and, therefore, no Earned Income Tax Credit or child credits. This annual income is about one-quarter of the livable wage income.

Federal Poverty Level

The federal poverty level for a family of three at \$15,020 is well below half of the livable wage income. For this family size, the livable wage income is 236% of the federal poverty level.

Minimum Wage

A full-time minimum wage worker in Maine in 2002 earned \$5.75 per hour or \$11,960 per year. After the net effect of the federal and state Earned Income Tax Credits and the child credit, the income amounts to \$16,123, still well under half of the livable wage income.

Median Family Income

Median family income for Maine in 2001 (the latest year for which there are data) was \$47,449.¹⁸ The livable wage income was three-quarters of Maine's median income.

Who Earns Less Than a Livable Wage in Maine?

There are several ways to approach the question of how many Maine workers earn less than a livable wage. Department of Labor occupational wage data for 2001¹⁹ indicate a median wage for all occupations of \$11.93 per hour. This means that well over half of the 592,000 positions represented in this survey of Maine employers earned \$11.93 or below and half earned more. In turn, this means that greater than half of all Maine workers were earning less than \$13.94, the average Maine livable wage for a family of two calculated from 2002 basic needs budgets.

These workers included almost all workers in several publicly funded occupations, state and municipal government, health, education and social services. These include thousands of teacher aides, library aides, preschool teachers and child-care workers, municipal clerks, dispatchers, corrections officers, human-service workers, residential counselors, recreation workers, pharmacy technicians, home health aides, nursing aides, ambulance attendants and psychiatric aides.

Also earning wages below \$13.94 were thousands of workers in some of the faster-growing occupations in the private sector, including retail-sales workers; cashiers; telemarketers; short-order, fast-food, and other restaurant cooks; and general office clerks. Surprising numbers of workers in more traditional occupations, such as textile-machine operators and loggers, were also earning wages below \$13.94.

It is commonly argued that people who are currently earning low wages can move quickly into higher income situations over a few years. While there are certainly many individuals for whom circumstances change dramatically, there are many more for whom circumstances do not improve.²⁰

Are There Enough Livable Wage Jobs in Maine?

There are simply not enough livable wage jobs to go around in Maine, given the number of job seekers. Using the average annual wages paid in each Maine industry, the Maine Economic Growth Council reported that in 2001, only two-thirds of all jobs in Maine paid a livable wage by their standard of 185% of the federal poverty level for a family of two (\$10.29/hour).²¹ This appears to be a chronic problem for Maine. According to the annual *Measures of Growth* series the percentage of Maine jobs paying a livable wage has not increased since the Council began measuring in 1999.

Many have suggested that training, presumably for highly technical or professional jobs, is the key to assuring workers livable wages. But for better or worse, the service occupations named above generally require little advanced education or training and are becoming an ever more significant part of the Maine economy as manufacturing jobs are lost, possibly forever. Overall, a disturbing trend in job quality is emerging. From the last peak of economic activity, in 1989-2001, a total of 42,022 net jobs were lost in Maine industries that lost employment. These had a weighted average annual wage of \$36,374 – whereas the 109,954 net new jobs added in industries that gained employment had a weighted average annual wage of only \$27,007.²²

Finally, it can be argued that in the wealthiest nation in the world, workers should earn wages adequate to meet their basic living expenses no matter how much or little training they need or the nature of their jobs.

Making Up the Difference

Because so many Maine working families earn less than what is required to meet their basic needs, it is important to look at what they are doing to get by.

Receiving Public Assistance

By the late 1990s nationally, nearly three-quarters (72%) of families with children that received public assistance worked at least part of the year. Some remained on assistance for relatively short periods of time. In other cases, a parent was working but the family remained eligible for assistance as a result of low earnings.²³

Working Multiple Jobs

Maine has consistently had a higher multiple job holding rate than the nation as a whole. In 2000, 8.6% of all Maine workers had two or more jobs, as compared to the national rate of 5.6%. Furthermore, the national multiple job holding rate declined from 1999 to 2000, but Maine's rate increased in that period.²⁴

As stated in *Measures of Growth 2003*, "People who have to hold multiple jobs in order to make a living have less time for families, community involvement and education. The relatively high rate of people in Maine who hold multiple jobs suggests that many jobs are not paying enough, and is closely related to the number of livable wage jobs available in the state... While some workers may choose second jobs to earn money for non-essentials, most work multiple jobs to pay for basic needs."²⁵

Using Credit and Going Into Debt

Many low-wage workers rely on commercial credit to meet their basic needs or to take care of unexpected expenses for which they have no savings. This creates additional burdens on monthly budgets. Debt service was not included in the basic needs budgets; however, many households incur debt to make up their income gap. Nationally, for households with income from \$10,000 to \$24,999, 42% have installment and credit card debt. The median consumer debt per family was \$5,100 (not including auto or mortgage loans), which would require a minimum monthly payment of \$64 or \$768 annually at 15% interest. In fact, one in six families have debt that is over 40% of their income.²⁶

Bartering and Working Under the Table

It is difficult to estimate how much trade is accomplished through bartering or how much work is done “under the table.” However, it can be fairly assumed that these means of getting by are usually a last resort and represent a small part of the total economy.²⁷

Going Without

As is well known, many low-income working families go without health insurance. One study estimated that in 2000-2001 in Maine, there were 134,806 nonelderly adults without health insurance, or almost 14% of the population.²⁸ This was the highest uninsured rate in New England. Most are in working families. Among nonelderly adults with income below 200% of the federal poverty level, the percentage of uninsured working age adults soared to 24%. Many families without any insurance forego needed medical care because of cost. Even those with insurance may forego medical care because of high deductibles.

Some families go without adequate housing, food, or utilities. The Maine State Housing Authority estimates that there are 26,000 substandard housing units among Maine households with income at or below the federal poverty level.²⁹ In a 1997 working poor parents survey, many went without basics. In a 12-month period, 13% experienced utility shut-offs, 17% ran out of heating fuel, and 10% had to skip meals for a day or more.³⁰ Of former Maine TANF

recipients who were currently employed as of 2000, 46% got behind on their rent or mortgage; 23% ran out of heating fuel; 25% had to go to a food bank; 21% skipped meals for a day or more due to a lack of money for food; and 17% went without transportation for more than a month.³¹

Low-income families have limited opportunity to save, giving them little or no cushion for unexpected crises or job loss. This increases their economic insecurity. The 1997 working poor parents survey indicated that about 90% of single-mother households and 80% of married-couple households had no savings to draw upon if they were to lose their jobs. The inability to save for higher education means that adults and their children will face a future job market with inadequate skills, since over half of all projected jobs in 2005 will require some college.³² The lack of education also keeps them in the low-wage job market. The other alternative is to incur substantial debt in pursuing school or to seek financial assistance from public grants and aid, which overall have not kept pace with demand for many years.

The lack of retirement savings also means that individuals will be faced with living solely on Social Security. These payments may be low due to having low wages throughout one's working years and thus will fall short of basic needs for some elderly people.

Maine's Economy Is Affected, Too

Ensuring that all Maine employees earn a livable wage is not just a nice thing to do. It is imperative for Maine's economic future. The Maine Economic Growth Council states: "If people are not earning a high enough wage to support themselves and their non-income earning dependents (such as children, spouse, or elders), they are forced either to live without some basic necessities, or depend on some type of public assistance. Each has a negative impact on individual health and morale, and on the economy. Jobs that pay below a livable wage are not likely to contribute to a vibrant and sustainable economy and they ultimately result in higher taxes for Maine businesses and citizens."³³

Put another way, the state's economy needs customers to buy products and services from businesses. If workers are not earning enough money to live on, they are not earning enough to play an essential role as consumers in the economy. Additionally, employees earning a livable

wage are better able to contribute to the tax base. This makes the tax burden lighter for everyone and provides revenues for basic public services.

How Basic Needs Budgets Are Being Used

In 1996 the Maine Economic Growth Council based their livable wage benchmark on the estimate in *Living on the Edge*. Seguino's average hourly livable wage for a family of three was \$11.55 per hour, which was about 185% of the federal poverty level.³⁴ In 1996, the legislatively appointed Maine Commission to Study Poverty Among Working Parents adopted the same benchmark (185% of the federal poverty level for a family of three) as their threshold for identifying working poor parents.³⁵

Three years later, the Maine Center for Economic Policy published *Getting By in 1999*, and found that for each family size, a livable wage for most families was well over 200% of the federal poverty level. Expansions of MaineCare, Maine's Medicaid health care program for low-income families, and other programs have been based on higher percentages of the federal poverty level, recognizing that many low-income families are unable to access health insurance or other necessities if such programs are based on only 100% of the federal poverty level.

Several state and municipal programs in Maine have attached wage standards to business-incentive programs. One is the state Employment Tax Increment Financing program, which requires recipient companies in a given county to offer wages above the county's per capita income. The per capita figure was chosen because it is close to the Maine Economic Growth Council's livable wage benchmark. Lewiston/Auburn's tax-increment financing program explicitly uses the Growth Council's wage standard of 185% of the federal poverty level for a family of two.

In other states, many cities and counties have also established livable wage ordinances for private contractors doing municipal business (see Appendix).³⁶ More recently, localities are starting to pass more comprehensive ordinances. In February 2002, the Santa Fe, New Mexico city council enacted a law requiring a livable wage to be paid to all full-time city employees as well as employees of private service contractors. In November 2002, the Mayor of New York

City signed a bill establishing a livable wage threshold that covers more workers than any other such law in the country. The bill applies to workers employed by agencies that have city contracts to provide day care, home care and help for people with cerebral palsy.³⁷

Recommendations

[1] Revise State Measures of Poverty

The federal poverty level is not an accurate measure of what is needed to support basic needs. Recognizing this, public-assistance programs have been raising program eligibility levels as a percentage of the federal poverty line. For example, currently under MaineCare all children under 18 in households earning up to 200% of the federal poverty line are eligible for health-insurance coverage. But these thresholds are still low when compared to actual basic needs. Public-assistance programs that base eligibility on the federal poverty level should be revised to reflect the actual cost of meeting basic needs in Maine.

[2] Raise the State Minimum Wage

Maine has raised its minimum wage to \$6.25 as of January 2003.³⁸ Yet even with this increase it is still inadequate to meet families' basic needs and should be raised substantially. A number of states have raised their state minimum wage higher than the federal minimum wage of \$5.15. In New England, these states are: Connecticut at \$6.90, rising to \$7.10 as of January 1, 2004, and set to increase 5% above the federal minimum wage if it equals or becomes higher than the state minimum wage; Massachusetts at \$6.75; Rhode Island at \$6.15; and Vermont at \$6.25. Additionally, welfare reform policies and other programs based on an expectation that wage earners will be able to support their families at or near the minimum wage should be replaced with a more realistic goal, such as achievement of a livable wage.

[3] Expand the State Earned Income Tax Credit

The federal EITC is now the most effective antipoverty program after Social Security. Estimates from the Washington, D.C.-based Center on Budget and Policy Priorities show that at

least 76,000 Maine households received the federal EITC in the first eight months of 2002.³⁹ This refundable credit for working parents is a successful effort to supplement the earnings of families with low-wage workers. Seventeen states have now instituted an additional supplement, usually based on a percentage of the federal credit.⁴⁰

Most of these state-based credits are refundable, a significant feature since most low-income families do not owe federal income taxes. The 119th Maine Legislature adopted a modest state Earned Income Tax Credit (EITC) at 5% of the federal EITC, nonrefundable. Because Maine's program is nonrefundable the great majority of low-income households—who owe little or no state income tax—get no help at all. While the bottom 30% of households pay no income tax, Maine Bureau of Revenue Services calculations demonstrate that they pay a far higher proportion of their income in total taxes (sales, excise, and property taxes) than middle- and upper-income households.

Additionally, Maine's current EITC program, at 5% of the federal credit, provides at most only \$194 a year to a minority of low-income households. To reach the neediest Maine families with more substantial help, the program should be made refundable. This would cost an additional \$3.8 million. The state EITC should also be expanded to 30% of the federal credit, at a cost to the state of an additional \$25 million.⁴¹ A state EITC provides a significant increase in income for working poor families, helps to “make work pay” and offsets the high tax burdens on such households. Other New England states that have adopted a state EITC are Rhode Island, Vermont and Massachusetts.

[4] Expand the Property Tax “Circuit Breaker”

There are currently great variations in how property taxes affect individual households. It makes sense to target the state's resources to the households that experience the greatest tax burdens.

The current value of the property tax “circuit breaker” (Maine Homeowners and Renters Property Tax Relief Program) was sharply reduced in the early 1990s, and has been only modestly improved since. It currently provides a state reimbursement to taxpayers with joint household incomes up to \$32,000 for half of the amount of property tax paid over 4% of the

household income and 100% of the amount over 8% of income, up to a cap of \$1,000 reimbursement. Renters are also eligible for program benefits to the extent that 18% of their rent paid is treated as the equivalent of property tax.

Increasing the value of the program to its former levels would involve adjustments in three components. The household income eligibility could be raised from its current level of about \$32,000 to \$70,000. The cap on total payments could be raised from the current \$1,000 to \$6,000. And the total limit of household liability for property taxes could be lowered from the current 8% to 4%. These changes could directly address the problem of people with property on the coast, for example, with modest incomes that suddenly face steeply increased property valuations and impossible property taxes, with far less distortion to our total system than any other solution. Doubling the value of the property tax circuit breaker would cost about \$20 million.⁴²

[5] Provide Greater Access to Health Insurance

The cost of health insurance will continue to be a barrier for low-wage workers and their families in achieving economic security. Calculations made during this analysis revealed that as a statewide average, the two earners in a family of four – two parents and two children – would have to jointly make an additional \$3.14 per hour to pay for the employee’s average share of employer-sponsored health insurance. A single parent with two children would have to make an additional \$2.10 per hour to purchase employer-sponsored health insurance. To pay the whole cost of any kind of quality health insurance coverage with no employer contribution would clearly be prohibitive for these families.

The recent enactment of the Dirigo Health Plan indicates the state’s recognition of the struggle low-wage workers have to access health insurance. The plan will encourage businesses to provide employee health insurance and subsidize the employee share of insurance costs for families with incomes between 200% and 300% of the federal poverty level. The plan also expands the availability of MaineCare to all households with incomes up to 200% of the federal poverty level. Successful implementation of the Dirigo Plan and maintenance of the momentum toward full coverage are the next important steps toward greater health insurance access for Maine’s low-wage workers.

[6] Set Wage Standards for Business Incentives, Public Workers and Contractors

Maine should set livable wage standards for public employees and for the state's private contractors. Where private contractors depend heavily on public dollars, such as home care and child care providers, the state must provide enough funding to enable agencies to pay livable wages. The state has an interest in ensuring that those who do its work are sufficiently well compensated that they do not have to turn to state-sponsored services such as MaineCare, food stamps, and subsidized child care and housing.

The state should also set livable wage standards for public assistance to businesses, including tax incentives, grants and loans, and training programs. Such actions are being taken all across the country. Studies of the effects of a 1996 living wage ordinance in Baltimore, Maryland, concluded that the requirements had not cost the city more money or caused fewer contractors to bid for city contracts. On the contrary, the researchers found, city contractors paying required wages achieved higher productivity and lower turnover while providing higher-quality services for the same or lower contract prices.⁴³

Conclusion

The essence of the living wage movement rests on this question: "Why does America, the largest and one of the most productive economies in the world, need to subsidize wages so that full-time, adult workers performing essential tasks can achieve a dignified life style?"⁴⁴

Maine's workers and families experience tremendous stress when they earn less than a livable wage. They are forced to go without essentials and can end up in a deep hole of debt with limited opportunities for recovery or advancement. Low wages also strain our economic, social, educational and public-health systems. Working people should be able to survive independently without turning to public-assistance programs or other means of filling their income gap.

Employers, policy makers and others working for the public good should seriously consider the livable wage estimates offered here and take appropriate actions to meet the basic needs that Maine citizens deserve.

Methodology and Sources

FOOD: The U.S. Department of Agriculture, Center for Nutrition Policy and Promotion (<http://www.usda.gov/cnpp/using3.htm/>) provides a monthly “Low-cost food plan” (updated May 2002). This was adjusted by 4.2% to reflect the higher food costs in the Northeast (Bureau of Labor Statistics, 2000 Consumer Expenditure Survey, Table 8, <ftp://ftp.bls.gov/pub/special.requests/ce/standard/2000/region.txt>, 7/15/02). The USDA provides two food budgets for a family of four (including two parents ages 20-50 and children ages 1-2 and 3-5, or ages 6-8 and 9-11). The two food plans were averaged to more accurately reflect the needs of the children in this study. It was assumed that there was no urban/rural fluctuation in food prices. No allowance for any take-out, fast-food, or restaurant meals was included. This food budget reflects what it costs to adequately meet nutritional needs, not consumer behavior.

HOUSING: Fair Market Rents for Existing Housing are compiled by the U.S. Department of Housing and Urban Development (HUD Federal Register/Vol. 67, No. 100/Thursday, 5/23/02/Proposed Rules, <http://www.huduser.org/datasets/fmr.html>). Rents are differentiated for both rural and urban settings in each county in Maine with a Metropolitan Statistical Area. Rents include all utility costs, except for telephone. All family budgets in this report were calculated with the cost of a two-bedroom apartment except in the case of the single person where a one-bedroom apartment was used. Budgets were based on all families living independently, i.e. not as sub-families living with others.

TELEPHONE: Verizon controls 85% of the Maine market for local service and a large portion of long-distance service. Local rates vary across the state, but were estimated to average \$18-25/month, with taxes and surcharges included (conversation with Phil Lindley at the Maine Public Utilities Commission, 7/24/02). A total of \$30/month was allotted to each family to cover the local charge and a small amount of long distance calls (between 30 and 80 minutes at \$0.15/minute) because in Maine, many calls, even those to employers or child care providers, are long distance. The 1999-2000 Consumer Expenditure Survey shows that consumers in the same income sub-class as families in this study average \$60/month on telephone service, so this number is conservative (U.S. Department of Labor, Bureau of Labor Statistics, 1999-2000 Consumer Expenditure Survey, Table 31, <http://stats.bls.gov/cex/2000/CrossTabs/regbyinc/xregne>.)

HEALTH CARE: The budgets assume that each household has access to employer-sponsored health insurance and only the employee share and out-of-pocket costs are calculated as part of the household budget.

Aetna Health Insurance Company controls a large portion of the Maine market for health insurance, but rates vary widely depending on many variables. The Aetna HMO Point of Service plan provides full coverage with a \$20 copayment for office visits and a \$100/day copayment of inpatient hospital care of the first five days; thereafter it is covered completely. The plan as of November 18, 2001 cost \$377/month for a single person, \$717/month for a parent and children and \$1,102/month for full family.

The percentage of employee contributions toward health insurance premiums for Maine was drawn from State of Maine Bureau of Insurance “A Guide to Small Employees Health Insurance” (<http://www.state.me.us/pfr/ins/smallemp.htm>). The percentages were 19.1% for single employee coverage and 25.4% for family coverage. Per capita out-of-pocket expenses were drawn from National Health Care Expenditures projections by the Centers for Medicare and Medicaid Services. They are \$797 annually or \$66 month. (Table 5 “Personal Health Care Expenditures” 2002 projection. <http://www.cms.hhs.gov/statistics/nhe/projections-2001/t5.asp>)

If the family earned less than 200% of the poverty level, then the children were eligible for MaineCare, and it was assumed in these budgets that they were participating. In these cases, a premium of \$20 for one child and \$40 for two children was added to the cost of the parent’s health care. For example, a single parent with two children would pay only \$40/month for the children and 19.1% of \$377/month for HMO coverage plus \$66/month for out-of-pocket expenditures. Family sizes whose budgets required income more than 200% of the poverty level and the single persons did not get MaineCare. MaineCare reduced costs significantly when compared to paying 19.1% of \$717/month plus out-of-pocket expenditures for all three members of the family. If the family earned more than 200% of the poverty level then each member of the family was assumed to incur out-of-pocket expenditures (\$66/month) in addition to the premium.

TRANSPORTATION: The IRS calculates the cost of transportation covering gas, oil, maintenance, depreciation, and insurance to be \$.345/mile (www.irs.gov/faqs). Depreciation was assumed to be partial proxy for car payments. This number was then multiplied by the average annual miles driven

by adults in the family (18,417 for an adult male, 11,734 for an adult female). These numbers were taken from the 1995 National Personal Transportation Survey (<http://www-cta.ornl.gov/npts/1995/Doc/databook95/AppendixI.pdf>). According to the National Personal Transportation Survey, 31% of miles driven were for social or recreational purposes; thus, in the basic needs budget we took the cost of the remaining 69% of miles traveled, which includes travel for work, shopping, family/personal business, and trips to school and church. For a family with two parents, only transportation costs for work-related trips (28%) were included for the second adult. Thus transportation costs were calculated as follows:

$$[69\% \text{ for non-social trips for the first adult } \times \text{ average annual miles driven } \times \text{ IRS cost-per-mile rate}] + [28\% \text{ for work trips for the second adult } \times \text{ average annual miles driven } \times \text{ IRS cost-per-mile rate}]$$

This is the methodology used by the Economic Policy Institute in *How Much is Enough? Basic Family Budgets for Working Families*. We chose to depart from the methodology we used in 1999 in part because the national estimates of miles driven for urban and rural households from 1990 are less recent data and have not yet been updated.

CHILD CARE: Child Care Market Rates are published by the Maine Department of Human Services' Bureau of Family Independence. These rates were revised in September 2002. Rates are given for child care centers as well as child care run out of homes. Home rates were lower than center rates, and so the home rates were used to ensure a conservative estimate of child care costs. It was assumed that a 4-year-old child would need full-time care and a 6-year-old child would need only "before and after school" care, except for ten weeks full-time care in the summer. Monthly costs were calculated assuming fifty-two weeks of care, due to the fact that many parents with children under six have child care contracts, so parents pay for child care even when they may be taking vacation time.

HOUSEHOLD GOODS, CLOTHING, AND PERSONAL CARE: The U.S. Department of Labor, Bureau of Labor Statistics, Consumer Expenditure Survey 1999-2000 (<ftp://ftp.bls.gov/pub/special.requests/ce/crosstabs/y9900/REGbyinc/xregne.txt>) reflects the amount spent on household goods, clothing, and personal care by region and income (Table 31). The basic needs budgets used expenses from the \$20,000-29,000 income level in the northeast

region. Expenses were calculated for men 16 and over; boys 2 to 15; women 16 and over; and girls 2 to 15. This calculation includes the cost of clothing, footwear, apparel and services (added for those who have a paid job), housekeeping supplies, and household furnishings and equipment (except for major appliances and miscellaneous items, which are assumed to be included in rental and utility costs). In the case of the two-earner family, apparel and services were doubled to provide for work clothes. Personal care products and services (such as oral hygiene, bath, hair, and shaving products) were also included. This category does not include entertainment, gifts, diapers, reading materials, or other items that may be considered basic needs, so it is therefore a conservative estimate.

TAXES: Taxes for each household budget were figured by starting with the annual total of household expense categories. A gross income was estimated and the actual taxes due on the estimated gross income were calculated. The result, subtracted from gross income, was compared with the total expenses. This process was repeated until the estimated gross income minus calculated taxes matched the required expenses. Federal tax liabilities were calculated with the assistance of a tax calculation prepared by Citizens for Tax Justice. Maine's 2002 income tax tables were used to calculate state tax liabilities and renter's rebates. (See sample calculation next page.)

MSAS AND COUNTIES: Metropolitan Statistical Areas (MSAs) are designated by the U.S. Census. Towns within the MSAs can be found in the Maine Department of Labor's *Occupational Employment and Wage Estimates for Maine, Statewide* (released December 2001, p.5.) County estimates are for the "non-metro" parts of the county and exclude the towns included in the MSAs.

STATEWIDE AVERAGES: The statewide average budget includes the same cost figures for most budget items. Only rent and child care vary by areas. These averages are derived from figures for the rent and child care in each area weighted by the population in each non-metro and MSA area.

Sample Tax Calculation for 2002 Basic Needs Budgets by Family Size in York County

	Single person	Single parent 1 child	Single parent 2 children	Two parents (one earner) 2 children	Two parents (two earners) 2 children
a. Annual Expenses (monthly expenses x 12 mos.)	15,204	25,332	31,344	26,940	39,216
b. Federal Gross Income (a. + t.)	18,221	29,390	35,977	27,040	45,474
c. Standard Deduction	(4,700)	(6,900)	(6,900)	(7,850)	(7,850)
d. Exemptions (No. Exemp. x 3,000)	(3,000)	(6,000)	(9,000)	(12,000)	(12,000)
e. Taxable Income (b. - [c. + d.])	10,521	16,490	20,077	7,190	25,624
f. Federal Tax	1,278	1,974	2,512	719	3,244
g. Child Care Credit	0	(200)	(320)	0	(380)
h. Child Tax Credit	0	(600)	(1,200)	(1,200)	(1,200)
i. Earned Income Tax Credit	0	0	0	(1,503)	0
j. Net Federal Tax (f. - [g. + h. + i.])	1,278	1,174	992	(1,984)	1,664
k. Maine Gross Income (same as b.)	18,221	29,390	35,977	27,040	45,474
l. Standard Deduction	(4,700)	(6,900)	(6,900)	(7,850)	(7,850)
m. Exemptions (No. Exemp. x 2,850)	(2,850)	(5,700)	(8,550)	(11,400)	(11,400)
n. Taxable Income (k. - [l. + m.])	10,671	16,790	20,527	7,790	26,224
o. Maine Tax	432	703	969	155	1,211
p. Child Care Credit	0	(50)	(80)	0	(95)
q. Renter's Rebate	(87)	(17)	0	(64)	0
r. Net State Tax (o. - [p. + q.])	345	636	889	16	1,116
s. Social Security & Medicare (FICA) (b. x .0765 and rounded)	1,394	2,248	2,752	2,069	3,479
t. Total Tax (j. + r. + s.)	3,017	4,058	4,633	100	6,258

Statewide Average

2002 Monthly Basic Needs Budgets by Family Size

	Single person	Single parent, 1 child	Single parent, 2 children	Two parents (1 earner) 2 children	Two parents (2 earners) 2 children
Food	155	257	392	574	574
Rent/Utilities	493	633	633	633	633
Telephone	24	30	30	30	30
Health Care	138	269	335	364	544
Transportation	233	233	233	365	460
Child Care	0	437	723	0	723
Clothing, Household Goods, Personal Care	225	230	236	253	274
Total Monthly Expenses	1,268	2,089	2,582	2,219	3,238
Annual Expenses	15,216	25,068	30,984	26,628	38,856
Federal and State Taxes	3,020	3,917	4,482	(100)	6,108
Required Annual Income	18,236	28,985	35,466	26,528	44,964
Equivalent Hourly Wage	8.77	13.94	17.05	12.75	(2 x) 10.81

Androscoggin County*

2002 Monthly Basic Needs Budgets by Family Size

	Single person	Single parent, 1 child	Single parent, 2 children	Two parents (1 earner) 2 children	Two parents (2 earners) 2 children
Food	155	257	392	574	574
Rent/Utilities	431	571	571	571	571
Telephone	24	30	30	30	30
Health Care	138	269	335	364	544
Transportation	233	233	233	365	460
Child Care	0	433	727	0	727
Clothing, Household Goods, Personal Care	225	230	236	253	274
Total Monthly Expenses	1,206	2,023	2,524	2,157	3,180
Annual Expenses	14,472	24,276	30,288	25,884	38,160
Federal and State Taxes	2,759	3,210	4,188	(577)	5,813
Required Annual Income	17,231	27,486	34,476	25,307	43,973
Equivalent Hourly Wage	8.28	13.21	16.58	12.17	(2 x) 10.57

*Excludes towns in the Lewiston/Auburn MSA.

Lewiston-Auburn MSA

2002 Monthly Basic Needs Budgets by Family Size

	Single person	Single parent, 1 child	Single parent, 2 children	Two parents (1 earner) 2 children	Two parents (2 earners) 2 children
Food	155	257	392	574	574
Rent/Utilities	418	537	537	537	537
Telephone	24	30	30	30	30
Health Care	138	269	335	364	544
Transportation	233	233	233	365	460
Child Care	0	433	727	0	727
Clothing, Household Goods, Personal Care	225	230	236	253	274
Total Monthly Expenses	1,193	1,989	2,490	2,123	3,146
Annual Expenses	14,316	23,868	29,880	25,476	37,752
Federal and State Taxes	2,705	2,864	4,014	(840)	5,640
Required Annual Income	17,021	26,732	33,894	24,636	43,392
Equivalent Hourly Wage	8.18	12.85	16.30	11.84	(2 x) 10.43

Aroostook County

2002 Monthly Basic Needs Budgets by Family Size

	Single person	Single parent, 1 child	Single parent, 2 children	Two parents (1 earner) 2 children	Two parents (2 earners) 2 children
Food	155	257	392	574	574
Rent/Utilities	409	524	524	524	524
Telephone	24	30	30	30	30
Health Care	138	158	178	364	544
Transportation	233	233	233	365	460
Child Care	0	368	679	0	679
Clothing, Household Goods, Personal Care	225	230	236	253	274
Total Monthly Expenses	1,184	1,800	2,272	2,110	3,085
Annual Expenses	14,208	21,600	27,264	25,320	37,020
Federal and State Taxes	2,671	944	1,535	(950)	5,326
Required Annual Income	16,879	22,544	28,799	24,370	42,346
Equivalent Hourly Wage	8.11	10.84	13.85	11.72	(2 x) 10.18

Cumberland County*

2002 Monthly Basic Needs Budgets by Family Size

	Single person	Single parent, 1 child	Single parent, 2 children	Two parents (1 earner) 2 children	Two parents (2 earners) 2 children
Food	155	257	392	574	574
Rent/Utilities	520	692	692	692	692
Telephone	24	30	30	30	30
Health Care	138	269	335	364	544
Transportation	233	233	233	365	460
Child Care	0	520	813	0	813
Clothing, Household Goods, Personal Care	225	230	236	253	274
Total Monthly Expenses	1,295	2,231	2,731	2,278	3,387
Annual Expenses	15,540	26,772	32,772	27,336	40,644
Federal and State Taxes	3,139	4,683	5,232	357	6,803
Required Annual Income	18,679	31,445	38,004	27,693	47,447
Equivalent Hourly Wage	8.98	15.12	18.27	13.31	(2 x) 11.41

*Excludes towns in the Portland MSA.

Portland MSA

2002 Monthly Basic Needs Budgets by Family Size

	Single person	Single parent, 1 child	Single parent, 2 children	Two parents (1 earner) 2 children	Two parents (2 earners) 2 children
Food	155	257	392	574	574
Rent/Utilities	642	845	845	845	845
Telephone	24	30	30	30	30
Health Care	138	269	335	364	544
Transportation	233	233	233	365	460
Child Care	0	520	813	0	813
Clothing, Household Goods, Personal Care	225	230	236	253	274
Total Monthly Expenses	1,417	2,384	2,884	2,431	3,540
Annual Expenses	17,004	28,608	34,608	29,172	42,480
Federal and State Taxes	3,655	5,330	6,007	1,673	7,631
Required Annual Income	20,659	33,938	40,615	30,845	50,111
Equivalent Hourly Wage	9.93	16.32	19.53	14.83	(2 x) 12.05

Franklin County

2002 Monthly Basic Needs Budgets by Family Size

	Single person	Single parent, 1 child	Single parent, 2 children	Two parents (1 earner) 2 children	Two parents (2 earners) 2 children
Food	155	257	392	574	574
Rent/Utilities	409	524	524	524	524
Telephone	24	30	30	30	30
Health Care	138	269	178	364	544
Transportation	233	233	233	365	460
Child Care	0	433	718	0	718
Clothing, Household Goods, Personal Care	225	230	236	253	274
Total Monthly Expenses	1,184	1,976	2,311	2,110	3,124
Annual Expenses	14,208	23,712	27,732	25,320	37,488
Federal and State Taxes	2,671	2,728	2,041	(949)	5,526
Required Annual Income	16,879	26,440	29,773	24,371	43,014
Equivalent Hourly Wage	8.11	12.71	14.31	11.72	(2 x) 10.34

Hancock County

2002 Monthly Basic Needs Budgets by Family Size

	Single person	Single parent, 1 child	Single parent, 2 children	Two parents (1 earner) 2 children	Two parents (2 earners) 2 children
Food	155	257	392	574	574
Rent/Utilities	460	569	569	569	569
Telephone	24	30	30	30	30
Health Care	138	269	335	364	544
Transportation	233	233	233	365	460
Child Care	0	433	701	0	701
Clothing, Household Goods, Personal Care	225	230	236	253	274
Total Monthly Expenses	1,235	2,021	2,496	2,155	3,152
Annual Expenses	14,820	24,252	29,952	25,860	37,824
Federal and State Taxes	2,884	3,195	4,044	(591)	5,670
Required Annual Income	17,704	27,447	33,996	25,269	43,494
Equivalent Hourly Wage	8.51	13.20	16.34	12.15	(2 x) 10.46

Kennebec County

2002 Monthly Basic Needs Budgets by Family Size

	Single person	Single parent, 1 child	Single parent, 2 children	Two parents (1 earner) 2 children	Two parents (2 earners) 2 children
Food	155	257	392	574	574
Rent/Utilities	453	543	543	543	543
Telephone	24	30	30	30	30
Health Care	138	158	178	364	544
Transportation	233	233	233	365	460
Child Care	0	368	593	0	593
Clothing, Household Goods, Personal Care	225	230	236	253	274
Total Monthly Expenses	1,228	1,819	2,205	2,129	3,018
Annual Expenses	14,736	21,828	26,460	25,548	36,216
Federal and State Taxes	2,856	1,070	670	(791)	4,991
Required Annual Income	17,592	22,898	27,130	24,757	41,207
Equivalent Hourly Wage	8.46	11.01	13.04	11.90	(2 x) 9.91

Knox County

2002 Monthly Basic Needs Budgets by Family Size

	Single person	Single parent, 1 child	Single parent, 2 children	Two parents (1 earner) 2 children	Two parents (2 earners) 2 children
Food	155	257	392	574	574
Rent/Utilities	448	582	582	582	582
Telephone	24	30	30	30	30
Health Care	138	269	335	364	544
Transportation	233	233	233	365	460
Child Care	0	433	720	0	720
Clothing, Household Goods, Personal Care	225	230	236	253	274
Total Monthly Expenses	1,223	2,034	2,528	2,168	3,184
Annual Expenses	14,676	24,408	30,336	26,016	38,208
Federal and State Taxes	2,832	3,331	4,202	(493)	5,827
Required Annual Income	17,508	27,739	34,538	25,523	44,035
Equivalent Hourly Wage	8.42	13.34	16.60	12.27	(2 x) 10.59

Lincoln County

2002 Monthly Basic Needs Budgets by Family Size

	Single person	Single parent, 1 child	Single parent, 2 children	Two parents (1 earner) 2 children	Two parents (2 earners) 2 children
Food	155	257	392	574	574
Rent/Utilities	504	573	573	573	573
Telephone	24	30	30	30	30
Health Care	138	269	335	364	544
Transportation	233	233	233	365	460
Child Care	0	477	867	0	867
Clothing, Household Goods, Personal Care	225	230	236	253	274
Total Monthly Expenses	1,279	2,069	2,666	2,159	3,322
Annual Expenses	15,348	24,828	31,992	25,908	39,864
Federal and State Taxes	3,068	3,718	4,904	(563)	6,530
Required Annual Income	18,416	28,546	36,896	25,345	46,394
Equivalent Hourly Wage	8.85	13.72	17.74	12.19	(2 x) 11.15

Oxford County

2002 Monthly Basic Needs Budgets by Family Size

	Single person	Single parent, 1 child	Single parent, 2 children	Two parents (1 earner) 2 children	Two parents (2 earners) 2 children
Food	155	257	392	574	574
Rent/Utilities	409	524	524	524	524
Telephone	24	30	30	30	30
Health Care	138	158	178	364	544
Transportation	233	233	233	365	460
Child Care	0	416	686	0	686
Clothing, Household Goods, Personal Care	225	230	236	253	274
Total Monthly Expenses	1,184	1,848	2,279	2,110	3,092
Annual Expenses	14,208	22,176	27,348	25,320	37,104
Federal and State Taxes	2,671	1,398	1,628	(949)	5,369
Required Annual Income	16,879	23,574	28,976	24,371	42,473
Equivalent Hourly Wage	8.11	11.33	13.93	11.72	(2 x) 10.21

Penobscot County*

2002 Monthly Basic Needs Budgets by Family Size

	Single person	Single parent, 1 child	Single parent, 2 children	Two parents (1 earner) 2 children	Two parents (2 earners) 2 children
Food	155	257	392	574	574
Rent/Utilities	409	524	524	524	524
Telephone	24	30	30	30	30
Health Care	138	158	178	364	544
Transportation	233	233	233	365	460
Child Care	0	412	690	0	690
Clothing, Household Goods, Personal Care	225	230	236	253	274
Total Monthly Expenses	1,184	1,844	2,283	2,110	3,096
Annual Expenses	14,208	22,128	27,396	25,320	37,152
Federal and State Taxes	2,671	1,358	1,679	(949)	5,383
Required Annual Income	16,879	23,486	29,075	24,371	42,535
Equivalent Hourly Wage	8.11	11.29	13.98	11.72	(2 x) 10.23

*Excludes towns in the Bangor MSA.

Bangor MSA

2002 Monthly Basic Needs Budgets by Family Size

	Single person	Single parent, 1 child	Single parent, 2 children	Two parents (1 earner) 2 children	Two parents (2 earners) 2 children
Food	155	257	392	574	574
Rent/Utilities	459	588	588	588	588
Telephone	24	30	30	30	30
Health Care	138	269	335	364	544
Transportation	233	233	233	365	460
Child Care	0	412	690	0	690
Clothing, Household Goods, Personal Care	225	230	236	253	274
Total Monthly Expenses	1,234	2,019	2,504	2,174	3,160
Annual Expenses	14,808	24,228	30,048	26,088	37,920
Federal and State Taxes	2,881	3,167	4,081	(447)	5,707
Required Annual Income	17,689	27,395	34,129	25,641	43,627
Equivalent Hourly Wage	8.50	13.17	16.41	12.33	(2 x) 10.49

Piscataquis County

2002 Monthly Basic Needs Budgets by Family Size

	Single person	Single parent, 1 child	Single parent, 2 children	Two parents (1 earner) 2 children	Two parents (2 earners) 2 children
Food	155	257	392	574	574
Rent/Utilities	409	524	524	524	524
Telephone	24	30	30	30	30
Health Care	138	269	335	364	544
Transportation	233	233	233	365	460
Child Care	0	433	744	0	744
Clothing, Household Goods, Personal Care	225	230	236	253	274
Total Monthly Expenses	1,184	1,976	2,494	2,110	3,150
Annual Expenses	14,208	23,712	29,928	25,320	37,800
Federal and State Taxes	2,671	2,728	4,037	(949)	5,663
Required Annual Income	16,879	26,440	33,965	24,371	43,463
Equivalent Hourly Wage	8.11	12.71	16.33	11.72	(2 x) 10.45

Sagadahoc County

2002 Monthly Basic Needs Budgets by Family Size

	Single person	Single parent, 1 child	Single parent, 2 children	Two parents (1 earner) 2 children	Two parents (2 earners) 2 children
Food	155	257	392	574	574
Rent/Utilities	560	692	692	692	692
Telephone	24	30	30	30	30
Health Care	138	269	335	364	544
Transportation	233	233	233	365	460
Child Care	0	433	723	0	723
Clothing, Household Goods, Personal Care	225	230	236	253	274
Total Monthly Expenses	1,335	2,144	2,641	2,278	3,297
Annual Expenses	16,020	25,728	31,692	27,336	39,564
Federal and State Taxes	3,303	4,203	4,780	357	6,406
Required Annual Income	19,323	29,931	36,472	27,693	45,970
Equivalent Hourly Wage	9.29	14.39	17.53	13.31	(2 x) 11.05

Somerset County

2002 Monthly Basic Needs Budgets by Family Size

	Single person	Single parent, 1 child	Single parent, 2 children	Two parents (1 earner) 2 children	Two parents (2 earners) 2 children
Food	155	257	392	574	574
Rent/Utilities	416	524	524	524	524
Telephone	24	30	30	30	30
Health Care	138	158	178	364	544
Transportation	233	233	233	365	460
Child Care	0	368	651	0	651
Clothing, Household Goods, Personal Care	225	230	236	253	274
Total Monthly Expenses	1,191	1,800	2,244	2,110	3,057
Annual Expenses	14,292	21,600	26,928	25,320	36,684
Federal and State Taxes	2,700	944	1,174	(949)	5,191
Required Annual Income	16,992	22,544	28,102	24,371	41,875
Equivalent Hourly Wage	8.17	10.84	13.51	11.72	(2 x) 10.07

Waldo County*

2002 Monthly Basic Needs Budgets by Family Size

	Single person	Single parent, 1 child	Single parent, 2 children	Two parents (1 earner) 2 children	Two parents (2 earners) 2 children
Food	155	257	392	574	574
Rent/Utilities	409	524	524	524	524
Telephone	24	30	30	30	30
Health Care	138	269	335	364	544
Transportation	233	233	233	365	460
Child Care	0	477	781	0	781
Clothing, Household Goods, Personal Care	225	230	236	253	274
Total Monthly Expenses	1,184	2,020	2,531	2,110	3,187
Annual Expenses	14,208	24,240	30,372	25,320	38,244
Federal and State Taxes	2,671	3,187	4,222	(949)	5,847
Required Annual Income	16,879	27,427	34,594	24,371	44,091
Equivalent Hourly Wage	8.11	13.19	16.63	11.72	(2 x) 10.60

*Excludes towns in the Bangor MSA.

Washington County

2002 Monthly Basic Needs Budgets by Family Size

	Single person	Single parent, 1 child	Single parent, 2 children	Two parents (1 earner) 2 children	Two parents (2 earners) 2 children
Food	155	257	392	574	574
Rent/Utilities	409	524	524	524	524
Telephone	24	30	30	30	30
Health Care	138	158	178	364	544
Transportation	233	233	233	365	460
Child Care	0	390	658	0	658
Clothing, Household Goods, Personal Care	225	230	236	253	274
Total Monthly Expenses	1,184	1,822	2,251	2,110	3,064
Annual Expenses	14,208	21,864	27,012	25,320	36,768
Federal and State Taxes	2,671	1,140	1,267	(950)	5,225
Required Annual Income	16,879	23,004	28,279	24,370	41,993
Equivalent Hourly Wage	8.11	11.06	13.60	11.72	(2 x) 10.10

York County*

2002 Monthly Basic Needs Budgets by Family Size

	Single person	Single parent, 1 child	Single parent, 2 children	Two parents (1 earner) 2 children	Two parents (2 earners) 2 children
Food	155	257	392	574	574
Rent/Utilities	492	659	659	659	659
Telephone	24	30	30	30	30
Health Care	138	269	335	364	544
Transportation	233	233	233	365	460
Child Care	0	433	727	0	727
Clothing, Household Goods, Personal Care	225	230	236	253	274
Total Monthly Expenses	1,267	2,111	2,612	2,245	3,268
Annual Expenses	15,204	25,332	31,344	26,940	39,216
Federal and State Taxes	3,017	4,058	4,633	100	6,258
Required Annual Income	18,221	29,390	35,977	27,040	45,474
Equivalent Hourly Wage	8.76	14.13	17.30	13.00	(2 x) 10.93

*Excludes towns in the Portland, Kittery and Portsmouth MSAs.

Portsmouth-Kittery MSA

2002 Monthly Basic Needs Budgets by Family Size

	Single person	Single parent, 1 child	Single parent, 2 children	Two parents (1 earner) 2 children	Two parents (2 earners) 2 children
Food	155	257	392	574	574
Rent/Utilities	686	882	882	882	882
Telephone	24	30	30	30	30
Health Care	138	269	335	364	544
Transportation	233	233	233	365	460
Child Care	0	433	727	0	727
Clothing, Household Goods, Personal Care	225	230	236	253	274
Total Monthly Expenses	1,461	2,334	2,835	2,468	3,491
Annual Expenses	17,532	28,008	34,020	29,616	41,892
Federal and State Taxes	3,839	5,005	5,741	1,995	7,386
Required Annual Income	21,371	33,013	39,761	31,611	49,278
Equivalent Hourly Wage	10.27	15.87	19.12	15.20	(2 x) 11.85

Appendix

Living Wage Ordinances Currently in Place

Source: "Living Wage Successes." Association for Community Organizations for Reform Now. www.acorn.org (Updated October 2001) as cited in "Living wage ordinances currently in place" Economic Policy Institute http://www.epinet.org/content.cfm/issueguides_livingwage_lwo-table

City and Year Enacted	Wages and Benefits	Employees Covered
Alexandria, VA; 2000	\$10.21 index annually to the poverty line for a family of four with cost for health insurance	City employees, contracts and subcontracts and other firms
Ann Arbor, MI; 2001	\$8.70 with health \$10.20 without, index annually	Subsidies or service contracts over \$10,000
Ashland, OR; 2001	Wage and benefits package worth at least \$10.75 an hour, indexed annually to inflation	City, service contracts, subsidies over \$15,000
Baltimore, MD; 1994	\$6.10 in 1996 to \$7.70 in 1999, \$8.20 in 2000	Service contractors; construction contracts over \$5,000; includes subcontractors
Berkeley, CA; 2000	\$9.75 and \$11.37 without benefits	City, contracts, financial assistance recipients, and leaseholders of city land
Boston, MA; 1997	\$7.49; adjusted annually by the higher of the federal poverty line for a family of four, CPI or 110% of the federal minimum wage	Subsidies (grant, loan, tax incentive, bond financing) over \$100,000 with over 25 employees (profit) and over 100 employees (nonprofit); includes subcontractors and leaseholders or renters of beneficiaries; exemptions for hardship
Buffalo, NY; 1999	\$6.22 in 2000, \$7.15 in 2001, \$8.08 in 2002 (a dollar more without benefits)	Contracts and subcontracts over \$50,000
Cambridge, MA; 1999	\$10.68 adjusted annually by CPI	Employees of the city, contract or subcontracts over 10,000, and firms that benefit from at least \$10,000 annually
Chicago, IL; 1998	\$7.60	Service contracts with over 25 employees; includes subcontractors; exemptions for non-profits

Cleveland, OH; 2000	\$8.20, increased to \$9.20 Oct. 2002 (indexed accordingly thereafter on annual basis)	Contracts and subsidies over 75,000 with at least 20 employees (profit) and 50 employees (nonprofit) with a wage ratio greater than 5:1.
Cook County, IL; 1998	\$7.60	Service contractors
Corvallis, OR; 1999	\$9.00 adjusted annually by CPI	Contracts over \$5,000
Dane County, WI; 1999	100% of poverty level for a family of four	Service contracts and subsidies over \$5,000
Denver, CO; 2000	100% of poverty level for a family of four	Contract or subcontract over \$2,000
Des Moines, IA; 1988 (updated 1996 and 1998)	\$7.00 in 1988 to \$9.00 in 1996	Subsidies (revolving loan fund, enterprise community business capital fund); exemptions for start-up or hardship
Detroit, MI; 1998	100% of poverty level for a family of four with health benefits; 125% of poverty line without benefits	Service contracts or subsidies (federal grant programs, revenue bond financing, planning assistance, tax increment financing, tax credits) over \$50,000; includes subcontractors and leaseholders
Duluth, MN; 1997	\$6.50 with health benefits; \$7.25 without health benefits; adjusted annually by CPI	Subsidies (investment fund loans, enterprise zone credits, business loans and grants, tax increment financing land write downs, industrial park land write downs, lease abatements); includes subcontractors; exemptions for small employers and community development block grant recipients
Durham, NC; 1998	\$8.14 (federal poverty level for a family of four)	Service contracts; includes subcontractors
East Pointe, MI; 2001	100% of poverty level for a family of four with health 125% without (currently \$8.23 and \$10.00, respectively)	Contracts or tax incentives of at least \$5,000
Eau Claire County, WI; 2000	\$6.67 with health or \$7.40 without	Contracts over \$100,000
Ferndale, MI; 2001	\$8.50 with health benefits, \$9.75 without, index annually	Service contracts over \$25,000
Gary, IN; 1991	Prevailing wage for similar occupations in the county and health care for employees working over 25 hr/wk	Subsidies (industrial revenue bonds, economic grants or other economic development incentives); includes subcontractors

Gloucester County, NJ; 2001	The greater of \$8.50 or the federal poverty level with health, addition \$2.37 without	County contractors
Hartford, CT; 1999	110% of poverty level for a family of 4, with health benefits that requires employees to pay no more than 3% of annual wages (or equivalent)	Contracts over \$50,000
Hayward, CA; 1999	\$8.00 with health benefits; \$9.25 without benefits; adjusted yearly by CPI; paid and unpaid leave	Service contracts over \$25,000; includes subcontractors
Hudson County, NJ; 1999	150% of federal minimum wage	Service contractors
Jersey City, NJ; 1996	\$7.50; 5 days vacation; \$2,000 annually for health benefits	Contractors
Kankakee County, IL; 1999	\$11.42 or 130% of the poverty level (whichever is higher), provide 80% of health and dental for full time employees at any new development, and offer pension or profit sharing	Companies benefiting from local 'Enterprise Zone' tax breaks
Los Angeles, CA; 1997	\$7.50 with benefits; \$8.50 without benefits; 12 paid days for vacation, sick or personal leave	Service contracts over \$25,000 and a term over 3 months; includes subcontractors; exemptions for first time recipients of financial assistance and employers with fewer than 5 employees
Los Angeles County, CA; 1999	\$8.32 with health benefits; \$9.46 without health benefits	Contractors
Madison, WI; 1999	100% of poverty level for a family of four in 1999; 105% in 2000; 110% in 2001	Certain contracts over \$5,000 and certain subsidies over \$100,000
Miami Beach, FL; 2001	\$8.56 with health benefits, \$9.81 without	City, and certain city service contracts over \$100,000
Miami-Dade County, FL; 1999	\$8.56 with health benefits; \$9.81 without benefits	County workers, service contractors, and airport licensees
Milwaukee (City), WI; 1995	\$6.05 adjusted annually by federal poverty line for a family of three	Service contracts; excludes contracts that involve the purchase of goods; includes subcontractors
Milwaukee (County), WI; 1997	\$6.25; adjusted by union pay scales	County workers

Milwaukee (School Board), WI; 1996	\$7.70	School board workers
Minneapolis, MN; 1997	110% of poverty level for a family of four without benefits; 100% of poverty level with benefits	Subsidies over \$100,000 in one year (economic development contracts; land sales at less than the fair market price, loans, bonds excluding conduit bonds, grants and city tax incentives); exemptions for community development corporations and small businesses
Missoula, MT; 2001	Match pay of lowest-paid full time employees of the city (\$7.95) and provide health benefits	Recipients of city economic development assistance
Multnomah County, OR; 1998	\$9.00 (wage and benefits combined); adjusted annually by CPI	Service contracts; new and renewed contracts only
New Haven, CT; 1997	1997-1998 100% of federal poverty level for a family of four; increases annually to 120% of federal poverty level by 2001	Service contracts; includes subcontractors
New York, NY; 1996	Prevailing wage of similar occupations in the city	Service contracts; includes subcontractors; exemptions for non-profits
North Hampton, MA; 1999	\$7.49 with health benefits; \$9.00 without benefits	Contractors
Oakland, CA; 1998	\$8.00 with health benefits; \$9.25 without benefits; adjusted yearly by regional CPI; 12 days paid leave	Service contracts over \$25,000 or subsidies over \$100,000; includes subcontractors
Omaha, NE; 2000	100% of poverty level for a family of four with health benefits; 110% without health benefits	City employees, contracts and subcontracts and other firms who benefit from over \$75,000
Oyster Bay, NY; 2001	\$9.00 with health benefits, \$10.25 without	Janitorial or security contracts or subcontracts over \$50,000
Pasadena, CA; 1998	\$7.25 with health benefits; \$8.50 with no benefits	Service contracts over \$25,000
Pittsburgh, PA; 2001	\$9.12 with health benefits, \$10.62 without	City, certain service contractors, recipients of subsidies and certain leaseholders (profit, at least 10 employees; non-profit, at least 25)

Pittsfield Township, MI; 2001	\$8.70 with health benefits, \$10.20 without, adjust for inflation annually	Service contract, and financial assistance over \$10,000 (profit, at least 5 employees; non-profit, at least 10)
Portland, OR; 1996	\$6.75 in 1996; \$7.00 in 1998; adjusted by cost of living increase received by city workers	Service contracts; exemptions for training or educational work
Richmond, VA; 2001	\$8.50 with family health, \$10.13 without	School board workers
Rochester, NY; 2001	\$8.52 with health benefits, \$9.52 without	Contracts over 50,000
San Antonio, TX; 1998	\$9.27 for non-durable goods manufacturing and service; \$10.13 for durable goods manufacturing	Subsidies (tax abatements)
San Fernando, CA; 2000	\$7.25, \$8.50 with no health benefits; adjusted annually based on state employment retirement system	Contracts or grants of more than \$25,000
San Francisco, CA; 2000	\$10.00 followed by 2.5% increases for the next three years and health insurance or penalty payments to city's public health system fund	City service contracts, non-profits and leaseholders at the San Francisco International Airport
San Jose, CA; 1998	Higher of prevailing wage (union scale wages) or \$9.50 with benefits; \$10.75 without benefits; adjusted annually based on federal poverty level, geographic cost of living differentials, or CPI.	Service contracts over \$20,000; exemptions for hardship to small businesses
Santa Clara County, CA; 1995	\$10.00 with health benefits	Manufacturers who would not have located in the county without the rebate who create and sustain at least 10 full time, permanent manufacturing jobs
Santa Cruz, CA; 2000	\$11.00 with health benefits, \$12.00 without	City, profit and non-profit city service contracts
Santa Monica, CA; 2001	\$10.50 with health, additional \$1.75 without (increasing to \$2.50 in 2002)	Employers operating within Coastal Zone tourist district with revenues over \$5 million
Somerville, MA; 1999	100% of poverty level for a family of 4	Employees of the city, contracts or subcontracts over 50,000, and firms that benefit from at least \$50,000 annually (\$30,000 in 2001, \$10,000 in 2003)

St. Louis, MO; 2000	A wage sufficient to lift a family of three above the eligibility level for food stamps (\$8.84 with health, \$10.76 without)	Contracts over \$50,000 and business development subsidies over \$100,000
St. Paul, MN; 1997	110% of poverty level for a family of four without benefits; 100% of poverty level with benefits	Subsidies over \$100,000 in one year (economic development contracts; land sales at less than the fair market price, loans, bonds excluding conduit bonds, grants and city tax incentives); exemptions for community development corporations and small businesses.
Suffolk County, NY; 2001	\$9.00 with health benefits, \$10.25 without	Subsidies over \$50,000 or service contracts over \$10,000
Thompkins County, NY, 1998	\$16,500 annually (phased in over two years)	Human service contractors
Toledo, OH; 2000	110% of poverty level for a family of four with health benefits; 130% without health benefits	Contracts over \$10,000 (more than 25 employees) and subsidies over \$100,000 (more than 50 employees)
Tucson, AZ; 1999	\$8.26, \$9.30 without health benefits	Contractors providing city services
Ventura County, CA; 2001	\$8.00 with health, \$10.00 without	All contractors and subcontractors
Warren, MI; 2000	100% of poverty level for a family of four or \$8.83, 125% without health benefits	Contracts or tax breaks over \$50,000
West Hollywood, CA; 1997	\$7.25 with health benefits; \$8.50 with no benefits; 12 paid days for vacation, sick or personal leave	Service contracts over \$25,000 and a term over 3 months; includes subcontractors
Ypsilanti , MI; 1999	\$8.50, \$10.00 without health benefits	Companies receiving city service contracts or assistance over \$20,000 in a given year
Ypsilanti Township, MI; 1999	\$8.50 with health care, \$10.00 without	Companies receiving city service contracts or assistance over \$10,000 (\$20,000 for non-profits) in a given year

Endnotes

¹ See Wider Opportunities for Women, <http://www.sixstrategies.org/about/about.cfm>

² Mishel, Lawrence, Jared Bernstein, and Heather Boushey. *The State of Working America: 2002-2003*. Washington, D.C.: Economic Policy Institute. 2003. p. 22.

³ Underemployment hits 10% as gap with unemployment expands. Economic Policy Institute. April 2003. http://www.epinet.org/content.cfm/webfeatures_snapshots_archives_04232003
The Bureau of Labor Statistics (BLS) concept of underemployment includes the unemployed, discouraged workers (people who looked for work at some point over the past year, but have given up due to lack of prospects), involuntary part-timers (part-time workers who would prefer full-time work), and a smaller group of people who want to work but face a barrier such as lack of transportation or child care.

⁴ Mishel, op. cit. p. 28.

⁵ St. John, Christopher. Growing Income Inequality. Maine Center for Economic Policy. Choices. Vol. 8, No. 3. May 24, 2002, citing *Pulling Apart: A State by State Analysis of Income Trends*. Washington, D.C.: Economic Policy Institute and Center on Budget and Policy Priorities. April 23, 2002.

⁶ Mishel, op. cit. p. 7.

⁷ Spade, Maggie. "Poverty Measures Mask the Depth of Poverty in America." Clearinghouse Review. National Consumer Law Center. Aug.-Sept. 1994; Fogg, Neal et al. *Poverty Ain't What It Used To Be: The Case for and Consequences of Redefining Poverty*. Baltimore: Johns Hopkins University, Institute for Policy Studies. Monograph 99-03. June 1999.

⁸ See Measuring Poverty: A New Approach. Panel on Poverty and Family Assistance: Concepts, Information Needs, and Measurement Methods. Committee on National Statistics, Commission on Behavioral and Social Sciences and Education, National Research Council. National Academy Press. Washington, D.C. 1996, <http://www.nap.edu/readingroom/books/poverty>; and An Open Letter on Revising the Official Poverty Level. August 2000. <http://www.ssc.wisc.edu/irp/povmeas/povlet.htm>

⁹ Minimum Wage History. Nominal and Real Minimum Wage. Oregon State University. <http://oregonstate.edu/instruct/anth484/minwage.html>

¹⁰ Mishel, op. cit.

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- ¹¹ Economic Policy Institute. EPI Issue Guide on the Minimum Wage. http://www.epinet.org/Issueguides/minwage/MinimumWage_IssueGuide.pdf
- ¹² Bernstein, Jared and John Schmitt. *Making Work Pay: The impact of the 1996-97 minimum wage increase*. Washington, D.C.: Economic Policy Institute. 1998.
- ¹³ Economic Policy Institute. EPI Issue Guide on the Minimum Wage. http://www.epinet.org/Issueguides/minwage/MinimumWage_IssueGuide.pdf
- ¹⁴ Self-sufficiency: Opportunities and Disincentives on the Road to Economic Independence, US GAO, GAO/HRD-93-23. August 1993.
- ¹⁵ A list of these research reports can be found in the Economic Policy Institute's Issue Guide: Poverty and Family Budgets at http://www.epinet.org/Issueguides/poverty/poverty_issueguide.pdf.
- ¹⁶ Seguino, Stephanie. *Living on the Edge: Women Working and Providing for Families in the Maine Economy, 1979-1993*. Orono: Margaret Chase Smith Center for Public Policy. University of Maine. January 1995.
- ¹⁷ Sewicky, Max. Making tax cuts work for working families. EPI Journal. Winter 2001.
- ¹⁸ Economic Policy Institute calculation based on Current Population Survey data.
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