



Alternatives Federal Credit Union 2021 Living Wage Study

In 1994, in response to a staff member's concern that the wage she earned was not sufficient to support her family, Alternatives decided to conduct a study to see what it should pay its employees as a starting salary. The credit union engaged an intern from the School of Industrial and Labor Relations (ILR School) at Cornell University to work with then Assistant Manager Leni Hochman to conduct the study. Alternatives has partnered with student interns from the ILR School for ten of the thirteen subsequent Living Wage studies.

Initially intended for internal use, the credit union's Board of Directors decided that the information had community value and released the study to the public. Alternatives has continued to update and release the Living Wage Study every two years. This year is the 27th anniversary of the 1994 release of the first Living Wage.

This year, research into the wage components was conducted by Christina Stathopoulos, a junior in the ILR School and Karl Graham, Alternatives' Chief of Community Development. The study is sponsored by Alternatives' field of membership organization, The Alternatives Fund of Ithaca.

According to the 2021 Living Wage Study, the current cost for a single person working full-time to live in Tompkins County is \$15.32 per hour, in a 40 hour work week.

It is slightly lower than AFCU's rate for the first time, based on health insurance reimbursements during pre- and post-COVID. AFCU's 2021 Living Wage for its own employees is \$15.74. For employers that do not offer health insurance, a rate of \$15.32 per hour would be needed to allow the individual to purchase the Silver Plan on the NYS Health Insurance Exchange/Marketplace. This research was conducted by Rob Brown, a consultant for The Tompkins County Workers' Center.

The new Living Wage figure is an increase of 10.2% from \$14.28 per hour two years ago. The categories in the study include housing, food, transportation, internet and mobile phone, healthcare, taxes, and other necessities, as well as a modest allowance for recreation and savings. Five of the nine categories saw double digit increases in this year's study. Communications topped the percentage increase at 25.4% while Health Care, Transportation, Miscellaneous Expenses, and Taxes all exceeded 10% increases.

Childcare costs are an addendum to the study and not a component of the Living Wage. These costs are presented since they represent a major expense to working families with younger than school aged children. Care costs at local registered providers for infants, toddlers, and pre-school aged children were used to calculate these figures.

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Living Wage Study 2021 Calculations

Category	2018 Monthly	2020 Monthly	% Change	2020 Yearly	Source
Rent (one bedroom)	978.00	1048.00	7.2%	12576.00	HUD: Final FY 2021 FMR Documentation System
Food (Avg of male and female USDA low cost plan)	223.55	237.25	6.1%	2847.00	Low-cost Official USDA Food Plan: Avg of male and female ages 19-50
Transportation (Proportional combination of drive alone, carpool, public transit and biking)	193.54	222.58	15.0%	2670.96	Ithaca-Tompkins County Transportation Council, Consumer Expenditures Survey, BLS, TCAT
Communication (Internet and cell phone)	72.57	91.00	25.4%	1092.00	Verizon, Spectrum (Time Warner Cable)
Healthcare (Employee only, full time, more than two years, average of three plans)	234.18	279.14	19.2%	3349.68	Alternatives, BLS
Recreation (Increased by inflation)	118.99	120.32	1.1%	1443.84	BLS
Savings (Increased by inflation)	70.59	71.29	1.0%	855.48	BLS
Miscellaneous (Housekeeping supplies, footwear, apparel products/services and personal care/services)	144.00	159.00	10.4%	1908.00	BLS Consumer Expenditures Survey
Net	2035.42	2228.58	9.5%	26742.96	
Taxes					NYS and Federal tax tables
<i>Payroll (S.S.)</i>	189.33	208.67	10.2%	2504.04	
<i>Federal</i>	161.08	186.92	16.0%	2243.04	
<i>State</i>	88.41	103.75	17.4%	1245.00	
Total (Gross)	2474.24	2727.92	10.3%	32735.04	
Hourly @40 hours/week	14.28	15.74	10.2%	15.74	Based on 40 hours/week, 52 weeks/year
Addendum (Childcare costs)					Average of rates from Downtown Ithaca Children's Center, Bright Horizons/Cornell Child Care Center, Ithaca Community Child Care Center, NYS Office of Children and Family Services.
<i>Infant</i>	1877.00	1861.00	-0.9%	22332.00	
<i>Toddler</i>	1632.00	1601.33	-1.9%	19215.96	
<i>Pre-school</i>	1487.00	1447.67	-2.6%	17372.04	

Living Wage Study 2021 Calculations

Rent

\$1,048/month one-bedroom x 12 months = \$12,576/year

Other options

Efficiency = \$980

2 bedroom = \$1,269

3 bedroom = \$1,619

4 bedroom = \$1,812

Sources

- https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2021_code/select_Geography.odn.
Select the Ithaca, NY MSA HUD Metropolitan Fair Market Rent area.

Food

\$237.25/month x 12 months = \$2,847

Low-cost Official USDA Food Plan: Average of male and female ages 19-50

Monthly cost of food on low-cost plan

Men 19-50 years = \$254.30

Women 19-50 years = \$220.20

Average of men and women = \$237.25

Sources

- Official USDA Food Plans: Cost of Food at Home at Four Levels, Select: USDA Food Plans: Cost of Food Report for June 2020 (Publication date- July 2020) (June statistics are used to represent the annual average.)
 - <https://www.fns.usda.gov/cnpp/usda-food-plans-cost-food-reports-monthly-reports>
 - <https://fns-prod.azureedge.net/sites/default/files/media/file/CostofFoodJun2020.pdf>

Transportation

Proportion of drive alone + carpool + bike + public transportation + walking

\$204.86 + \$14.87 + \$2.63 + \$0.22 + \$0 = \$222.58/month x 12 = \$2,670.96/year

Drive alone = \$3,965/12 x .62 = \$204.86/month

Cost of driving alone, according to BLS Customer Expenditure Survey Mid-Year Tables, 3rd quarter 2018 through 2nd quarter 2019 (second 20% mean) = \$1,576 gasoline/motor oil + \$2,389 (other expenses, including insurance, maintenance and repairs, vehicle finance charges, licenses) = \$3,965/year

Carpool = \$1,982.50/12 x .09 = \$14.87/month

Share the cost of driving alone, 3,965 divided by 2 = \$1,982.50

Public transportation = \$450/12 x .07 = \$2.63/month

Cost of public transportation (annual bus pass on TCAT) = \$450 (TCAT effective Aug. 25, 2019, eliminated its two-zone fare structure with geography no longer a factor in the cost of riding a TCAT bus).

Per TCAT 2016 bus pass sales, 69.5% buy Zone 1, 30.5% buy Zone 22.

Bike = \$129.48/12 x .02 = \$0.22/month

Cost of a bike \$80 (\$400 over 5 years) + \$49.48 annual maintenance = \$129.48

Annual maintenance such as tuning, changing of tires, brakes and tubes.

Cost of maintaining a bicycle based on Living Wage Study 2000 (obtained from Claritas Consumer Spending Patterns data) = \$33/year adjusted for inflation = \$49.48

Cost of bike based on: decent casual bike cost \$400-500, but can easily go up to \$1,000 (<https://www.choice.com.au/transport/bikes/buying-advice/buying-guides/bike>).

Walking + work at home = \$0 x 0.2 = \$0/month

These categories are collectively assumed to have no or very little cost.

Sources

- Ithaca-Tompkins County Transportation Council (ITCTC)—Statistics—Easy to Read Mode-to-Work Charts for Tompkins County- 2017 5 Census ACS
 - <https://tompkinscountyny.gov/files2/itctc/statistics/Journey-to-Work/Mode-to-Work%20by%20Municipality%202017%205%20Census%20ACS.pdf>
- TCAT bus fare
 - <https://tcatbus.com/fare-pass-options>
- Consumer Expenditures Survey, Mid-Year Tables, 7/01/2016 – 6/30/2017 Quintiles of income before taxes, Table 1101, second 20% quintile
 - <https://www.bls.gov/cex/22019/midyear/quintile.pdf>
- Inflation calculation—United States Department of Labor Bureau of Labor & Statistics CPI Inflation Calculator, https://www.bls.gov/data/inflation_calculator.htm.
- Cost of a bike- <https://www.choice.com.au/transport/bikes/buying-advice/buying-guides/bike>
- Working population of Tompkins County = 52,829 (57.4% of 92,037 population, age 16 and up) ACS Survey 2017
https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?_afpt=table

Communication

Internet and phone = \$53.90 per month + \$37.10 per month

= \$1,092 per year or \$91.00 per month

Internet

The access to the internet is a critical necessity to almost every individual. Based on the service availability throughout Tompkins County, below internet plans have been selected from Verizon and Spectrum to calculate the average cost of internet. Fees are assumed to be 6% of monthly cost.



Spectrum (Time Warner Cable) high speed internet (200 Mbps, 1 year. Standard rates apply after 1 year, modem included) = \$49.99 per month + 6% fees + \$49.99 installation fee = \$57.16/month

Verizon basic internet (300 Mbps)) = \$39.99 per month + 6% fees + \$99 installation fee = \$50.64

Average Verizon and Spectrum = \$53.90/month

Telephone

Verizon- \$35 per month, unlimited talk, text, & data + 6% fees = \$37.10 per month

Sources

- Internet:
 - <https://buy.spectrum.com/buyflow/store-front>
 - <https://www.verizon.com/home/fios-fastest-internet/>
 - <https://www.allconnect.com/blog/guide-to-internet-fees-provider>
- Phone: <https://www.verizon.com/plans/>

Healthcare

With employer-provided health insurance: \$182.97 premium + \$96.17 out of pocket = \$279.14 per month x 12 = \$3,349.68 per year

5a. Health Insurance at Alternatives

This calculation is based on the 2021 staff per-payroll contribution under the full time category, employee only. Calculation based on the percentage of BCBS Gold Plan for an individual. Alternatives pays 75% of individual health insurance premiums as soon as insurance starts for full-time staff. Staff would pay \$84.45 per pay period (26 pay periods). ($\$84.45 \times 26 / 12$) = \$182.97 per month

5b. Health Insurance (from NY State of Health/Marketplace)

Tompkins County Worker's Center calculations

The new 2021 rate is \$15.32. That includes the median cost of a silver metal level plan through NY State of Health, minus tax credit subsidies, and correct taxes.

Plan costs = \$8,229.36

Tax credit subsidy through NY State of Health = \$6,673.00

Net cost of insurance = $\$1,556.36 / 12 = \129.69 per month

To identify the healthcare cost for a worker without employer-sponsored insurance, we evaluated the median cost of insurance plans available to the public at the "silver metal level" through New York State of Health marketplace. Individuals may receive subsidies that reduce

the cost of premiums based on their total income. To calculate real healthcare cost for the Living Wage; we identified the income level that provides the same subsidy for insurance premiums as the insurance cost that results in that income level, with no money left over or owed by the worker.

– Pete Meyers

Sources

- BLS Customer Expenditure Survey, Mid-Year Tables, 3rd quarter 2018 through 2nd quarter 2019, Quintiles of income before taxes, Table 1101, second 20% quintile, Mean
 - <https://www.bls.gov/cex/22019/midyear/quintile.pdf>

Healthcare – Other out of pocket costs

Out of pocket expenses:

Medical services = \$578

Drugs = \$426

Medical supplies = \$150

Total = \$1,154/12 = \$96.17/ month

BLS Customer Expenditure Survey, Mid-Year Tables, 3rd quarter 2018 through 2nd quarter 2019, Quintiles of income before taxes, Table 1101, second 20% quintile, Mean (<https://www.bls.gov/cex/22019/midyear/quintile.pdf>).

Recreation

\$120.32 per month x 12 = \$1,443.84 per year

Recreation activities are important to a healthy work/lifestyle. Based on prior studies, minimum \$100 spending to drive work/life balance has been adjusted for inflation. \$100 in July 2009 has the same buying power as \$120.32 in July 2020.

Sources

- Bureau of Labor & Statistics CPI Inflation Calculator, https://www.bls.gov/data/inflation_calculator.htm
- Living Wage Study Notes 2017, <https://www.alternatives.org/socialresponsibility/impacting-our-community/living-wage-study.html>

Savings

\$71.29 per month x 12 = \$855.48 per year

Savings are an asset, therefore, we believe a savings habit is an important component of any budget. Based on prior studies, monthly savings have been adjusted for inflation. \$70.59 in July 2019 has the same buying power as \$71.29 in July 2020.

Sources

- Bureau of Labor & Statistics CPI Inflation Calculator, https://www.bls.gov/data/inflation_calculator.htm
- Living Wage Study Notes 2017, <https://www.alternatives.org/socialresponsibility/impacting-our-community/living-wage-study.html>

Miscellaneous

\$1,909.00/12 months = \$159.00 per month

Housekeeping supplies = \$603.00

Apparel cost (average of men and women, ages 16+) = \$324.00

Apparel cost (men, ages 16+) = \$201.00

Apparel cost (women, ages 16+) = \$447.00

Footwear = \$336.00

Other apparel products and services = \$139.00

Personal care and services = \$507.00

Sources

- BLS Customer Expenditure Survey, Mid-Year Tables, 3rd quarter 2018 through 2nd quarter 2019, Quintiles of income before taxes, Table 1101, second 20% quintile, Mean
 - <https://www.bls.gov/cex/22019/midyear/quintile.pdf>

Net Income:

Taxes

\$5992.08/12 months = \$499.34 per month

Federal Tax = \$2243.04

NY State Taxes = \$1245.00

FICA (Social Security and Medicare) = \$2504.04

Calculation based on single filer, standard deductions.

Federal marginal tax rate reduced to 12% under 2018 reform

Sources

- Tax Rate Calculator (<https://smartasset.com/taxes/income-taxes>) (Find gross income that results in net income as calculated by categories 1 through 8.)

Addendum

Childcare: Although this data is not included in the determination of a Living Wage for a single-household individual, it is provided here for reference.

Infant: \$1,861.00 per month x 12 months = \$22,332.00 per year
 Toddler: \$1,601.33 per month x 12 months = \$19,215.96 per year
 Pre-school: \$1,447.67 per month x 12 months = \$17,372.00 per year

Monthly (4 weeks) tuition rates are based on published rate schedules of registered local childcare centers and service providers. As close as possible, the data selected is for registered daycare centers providing full-day, unsubsidized services for five days per week. Rates do not reflect NYS subsidies available to income qualified families.

Infant

Downtown Ithaca Children’s Center (full day) = \$361.00 per week x 4 = \$1,444.00
 Bright Horizons/Cornell Univ. Child Care Center (full day) = \$1,866
 Ithaca Community Childcare Center (IC3) = \$2,273.00
 Average = \$1,861.00 per month

Toddler

Downtown Ithaca Children’s Center (full day) = \$348.00 per week x 4 = \$1,392.00
 Bright Horizons/Cornell Univ. Child Care Center (full day) = \$1,618
 Ithaca Community Childcare Center (IC3) = \$1,794.00
 Average = \$1,601.33 per month

Pre-school

Downtown Ithaca Children’s Center (full day) = \$325.00 per week x 4 = \$1,300.00
 Bright Horizons/Cornell Univ. Child Care Center (full day) = \$1,477
 Ithaca Community Childcare Center (IC3) = \$1,566
 Average = \$1,447.67 per month

New York State Office of Children and Family Services childcare subsidies managed through county DSS offices. Day care provided through licensed, registered providers. (From New York State Child Care Demographics Report, 2017)

Infant \$259 per week, \$1,036 per month
 Toddler \$242 per week, \$968 per month
 Pre-school \$225 per week, \$900 per month

Sources

- The Downtown Ithaca Children’s Center, (dicc.org) 2020 Weekly Tuition Rates by Age
- Cornell University Child Care Center Monthly Tuition Schedule (Affiliates), Eff 8/2019 (<https://ucarecdn.com/423bc6d1-73a4-44ca-9c70-980a54e729bc/>)
- Ithaca Community Childcare Center (IC3) (icthree.org)
 - Note: IC3 offers a “waddler” (between infant and toddler) rate of \$2,073 per month.
- New York State Office of Children and Family Services
<https://ocfs.ny.gov/main/reports/2017-NY-Child-Care-Demographics-Report.pdf>