

Living with a living wage

2019 Living Wage Study Notes

25 years ago, Alternatives released the first Living Wage Study and has updated the study biennially. The study was originally intended for internal use by Alternatives, but its release to the public was encouraged by Alternatives' Board of Directors. Since 1994, the Living Wage Study has stimulated important discussions about the meaning of earning a Living Wage and provided a benchmark for others in the county to use.

The Tompkins County Workers Center has a process for businesses to become certified Living Wage employers and encourages the community to support those organizations and businesses. Their website tcworkerscenter.org lists 118 Certified Living Wage Employers (CLWE)—up from 106 in 2017. These 118 CLWE, employ 3,061 people (roughly the equivalent of 6% of adults participating in the workforce in Tompkins County. Following the 2017 Alternatives Living Wage Study, 26 enterprises raised wages to meet the updated living wage. These businesses employ 1,617 people (roughly the equivalent of 3.2% of adults participating in the workforce in Tompkins County who work at an enterprise where at least some people received raises because of the study + certification.) Nine enterprises applied for and achieved certification for the first time since the 2017 Living Wage Study.

On the principle of using the most up-to-date and most local publications and data where available, these notes include the sources of the publications and data referred in the 2019 Living Wage Study. All percentage increases/decreases marked in parenthesis indicate the change from the same numbers used or obtained in the 2017 Living Wage Study and other previous studies for comparative purposes.

1. Rent (See Note 1)

\$978/month one-bedroom x 12 months = \$11,736/year (+4.3%)

Other options

Efficiency = \$935 (+14.4%)

2 bedroom = \$1,164 (+7.3%)

3 bedroom = \$1,495 (+6.3%)

4 bedroom = \$1,898 (+18.1 %)

Sources

- https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2018_code/select_Geography.odn. Select the Ithaca, NY MSA HUD Metropolitan Fair Market Rent area.

2. Food

$\$223.55/\text{month} \times 12 \text{ months} = \$2,683 (+0.3\%)$

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 = $\$239.50 (+0.2\%)$

Women 19-50 years = $\$207.60 (+0.4\%)$

Average of men and women = $\$223.55 (+0.3\%)$

Sources

- Official USDA Food Plans: Cost of Food at Home at Four Levels, Select: USDA Food Plans: Cost of Food Report for June 2018 (June statistics are used to represent the annual average.) <https://www.cnpp.usda.gov/USDAFoodPlansCostofFood/reports>

3. Transportation (See Note 2)

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

$\$178.24 + \$12.73 + \$2.48 + \$0.09 + \$0 = \$193.54/\text{month} \times 12 = \$2,322.48/\text{year}$

(+5.7%) Drive alone 63%, carpool 9%, public transportation 6%, bike 1%, walk 15%, work at home 6% (ACS Survey 2015)²

Drive alone = $\$3,395/12 \times .63 = \$178.24 (+5.8\%)$

Cost of driving alone, according to BLS Customer Expenditure Survey Mid-Year Tables, 7/01/2016 - 6/30/2017 (second 20% mean) = $\$1,463$ gasoline/motor oil (+3.1%) + $\$1,932$ (other expenses, including insurance, maintenance and repairs, vehicle finance charges, licenses, (+7.9%) = $\$3,395/\text{year} (+5.8\%)$

Carpool = $\$1,697.50/12 \times .09 = \$12.73 (+5.8\%)$

Share the cost of driving alone, 3,395 divided by 2 = $\$1,697.50$

Public transportation = $\$495.75/12 \times .06 = \$2.48/\text{month}$ (no change)

Cost of public transportation (annual bus pass on TCAT) = $\$450$ (Zone 1) or $\$600$ (Zone 2). No change in cost from previous study year.

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

Average cost of TCAT bus pass = $(\$450 \times 69.5\%) + (\$600 \times 30.5\%) = \$312.75 + 183.00 = \495.75

Bike = $\$109.12/12 \times 0.01 = \$0.09/\text{month}$ (0.0%)

Cost of a bike $\$60$ ($\$300$ over 5 years) + $\$49.12$ annual maintenance = $\$109.12$ (+2.8%) 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 = \$49.12 cost of bike based on: mid-range quality bikes cost \$300 to \$1,000 (Bicycling.com 8/2018).

Walking + work at home = \$0

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

Sources

- TCAT bus fare <https://www.tcatbus.com/ride/fare-pass-options/>
- Ithaca-Tompkins County Transportation Council (ITCTC)—Statistics—Easy to Read Mode-to-Work Charts for Tompkins County http://tompkinscountyny.gov/files/itctc/statistics/Journey-to-Work/JTW%20by%20Muni_2015.pdf.
- 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/tables.htm#midyear>).
- Inflation calculation—United States Department of Labor Bureau of Labor & Statistics CPI Inflation Calculator, https://www.bls.gov/data/inflation_calculator.htm.
- TCAT 2016 bus, cards, ridership statistics obtained from TCAT
- 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.

4. Communication (See Note 3)

Internet and phone ($\$47.68 + \$29.15 = \$76.83/2$) = \$38.41 per month + \$34.16 per month = \$72.57 per month or \$870.84 per year or \$72.57 per month (-5.5%)

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 (1 year. Standard rates apply after 1 year, modem included) = \$44.99 + fees = \$47.68/month

Verizon basic internet (2 year contract offers cheapest rate)) = \$25 per month + \$30 modem/router (1 time charge) = \$27.50 per month + 6% fees = \$29.15/month

Average Verizon and Spectrum = \$38.41/month (-17.9%)

Telephone

$\$49.99 + (\$30 \times 12 = \$360) = \$409.99 / 12 = \$34.16$ per month
Prepaid mobile phone (Verizon) = \$49.99 (Motorola moto e4)
\$30 per month, unlimited talk and text.

Sources

- Internet: <https://buy.spectrum.com/buyflow/store-front>
<https://www.verizon.com/home/services/#Shop>
- Phone: <https://www.verizon.com/foryourhome/ordering/ordernew/buildhsi.aspx>

5. Health Insurance

With employer-provided health insurance: \$149.93 premium + \$84.25 out of pocket
= \$234.18 per month x 12 = \$2,810.16 per year (+9.4%)

5a. Health Insurance at Alternatives

This calculation is based on the 2018 staff per-payroll contribution under the full time—more than two years category, employee only. Calculation based on the percentage of staff using the co-pay plan and two high deductible plans then averaging the results. Alternatives pays 75% of individual health insurance premiums as soon as insurance starts for full-time staff. 26% of staff use the Platinum or Co-Pay Plan and contribute \$95.93 per pay period (26 pay periods). 51% of staff have the Silver High Deductible plan and contribute \$64.90 per pay period. 23% have the Bronze Highest Deductible plan and contribute \$48.52 per pay period. $(\$95.93 \times .26 = \$24.94) + (\$64.90 \times .51 = \$33.10) + (\$48.52 \times .23 = \$11.16) = \$69.20$ per 26 pay periods = $\$1,799.20/12$ months = \$149.93 per month (+21.1%)

Out of pocket expenses:

Medical services = \$506

Drugs = \$412

Medical supplies = \$93

Total = $\$1,011/12 = \$84.25/\text{month}$ (-6.7%)

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/tables.htm#midyear>)

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

Tompkins County Worker's Center calculations

The new 2019 rate is \$15.37. 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 = \$8,056.32

Tax credit subsidy through NY State of Health = \$4,575.00

Net cost of insurance = \$3,481.32 / 12 = \$290.11 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

6. Recreation

\$118.99 per month x 12 = \$1,427.88 per year (+6.4%)

Recreation activities are important to a healthy work/life style. Based on prior studies, minimum \$100 spending to drive work/life balance has been adjusted for inflation. \$100 in 2009 has the same buying power as \$118.99 in 2018.

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/social-responsibility/impacting-our-community/living-wage-study.html>

7. Savings

\$70.59 per month x 12 = \$847.08 per year (+6.0%)

Savings are an asset, therefore, we believe a savings habit is an important component of any budget.

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/social-responsibility/impacting-our-community/living-wage-study.html>

8. Miscellaneous

\$1,733.00/12 months = \$144.00 per month (+7.4%)

Housekeeping supplies = \$555
Apparel cost (average of men and women, ages 16+) = \$284.00
 Apparel cost (men, ages 16+) = \$209.00
 Apparel cost (women, ages 16+) = \$360.00
Footwear = \$254.00
Other apparel products and services = \$148.00
Personal care and services = \$492.00

Sources

- Based on average annual figures from Consumer Expenditures Survey, Mid-Year Tables 7/01/2016– 6/30/2017(second 20% mean). <https://www.bls.gov/cex/tables.htm#midyear>

9. Taxes

\$5,266.00/12 months = \$438.83 per month (-5.3%)
Federal Tax = \$1,933.00
NY State Taxes = \$1,061.00
FICA (Social Security and Medicare) = \$2,272.00
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.)

10. Addendum (See Note 4)

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: \$1,877.00 per month x 12 months = \$22,524.00 per year (+56.2%)

Toddler: \$1,632.00 per month x 12 months = \$19,584.00 per year (+44.4%)

Pre-school: \$1,487.00 per month x 12 months = \$17,844.00 per year (+38.4%)

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) = \$1,332

Bright Horizons/Cornell Univ. Child Care Center (full day) = \$2,178
Ithaca Community Childcare Center (IC3) = \$2,122
Average = \$1,877.00 per month

Toddler

Downtown Ithaca Children's Center (full day) = \$1,288
Bright Horizons/Cornell Univ. Child Care Center (full day) = \$1,934
Ithaca Community Childcare Center (IC3) = \$1,674
Average = \$1,632.00 per month

Pre-school

Downtown Ithaca Children's Center (full day) = \$1,204
Bright Horizons/Cornell Univ. Child Care Center (full day) = \$1,796
Ithaca Community Childcare Center (IC3) = \$1,462
Average = \$1,487.00 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.

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) 2018-2019 Weekly Tuition Rates (available from the Center)
- Cornell University Child Care Center Monthly Tuition Schedule (Affiliates), Eff 8/2018 (child-care-preschool.brighthorizons.com/ny/ithaca/cornell/parent-resources)
- Ithaca Community Childcare Center (IC3) icthree.org Note: IC3 offers a "waddler" (between infant and toddler) rate of \$1,901 per month.
- New York State Office of Children and Family Services <https://ocfs.ny.gov/main/reports/2017-NY-Child-Care-Demographics-Report.pdf>

Notes

1. *Rent*

"FMRs are gross rent estimates. They include the shelter rent plus the cost of all tenant-paid utilities, except telephones, cable or satellite television service, and internet service." HUD

2. *Transportation*

- a. In 2016, TCAT reported bus pass sales as 69.5% sold in Zone 1 (City) and 30.5% sold in Zone 2 (outer areas of the county). These data not revised by TCAT since 2016. Per TCAT's 2017 Annual Report "Nearly 80% of TCAT's ridership fares are paid via college-issued passes, half of which are held by students."
- b. Mode to Work statistics (percentages of people who drive, bike, take public transportation, walk) also not updated since 2015 ACS Survey. In 2018, Bike Walk Tompkins' Ithaca Bicycle Use and Attitudes Survey, Executive Summary, contained a chart showing "47.4 Drive alone, 3.5% Carpool, 13.3% TCAT, 29.5% Walk, 2.8% Bike, 3.5% Other." This survey was based on a relatively small sample of 382 respondents. Therefore, the ACS Survey was utilized.
- c. Though cost of a bike + maintenance rose 2.8%, the percentage share of the public biking to work is so low, the effect on the overall transportation cost is negligible.

3. *Communication*

- a. Internet fees assumed at 6% vs 10% in previous study.
- b. Cost of pre-paid phones have increased. Phone costs include Verizon's cheapest phone + basic pre-paid plan

4. *Addendum on childcare*

- a. Rates from three local providers used, then averaged. Previous study used two local providers and two statewide surveys.

■ This study released on May 3, 2019 at a Press Conference held by Alternatives Federal Credit Union at The Space at GreenStar 700 W Buffalo St, Ithaca, NY 14850. The Alternatives Fund of Ithaca, Inc., sponsors the Living Wage Study.