



**Wider
Opportunities
for Women**

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NEW REPORT DEFINES ECONOMIC SECURITY, SHOWS FAMILIES STRUGGLING TO REACH AMERICAN DREAM

Federal Budget Cuts, Growth of Low-Wage Industries Further Threaten Economic Stability of Workers

WASHINGTON, DC -- As Congress works to meet the April 8 deadline for a final budget deal for fiscal year 2011, a new report on family economic security details the challenges that many Americans face in covering their basic expenses and the additional hardships families could suffer as a result of proposed budget cuts. The national Basic Economic Security Tables™ (BEST) Index, developed by Wider Opportunities for Women (WOW), a national organization that works to achieve economic independence for women and their families, finds that single workers need \$30,012 a year – nearly twice the federal minimum wage – to cover basic expenses. Single-parents require nearly twice the income (\$57,756) to support two children, while dual-income households with children require \$67,920.

“Too few American families are living in economically secure households, with most workers unable to stretch their incomes over basic expenses and savings,” said Joan Kuriansky, WOW’s Executive Director. “The American Dream of working hard to support your family is being re-written by the growth of low-paying industries and rising expenses.”

The *Basic Economic Security Tables™ for the United States* report, includes the comprehensive BEST Index that calculates the monthly income necessary for families to cover their basic expenses, including childcare, housing, health care, transportation, savings and retirement.

The BEST also demonstrates the challenges facing families trying to achieve economic security in the years ahead. The report finds that jobs created in the coming years will not provide economic security wages to the majority of workers who do not have 4-year college degrees. Fewer than 13% of jobs the US Department of Labor expects to be created by 2018 are likely to provide economic security to a single parent raising two or more children. A small majority of new jobs are expected to pay economic security wages for single workers without children, and approximately 43% of the new jobs will pay economic security wages for two workers raising two young children.

The BEST offers a blueprint for Congress and the White House to develop and pass a budget that helps more families connect to BEST-wage jobs, meet the costs of basic expenses, save money for retirement and education and achieve the American Dream. BEST Index findings show rent and utilities, transportation and childcare are the largest expenses for most families. Proposed budget cuts to these areas could set families who are not earning enough to cover their basic expenses further back.

Some of the budget cuts up for discussion that would threaten family economic security include:

- Cuts to the Childcare and Development Block Grant and Head Start, the education, health and nutrition program for at-risk children. Cuts to this program would also eliminate an affordable childcare option for parents who are already struggling to make ends meet.
- Cuts to virtually all funding for Department of Labor job training programs this year, from the Workforce Investment Act to on-the job training for older workers.
- Cuts to the Community Services Block Grant, which provides access to employment, nutrition and other vital services that help low-income people find jobs and move into the middle class.
- Cuts to Medicaid, which covers health care for low-income families across the generations and is the major source of funding for long-term care. If turned into a block grant, as has been suggested by some, such cuts could result in loss of health care jobs as well as services for patients of all ages.

“Cutting the very programs that are helping families stay afloat is a short-sighted move that will stall our economic recovery,” Kuriansky said. “Congress should pass a budget that helps grow, not undercut the middle class.”

A single-parent with two young children requires an hourly wage of \$27.35 an hour to cover childcare and other expenses. “Quality, affordable childcare is becoming the greatest threat to many working families,” Kuriansky said. “Cuts to Head Start and childcare assistance programs will leave many parents without a childcare option and could force many of them to leave their jobs.”

The BEST report is the first of its kind to include basic living costs and savings into one measure of income adequacy. The BEST Index calculates the minimum amount of emergency and retirement savings necessary for economic security, which generally amounts to 3 to 6% of overall expenses for the average American family. These basic savings are focused on long-term stability – allowing families to absorb temporary unemployment and to age at home in dignity.

The full BEST report is available at: www.wowonline.org/usbest