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## Federal poverty level out of touch—study

By FRANCINE KNOWLES  
BUSINESS REPORTER

A single-parent family with an infant and a pre-schooler needs to earn between \$18.60 an hour and \$20.87 an hour just to make ends meet throughout Cook County, according to a new study released Monday.

The report, funded by the Illinois Department of Employment Security and issued by women's advocacy group, Women Employed, found that wage levels need to be more than three times the minimum wage level of \$5.15 an hour and well above the median wage of people leaving welfare in Illinois of \$7.41 an hour after six to eight months of work.

The study purports to be the first to measure the wages required to meet actual family living costs including housing, food, child care, transportation, taxes and other basic needs.

It was labeled an advance over traditional methods of calculating poverty, such as the federal poverty level, which is based on three times the cost of a family's minimal yearly food in the 1960s updated annually to reflect inflation. Because food now makes up much less than one-third of a family's budget and because the expenses of working families have changed since the 1960s, the federal poverty level tends to underestimate the amount families need

to leave poverty, Chicago-based Women Employed contends.

The study, entitled the Self-Sufficiency Standard for Illinois, is intended to give those leaving welfare, wage-earners and policy makers an accurate method to calculate what will be required for an individual family to escape poverty, said Women Employed.

Among the striking revelations in the report are "the large proportion of earnings required to live in any kind of adequate housing," said Anne Ladky, executive director of Women Employed. "The federal poverty standard doesn't accurately take that into account."

Another key message for policy makers in the report is that it's expensive for people to go to work when you calculate in the cost of child care and transportation, she added.

The report "tells us that many working families can't cover their basic expenses," she said. "Costs are simply higher than what they earn, and no amount of good budgeting will change that."

The study provides data for various sections of Cook County and varying family sizes, such as a single adult with no children and a household with two adults, a pre-schooler and a school-age child. A single parent with an infant and pre-schooler in Chicago, including south and west suburbs and excluding downtown and selected North Side areas, would need to

### GETTING BY

Annual salary required to meet basic needs for a single adult with a pre-school child and an infant.

<b>Downtown, some North Side neighborhoods</b>	\$42,792
<b>Rest of Chicago, south and west Cook suburbs</b>	\$40,884
<b>North Cook suburbs</b>	\$44,071
<b>DuPage</b>	\$48,516
<b>Kane</b>	\$47,361
<b>Lake</b>	\$44,996
<b>McHenry</b>	\$48,627
<b>Will</b>	\$43,860

SOURCE: Women Employed study

earn \$40,884 a year, or \$3,407 a month to meet basic needs, according to the report. Monthly housing costs are calculated at \$891 a month, child care at \$1,061 and transportation at \$75 a month. By comparison, the federal poverty level for that family is \$14,630 annually, or \$1,219 a month.

The study also provides data for counties throughout the state.

Ladky said she hopes the report will be used by legislators when evaluating whether jobs in their districts pay enough and by policy makers to determine if the programs they are funding prepare people for jobs that pay at those levels. In addition, individuals can use it as a guide in making career development decisions, she said.