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Working poor need \$10 an hour, new calculations show

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FRANKFORT -- In the past year, Holly Brooks has gotten off welfare and found an apartment, a car and a job that pays \$8 an hour. She gets government help with health insurance and child care for her son, and she still barely scrapes by.

"I can budget money any way I want, but if I have an unexpected bill, like the car breaking down, it throws everything off," she said.

According to a new study of living costs in Kentucky communities, Brooks, a single mother from Frankfort, is one of thousands of working poor who are making far less than they need to meet their basic needs.

In fact, the "Self-Sufficiency Standard," which defines how much it costs to live without any government assistance, estimates that most people in minimum-wage jobs would need to make at least \$10 an hour just to cover basics like child care, transportation and food.

The federal minimum wage is \$5.15 an hour. Most people leaving welfare make about \$7.42 an hour, according to the study.

Living costs vary from county to county. For example, a single mother with two children in Louisville would need to make about \$17 an hour to become self-sufficient, while in Pike County, that same family could subsist on \$13.28 an hour.

Either way, it's much more than most poor Kentuckians are making as they try to make the shift from welfare into regular jobs, according to Abby Hughes Holsclaw, policy analyst with Kentucky Youth Advocates, which helped sponsor the study and held a press conference yesterday.

"We now have solid evidence that it takes at least \$10 an hour in income for a family to meet their real needs," she said. "Too many families in Kentucky simply cannot make it, even when working full time."

The self-sufficiency standard is the brainchild of University of Washington professor Diana Pearce, who wanted to get beyond the "one size fits all" definition of the federal poverty measure.

The current poverty measure is based on national food costs and does not take regional differences into account.

So Pearce developed a formula that calculates costs for very basic housing, transportation, food, child care and tax costs for specific communities and different family models, from a single adult to two adults with two children.

The idea caught on with national advocates, like the Washington, D.C.-based Wider Opportunities for Women, which has sponsored a project to develop the self-sufficiency standard in all 50 states, thereby creating a new definition for poverty that could someday be adopted by the government.

The sufficiency standard has been developed in 18 states, with 17 others to be completed by next year.

Supporters believe the standard proves that Kentucky lawmakers need to not only support existing programs, like child-care subsidies and health insurance for poor children, but provide even more.

“We urge the governor and the legislature to hold the line on these programs,” said Hughes Holsclaw.

But the study was released as lawmakers prepare for a legislative session that will be dominated by budget shortfalls.

Rep. Tom Burch, D-Louisville, chairman of the House Health and Welfare Committee, said he agrees that the working poor are making too little to get by, but it's unlikely that the new

standard would be adopted by the state or federal governments anytime soon.

“Until we really get into the budget and find out what is really the problem, we won't be able to do anything,” he said.