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## Cost of living for area families gets closer look

By Robert Knox, Globe Correspondent, 1/3/2002

PLYMOUTH - The federal poverty level for a family of four is \$17,650 a year. The median household income for four-person families in Massachusetts is \$71,689, according to US census data for 2000.

But how much money do you need to make ends meet in this part of the state?

A women's service organization has made a calculation using official data of basic household costs, including housing, child care, food, health care, transportation, "miscellaneous" expenses such as clothing, and taxes to create a "bare bones" budget for families in Norfolk and Plymouth counties. Called the Self-Sufficiency Standard, it places the bottom-line cost of living for a family of four in the region at \$42,540.

The figure is based on expense data from 1997. Those costs have risen during the past four years. The Self-Sufficiency Standard uses a figure from the US Department of Housing and Urban Development called the "fair market rent" to place monthly housing costs for a family of four at \$839. Families looking to rent a two-bedroom apartment in suburban towns south of Boston can testify that figure is low. But the Women's Educational and Industrial Union sees the Self-Sufficiency Standard as a reasonable, fact-based starting point for determining the real cost of living and urges the state to adopt it as an official measurement and update it regularly.

Eighty-three legislators cosponsored a bill this year to accomplish that goal. "We're trying to get data that is reliable and respected on what the genuine costs of living in Massachusetts really are," said Senator Marian Walsh, a West Roxbury Democrat, the bill's lead sponsor. "It's important in that so much of the public assistance at state and federal levels is based on formulas that are literally 40 years old." Her district includes Westwood, Norwood, and half of Canton.

"We haven't looked at the cost of living in this Commonwealth," said Senator Therese Murray, a Plymouth Democrat, one of the bill's sponsors. "We keep using a formula based on an outdated poverty level."

The federal poverty guideline is used to determine eligibility for federal "safety net" programs such as food stamps and Head Start. But it was originally calculated in the 1960s by the US Department of Agriculture to reflect the cost of food to American families. Since that time food has been a declining proportion of the household budget, while housing and health care expenses have sharply increased. While only 9 percent of American households fall below the federal poverty level, 27 percent fall below the Self-Sufficiency Standard.

By analyzing expenses and incomes of households in Norfolk and Plymouth counties, the creators of the Self-Sufficiency Standard concluded that one out of four families in the region struggles to make ends meet because its household income falls below the standard. It means that one in four households may have to choose among essentials such as health care, heating costs, and sending children to a licensed child care provider while the adults go to work. It may mean they can't find an affordable place to live.

"We don't say that this is an alternative poverty line," said Laura Russell of Sharon, one of the three authors of "The Self-Sufficiency Standard for Massachusetts," prepared for the Women's Educational and Industrial Union. (The other authors are Diana Pearce, who conceived the standard, and Jennifer Brooks.) "That's a federal number. We're really a market-based measure of what in reality you need to work, live, raise a family, and pay taxes today." Russell said if the standard is officially calculated by the state, as is done by Connecticut, it would be widely disseminated for public use and available as a planning tool to establish eligibility for public programs.

The Self-Sufficiency Standard for the region breaks down expenses into monthly amounts rounded to the nearest dollar for housing (\$839), child care (\$848), food (\$488), health care (\$235), transportation (\$227), miscellaneous (\$264), and taxes (\$643).

The high cost of housing in the Northeast is one of the reasons national figures fail to reflect the cost of living in Massachusetts. The HUD's fair market rents are figured by county or "metropolitan market." As a result, the South Shore regional average for a family of four does not reflect differences between one town and its neighbors.

The child care expenditure is based on a provider survey by the Network of Child Care Resources and Referral Agencies. For its model family of four, the standard posits one preschool child and one school-age child. The monthly child care estimate is based on full-time licensed day care for the preschooler, and part-time care before and after school for the school-aged.

Based on a Department of Agriculture measure called the Low-Cost Food Plan, the standard's conservative estimate of monthly food costs is \$488 (take-out or fast food meals are not included). Health care is based on the employee's share of health insurance premiums (an average of one-third of the total), plus estimates for copayments and deductibles.

Since in Massachusetts only Boston has enough public transportation to get residents to work reliably, the cost of transportation in the South region is based on one 8-year-old car for each working adult. Expenses for getting to work and going food shopping, plus fixed costs such as insurance - but not the initial purchase price of a vehicle - are figured at \$227 a month for a family of four.

A miscellaneous expense category includes clothing, diapers, shoes, cleaning products, personal hygiene, telephone, and other household necessities. It's conservatively estimated at 10 percent of all other standard expenses. Sales, state, and federal payroll taxes (minus the earned income and child care tax credits) are figured at \$643 a month.

The Self-Sufficiency Standard does not allow for a "a middle class lifestyle," Russell said. It ignores everything but necessities. There are no savings, no college costs, no caretaking of elderly relatives, no paying down debt, or eating out. No Christmas presents.

Accustomed to dealing with income calculations based on the federal poverty guideline, Pat Daly, executive director of the South Shore Community Action Council, said she was initially surprised by how high the figure was. "But the figures don't look outrageous to me any more," Daly said. "It drove me to think about what we were doing to entry-level staff."

Her agency, which runs Head Start and child care programs for 15 towns and the fuel assistance program for a wider region, often hires former clients for jobs such as teacher's aide, van driver, or data entry. The agency raised salaries to \$8 an hour.

But according to calculations made by the National Low Income Housing Coalition, a Massachusetts worker would have to make \$17.65 an hour to "be able to work 40 hours per week and afford a two-bedroom unit," given the state's housing costs. The state's minimum wage is \$6.75 an hour.

Deb Watt, who cares for foster children, said the expense figures calculated by the Self-Sufficiency Standard do not appear high to her, either. Her family is able make ends meet while living in Plymouth's Manomet section, Watt said, because it bought a four-bedroom home when prices were lower - and because it has given up a lot. At home full time, Watt provides care for three young foster children in addition to her own three teenagers. Based on what she pays for occasional drop-in child care, she estimates it would cost \$500 a week for full-time child care for the younger children. Food for her large family runs \$300 a week, and meals at McDonald's are a rare treat.

"We've had to give up a lot of things," she said. "Movies is another."

Still another is health insurance. The foster children receive health coverage from the state, but her husband's employer does not provide a health insurance plan for her family. "We cannot touch private insurance," Watt said.

Her family needs two cars large enough to carry six children, and she has to take her special needs foster children to frequent medical appointments. As a result, her transportation costs are well above the standard's estimate of \$227 a month. She estimates her "bare bones" monthly expenses at \$3,500, not including seasonal clothing or Christmas presents.

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