

## Study shows region's true cost of living

By ELIZABETH SIMPSON, The Virginian-Pilot  
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A single parent with two children -- an infant and a preschooler -- needs to make almost three times the minimum wage to cover the family's cost of living in Hampton Roads.

That's according to a new study released Wednesday by the Action Alliance for Virginia's Children and Youth. The Self-Sufficiency Standard for Virginia measures the cost of basic living expenses in each of the state's 134 localities for 70 different types of families.

The study -- which Action Alliance officials believe is the most comprehensive cost-of-living analysis to date -- charts how much money a family must earn to pay for housing, food, child care, insurance, transportation and other necessities, without help from relatives or the government.

Diana Pearce, a University of Washington researcher who wrote the report, called the self-sufficiency standard a no-fluff budget -- "no pizza or lattes."

Still, the income needed is twice the federal poverty level, which shows that families can rise above the official poverty line but still struggle to make ends meet.

"This validates what many of us have known for years, that low-income people are not lazy or bad budgeters; they simply do not make enough money to meet their needs," said Jill Hanken of the Virginia Poverty Law Center.

Pearce said the federal poverty levels were developed 40 years ago when food accounted for one-third of a typical family's living expenses. Food now makes up closer to one-fifth of expenses, because housing and insurance costs have risen so high. Also, more families either have a single parent or two working parents, which adds child-care costs. The federal poverty levels are the same across the country, despite geographical differences in costs of living.

Pearce has calculated self-sufficiency standards for localities in 27 other states, working with an organization called Wider Opportunities for Women. The notable thing about Virginia, she said, is how much living costs vary around the state.

"It has one of the biggest ranges in the country, even though it's not a big state," Pearce said. "That makes it difficult to deal with state programs, when you have one area with an extremely high cost of living and others that are much lower."

The hourly wages needed to cover living expenses, for instance, range from a low of \$9.37 an hour in Patrick County to a high of \$23.50 an hour in Arlington and Fairfax County. In South Hampton Roads, the self-sufficiency standard ranged from \$14.21 an hour in Suffolk to \$15.74 in Chesapeake.

The study found that child-care expenses accounted for 23 percent of the income need for a Norfolk single parent with two children -- a preschooler and a school-age child. Housing accounted for 26 percent and food 16 percent.

Pearce began working on a self-sufficiency standard in the mid-1990s, believing that the federal poverty level did not reflect the income needs of working families.

Action Alliance officials don't necessarily expect employers to pay these types of wages. Rather, they believe that several stakeholders -- government and community agencies, employers and employees themselves -- could use the information to improve the lives of low-income people.

Employers could encourage people to get more education and training for higher paying jobs in their companies. People entering the job market could think more about what kind of job and training they need to survive in a particular city. Government policy makers could improve

programs such as child-care and transportation subsidies, and education and training programs for welfare recipients.

The numbers clearly show that parents need more than minimum-wage jobs to survive, unless they have government and family help.

“Far too many policies in this state, especially those affecting low-income children and their families, smack of throwing crumbs from the table of the well-fed majority to the hungry others they would rather ignore,” said Suzanne Clark Johnson, president of the Action Alliance.

Elizabeth Wash, a small-business owner of a mobile shredding company with employees in Hampton and Richmond, said she was surprised at the income needed for self-sufficiency. While

the wages she pays her employees compare favorably, she said she expected they'd be much higher than the self-sufficiency standard.

The challenge, she said, will be for people of the commonwealth to work together to help improve the lot of the impoverished while still offering fair prices to consumers.

“I don't see any easy answers,” Wash said. “But this is an excellent foundation to begin discussion of all the roles we play, and how we can work to create an environment that fosters decent jobs and decent wages.”

*Reach Elizabeth Simpson at 446-2635 or [liz@pilotonline.com](mailto:liz@pilotonline.com)*