



U.S. Minimum Wage Doesn't Cover Family Living Costs, Study Says

By Mashaun D. Simon

July 22 (Bloomberg) -- The federal minimum wage provides too little income for a family to make ends meet, according to a study by a women's advocacy group.

The study, "Coming Up Short: A Comparison of Wages and Work Supports in 10 American Communities," released by Washington-based Wider Opportunities for Women, examined the cost of living and working in 10 areas of the nation.

The report found that a fully employed parent with two children can't cover basic living costs while earning the federal minimum wage of \$5.15 an hour. It also concluded that even with earnings of \$12 per hour, family wages on average covered only 72 percent of living costs.

"Parents want to work, but the jobs they qualify for do not pay enough to make ends meet," said Executive Director Joan Kuriansky, in a statement.

Across the communities surveyed, the cost for a single wage earner to support an infant and a preschooler ranged from \$27,660 per year, or \$13.10 per hour, in New Orleans, to \$59,544 yearly, or \$28.19 per hour, in Boston, the study says. On average, the federal minimum wage covered just 34 percent of the family's basic costs.

The study also found that subsidized childcare provided the most financial impact to low-income families, citing the average subsidy reduced family expenses by as much as 41 percent for a family in Boston.

Government Aid

Government assistance -- such as childcare, health care and food stamps -- were recognized as contributors to a family's

financial circumstances, finding that in most communities parents could only achieve a level of economic self-sufficiency by earning a wage of \$12 per hour and having access to significant work supports.

Many families "earn too much to be eligible for work supports and yet are unable to survive on work alone-even if they are working two jobs."

In 1999, only 10 percent to 15 percent of eligible children received child-care assistance and only about 12 percent of eligible families got housing aid or lived in public housing. Only 60 percent of those eligible for food stamps received them, according to 2000 data.

The group urged Congress to reauthorize the Workforce Investment Act and include provisions to expand education and training options available to low-wage workers and welfare recipients and fund child care assistance programs for these populations. It also called for increasing the minimum wage.

--Editor: O'Reilly, Miller

Story illustration: For a slide show of graphs on the performance of the U.S. economy: {CNP 01421210105 <GO>}. To view the report, see <http://www.wowonline.org/>

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