

Report: Minimum wage is inadequate; In N.O., 38% of basic needs met

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According to a national study released Thursday, a single parent raising two children in New Orleans needs \$27,660 per year, or \$13.10 per hour -- an income more than double the current federal minimum wage -- to meet basic needs.

In New Orleans and nine other communities around the country, a single parent trying to adequately support such a family while working full time for \$5.15 an hour faces an impossible task, the study concluded.

On average, the lone breadwinner in these 10 communities could cover only 34 percent of the family's basic living expenses with a minimum-wage salary, states the report, "Coming Up Short." It was written by Wider Opportunities for Women, a 40-year-old nonprofit organization that promotes economic independence and equality of opportunity for women.

"Nowhere in the 10 communities is a minimum-wage job sufficient to make ends meet," the report said.

The other communities examined were Yolo County, Calif.; Miami-Dade County, Fla.; Boston; St. Louis; Yellowstone County, Mont.; The Bronx, N.Y.; Oklahoma County, Okla.; Philadelphia County, Penn.; and Davidson County, Tenn.

New Orleans had the lowest costs of the communities studied. With a 40-hour week, a minimum-wage job would meet 38 percent of the sample family's basic expenses -- a bit better than the average of 34 percent. But the working parent still has to struggle with how to pay for nearly two-thirds of the household's essential needs, such as food, shelter and health care, said Shannon Johnson, a coordinator at Agenda for Children, a nonprofit advocacy organization.

Boston had the highest costs: A three-person family would need \$59,544 annually, or \$28.19 an hour, to cover basic expenses, the study said.

The Washington organization wanted to provide a nationwide snapshot of how well poor working families are able to make ends meet and shed light on their daily struggles.

Those who recently had gotten off welfare fared the worst, the study showed: In all 10 communities combined, they earned only 30 percent of what their families needed, with New Orleans -- at 27 percent -- falling below this average.

"Raising the minimum wage would go a long way toward helping all low-income working families achieve self-sufficiency," the report said. Raising the federal minimum wage to \$6.65 an hour would add more than \$3,000 to the annual salary of a full-time, year-round worker, authors said.

Still, such families would continue to struggle. At a salary of \$10 per hour for full-time work, the report said, "Our parent's wages still do not allow the family to be self-sufficient -- such earnings cover between 42 percent of basic needs (in Boston) and 73 percent of basic needs (in New Orleans)."

The report said further, "Even earning \$12 per hour, full time, does not guarantee self-sufficiency; our working parent can meet on average only 72 percent of basic needs at this wage."

For a parent earning \$12 an hour, New Orleans fared the best among the 10 communities surveyed: 88 percent of basic expenses would be met with such a wage.

But New Orleans has a troublesome, underlying situation, Johnson said: Many jobs that are meant to be entry jobs and then lead to better employment instead end up becoming "life sentences."

There's need, she said, "for better-paying jobs and for better training to get those better-paying jobs." Also, she said that Louisiana needs more work supports, such as assistance with the costs of child care, health insurance and housing.

The national report also recommended expanding education and job-training opportunities, and making work supports more accessible and available. And it urged that incentives be created to encourage states to develop programs that move clients into better jobs.

