

In D.C. Area, Even Subsistence Proves Pricey Income Needed to Cover Basics Has Skyrocketed

By Paul Schwartzman
Wednesday, September 14, 2005

The income needed to live on a "bare-bones budget" in the Washington region has increased dramatically over the past six years because of the rising costs of housing, health care and child care, according to a new study.

A single parent with an infant and one preschooler needs to earn \$67,849 to meet basic costs in Fairfax County, the region's most expensive suburb, the study found. Those earnings are 50 percent more than the same family would have needed in 1999, the first year the study was conducted.

At the other end of the spectrum, the District and Prince George's County are the region's least expensive locales, though the income required to subsist in those places has risen over the past six years by at least 26 percent for a single parent with two children, according to the study.

A two-parent household, with an infant and a preschool-age child, needs to earn \$60,339 to live in the District, 27 percent more than necessary in 1999, the study found.

"It has become more and more difficult for people to survive and raise children and do what they want to do," said Diana Pearce, a University of Washington sociologist who conducted the study for Wider Opportunities for Women, a District-based organization that promotes economic independence.

The group released its study a day after the D.C. Fiscal Policy Institute issued a draft report showing that the number of affordable houses and apartments in the District declined by nearly 12,000 last year, as median rents jumped by 9 percent and home values by 32 percent.

In general, the rising cost of housing appears to have played a large role in molding the region's racial and ethnic makeup. Since 2000, the number of white residents in the District, Arlington and Alexandria has grown as the region's outer counties have become more diverse, according to census figures released last month. Whites, according to demographers, are more likely to seek high-priced housing.



Rising housing prices have made it "more and more difficult for people to survive and raise children" in the Washington area, one expert said.

To conduct the income study, which was funded by the Freddie Mac Foundation, Pearce sought to establish what she described as a "self-sufficiency standard," or the amount needed to meet basic needs -- including housing, health care, food, clothing and transportation -- without public or private subsidies.

The costs, she said, were based on government surveys of prices designed to establish levels of subsidies. "It's a bare-bones budget," Pearce said. "No takeout or restaurant food."

The study found that a two-parent household in the District, with two children, would need a combined income of \$25.44 an hour to subsist. That figure was less than

what the same family would need in Queens, N.Y. (\$28.90), the highest among 12 metropolitan areas surveyed, but more than it would need in Baltimore (\$23.56), Atlanta (\$20.78) or St. Louis (\$16.94), the lowest surveyed.

The minimum wage in the District is \$6.60 an hour; Maryland and Virginia maintain the federal hourly rate of \$5.15.

But the study also found that public assistance can ease the burden. A single parent receiving a range of subsidies, including a housing allowance and food stamps, would need to earn \$5.90 an hour to subsist, as opposed to \$25.39. "It shows that when you put in a package of supports, it is possible to make it on a bare-bones budget," said Martha Ross, a researcher for the Brookings Institute.

In Fairfax, a two-parent household with an infant and a preschool-age child needs \$71,833 in yearly income to subsist, while a single adult needs to earn \$30,517. A similar two-parent household in Montgomery County needs \$69,636, while a single adult has to earn \$29,378.

In contrast, a single adult in the District needs to earn \$21,224. However, that is 26 percent more than was required in 1999, according to the survey.

Joan Kuriansky, the executive director of Wider Opportunities for Women, said the findings give new urgency to the need to develop programs for low-income people to move into higher-paying jobs, particularly those in technology-related fields.

"In the last few weeks, we have seen a graphic and disturbing example of how fragile the lives are for so many of our citizens," Kuriansky said, referring to the tens of thousands of poor people unable to leave New Orleans before Hurricane Katrina. "And perhaps we understand even more about the importance of adequate resources and income in being able to just survive."