

Notes

Alternatives Federal Credit Union Living Wage Study 2015

On the principle of using the most up-to-date and most local publications and data, these notes include the sources of the publications and data referred in the 2015 Living Wage Study. All percentage increases/decreases marked in parenthesis indicate the change from the same numbers used or obtained in the 2013 Living Wage Study and other previous studies for comparative purposes.

1. Rent

\$943.00/month one-bedroom x 12 months = \$11,316/year (+12.80%)

Other options

Efficiency = \$769 (+12.76%)

2 bedroom = \$1,130 (+12.89%)

3 bedroom = \$1,565 (+12.83%)

4 bedroom = \$1,571 (+12.86%)

Sources

US Department of Housing and Urban Development: Final FY 2014 Fair Market Rent Documentation System, <http://www.huduser.org/portal/datasets/fmr/fmrs/docsys.html&data=fmr14> (Select NY State Tompkins County or Ithaca, NY MSA, same data). Includes "CPI rent and utility inflation indexes."

2. Food

\$225.65/month x 12 months = \$2,707.80/year (+3.27%)

Low-cost Official USDA Food Plan: Average of male and female ages 19-50

Monthly cost of food on low-cost plan

Men 19-50 years: \$241.50 (+3.21%)

Women 19-50 years: \$209.80 (+3.35%)

Average of men and women: \$225.65 (+3.27%)

Sources

Official USDA Food Plans: Cost of Food at Home at Four Levels, U.S. Average, June 2014 (June statistics are used to represent the annual average), http://www.cnpp.usda.gov/sites/default/files/usda_food_plans_cost_of_food/CostofFoodJun2014.pdf

3. Transportation

\$172.47 + \$16.64 + \$2.66 + \$0.18 + \$0 = \$191.95/month x 12 months = \$2303.40/year (+1.56%)

Population of Tompkins County: 103,617 (US Census Bureau 2013)

Drive alone 57%, carpool 11%, public transportation 7%, bike, 2%, walk 16%, work at home 7%

Drive alone = $\$3,631/12 \times 0.57 = \$172.47/\text{month}$

Cost of driving alone, according to BLS Customer Expenditure Survey 2013 (second 20% Mean) = \$1,850 (gasoline/motor oil down 6.61%) + \$1,781 (other expenses, including insurance, maintenance and repairs, vehicle finance charges, licenses, up 11.38%) = \$3,631/year

Carpool = $\$1,815.5/12 \times 0.11 = \$16.64/\text{month}$

Share the cost of driving alone - divide by 2 = $\$3,631/2 = \$1,815.5$.

Public transportation = $\$456/12 \times 0.07 = \$2.66/\text{month}$

Cost of public transportation (annual bus pass on TCAT) = \$450 (Zone 1) or \$600 (Zone 2)

Per TCAT, 95.9% buy Zone 1, 4.1% Zone 2.

Average cost of TCAT bus pass = $(\$450 \times 95.9\%) + (\$600 \times 4.1\%) = \$431.55 + \$24.60 = \$456.15$

Bike = $\$105.50/12 \times 0.02 = \$0.18/\text{month}$

Cost of a bike \$60 (\$300 over 5 years) + \$45.50 annual maintenance = \$105.50
Annual maintenance such as tuning, changing of tires, brakes and tubes.

Cost of maintenance of existing bicycle based on Living Wage Study 2000 (obtained from Claritas Consumer Spending Patterns data) = \$33/year, adjusted for inflation = \$45.50 /year

Cost of bike based on: mid-range quality bikes cost \$300 to \$1000 (costhelper.com) Average sales price at chain sports stores = \$240 (statista.com)

Walking 16% + Work at home 7%

These categories are collectively assumed to have none or very little cost.

Sources

Ithaca-Tompkins County Transportation Council (ITCTC) - Statistics - Easy To Read Mode-to-Work Charts For Tompkins County:

http://tompkinscountyny.gov/files/itctc/statistics/Journey-to-Work/Tompkins_Mode_to_Work.pdf

Consumer Expenditures Survey 2013 (second 20%), <http://www.bls.gov/cex/2013/combined/quintile.pdf>

Inflation calculation - United States Department of Labor Bureau of Labor

Statistics: http://www.bls.gov/data/inflation_calculator.htm

References

Tompkins County, NY QuickFacts, US Census Bureau, <http://quickfacts.census.gov/qfd/states/36/36109.html> (Population, 2013 estimate)

Ithaca, NY Economy at a Glance, Bureau of Labor Statistics, http://www.bls.gov/eag/eag.ny_ithaca_msa.htm

4. Communication

$(\$35.74 + \$33)/\text{month} = \$68.74/\text{month}$. $\$68.74/\text{month} \times 12 \text{ months} = \$824.88/\text{year}$ (+8.70%)

Internet

The access to the Internet is a critical necessity to almost every individual. Based on the service availability throughout Tompkins County, below Internet plans have been selected from Verizon and Time Warner Cable to calculate the average cost of internet. taxes and fees are assumed to be 10% of cost before tax.

Verizon high speed internet enhanced (no annual contract) = \$29.99 + taxes and fees = \$32.99/month

HSI enhanced (provisioned at 1.1-3 Mbps, 3.1- 7 Mbps or 7.1-15 Mbps based on VZ line qualification requirements.)

Time Warner Cable standard internet = \$34.99 + taxes and fees = \$38.49/month

Average = $(\$32.99 + \$38.49)/2 = \$35.74/\text{month}$

Telephone

As the popularity of cell phone usage rises, fewer households maintain the use of a landline phone. According to US Census Bureau 2013 American Community Survey, the household Internet connection through mobile broadband is 33.1%. People need Internet access through their PCs as well as smartphones. The calculations below are based on the assumption that an individual can purchase a basic prepaid cell phone without a contract and a moderate extra monthly spending on Internet browsing. Taxes and fees are assumed to be 10% of cost before tax.

Prepaid cell phone (AT&T) = \$25 + \$5 + taxes and fees = \$33/month

Includes 250 nationwide minutes. Minutes over 250 are charged at \$0.10/minute.

Includes unlimited nationwide text, picture, and video messages. 50M for additional \$5 is available with the \$25 monthly plan for smartphones and quick messaging/feature phones

Sources

Verizon, <http://www2.verizon.com/home/highspeedinternet/high-speed-internet-plans/>

Time Warner Cable, <http://www.timewarnercable.com/en/residential-home/internet/plans.html>

AT&T, http://www.att.com/shop/wireless/plans/prepaidplans.html#planlist-ptip_sku5360236

Reference

US Census Bureau 2013 American Community Survey Reports - Computer and Internet Use in the United States: 2013:

<http://www.census.gov/content/dam/Census/library/publications/2014/acs/acs-28.pdf>

5. Healthcare

With employer-provided health insurance: $\$122.98 + \$79.00 = \$201.98/\text{month} \times 12 = \$2423.76/\text{year} (+7.07\%)$

5a. Health insurance (from Alternatives)

This calculation is based on the 2015 staff per-payroll contribution under the full time - more than two years category, employee only. Calculation based on the percentage of staff using the co-pay plan and two high deductible plans then averaging the results. Alternatives pays 75% of individual health insurance premiums as soon as insurance starts for full-time staff. 50% of staff have the Co-Pay Plan and contribute \$68.91/pay period (There are 26 pay periods.) 50% have either the Silver, High Deductible or Bronze, Highest Deductible plans. Calculated as 25% and 25% each. 25% pay \$50.59 to a high deductible plan, and 25% pay \$38.61 to the highest deductible plan.

$(\$68.91 \times 50\% = \$34.46) + (\$50.59 \times 25\% = \$12.65) + (\$38.61 \times 25\% = \$9.65) = \$56.76 \text{ per payroll} \times 26 \text{ payrolls} = \$1475.76/12 \text{ months} = \122.98 per month

Out of pocket expenses based on Consumer Expenditure Survey, Mid-year tables, 7/30/2013 to 6/30/2014, Quintiles of Income before taxes, Table 1101, second 20% quintile. (bls.gov/cex/#midyear)

Medical services = \$426

Drugs = \$420

Medical supplies = \$106

Total: $\$952.00/12 = \$79.00/\text{month}$

5b. Health Insurance (from NYS Health Insurance Exchange/Marketplace)
For those employers who do not offer employer sponsored Health Insurance, an individual can purchase federally subsidized health insurance on the NYS Health Insurance Exchange/Marketplace. The monthly cost of the Excellus Silver Plan (2015) on the Exchange would be \$202.81 or \$2,433.72 for the year. This is after a federal subsidy of \$294.41/month (the subsidy is based on the gross income of a single person in Tompkins County paid a living wage). The subsidized cost of the Silver Plan amounts to \$1.17/hour for a 40 hour work week (\$2,433.72 divided by 2080 hours = \$1.17). Substituting this figure for the cost to the employees of Alternatives for their employer sponsored HI and adjusting for taxes results in a Tompkins County living wage figure of \$14.34/hour or \$29,822.42 for the year. This is higher than the Alternatives calculation of a living wage (\$13.77) because the average cost of its employer-sponsored HI is less than the cost of the Silver Plan on the NYS Health Exchange.

Sources

Alternatives Federal Credit Union 2015 Health Insurance Rates, internal document
Consumer Expenditures Survey Mid-year tables, 7/30/2013 to 6/30/2014, Quintiles of Income before taxes, Table 1101, second 20% quintile.
(bls.gov/cex/#midyear)
2015 New York State of Health (<https://nystateofhealth.ny.gov>)

6. Recreation

\$110.06/month x 12 months = \$1,320.72/year (+2.86%)

Recreation activities are important to a healthy work/life style. Based on prior studies, minimum \$100 spending to drive work-life balance has been increased by inflation. \$100 in 2009 has the same buying power as \$110.06 in 2014. Increased \$107.00 (2012) by 2.86% inflation rate for 2014 buying power.

Sources

Bureau of Labor Statistics CPI Inflation Calculator, http://www.bls.gov/data/inflation_calculator.htm
Living Wage Study Notes 2009, <http://www.alternatives.org/livingwage2009notes.html>

7. Savings

\$65.83/month x 12 months = \$789.96/year (+2.86%)

As a Credit Union, we think a savings habit is an important component of any budget.

Increased \$64.00 (2012) by 2.86% inflation rate for 2014 buying power.

Sources

Bureau of Labor Statistics CPI Inflation Calculator, http://www.bls.gov/data/inflation_calculator.htm

Living Wage Study Notes 2000, http://www.alternatives.org/livable_notes.html

8. Miscellaneous

$\$1458.00/12\text{months} = \$121.50\text{per month (+6.81\%)}$

Based on average annual figures from Consumer Expenditures Survey, Mid-year tables

Housekeeping supplies = \$460.00

Apparel cost (Average of men and women, ages 16+) = \$237

Apparel cost (Men, ages 16+) = \$167

Apparel cost (Women, ages 16+) = \$307

Footwear = \$244

Other apparel products and services = \$116

Personal care and services = \$401

Sources

Consumer Expenditures Survey Mid-year tables, 7/30/2013 to 6/30/2014, Quintiles of Income before taxes, Table 1101, second 20% quintile. (bls.gov/cex/#midyear)

9. Taxes

Payroll (SS) tax rates remained at 7.65% equaling \$2190.76 for the year or \$182.56/mo. (+9.10%)

Federal tax computation $\$2296.86/\text{year} = \$191.41/\text{mo. (+15.37\%)}$

NY State taxes would be $\$1005.26/\text{year} = \$83.77/\text{mo. (+14.02\%)}$

10. Addendum

Childcare: Although this data is not included in the determination of a living wage for a single-household individual, it is provided here for reference.

Infant: $\$1130.58/\text{month} \times 12\text{ months} = \$13,566.97/\text{year (+6.49\%)}$

Toddler: $\$1138.00/\text{month} \times 12\text{ months} = \$13,656.00/\text{year (+7.12\%)}$

Pre-school: $\$1013.61/\text{month} \times 12\text{ months} = \$12,163.30/\text{year (+6.56\%)}$

Monthly (four weeks) tuition rates are based on published rate schedules of registered local childcare centers and service providers. As close as possible, the data is selected for registered day care centers providing full day services for five days a week.

■ Infant

Drop-in Children's Center (full day) = \$1120

Bright Horizons/Cornell University Child Care Center (full day) = \$1625

NYS Self-Sufficiency Report 2010 (adjusted for inflation) = \$793.33

NYS Office of Children and Family Services Survey 2014 = \$984

Average = \$1130.58/month

■ Toddler

Drop-in Children's Center (full day) = \$1080

Bright Horizons/Cornell University Child Care Center (full day) = \$1410

NYS Self-Sufficiency Report 2010 (adjusted for inflation): not reported

NYS Office of Children and Family Services Survey 2014 = \$924

Average: \$1138.00/month

■ Pre-school

Drop-in Children's Center (full day) = \$1000

Bright Horizons/Cornell University Child Care Center (full day) = \$1287

NYS Self-sufficiency report 2010 (adjusted for inflation) = \$907.43

NYS Office of Children and Family Services survey 2014 = \$860

Average: \$1013.61/month

■ Sources

Bureau of Labor Statistics CPI Inflation Calculator, http://www.bls.gov/data/inflation_calculator.htm

Monthly Tuition Schedule, Cornell University Child Care Center, eff date 8/2014
https://www.hr.cornell.edu/life/support/c4_rates.pdf


Drop-in Children's Center, (<http://www.dicc.org/>), rate sheet eff 9/2014

Child Care Market Rates 2011-2013 (2010), prepared by NYS Office of Children and Family Services, (Full report at: [ocfs.ny.gov/main/policies/external/OCFS_2014/LCMs/14-OCFS-LCM-03 Child Care Market Rates 2014-2015.pdf](http://ocfs.ny.gov/main/policies/external/OCFS_2014/LCMs/14-OCFS-LCM-03%20Child%20Care%20Market%20Rates%202014-2015.pdf))




Child Care Costs and Financial Assistance, Child Development Council, <http://www.childdevelopmentcouncil.org/content/view/full/financial-assistance.html>

Tompkins County Childcare Centers listing, http://childcarecenter.us/county/tompkins_ny#.UO7z7ORX3ng

The Self-Sufficiency Standard for New York State 2010, prepared by Diana M. Pearce, PhD for the NYS Self-Sufficiency Standard Steering Committee, <http://www.selfsufficiencystandard.org/docs/New%20York%20State%202010.pdf> (p.85 Tompkins County)

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Welcome

Alternatives Federal Credit Union Living Wage Study 2015

Thank you for attending Alternatives 2015 Living Wage Study Press Conference

Today our Panelists include:

Tristram Coffin

Alternatives Federal Credit Union
Chief Executive Officer

Karl Graham

Alternatives Federal Credit Union
Director of Community Relations and Development
Alternatives Federal Credit Union provided oversight of the study

Leslyn McBean-Clairborne

Tompkins County Legislator, District 1, City of Ithaca and Director of the
Greater Ithaca Activities Center (GIAC)




Mandi Meidlinger

Owner of Jillian's Drawers - A store for parents and their young children
located on the Ithaca Commons.
Jillian's Drawers is a Certified Living Wage Employer

Pete Meyers

Coordinator and one of the founders of the Tompkins County Workers' Center
The Workers Center certifies Living Wage employers.

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