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# **Living Below the Line: Economic Insecurity and America's Families**

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Wider Opportunities for Women (WOW) has promoted empowerment, equity and economic security across the lifespan since 1964. Through advocacy, research, training and technical assistance, WOW advances equal education and employment opportunities, non-traditional occupations for women, economic empowerment and secure retirement.

WOW's Family Economic Security Project and Elder Economic Security Initiative improve policy and programs by defining and advocating for economic security. WOW's economic security projects work in Washington, DC and with their partner networks to improve the lives of workers, families and seniors across the country.

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The Basic Economic Security Tables (BEST) were created by Wider Opportunities for Women (WOW) and the Center for Social Development (CSD) at Washington University in St. Louis as part of the national BEST Initiative led by WOW.

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For several years during the Great Recession, the nation remained focused on a steady stream of mostly discouraging numbers—unemployment rates, poverty rates, stock indices, warehouse inventories and home foreclosures. The economy has since recovered, and even unemployment rates, though still higher than pre-recession rates, have fallen steadily since 2010 and no longer garner the attention they once did. The fallout from recession continues, however, to impact millions within the United States who live above the poverty line and yet struggle to pay for basic needs and achieve security. This suggests at best a lag between economic recovery and improvements in families' incomes, and at worst a disconnection between the strength of the economy and family well-being.

Wider Opportunities for Women (WOW) has compared working-age adults' earnings and household incomes to **The Basic Economic Security Tables (BEST) Index for the United States**, a measure of the basic needs and savings workers and their households require for economic security. *Living Below the Line: Economic Insecurity and America's Families* compares pre-tax incomes from 2007 through 2012 to BEST Index basic needs budgets for more than 400 family types.<sup>1</sup> This report identifies who within the United States is living below their families' BEST Indexes. It tells an important story about the contemporary value of work and the relationship between economic security and gender, race, ethnicity, family structure and education.

## Key Findings

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**Forty-four percent of US residents studied lived in households that lacked economic security incomes.**

Thirty-eight percent of adults and 54% of children lived in households that lacked economic security incomes. Such numbers suggest fundamental problems with the concept of a "middle class."

**Between 2007 and 2011, the overall economic insecurity rate rose from 38% to 45%, but in 2012 the overall EIR remained statistically unchanged at 44%.**

**Among those employed in 2012, workers living above the BEST Index worked an average of 42 hours per week, compared to 37 hours per week for workers living below the BEST Index.** More than one in five working-age adults who worked full time had annual earnings below his or her family's economic security requirements.<sup>2</sup>

**Women are more likely to lack economic security than men are.** Seventy percent of single mothers working full time did not earn economic security wages, compared to 46% of single fathers.<sup>3</sup> Seventy-eight percent of Black single mothers and 83% of Hispanic single mothers who worked full time did not earn economic security wages.

**Sixty percent of Black households and 64% of Hispanic households had total incomes that did not allow economic security.** Children of color are at particular risk: more than three-quarters of Black and Hispanic children lived in families that lacked economic security incomes.

**Many households with two full-time workers lack economic security.** Two full-time workers increase a family's likelihood of economic security, but 19% of adults with children who worked full time and had a partner working full time had household earnings below their economic security needs. Fifteen percent of White workers, 27% of Black workers and 39% of Hispanic workers lived in two-full-time worker households with earnings below their economic security incomes.

**Households with more education are less likely to lack economic security, but a large minority of those with degrees still lack security.** Fifty-five percent of households headed by a high school graduate lacked economic security incomes. Households headed by adults with a four-year degree are also at risk; over one-fifth (22%) of homes headed by those with bachelor's degrees lacked economic security incomes.

## Defining Economic Security: The BEST Index

Poverty rates and change in poverty rates are important indicators of how well Americans are faring, but they are only part of a larger story. Poverty rates tell us little about the circumstances or needs of the roughly 85% of the US population who live above the poverty level, millions of whom are chronically at risk of financial crisis.

To properly measure how well families can make ends meet, it is necessary to construct a budget standard which defines and enumerates basic needs, and to demonstrate how much those basic needs cost at local market prices. It is then possible to compare resources to basic expenses.

The Basic Economic Security Tables™ (BEST) Index, developed by Wider Opportunities for Women and researchers from the [Center for Social Development at Washington University](#),<sup>4</sup> measures the income a wide variety of working families require to meet daily needs and save for emergencies and retirement. The BEST provides a common understanding of what it takes to make ends meet and truly escape the shadow of poverty.

The BEST Index includes the actual costs of basic health, safety and work needs: housing (rent), utilities, food, health care (insurance premiums and out-of-pocket costs), transportation, child care and essential household items such as clothing, cleaning supplies and a telephone. BEST data comes primarily from federal and state government sources, and to a lesser degree from industry sources, as noted in the table on page 13.

Meeting basic daily needs is not enough to ensure stability—in either the short or long term. The BEST includes two types of savings—emergency and retirement savings—that all families working to eliminate the threat of poverty cannot go without.<sup>5</sup>

The BEST does not include any of the non-essential items that sometimes seem commonplace but are

increasingly unaffordable to many families—meals out, recreation, gifts, non-essential shopping, electronics, appliances, non-essential travel or vacations. The BEST also does not include many larger expenses associated with middle class status. Purchasing a home and sending a child to college, for instance, are traditional components of the American dream and upward mobility, but they are not necessary in every instance for health, safety and employment. As a result, they are included in the BEST as “additional asset building savings” and are not part of the economic security incomes used in this analysis.

When used to benchmark incomes, the BEST can identify who lacks financial stability, track insecurity over time, and aid investigations into the short- and long-term effects of economic insecurity and of specific policies on local economies and those ignored by traditional measures.

To explore the BEST for the United States or your state, or income needs of workers without access to employment-based benefits, visit WOW’s [Economic Security Database](#).

**Table 1: Basic Economic Security Tables, 2014**  
(Workers with Employment-based Benefits)  
**US, Selected Family Types**

Monthly Expenses	1 Worker	2 Workers, 1 Preschooler, 1 Schoolchild
Housing	\$648	\$811
Utilities	\$116	\$145
Food	\$268	\$778
Transportation	\$526	\$1,086
Child Care	\$0	\$1,221
Personal & Household Items	\$262	\$441
Health Care	\$153	\$520
Emergency Savings	\$77	\$188
Retirement Savings	\$85	\$97
Taxes	\$411	\$1,070
Tax Credits	-\$5	-\$214
<b>Monthly Total (per Worker)</b>	<b>\$2,541</b>	<b>\$3,071</b>
<b>Annual Total</b>	<b>\$30,492</b>	<b>\$73,704</b>
<b>Hourly Wage (per Worker)</b>	<b>\$14.44</b>	<b>\$17.45</b>
<b>Additional Asset Building Savings</b>		
Children's Higher Education	\$0	\$177
Homeownership	\$101	\$121

Note: "Benefits" include unemployment insurance and employment-based health insurance and retirement plans.

## Economic Insecurity Is Pervasive

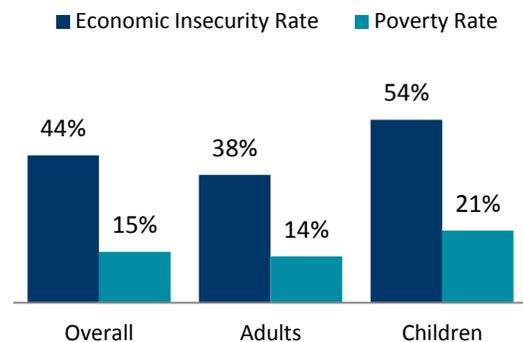
In 2012, 44% of Americans studied lacked the income necessary to achieve basic economic security. Thirty-eight percent of adults and over 54% of children lived in households which lacked economic security incomes.

Instability is not surprising in a period of reduced labor market participation, increased part-time work and recovery led largely by growth in low-wage jobs. Economic insecurity is highest for those groups historically vulnerable to financial instability. *However, insecurity also reaches deep into the ranks of the fully employed and the well-educated, suggesting traditional paths to security are often either unavailable or insufficient to stabilize families.* In 2012:

- One in five households headed by someone with a four-year degree lacked an economic security income.
- More than a quarter of women who worked full time lacked economic security incomes.

Figure 1 shows the difference in poverty rates and economic insecurity rates overall and for adults and children. Economic insecurity rates are between two and a half and three times poverty rates. While those living in poverty are often thought of as distinct from mainstream society, economic insecurity and the *threat* of poverty reaches well into America's economic mainstream.

Figure 1: Economic Insecurity Rates vs. Poverty Rates, 2012



## Post-Recession Economic Insecurity May Have Peaked

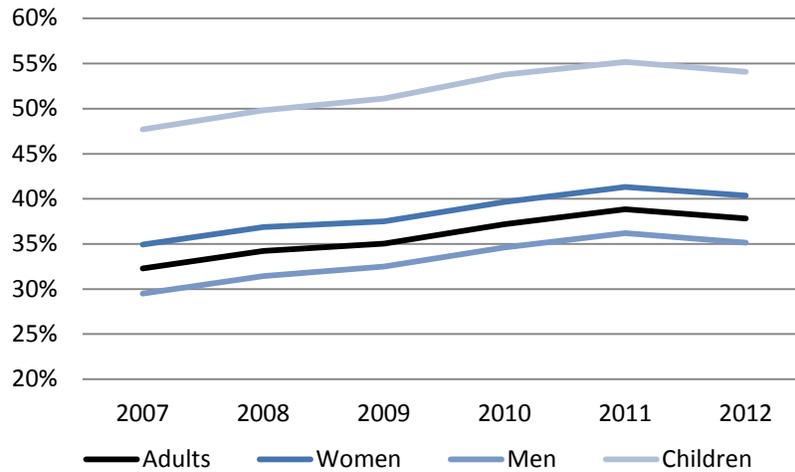
The Great Recession had far-reaching impacts. Economic insecurity increased steadily for every major American demographic group between 2007 and 2011, rising from 38% to 45% overall. Insecurity may have peaked in 2011; in 2012, the overall economic insecurity rate was 44%, and nearly all groups showed small decreases (most less than one percentage point) in their insecurity rates.

Figure 2 demonstrates that the decline in insecurity cuts across age and gender. Children are still at significantly higher risk than adults to live in households that lack security incomes.

During the Great Recession, insecurity rates of adult men and White children rose more quickly than the

rates of other groups. 2012 data suggests they are also seeing a faster recovery. Both groups saw a small, approximate one percentage point decrease in their insecurity rates between 2011 and 2012. Insecurity rates for Black children remained unchanged from the year before and the insecurity rate for Hispanic children decreased one percentage point. This is in contrast to changes in poverty rates over the period for the same groups: Black children saw the largest drop in *poverty* at one full percentage point, while poverty rates remained the same for White and Hispanic children. *This may indicate that while during the recession insecurity initially hit groups with lower economic insecurity rates harder, insecurity has held tighter longer to those demographic groups who already had high poverty and economic insecurity rates.*

Figure 2: Economic Insecurity Rates, 2007-2012

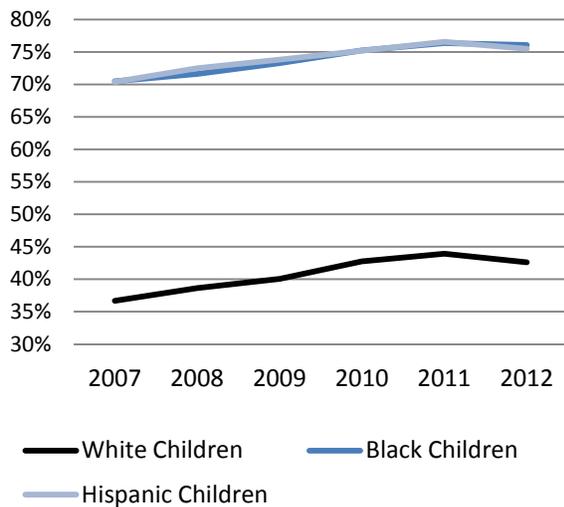


Source: Author's calculations; US Census Bureau, American Community Survey 2012 PUMS.

*Households with two adults without children had the largest declines in insecurity rates in 2012.* Economic insecurity rates for two-adult households without children declined by more than one percentage point. Economic insecurity rates for heterosexual unmarried partners decreased the most—nearly three percentage points. Insecurity rates among married couples without children and married couples with children both decreased by one and one-third percentage points.

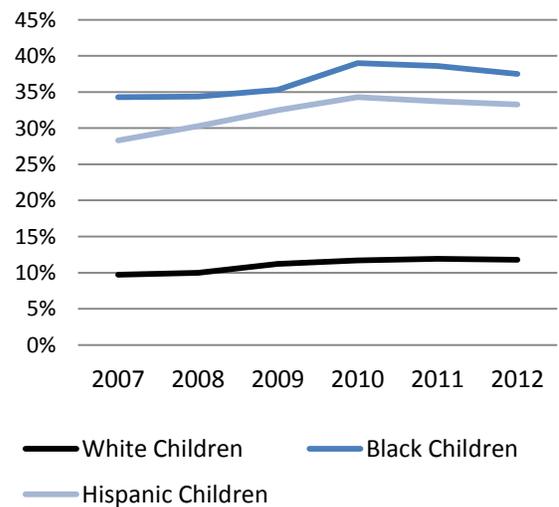
*The only group not to experience a decrease in insecurity between 2011 and 2012 is single mothers, as their insecurity rate held even.* White single mothers did see a slight decrease in economic insecurity, while economic insecurity rates for Black and Hispanic single mothers increased, though less than one percentage point. Among single fathers, economic insecurity rates decreased approximately one percentage point.

Figure 3: Economic Insecurity Rates for Children, by Race, 2007-2012



Source: Author's calculations; US Census Bureau, American Community Survey 2012 PUMS.

Figure 4: Poverty Rates for Children, by Race, 2007-2012



Source: US Census Bureau, ASEC 2012

## Women Face an Economic Security Gender Gap

Women are more likely to live in economic insecurity than men are. Approximately four out of ten adult women live in households which lack economic security incomes, compared to 35% of men. This is in part attributable to the gap between men's and women's earnings. In 2012, American women's median earnings were just 72% of men's median earnings—\$29,703 versus \$41,054.<sup>6</sup> In 2012, women who worked full time earned median wages only 81% of men who worked full time.<sup>7</sup>

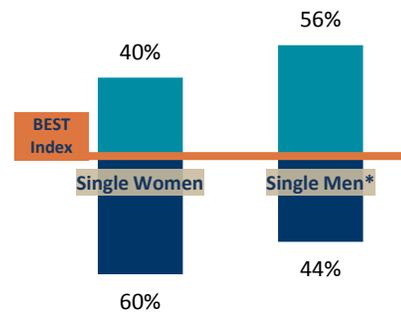
### Gender and Race

As Figure 6 shows, the economic security gender gap varies by race. The gap is smallest among single White adults—approximately 13 percentage points. Among Black single adults, the gap is slightly larger at 16 percentage points. The gap between Hispanic men and women, however, is notably larger at 24 percentage points.

### Single Women

Approximately 60% of single women live in economic insecurity.<sup>8</sup> The difference between single, childless men and women is substantial, but it is dwarfed by the gender gap among single parents. Single women are more likely to be caretakers for children than are single men. Less than 9% of single men have children in their

Figure 5: Economic Security and Insecurity Rates, Single Adults, 2012



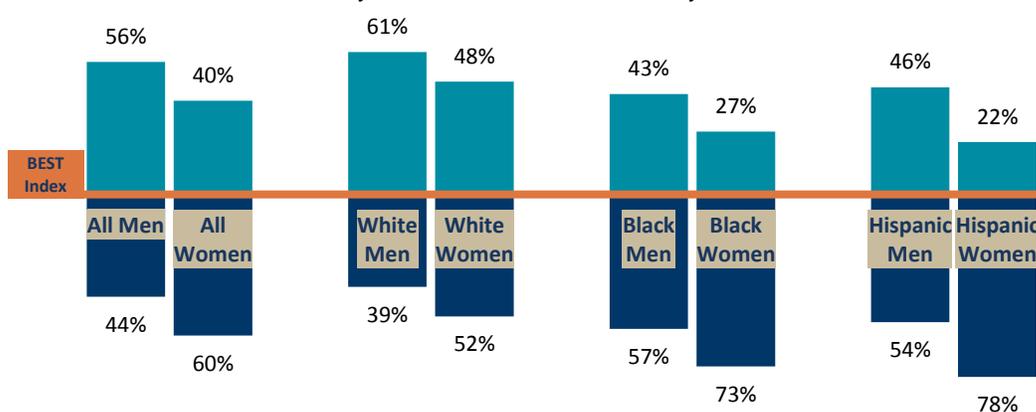
Source: Author's calculations; US Census Bureau, American Community Survey 2012 PUMS.

Notes: "Single adults" are individuals ages 18-64 living in 1-adult households, with or without children.

\* The calculation for single men is not significantly different than that for the general population.

households, compared to approximately 36% of single women. Black and Hispanic single women are more likely to be caretakers for minor children than their White counterparts; 47% of Black and 57% of Hispanic single women have children at home, compared to 27% of single White women.

Figure 6: Economic Security and Insecurity Rates, Single Adults, by Gender, Race and Ethnicity, 2012



Source: Author's calculations; US Census Bureau, American Community Survey 2012 PUMS.

Note: "Single adults" are individuals ages 18-64 living in 1-adult households, with and without children.

## Married Women

While married women are more likely to attain economic security than unmarried women, much of the stability is attained through a husband's earnings or other household income. Without these income sources, the vast majority (80%) of married women would lack the personal earnings needed to achieve economic security for their families. The loss of a spouse's income due to job loss, divorce or death is, therefore, a severely disruptive event.

While some women may be able to increase their earnings after the loss of a spouse's income, newly single women who have been out of the workforce or working part-time may face difficulty re-entering the full-time workforce and earning economic security wages. Many would face the same earnings challenges faced by the single mothers who currently lack economic security.

## Economic Security Varies Greatly by Family Type

### Female-Headed Families

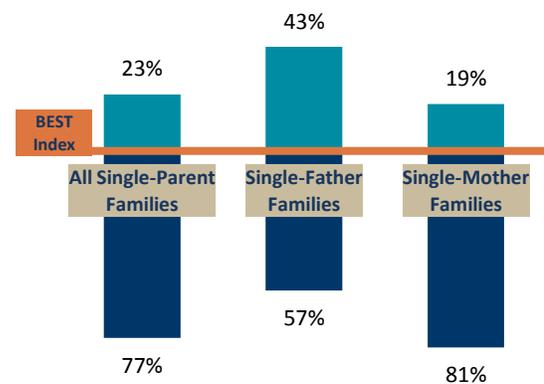
Nearly 77% of single-parent households, regardless of employment status, lacked total household incomes that enable families to build economic security. Female-headed households with children are especially vulnerable. Eighty-one percent of single mother households lived below the BEST Indexes for their family types. Households headed by single custodial fathers are less likely to lack security; however, a majority, 57%, lived below the economic security line.

*Families headed by women of color are even more at risk. The large majority (88%) of families headed by Black single women lacked economic security incomes. Approximately 90% of families headed by single Hispanic women lacked economic security.*

### Two-Adult Families

Two-adult households are less likely to face economic insecurity than one-adult households. Married couple households are typically more secure than households headed by unmarried heterosexual partners. Married couples and unmarried, same-sex partner<sup>9</sup> households without children, however, have similar rates of economic insecurity. This may be in part due to age, as those who are same-sex partners or part of a married couple tend to be older than unmarried, opposite-sex partners—and older adults are more likely to be working and to have higher earnings than younger adults.

Figure 7: Economic Security and Insecurity Rates, Single Parent Families, 2012

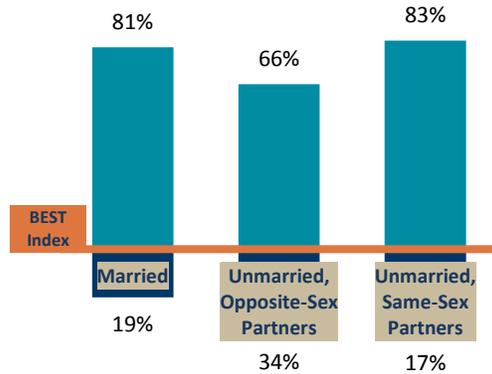


Source: Author's calculations; US Census Bureau, American Community Survey 2012 PUMS.

### Households with Children

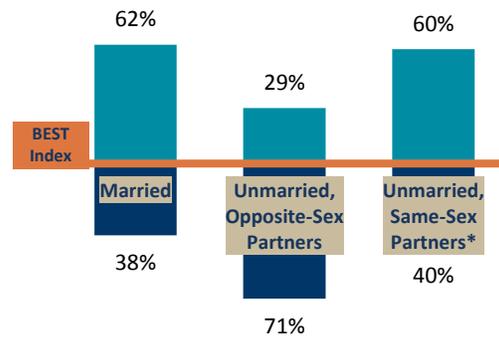
Households with children are more likely to lack economic security than those without children. Thirty-four percent of households without children lacked security incomes, while nearly 50% of households with children lacked security incomes. The gap is largest among single-parent households; less than half (45%) of one-adult households *without* children lacked security incomes, while a full 77% of single-adult households *with* children lacked security incomes. The gap between households with and without children is smaller among households with two adults, but is still approximately 20 percentage points.

Figure 8: Economic Security and Insecurity Rates, 2-Adult Households, without Children, 2012



Source: Author's calculations; US Census Bureau, American Community Survey 2012 PUMS.

Figure 9: Economic Security and Insecurity Rates, 2-Adult Households, with Children, 2012



Source: Author's calculations; US Census Bureau, American Community Survey 2012 PUMS.

\* The rate for same-sex partners with children is not significantly different than that for the general population.

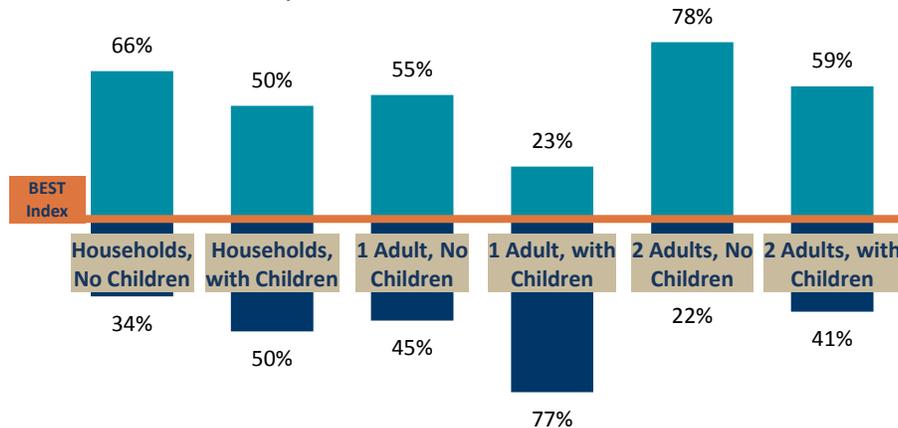
Child care alone can constitute more than 20% of a BEST Index budget for a working family with two children in care. Research from the National Association of Child Care Resource and Referral Agencies (NACCRA) finds that in the majority of US states, average annual infant care costs exceed the cost of a typical four-year public college. Further, "center-based child care fees for two children (an infant and a four-year-old) exceeded annual median rent payments in every state."<sup>10</sup>

Child care needs can interfere with the ability to work full time if reliable, affordable child care is not available,

or if workplace flexibility is low. Workers who are unemployed may struggle to find and pay for child care in order to seek work, or may have trouble finding care once a job offer is made.

It is not possible to conclude, however, that children *cause* families to be economically insecure. Families with children who lack security incomes may have many other demographic and financial characteristics that affect their abilities to achieve security.

Figure 10: Economic Security and Insecurity Rates, by Presence of Children, 2012



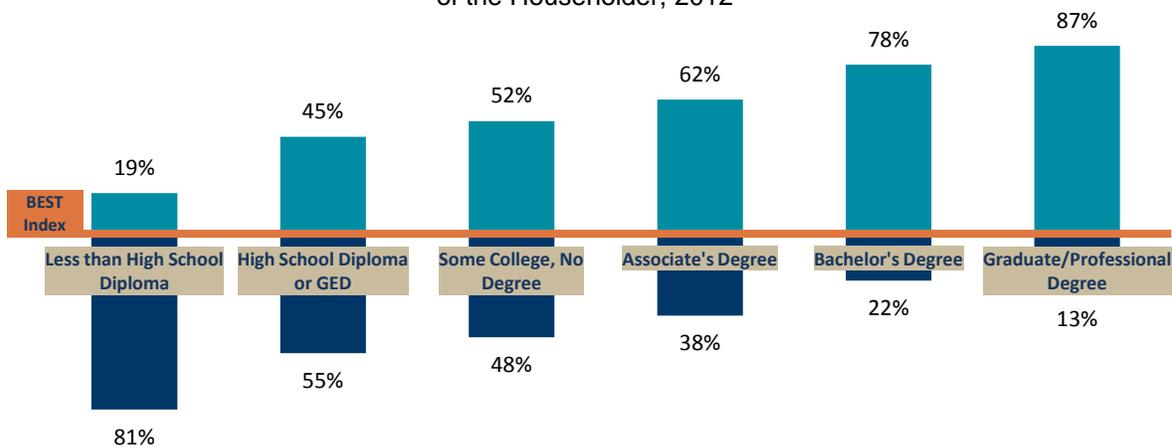
Source: Author's calculations; US Census Bureau, American Community Survey 2012 PUMS.

## Less Educated Households Are More Likely to Lack Economic Security

As the educational attainment of a householder increases, so does the likelihood of the household's economic security. *While 81% of households headed by someone who did not complete high school lacked economic security incomes in 2012, that number falls to 55% for those with a high school diploma or GED and 38% for those with an associate's degree.* Nevertheless, four-year and advanced degrees do not guarantee security. Twenty-two percent of households headed by an adult with a bachelor's degree lacked economic security incomes, and 13% of households headed by individuals with graduate or professional degrees had household incomes below their families' BEST Indexes.

The benefits of education are not equally distributed, though. The wage gap between men and women persists at all levels of education; even among adults with graduate or professional degrees, women earn just two-thirds of their male counterparts' earnings.<sup>11</sup> Further, 73% of households headed by Black high school graduates and 72% of households headed by Hispanic high school graduates lack economic security, compared to just under half (48%) of homes headed by White high school graduates. *Of heads of household with bachelor's degrees, 32% of Black- and Hispanic-headed families have household incomes below the BEST Index. In comparison, less than 20% of White college-graduate-headed households lack security incomes.*

Figure 11: Economic Security and Insecurity Rates, by Educational Attainment of the Householder, 2012



Source: Author's calculations; US Census Bureau, American Community Survey 2012 PUMS.

Note: Sample limited to households headed by an adult not currently attending school.

## Jobs Are Necessary for Security, but Full-time Earnings Are Often Not Sufficient

Unemployment, involuntary part-time and marginal attachment rates are all currently higher than they were prior to recession. However, each of these rates has decreased steadily since 2010,<sup>12</sup> and insecurity rates have not decreased accordingly. It is therefore necessary to avoid the temptation to simplistically attribute poverty and insecurity to a lack of jobs and earnings.

Worker wages have stagnated for the past decade, and fallen for many. Between 2002 and the onset of recession in late 2007, the real wages of both the typical high school- and the typical college-educated worker actually decreased.<sup>13</sup> Between 2007 and 2012, wages fell for the bottom 70% of earners.<sup>14</sup> Full-time work failed to provide economic security for 22% of adult workers in 2012.<sup>15</sup>

*Twenty-nine percent of women working full time have earnings below their families' BEST Indexes. Single mothers with children are especially likely to face economic insecurity, even with full-time work; over 70% had wages below the BEST Indexes for their family types.*

Black and Hispanic adults working full time see smaller returns to their labor than the general population sees. More than four out of ten (43%) Black adults who worked full time in 2012 had earnings below their family's BEST Index; 48% of full-time Hispanic workers had earnings that fell short of economic security.

### Hours Worked

Among those with jobs, workers living above *and* below the economic security line work full time on average. *Among those employed in 2012, workers living above the BEST Index worked a collective average of 42 hours per week, compared to 37 hours per week for workers living below the BEST Index.*<sup>16</sup>

While the gap in quantity of work is small, the gap in wages is substantial. Workers living below the BEST Index earned median annual wages of just \$17,174, versus \$50,510 for workers living above the Index. Those lacking economic security incomes are also likely to lack employment-based benefits. In 2012, 65% of working-age adults and children living below the BEST did not have access to or participate in employer-sponsored health insurance and 22% of those living in households that lacked economic security incomes lacked health insurance of any type.

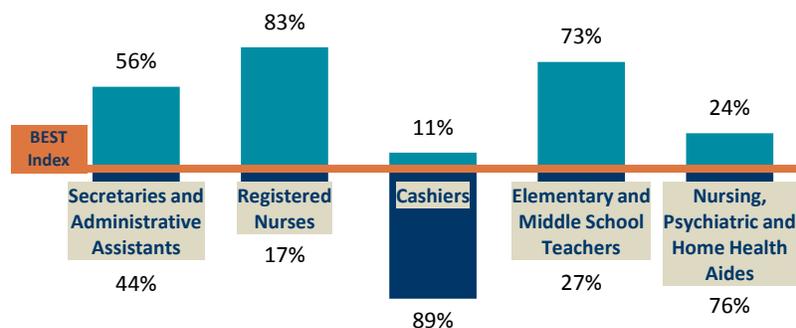
## Jobs That Do Not Provide Security Incomes

Figures 12 and 13 demonstrate the share of workers with and without economic security wages within the five largest occupations for women and men, as identified by the US Bureau of Labor Statistics. Only one of the five largest occupations for women requires a bachelor's degree—elementary and middle school teachers. At 27%, the proportion of women primary grade teachers who lacked security incomes in 2012 is above the 20% average for all bachelor's degree holders. The second largest occupation, registered nurses, is one of the more technical, higher paying and faster growing jobs that does not require a four-year degree; at 17%, the proportion of women registered nurses who lack economic security is very similar to the proportion of bachelor's degree holders who lack security.

None of the top five jobs for men requires a bachelor's degree, although many in management are degreed. Ninety percent of male managers earn economic security incomes, exceeding the proportion among all bachelor's degree holders.

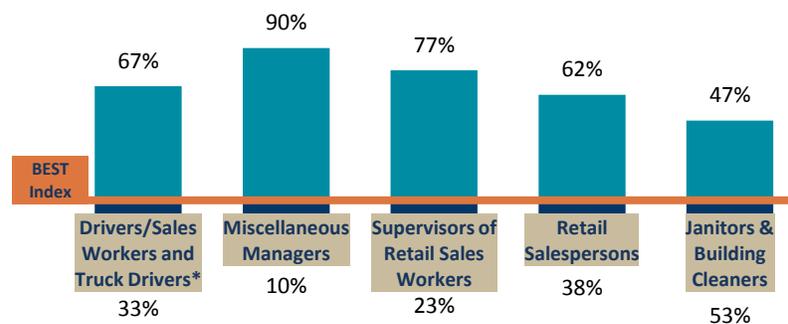
As shown in these figures, and in Figure 11 above, the prospects for achieving economic security in the current economy are not good for men or women without post-secondary education. In three of the five largest occupations among women, the insecurity rate is equal to or greater than the insecurity rate among the general population, which includes those unemployed or underemployed. Two of the top five largest occupations among women are associated with insecurity rates greater than 75%.

Figure 12: Economic Security and Insecurity Rates for Women, Largest Occupations for Women, 2012



Source: Author's calculations; US Census Bureau, American Community Survey 2012 PUMS. US Bureau of Labor Statistics, Current Population Survey.

Figure 13: Economic Security and Insecurity Rates for Men, Largest Occupations for Men, 2012



Source: Author's calculations; US Census Bureau, American Community Survey 2012 PUMS. US Bureau of Labor Statistics, Current Population Survey.

\* The calculation for men working as truck drivers is not significantly different than that for the general population.

## Conclusion

To fully evaluate how well workers and families are able to make ends meet in today's economy, it is not enough to think about income. It is important to think about local markets, to compare incomes to local budget standards which define and enumerate basic needs. A realistic definition of what it takes to make ends meet and plan for the future can affect public attitudes toward alleviating need—and create demand for private, public and nonprofit sector responses to the needs facing households. Once need is well-defined, it is possible to identify who in the country is and is not economically secure, and to offer a more complete story of immediate- and long-term financial health and well-being that can inform policy and improve financial literacy.

*Living Below the Line* demonstrates that workers and their families may live above the poverty line but lack incomes required to cover basic expenses and save for retirement and emergencies. While women and Black and Hispanic heads of household are more likely to lack security incomes, no single demographic factor is determinate. Family size, gender, race, education level and many additional factors all influence the *likelihood* that a family will live below the economic security line.

The core BEST Index does not attempt to quantify common conceptions of the middle class. It does not measure whether or not American households are actually consuming the many “non-essentials” associated with middle class status, including home ownership, vacations and recreation. *Living Below the Line* does, however, suggest that a large plurality of households lack the incomes to pay for the fundamentals of security, no less accoutrements, without borrowing. The numbers also suggest that there are fundamental financial weaknesses in the “middle”—and there are

problems with the very concept of a middle. *That approximately 44% of adults and their children lack basic economic security incomes suggests that the nation's economic middle is not very broad and may not, in fact, exist.* Even workers with degrees, dual-income couples and families with only a single child find themselves “living below the line.” They and all other families lacking security incomes may be one illness, unforeseen expense or job loss away from personal financial crisis.

The BEST Index and *Living Below the Line* provide clearly defined terms, concepts and data which aid discussion and investigations of income and basic needs. It is WOW's hope that others will join us in using BEST Index materials to:

- Understand what households currently living both below and above federal poverty thresholds truly need to make ends meet, handle expected and unexpected events, and escape the shadow of poverty;
- Assess families' and workers' abilities to create stable communities through their participation in local economies;
- Respond to the immediate effects of economic insecurity on individuals, families, local economies and the nation as a whole;
- Inspire and help families to improve their own circumstances;
- Design, advocate for and institute policies that move workers and families toward lifelong and intergenerational economic security.

## Methodology Notes

This analysis compares annual incomes required for basic economic security, as defined in the report *The Basic Economic Security Tables (BEST) for the United States*, to 2012 1-year American Community Survey PUMS data. The study sample includes those living in US households composed of family types included in the BEST Index—one or two adults and between zero and six children.

"Adults" are defined as between 19 and 64 years of age. Children are divided into four age categories: infant (age 0-2), preschooler (age 3-5), schoolchild (age 6-12) and teenager (age 13-18). Eighteen-year-olds are adults if they are either in a married or unmarried partnership or if there are no over-18 adults in the household and the 18-year old(s) is/are not attending high school.

Households that include seniors (over age 64) are excluded from the demographic analysis due to BEST assumptions that all adults in a household work, incur work-related expenses such as commuting expenses, and are not eligible for Medicare. WOW publishes a separate **Elder Economic Security Standard Index**, in partnership with the **Gerontology Institute at the**

**University of Massachusetts Boston**, to measure economic security needs specific to fully retired elders age 65 and older.

Households included in the study sample are limited to "family" units—individuals whose relationships suggest economic interdependence and resource sharing. In a two-adult household, adults are partners (either married or unmarried). In households with children, the children are biological or adopted children, stepchildren, siblings, grandchildren, other relatives, foster children, or other non-relatives.<sup>17</sup> This analysis excludes households with multiple, non-partnered adults.

Economic security calculations compare total household income to the BEST Index by family type. Where specified, earnings (either individual or total household) are compared to the BEST in order to investigate the specific value of work and the impact of wages on security.

Unless otherwise indicated, all population estimates in this analysis are statistically different from the estimates for the general population at the  $p < .05$  level.

## US Basic Economic Security Tables Index Data Sources, 2012

Item	Definition	Source
Housing	Fair Market Rents (40th percentile rents)	US Department of Housing and Urban Development
Utilities	Fair Market Rents: Ratio of utilities to total housing cost	US Department of Housing and Urban Development
Food	USDA "Low-Cost" food budget: Average US cost of a basic, healthful, low-cost food "basket" reflecting current USDA dietary guidelines	US Department of Agriculture
Transportation	Auto Costs: depreciation, maintenance, finance charges and registration fees	American Automobile Association
	Gasoline: average per-gallon cost of unleaded gasoline	US Department of Energy
	Mileage: average miles driven by car owners in the US for commuting and limited errands	US Department of Transportation
	Auto Insurance: national average expenditure on auto insurance	National Association of Insurance Commissioners
Child Care	Child care costs by age of child	National Association of Child Care Resource and Referral Agencies
Personal & Household Items	Average US renters' personal and household item spending, as a percentage of housing, utilities and food expenses	US Bureau of Labor Statistics
Health Care*	Employer-sponsored health insurance premiums: Average health insurance premiums for employees of private industries in the US, by family type	US Department of Health and Human Services
	Out-of-pocket medical costs: Average out-of-pocket medical costs, by age group and US census region	US Department of Health and Human Services
Emergency Savings*	Income needed to cover expenses over a median-length unemployment spell, less average wage replacement from Unemployment Insurance.	US Department of Labor
Retirement Savings*	Retirement Income: national average annual retirement income single elders (65+) and elder couples need to meet basic needs and age in their own home	<i>The WOW-GI National Elder Economic Security Standard: A Methodology to Determine Economic Security for Elders</i>
	401(k) Employer Match: Average US employer match for 401(k) plans	US Department of Labor
	Social Security: Average OASDI benefits by county	US Social Security Administration
Taxes and Tax Credits	Federal Taxes and Tax Credits	Internal Revenue Service: 2012 Individual Income Tax Return (Form 1040)
	State and Local Income Taxes & Sales Taxes: Average net personal income and sales taxes as a percentage of income	Institute on Taxation and Economic Policy: <i>Who Pays? A Distributional Analysis of the Tax Systems in All 50 States</i>

\* Separate values are calculated for these items, depending on whether or not a worker has access to employment-based benefits. Values used in this brief reflect costs for workers *with* benefits. For more information, see *The Basic Economic Security Tables for the United States*.

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<sup>1</sup> The study sample includes all those living in US households composed of family types included in the BEST Index—those with one or two adults and between zero and six children ages 1-18.

<sup>2</sup> This calculation compares individual earnings to BEST wages. For one-adult families, earnings are compared to the total annual BEST Index. For two-adult households, individual earnings are compared to the per-worker annual BEST Index. See the Methodology section of this report for further explanation.

<sup>3</sup> The economic insecurity rate for single fathers who work full time is not significantly different than that for the general population.

<sup>4</sup> WOW Basic Economic Security Tables (BEST) Index co-authors include Dr. YungSoo Lee, Dr. Yunju Nam and Dr. Michael Sherraden.

<sup>5</sup> The economic security incomes used in this brief are US BEST values for workers with employment-based health insurance and retirement plans, and access to unemployment insurance. This current analysis is therefore more conservative than if household incomes were compared to economic security incomes required for those who lack such benefits.

<sup>6</sup> Median earnings for adults ages 25 and older, with earnings. US Census Bureau. "Detailed Tables: B20004: Median Earnings by Sex by Educational Attainment for the Population 25 Years and Over." *American Community Survey, 1-Year Estimates (2012)*. 2012.

<sup>7</sup> US Bureau of Labor Statistics. "Women in the Labor Force: A Databook (2013 Edition)." *Labor Force Statistics from the Current Population Survey*. 2014.

<sup>8</sup> "Single adults" are defined as individuals 18 and over who live in one-adult households (no spouse or partner present), with or without children.

<sup>9</sup> The American Community Survey, unlike the decennial Census, categorizes all same-sex partners as unmarried; distinguishing married and unmarried same-sex partners is not possible based on the available data.

<sup>10</sup> National Association of Child Care Resource and Referral Agencies. "Parents and the High Cost of Child Care: 2013 Report." 2013.

<sup>11</sup> Median earnings for adults age 25 and older with earnings. US Census Bureau. *Detailed Tables B20004*.

<sup>12</sup> Involuntary part-time workers perform part-time work while desiring full-time work. Marginally attached workers are discouraged workers no longer looking for work.

<sup>13</sup> Shierholz, Heidi & Lawrence Mishel. "Recession hits worker's paychecks." *Economic Policy Institute*. August 31, 2010. <http://www.epi.org/publication/bp277> (accessed October 26, 2011).

<sup>14</sup> Shierholz, Heidi & Lawrence Mishel. "A Decade of Flat Wages: The Key Barrier to Shared Prosperity and a Rising Middle Class." *Economic Policy Institute*. August 21, 2013. <http://www.epi.org/publication/a-decade-of-flat-wages-the-key-barrier-to-shared-prosperity-and-a-rising-middle-class> (accessed October 21, 2014).

<sup>15</sup> Full-time work is defined as at least 35 hours per week, for at least 50 weeks per year. In order to specifically demonstrate the value of work, this section of the analysis compares workers' *earnings* (rather than total household income) to the BEST Index. For workers in one-adult households, the worker's total earnings are compared to the BEST for the family type. In two-adult households, each worker's earnings are compared to one-half the total BEST Index for the family type.

<sup>16</sup> Among adults who worked in the 12 months prior to completing the Census Bureau's 2012 American Community Survey.

<sup>17</sup> Households with children who are siblings, other relatives or other nonrelatives of an adult reference person are dropped if the minor child is between ages 15 and 18, meeting the Census Bureau's definition of an economic adult. This step ensures households that include older teens (who are potentially working) who reside with an adult on whom they are not technically dependent are excluded.





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