



# THE BASIC ECONOMIC SECURITY TABLES™

For the Washington, DC Metro Area.

## What It Is and Why It Matters

### What it is and How it Works

The **Basic Economic Security Tables (BEST) for the Washington, DC Metro Area** calculates the monthly income necessary for families to attain economic security throughout a lifetime and across generations independent of public or private assistance. The BEST follows on a long history of research defining families' spending and income needs, but reflects a modern economy and contemporary understanding of how families achieve financial stability.

- The BEST Index assumes that all adults (whether married or single) work full-time and includes the costs associated with employment, specifically, transportation and taxes, and for families with young children, child care.
- Core BEST monthly expenditures include: housing, utilities, food, transportation, childcare, personal/household items, health-care, retirement savings, emergency savings and taxes.
- The BEST Index takes into account that many costs differ not only by family size and composition (as does the official poverty measure), but also by the age of children which greatly affects cost such as child care. In addition the Index accounts for regional variations in cost. This feature is particularly important for housing which varies greatly from region to region. In total there are more than 400 family-types— all possible one- or two-adult families with up to six children in each jurisdiction in the metro area — City of Alexandria, Arlington County and Fairfax County in Virginia, for Montgomery County and Prince George's County in Maryland, and for Washington, DC.
- The BEST Index includes the net effect of taxes and tax credits. It provides for state sales taxes, as well as payroll (Social Security) taxes, and federal and state income taxes. Two credits available to working adults, the Child Care Tax Credit (CCTC) and the Earned Income Tax Credit (EITC) are "credited" against the income needed to meet basic needs—thus reducing the income needed to become economically secure.
- Because basic needs are not enough to ensure financial stability, the BEST Index includes emergency and retirement savings as core expenses to prevent the corrosion of economic security which can lead to weakened families and impoverishment. The Index also suggests educational and homeownership savings due to their long-term and multiple impacts on individuals and families.

### Report Contents:

- BEST framework and methodology
- DC Metro Area BEST Tables 2010
- Economic Security and Savings
- BEST Focus on *Economic Security Budget and Adult Education and Training Expenses*
- How Close are DC Metro Area Workers to Economic Security?
- Do DC Metro Area Jobs Provide BEST incomes?
- Supplemental Policy Briefs on Workforce Development, Income Assistance, and Asset Building

### Changes from 2005 Self-Sufficiency Standards

The BEST Index builds on the Self-Sufficiency Standards developed in 1999 and updated in 2005 by Dr. Diana Pearce of the University of Washington and Wider Opportunities for Women. The BEST offers an updated and refined version of the Self-Sufficiency Standard with a special focus on economic security throughout one's lifetime.

Therefore, the BEST Index includes emergency and retirement savings in its core expenses to prevent the corrosion of economic security which can lead to weakened families and impoverishment.

The BEST also reflects the impact of inflation since 2005. Across all expense areas, costs have increased. Childcare costs for a working parent with children have doubled as have taxes. Transportation costs have increased by 84 percent. All of these factors continue to increase the cost of economic security.

Sufficiency Standard, 1 Worker, 1 Preschooler and 1 Schoolchild				
Monthly Expenses	Self-Sufficiency Standard, 2005	DC BEST, 2010	Difference (\$)	Difference (%)
Housing & Utilities	\$949	\$1,113	\$164	17%
Food	\$487	\$648	\$161	33%
Transportation	\$114	\$210	\$96	84%
Childcare	\$1,211	\$2,456	\$1,245	103%
Personal & Household Items	\$303	\$475	\$172	57%
Healthcare	\$267	\$445	\$178	67%
Emergency Savings		\$262	\$262	
Retirement Savings		\$87	\$87	
Taxes	\$871	\$1,777	\$906	104%
Tax Credits	-\$267	-\$333	-\$66	-25%
<b>Wage, Monthly</b>	<b>\$3,934</b>	<b>\$7,140</b>	<b>\$3,206</b>	<b>81%</b>

Note: Comparisons of some monthly expense values are affected by differences in BEST and Self-Sufficiency Standard expense calculation methodologies.

**Basic Economic Security Tables, 2010**

(Workers with Employment-based Benefits)

**DC Metro Area, by Jurisdiction and Family Type**

Monthly Expenses	Washington, DC		Prince George's County, MD		Montgomery County, MD		Alexandria, VA		Arlington County, VA		Fairfax County, VA	
	1 Worker	1 Worker, 1 Preschooler, 1 Schoolchild	1 Worker	1 Worker, 1 Preschooler, 1 Schoolchild	1 Worker	1 Worker, 1 Preschooler, 1 Schoolchild	1 Worker	1 Worker, 1 Preschooler, 1 Schoolchild	1 Worker	1 Worker, 1 Preschooler, 1 Schoolchild	1 Worker	1 Worker, 1 Preschooler, 1 Schoolchild
Housing	\$814	\$928	\$958	\$1,093	\$1,210	\$1,378	\$1,154	\$1,313	\$1,222	\$1,394	\$1,356	\$1,546
Utilities	\$162	\$185	\$171	\$195	\$186	\$212	\$129	\$147	\$128	\$147	\$164	\$188
Food	\$301	\$648	\$271	\$584	\$294	\$635	\$271	\$584	\$271	\$584	\$301	\$648
Transportation	\$210	\$210	\$471	\$514	\$453	\$496	\$440	\$482	\$429	\$470	\$438	\$479
Child Care	\$0	\$2,456	\$0	\$1,524	\$0	\$2,102	\$0	\$2,009	\$0	\$2,322	\$0	\$2,210
Personal & Household Items	\$344	\$475	\$378	\$505	\$456	\$600	\$419	\$551	\$437	\$573	\$491	\$643
Health Care	\$148	\$445	\$145	\$452	\$145	\$452	\$147	\$447	\$147	\$447	\$147	\$447
Emergency Savings	\$93	\$262	\$119	\$227	\$140	\$301	\$124	\$271	\$128	\$305	\$143	\$324
Retirement Savings	\$87	\$87	\$109	\$109	\$144	\$144	\$128	\$128	\$136	\$136	\$156	\$156
Taxes	\$513	\$1,777	\$782	\$1,508	\$951	\$2,149	\$709	\$1,784	\$741	\$2,035	\$878	\$2,185
Tax Credits	-\$34	-\$333	-\$34	-\$301	-\$34	-\$267	-\$34	-\$301	-\$34	-\$267	-\$34	-\$267
<b>Monthly Total (per Worker)</b>	<b>\$2,638</b>	<b>\$7,140</b>	<b>\$3,370</b>	<b>\$6,410</b>	<b>\$3,945</b>	<b>\$8,202</b>	<b>\$3,486</b>	<b>\$7,415</b>	<b>\$3,605</b>	<b>\$8,146</b>	<b>\$4,040</b>	<b>\$8,559</b>
<b>Annual Total</b>	<b>\$31,656</b>	<b>\$85,680</b>	<b>\$40,440</b>	<b>\$76,920</b>	<b>\$47,340</b>	<b>\$98,424</b>	<b>\$41,832</b>	<b>\$88,980</b>	<b>\$43,260</b>	<b>\$97,752</b>	<b>\$48,480</b>	<b>\$102,708</b>
<b>Hourly Wage (per Worker)</b>	<b>\$14.99</b>	<b>\$40.57</b>	<b>\$19.15</b>	<b>\$36.42</b>	<b>\$22.41</b>	<b>\$46.60</b>	<b>\$19.81</b>	<b>\$42.13</b>	<b>\$20.48</b>	<b>\$46.28</b>	<b>\$22.95</b>	<b>\$48.63</b>

**Additional Asset Building Savings**

Children's Higher Education	\$0	\$107	\$0	\$148	\$0	\$151	\$0	\$113	\$0	\$113	\$0	\$113
Homeownership	\$440	\$553	\$264	\$332	\$345	\$434	\$379	\$477	\$449	\$565	\$428	\$538

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

**Six Steps to Building the Economic Security of DC Residents :**

Together, increasing costs, a lack of good jobs, insufficient education and training and inability to save keep communities unstable—and public assistance programs designed to prevent poverty, rather than foster economic security, sometimes fail to sustain those in need while they pursue stability. Many more Washington, DC families can overcome insecurity if the public, private and non-profit sectors devote themselves to the idea and practice of economic security by:

- Creating good jobs in the District, targeting the high-growth sectors of professional and business services; trade, transportation and utilities; education and health services; and green jobs;
- Establishing a coordinated system of training and education to prepare all adults and youth for good jobs;
- Increasing availability of child care and housing for low- and moderate-income families;
- Helping D.C. residents save for emergencies and retirement;
- Coordinating and making public assistance available, accessible, and publicized to residents in need of a range of services;
- Establishing an interagency task force and citizen-based advisory group to align District services and programs that promote economic security.

## Value of Employer Benefits

Having a job that provides benefits, including unemployment insurance, employment-based health insurance and retirement plans, significantly reduces the amount of income needed to be economically secure.

For a single worker living in Washington, DC, employment-based benefits reduces the amount of annual income needed by 12 percent.

Basic Economic Security Tables, 2010						
DC Metro Area, by Jurisdiction, Family Type and Receipt of Employment-based						
Area	1 Worker		1 Worker, 1 Infant		2 Workers, 1 Preschooler, 1 Schoolchild	
	Benefits	No Benefits	Benefits	No Benefits	Benefits	No Benefits
Alexandria, VA	\$41,832	\$47,352	\$63,324	\$71,448	\$95,544	\$108,288
Arlington County, VA	\$43,260	\$48,840	\$68,232	\$76,464	\$102,936	\$115,824
Fairfax County, VA	\$48,480	\$54,264	\$71,880	\$80,328	\$108,144	\$121,344
Montgomery County, MD	\$47,340	\$52,776	\$73,596	\$81,864	\$104,352	\$115,656
Prince George's County, MD	\$40,440	\$45,240	\$61,860	\$69,696	\$84,552	\$95,208
Washington, DC	\$31,656	\$35,880	\$57,348	\$64,008	\$93,984	\$102,768

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

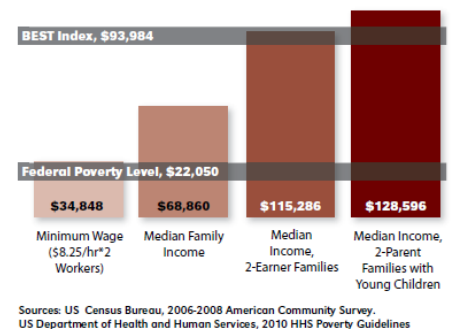
## How the BEST Index Tool Kit: How the Index Can Be Used

The BEST Index is a starting point for workers who want to achieve financial stability, and for the policymakers, advocates, researchers and service providers who help workers build security in their states, counties and local communities.

BEST can be used to improve lives by:

- Benchmarking wages, worker welfare and local economic stability
- Evaluating economic development and economic development opportunities
- Identifying jobs and careers that provide the economic security wages that support stable communities
- Evaluating education and training needs

Figure 5: Washington, DC Basic Economic Security Tables for 2 Workers, 1 Preschooler and 1 Schoolchild vs. District Benchmark Incomes, 2010

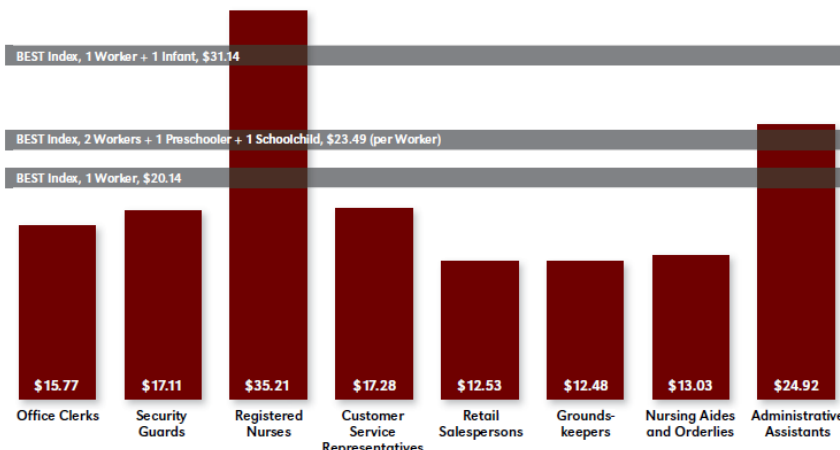


Sources: US Census Bureau, 2006-2008 American Community Survey, US Department of Health and Human Services, 2010 HHS Poverty Guidelines

Note: BEST Index values are those for workers with benefits. Benefits include unemployment insurance and employment-based health insurance and retirement plans.

- Improving workers' and students' financial planning
- Evaluating and improving the efficacy of publicly funded programs
- Helping those working on policy issues across the life course, from early childhood to aging, find common ground and a common language

Figure 7: Median DC Metro Area Basic Economic Security Tables Hourly Wage vs. Average Wages of Selected DC Metro Area Occupations with High Projected Annual Growth through 2016



Sources: Author's calculations; US Department of Labor, Bureau of Labor Statistics

Note: BEST Index values are those for workers with benefits. Benefits include unemployment insurance and employment-based health insurance and retirement plans. Occupations arranged in order of total openings due to growth through 2016

- Promoting the savings that creates essential short and long-term asset building and economic stability
- Identifying who is and is not participating fully in local economies
- Changing the public's understanding of economic security
- Creating far-sighted public policy

To support decision makers in developing policies and programs to build pathways to economic security, the BEST Index is accompanied by supplemental policy briefs which outline key recommendations around three key areas:

- (1) Workforce Development
- (2) Public Assistance
- (3) Asset Building

The full BEST Report and Policy Briefs are available at [http://wowonline.org/ourprograms/dc/dc\\_fess/index.asp](http://wowonline.org/ourprograms/dc/dc_fess/index.asp)

For additional information about **The Basic Economic Security Tables for the Washington, DC Metro Area 2010**, contact Delese Harvey, Director of Family Economic Security Programs at Wider Opportunities for Women, 1001 Connecticut Avenue, NW, Suite 930, Washington, DC 20036, phone: (202)464-1596 or email: [dharvey@wowonline.org](mailto:dharvey@wowonline.org)