



National Center for Children in Poverty
 Mailman School of Public Health
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For Immediate Release

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Report: RECESSION OR NOT, MANY U.S. FAMILIES CAN'T AFFORD BASIC NEEDS, EVEN AT TWICE MINIMUM WAGE

New York City, Mar. 3, 2009 – A report released today by the National Center for Children in Poverty (NCCP) addresses the inadequacy of low wages and the difficult choices they force on families, whether the country is in recession or not.

In the study, *Budgeting for Basic Needs: A Struggle for Working Families*, researchers at NCCP, part of Columbia University's Mailman School of Public Health, compare the minimum earnings necessary for families to make ends meet in rural areas, mid-cost cities, and high-cost cities throughout the United States.

In the low-cost rural area of Curry County, N.M., for example, a family of four needs two parents both employed full-time earning at least \$9 an hour to make ends meet. In a high-cost city such as San Francisco, the parents in this same family would each have to earn \$14 an hour. And a single parent with two children would need \$15 an hour in Curry County and \$27 in San Francisco – roughly two and three times the states' minimum wages, respectively.

NCCP finds that for many families, the American dream of getting ahead through hard work is far out of reach. Even at two and three times the federal minimum wage (\$6.55 an hour), full-time working parents are routinely unable even to pay for basic necessities.

Kinsey Alden Dinan, the NCCP senior policy associate who wrote the report, cautions that the budgets used to estimate earning needs include only the most basic of basic expenses: rent and utilities, food, child care, health care, transportation, and taxes. These bare-bones budgets include no money for families to invest in their future by saving for a home, education, or retirement. Nor do the budgets allow for debt payments or a financial cushion to withstand a crisis.

“Millions of American families scrape by on much less than what it takes to cover basic needs,” Dinan states. Parents may have to place children in unreliable or low quality care arrangements. They may live in overcrowded or unsafe housing. Or they may fall behind on utility bills and rent, risking outages and eviction.

“These are choices no family should have to make,” says Dinan. “But sadly, it’s the reality for more and more Americans.”

The report calls for improved policies to increase access to high quality jobs with adequate wages and benefits and ensure a comprehensive work support system that realistically addresses families' needs.

To use the Basic Needs Budget Calculator, go to <http://www.nccp.org/tools/frs/budget.php>.

The National Center for Children in Poverty is the nation's leading public policy center dedicated to promoting the economic security, health, and well-being of America's low-income families and children. Part of Columbia University's Mailman School of Public Health, NCCP uses research to inform policy and practice with the goal of ensuring positive outcomes for the next generation.