



Making Ends Meet on Low Wages:

The 2008 North Carolina Living Income Standard

By John Quintero, NC BUDGET and TAX CENTER
with MEG GRAY and JACK SCHOFIELD

A Project of the



NC JUSTICE CENTER

ABOUT THE JUSTICE CENTER

The Justice Center is a statewide, non-profit advocacy organization dedicated to securing economic justice for disadvantaged persons and communities. The mission of the Justice Center is to address poverty by ensuring that low-income individuals and communities have the resources and services they need to move from poverty to economic security. The work of the Justice Center is based on the belief that four objectives must be realized to enable disadvantaged individuals and communities to move from poverty to economic security. They include:

- work that is safe, pays a living wage and provides benefits that will enable a family to be self-sufficient;
- government action that supports and protects those able to work;
- a safety net of income and services that supports those unable to work;
- equal opportunity for low-income persons to achieve economic security free of discrimination.

To achieve its mission, the Justice Center works in collaboration with North Carolina's disadvantaged individuals and communities employing a multi-forum advocacy model in which the Center uses four primary strategies to fight poverty:

Litigation: Undertaking high-impact litigation to ensure that the rights of traditionally underrepresented populations are protected.

Research and Policy Development: Conducting and disseminating policy research and developing alternatives to existing policy on key issues facing traditionally disadvantaged populations.

Public Policy Advocacy: Working with traditionally underrepresented populations to define and shape the public policies that will most dramatically impact their communities.

Grassroots Empowerment/Community Capacity Building: Developing and implementing initiatives designed to enable low-income, working poor and minority individuals and community-based organizations to take the lead in solving the problems that they face.

JUSTICE CENTER PROJECTS

North Carolina Living Income Initiative
North Carolina Immigrants Legal Assistance Project
North Carolina Poverty Law Litigation Project
North Carolina Education and Law Project
North Carolina Budget and Tax Center
North Carolina Consumer Action Network
North Carolina Health Access Coalition
Grassroots and Community Empowerment Project

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OVERVIEW

Work is a fundamental human activity. It is the raw material from which ideas are born, enterprises are launched, families are built and neighborhoods are sustained. Human labor provides the resources needed to satisfy material needs, the ability to access new opportunities and a sense of personal dignity and purpose. Those benefits manifest themselves in prosperous individuals, strong families, thriving industries and vibrant communities.



For a sizable number of North Carolina families, however, work falls far short of its promise. One-third of North Carolina's working families earn low incomes, and the number and proportion of such families has risen since 2000.¹ That increase, in turn, is linked to trends in the labor market, most disturbingly the growth of low-wage work. In 2006, some 24 percent of working Tar Heels

earned less than \$9.12 per hour.² Moreover, low-wage jobs are less likely to provide basic workplace benefits and advancement opportunities, thereby increasing the odds that people will be unable to move ahead, no matter how hard they work.³

Restoring the promise of work for families earning low wages is a central challenge confronting North Carolina. Yet a lack of meaningful statistics about the economic pressures facing low-wage families often hinders progress. The primary national measure, the federal poverty level, is widely regarded as outmoded. Similarly, the prolonged erosion in the value of the minimum wage has undercut its relevance as a basic wage standard.

To better inform the debate around work, wages and opportunity, the North Carolina Budget and Tax Center developed the Living Income Standard (LIS), a market-based approach for estimating how much income a working family with children needs to pay for basic expenses. Updated periodically since 2001, the

LIS provides a more nuanced assessment than otherwise is available of how much it truly costs to make ends meet in the Old North State.⁴

The 2008 version of the LIS finds that the typical North Carolina family with children must earn \$41,184 annually – an amount equal to 201 percent of the federal poverty level – to afford the actual costs of seven essential expenses: housing, food, childcare, health care, transportation, other necessities and taxes. To meet that level, the adults in the average family would need to earn a combined \$19.80 per hour for every working hour of every week of the year.

Yet 37 percent of the families included in this study fall below that modest income threshold. Women, African Americans, Hispanics and immigrants are disproportionately likely to live in families below the LIS. And 60 percent of the adults in those families work full-time.

This special report of the Budget and Tax Center updates the LIS for 2008, describes the characteristics of families that fall below the LIS, discusses the role of low-wage work in holding families below the LIS and presents strategies for helping more low-wage families share in the state's prosperity. Many of the recommendations complement significant actions taken by the North Carolina General Assembly in recent years, such as raising the minimum wage and enacting a refundable state Earned Income Tax Credit.

Before updating the LIS, the Budget and Tax Center undertook a rigorous critique of the underlying methodology. The resulting modifications have improved the measure's sophistication and accuracy but also prevent comparisons among prior versions of the LIS. In many respects, the 2008 LIS is a much more conservative measure, but even more cautious assumptions fail to alter a fundamental finding: hard work alone often fails to deliver a modest standard of living to a sizable number of North Carolina families.



THE NEED FOR THE LIVING INCOME STANDARD

Since its inception in the 1960s, the federal poverty level (FPL) has served as the nation's primary measure of economic security. An absolute standard based on spending patterns from the Eisenhower era, the FPL is widely regarded as a flawed measure that fails to gauge the true extent of economic hardship (**Box 1**). Few people, for example, would argue that a four-person family living in a metropolitan area like Charlotte could meet its basic needs on an annual income of \$22,000; yet the family is not "poor" because its income exceeds the FPL of \$21,027.

Another common standard, the minimum wage, similarly bears little relation to financial realities. As late as the 1960s, the minimum wage equaled about half of the average hourly wage paid to a non-supervisory worker. Public leaders subsequently have allowed that ratio to plummet while also permitting inflation to erode the wage's purchasing power.⁵ If the wage had retained its 1968 value, for instance, it now would equal \$9.58 per hour.⁶

In response to the shortcomings of the official measures, the North Carolina Budget and Tax Center has developed the LIS, a market-based approach for estimating how much income working families with children need to pay for basic expenses. The LIS represents an advance over the FPL in at least two ways. First, the LIS uses actual cost data to assess how much money a family needs to pay market prices for a bundle of goods and services. Second, the LIS is North Carolina's only source of local budget data for four common family types. LIS estimates exist for all 100 counties, 14 metropolitan centers, 24 workforce development areas and seven economic development regions.

■ Building the Living Income Standard

The LIS constructs county-level budgets for four representative family types: a family with one adult and one child, a family with one adult and two children, a family with two adults and two children and a family with two adults and three children. For each family type, public datasets are used to estimate how much money is required to pay market prices for seven essential expenses: housing, food, childcare, health care, transportation, other necessities and taxes. As the LIS aims to show how much money a family would need to earn on its own to meet basic needs, the measure generally excludes the cash value of work supports like food stamps or housing vouchers for which a family might be eligible. Informal subsidies also are excluded.

A conservative measure, the LIS uses the lowest estimate for each budget item. The food budget, for example, assumes that a family always buys bulk groceries, prepares every meal at home, never eats out and seldom purchases meat. Budgets only include essentials and contain no allowance for such items as entertainment, meals eaten outside of home, cable television, cellular phone service, extracurricular activities and gifts. The LIS also has no provision for any kind of debt repayments or savings, even though these are payments that can help families move ahead over time. By using conservative estimates, the LIS provides a basic budget for an extremely simple, if not austere, lifestyle. (See **Appendix A** for the complete methodology.)

1. THE LIMITATIONS OF THE FEDERAL POVERTY LEVEL (FPL)

No official measure of poverty existed in the United States until 1965, when Mollie Orshansky, an employee of the Social Security Administration, developed an estimate. Orshansky took a Department of Agriculture budget detailing how much a family in an emergency or temporary situation would need to spend to keep from starving, modified it for different family sizes, and multiplied the number by three. Orshansky's calculation, adjusted for inflation, became the FPL. In 2007, the FPL equaled \$21,027 for a family of four.

By Orshansky's own admission, her measure never was intended to specify an adequate income but rather represented a floor under which a family definitely could not live. Scholars and commissions subsequently have echoed Orshansky's criticism of the FPL. A study published in 1996 by the Panel on Poverty and Family Assistance, a project of the National Research Council, concluded that the FPL "no longer provides an accurate picture of the differences in the extent of poverty among population groups or geographic areas of the country, nor an accurate picture of trends over time." Although the panel proposed changes and the U.S. Census Bureau has experimented with different measures, the FPL remains the standard statistic.

Four major limitations prevent the FPL's use as a measure of basic living costs:

- The FPL is based only on the cost of food and assumes that it accounts for one-third of a family's expenses. While that may have been true when the FPL was developed, food now consumes a much smaller share of a family's budget.
- The FPL ignores expenses that are significant today but were not common during the 1960s. For example, the increase in the number of working women requires even many two-parent families to purchase childcare.
- The FPL was designed to measure a family's after-tax income but today is applied to its pre-tax income, thereby inaccurately portraying the amount of money a family actually has available to spend.
- The FPL is a fixed amount regardless of where a person lives. Yet living costs, especially for housing, vary widely across geographic areas.

■ How Much Is Enough to Make Ends Meet?

To afford basic expenses, the typical North Carolina family with children must earn \$41,184 per year – an amount equal to 201 percent of the FPL.⁷ That amount requires the adults in the average family to earn a total of \$19.80 per hour for every working hour of every week of the year. For a single parent, this amount is 3.2 times greater than the state's minimum wage of \$6.15 per hour.

The exact amount of required income varies with a family's size and place of residence. All else equal, larger families need larger incomes. While the typical family with one adult and one child requires \$31,067 per year to meet its basic needs, the average five-person family must earn \$53,304 per year. It also costs more to live in North Carolina's 38 metropolitan counties than in its 62 non-metropolitan ones. A typical metropolitan family must earn \$40,267 per year to reach a basic living standard, but a non-metropolitan family can make ends meet on the slightly lower amount of \$37,901 per year (**Figure 1**).

FIGURE 1

THE 2008 NORTH CAROLINA LIVING INCOME STANDARD					
	Annual LIS	Monthly LIS	Hourly LIS (1)	Annual LIS as a % of FPL (2)	Hourly LIS as a % of Min. Wage (3)
North Carolina (100 counties)	\$41,184	\$3,432	\$19.80	201.2%	322.0%
<i>by family type</i>					
Two Person (One Adult, One Child)	\$31,067	\$2,589	\$14.94	151.8%	242.9%
Three Person (One Adult, Two Children)	\$37,509	\$3,126	\$18.03	183.3%	293.2%
Four Person (Two Adults, Two Children)	\$42,841	\$3,570	\$20.60	209.3%	334.9%
Five Person (Two Adults, Three Children)	\$53,304	\$4,442	\$25.63	260.5%	416.7%
<i>by geography</i>					
Metropolitan (38 counties)	\$40,267	\$3,356	\$19.36	196.8%	314.8%
Non-Metropolitan (62 counties)	\$37,901	\$3,158	\$18.22	185.2%	296.3%

NOTES: 1) This is the total amount that must be earned by all the adults in a family, assuming full-time work (40 hours) for 52 weeks per year; 2) Compared to a weighted average of the federal poverty level for four family types; 3) Compared to the 2007 state minimum wage of \$6.15. SOURCE: North Carolina Budget and Tax Center

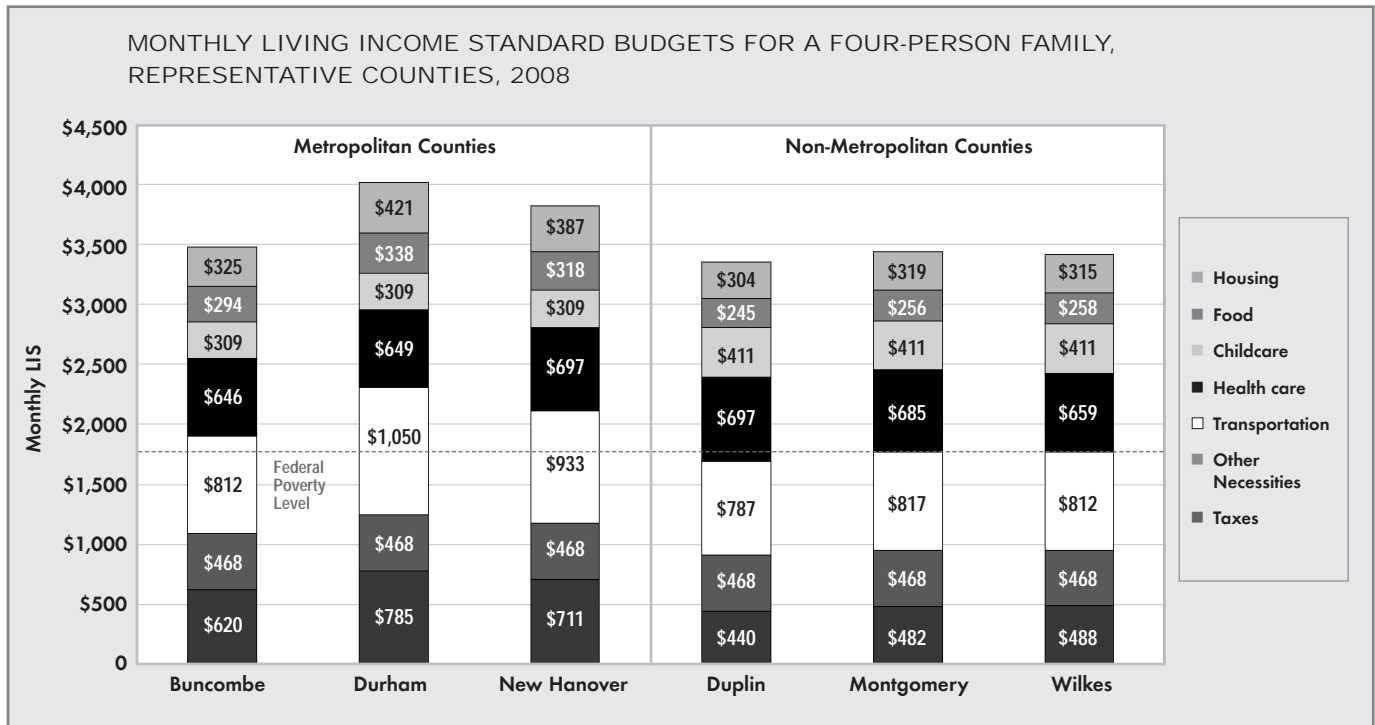
To illustrate regional cost differences, **Figure 2** presents the monthly LIS budgets for four-person families in six different counties. Although living costs are lower in the three non-metropolitan ones, families in each county require incomes roughly equal to twice the FPL. The single largest expense is childcare, followed by either housing or health care costs. Altogether, childcare, health care and housing bills account for about 60 percent of monthly family expenses in all six counties.

That general pattern holds across the state for the three family types with multiple children. For families with at least two children, the cost of childcare – an essential expense if parents are to work full-time – normally is the largest monthly budget item in absolute and relative terms. It accounts, in fact, for about one-quarter of monthly spending. The next largest expenses in both absolute and relative terms are health care and housing. For a family with one child, the cost structure differs with housing frequently constituting the most significant cost, followed by health care and then childcare expenses. Regardless of the exact ordering, total childcare, housing and health care expenses represent some 60 percent of the typical monthly budget. Given that these expenses are in many ways fixed, families below the LIS engage in a delicate balancing act as they attempt to stretch their resources to cover other monthly bills (**Box 2, p. 8**).

■ The Geography of Living Costs

As mentioned previously, living costs vary by place of residence and typically are higher in metropolitan areas. Housing costs account for much of this difference. For example, a two-bedroom apartment in metropolitan Wake County rents for 32 percent more than a comparable unit in neighboring non-metropolitan Granville County. Although metropolitan areas often are more expensive places in which to live, they typically have larger, denser labor markets that offer higher wages and better long-term opportunities. The decision over where to live and work consequently is a complicated one that cannot be resolved simply on the basis of living costs.

FIGURE 2



SOURCE: North Carolina Budget and Tax Center

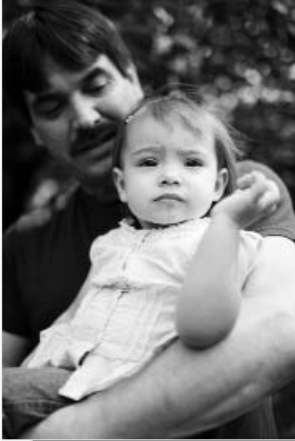
An analysis of LIS data for the state’s 100 counties illustrates this pattern. Of the 15 counties with the largest annual LIS budgets, 14 are metropolitan ones. These counties fall into three groups: counties in the Raleigh-Durham region, counties in the Charlotte area and counties along the coast. The counties with the lowest LIS budgets, meanwhile, are non-metropolitan ones, predominately those located in the state’s western and eastern regions. Many of the least-expensive counties also rank among the state’s most economically distressed, as classified by the North Carolina Department of Commerce.⁸

Figure 3 (p. 9) lists LIS data for North Carolina’s five most- and least-costly counties. Overall, Wake County is the most expensive. A family there would need an annual income of \$50,435 to meet its basic expenses – an amount 2.5 times greater than the FPL. To meet that budget, a family must earn a total hourly wage of \$24.25. Additionally, four of the state’s five most expensive counties are found in Raleigh-Durham: Wake, Orange, Durham and Chatham.

The state’s most inexpensive location, in contrast, is Anson County. To meet its basic needs, the typical Anson family would need to earn \$34,145 per year – an amount that translates into a total hourly wage of \$16.42. Furthermore, three of the five least-expensive counties are located in the mountains: Yancey, Cherokee and Ashe. Though families in these counties require fewer financial resources, their financial needs still exceed the FPL. In fact, there is no North Carolina county in which the average family with children could meet basic expenses for an amount less than 1.7 times the FPL. And a family living in the state’s least expensive county still must earn an hourly wage that is 2.7 times greater than the state minimum wage.

2. HOW DO FAMILIES MANAGE?

Families with incomes below the LIS engage in a delicate balancing act as they attempt to stretch their resources to cover monthly bills. While each family has its own strategy for managing, there are at least seven common approaches:



- Careful budgeting and financial prioritizing. Given the tight margins on which many families manage, however, any kind of emergency or unexpected expense, such as an unanticipated medical treatment or car repair, can upend even the best plans.
- Postponing an expense or going without. When a family must go without something, it often is the parent who incurs the risk. Yet the fact that the essentially fixed expenses of childcare, housing and health care account for some 60 percent of the typical LIS budget often limits the financial flexibility of low-wage families. Furthermore, a short-term decision to postpone an expense actually may lead to a larger expense later in time.
- Striving to reduce costs. A family, for example, may choose to live in a rural location with less expensive housing and commute some distance to a metropolitan area with a more robust labor market. In 2000, for instance, 70 percent of the workers residing in Stokes County, a relatively low-cost place, actually worked in other counties, such as the comparatively more expensive Forsyth County. While such a choice might lower housing costs, it might result in larger transportation costs, resulting in little or no net gain.
- Relying on informal arrangements and subsidies. The LIS estimates how much it would cost a family with children to pay market prices for a bundle of bills and services. In some circumstances, a family may minimize these costs by relying on informal arrangements. For instance, a family may obtain childcare from a close relative or neighbor at a price well below the market rate. Such a discount is a kind of subsidy.
- Turning to debt to finance unexpected expenses such as an illness or car repair. According to the Federal Reserve System, 53 percent of the lowest-income households carry debt. And while low-income households are less likely than other households to have debt, they likely pay more for any debt, thereby increasing their odds of experiencing credit trouble.
- Trying to increase family income. This could take the form of taking more hours, finding a second job or, for two-parent families, sending a spouse, most likely a wife, into the paid labor force. In fact, research by the New America Foundation found that the incomes of the nation's lowest-income married families would have fallen between 1979 and 2002 if not for an increased work effort on the part of wives. While increased work effort may help a family raise its income, it also may result in higher costs due to childcare as well as a trade-off in terms of the quality and quantity of parenting.
- Asking for help. Most often, people look first to families and friends before turning to churches or charitable institutions. Families also may look to public work supports for help in bridging the gaps between low wages and living costs.

FIGURE 3

THE LIS FOR NORTH CAROLINA'S MOST AND LEAST COSTLY COUNTIES, 2008					
	Annual LIS	Monthly LIS	Hourly LIS (1)	Annual LIS as a % of FPL (2)	Hourly LIS as a % of Min. Wage (3)
<i>Five Most Expensive Counties</i>					
Wake	\$50,435	\$4,203	\$24.25	246.4%	394.3%
Orange	\$49,256	\$4,105	\$23.68	240.7%	385.1%
Durham	\$46,949	\$3,912	\$22.57	229.4%	367.0%
Chatham	\$45,051	\$3,754	\$21.66	220.1%	352.2%
Mecklenburg	\$45,046	\$3,754	\$21.66	220.1%	352.1%
<i>Five Least Expensive Counties</i>					
Duplin	\$35,450	\$2,954	\$17.04	173.2%	277.1%
Yancey	\$35,289	\$2,941	\$16.97	172.4%	275.9%
Cherokee	\$35,150	\$2,929	\$16.90	171.7%	274.8%
Ashe	\$34,371	\$2,864	\$16.52	167.9%	268.7%
Anson	\$34,145	\$2,845	\$16.42	166.8%	266.9%

NOTES: 1) This is the total amount that must be earned by all the adults in a family, assuming full-time work (40 hours) for 52 weeks per year.; 2) Compared to a weighted average of the federal poverty level for four family types; 3) Compared to the 2007 state minimum wage of \$6.15. SOURCE: North Carolina Budget and Tax Center

Cost variations also occur among the state’s 14 metropolitan areas (Figure 4, p. 10). Overall, the three areas in which families require the highest incomes are Durham, Raleigh and Asheville. The three least expensive areas, meanwhile, are Greenville, Jacksonville and Hickory-Morganton-Lenoir. Annual income needs for the typical family range from a high of \$49,364 in Durham to a low of \$36,396 in Hickory.

It is interesting to note that the two areas that comprise North Carolina’s Piedmont Triad region (Greensboro and Winston-Salem) form the state’s third-largest population center but have a cost structure that more closely resembles that of a smaller urban area than Raleigh-Durham or Charlotte. This discrepancy likely reflects not just differences in living costs but also the fact that the Triad’s economy remains more rooted in North Carolina’s traditional industries and has not participated fully in the economic changes that have influenced the Triangle and Charlotte.⁹

Appendix B presents detailed LIS data for all 100 counties, and Appendix C lists data for the state’s seven economic development regions and 24 workforce areas.

■ **The Missing Pieces: Savings and Debt**

A conservative measure, the LIS focuses only on how much money a family with children requires to meet its basic living expenses. This means that the LIS contains no provision for savings or debt payments, even though these are expenses that many low-wage families have and should make if they are to accumulate the assets needed to become upwardly mobile.

While most discussions of family economic hardships focus on questions of income, issues of

FIGURE 4

LIVING INCOME STANDARD FOR NORTH CAROLINA METROPOLITAN AREAS, 2008						
	# Counties	Annual LIS	Monthly LIS	Hourly LIS (1)	Annual LIS as a % of FPL (2)	Hourly LIS as a % of Min Wage (3)
Asheville	4	\$45,959	\$3,830	\$22.10	224.6%	359.3%
Burlington	1	\$41,093	\$3,424	\$19.76	200.8%	321.2%
Charlotte-Gastonia-Concord (NC part)	5	\$44,064	\$3,672	\$21.18	215.3%	344.5%
Durham	4	\$49,364	\$4,114	\$23.73	241.2%	385.9%
Fayetteville	2	\$38,271	\$3,189	\$18.40	187.0%	299.2%
Greensboro	3	\$41,092	\$3,424	\$19.76	200.8%	321.2%
Greenville	1	\$37,765	\$3,147	\$18.16	184.5%	295.2%
Hickory-Morganton-Lenoir	4	\$36,396	\$3,033	\$17.50	177.8%	284.5%
Jacksonville	1	\$36,951	\$3,079	\$17.76	180.5%	288.9%
Raleigh	3	\$49,102	\$4,092	\$23.61	239.9%	383.8%
Rocky Mount	2	\$38,461	\$3,205	\$18.49	187.9%	300.7%
Virginia Beach-Newport News-Norfolk, VA	1	\$44,633	\$3,719	\$21.46	218.1%	348.9%
Wilmington	3	\$42,654	\$3,555	\$20.51	208.4%	333.4%
Winston-Salem	4	\$41,654	\$3,471	\$20.03	203.5%	325.6%

NOTES: 1) This is the total amount that must be earned by all the adults in a family, assuming full-time work (40 hours) for 52 weeks per year; 2) Compared to a weighted average of the federal poverty level for four family types; 3) Compared to the 2007 state minimum wage of \$6.15. SOURCE: North Carolina Budget and Tax Center

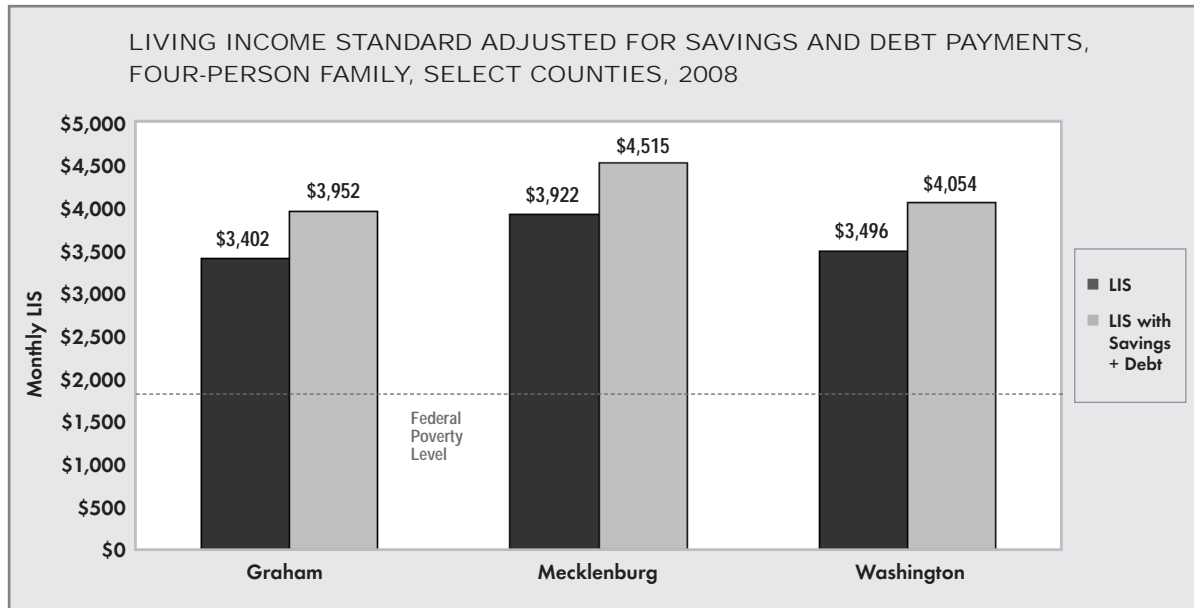
asset ownership also merit consideration. The presence of savings not only equips a family to manage an unexpected event like an illness or job loss, but also provides the capital needed to pursue home ownership, higher education and entrepreneurship. All of those are investments that build wealth over time.

CFED, a nonprofit research organization, classifies 18 percent of all North Carolina households as “asset poor,” meaning they lack adequate savings to support themselves at the FPL for three months.¹⁰ Rates of asset poverty range from 15 percent of white households to 38 percent of black households to 50 percent of Hispanic households.¹¹ And 11 percent of North Carolina’s households have either zero net worth or owe more than their assets are worth.¹²

The combination of low incomes and scant savings increases the odds that a low-wage family will turn to debt as a way of meeting basic needs or managing an emergency. National research conducted by The Brookings Institution has found that 55 percent of low-income households carry debt, with most of the debt tied to mortgage expenses.¹³ Lower incomes and shakier credit histories also increase the odds that families will pay more for debt. As a result, lower-income households are more apt than other households to fall behind on debt payments and either lose an asset or become ensnared in a debt spiral as fees and penalties are added steadily to balances.¹⁴

Incorporating savings and debt allowances into the LIS would increase the amount of money a family needs to cover basic expenses. The family budget not only would need to reflect the cost of the savings and debt payments, but also the cost of additional taxes, as low-wage families most probably would finance those items with after-tax dollars. **Figure 5** shows how the

FIGURE 5



SOURCE: North Carolina Budget and Tax Center

inclusion of savings and debt payments would alter the monthly LIS for a four-person family in three counties: Graham, Mecklenburg and Washington. The savings figure assumes that a family starts the year with no money in the bank and aims to end the year with an amount that would support it at the FPL for 1.5 months – an amount that would still leave the family asset poor. Meanwhile, the extremely conservative debt estimate assumes that debt will consume an amount equal to 10 percent of a family’s spending on all other items.¹⁵

The inclusion of savings and debt figures increases the monthly income needs of families in the three counties by between 15 and 16 percent, or \$550 to \$600. On an annualized basis, families in all three counties would require between \$47,000 and \$54,000 to meet their living costs. The revised LIS in Mecklenburg is 2.6 times greater than the FPL and translates into an hourly wage 4.2 times greater than the minimum wage.

WHO FALLS BELOW THE LIVING INCOME STANDARD?

Of the four representative family types included in the LIS, 37 percent fall below the statewide standard.¹⁶ The proportion of families below the threshold ranges from 67 percent of those with one parent and two children to 21 percent of those with two adults and two children (Figure 6, p. 12).

Altogether, the four family types included in the LIS are home to 3.6 million individuals or 85 percent of all the North Carolinians who live in families with children. Out of those 3.6 million people, 1.4 million reside in families with incomes below the statewide LIS. Compared to their richer peers, individuals living in families beneath the income threshold are disproportionately

FIGURE 6

SELECT CHARACTERISTICS OF FAMILIES, PERSONS AND ADULTS BELOW THE LIVING INCOME STANDARD		
		% Below LIS
a) by family type		
	All Four Family Types	37%
	Two-Person	55%
	Three-Person	67%
	Four-Person	21%
	Five-Person	35%
b) by persons in four family types		
Sex	Male	48%
	Female	52%
Race	White	54%
	African American	23%
	Hispanic	17%
Citizenship	Citizen	88%
	Immigrant	12%
Age	Under age 18	42%
	Ages 18-24	8%
	Ages 25-64	43%
	Ages 65+	1%
c) by adult persons in four family types		
Sex	Male	44%
	Female	56%
Education	H.S. or Less	62%
	Some College	22%
	Associate Degree +	16%
Work Status	Worker	61%
	Non-Worker	39%

SOURCE: Economic Policy Institute, analysis of 2006 American Community Survey

likely to be African Americans, Hispanics, women and immigrants. Hispanic individuals, for example, account for 4 percent of the people residing in families above the LIS and 17 percent of those below it. Similarly, African Americans comprise 15 percent of the individuals in families above the LIS but 23 percent of those below the standard. And children make up 42 percent off the people in families below the LIS.

In terms of the adults living in families below the LIS, 56 percent are women. African Americans account for about a quarter of the adult population, and Hispanics contribute another 16 percent. Immigrant adults are present in 19 percent of the families. Two-thirds of the adults are between the ages of 25 and 44.

When it comes to educational attainment, of the adults 62 percent possess no more than a high school diploma while an additional 22 percent have completed some college but not enough to have earned a postsecondary degree or credential.

Perhaps most importantly, 61 percent of the adults in families below the LIS

work. And 60 percent of these working adults are employed on a full-time basis, meaning they work at least 35 hours per week. Another 12 percent of the employed adults work between 21 and 34 hours each week, and five percent are employed for fewer than 20 hours per week.

WHY FAMILIES FALL BELOW THE LIS: THE WORK-WAGE DISCONNECT

Most families, regardless of income, depend upon the wages earned from jobs for almost all of their financial resources.¹⁷ Wages and jobs therefore are key determinants of whether or not a family falls below the LIS. In North Carolina, 72 percent of the families with children that fall below twice the FPL

are employed, with the typical family holding the equivalent of 1.2 full-time jobs.¹⁸ This suggests that economic difficulties result not so much from a lack of work effort as from the kind and quality of available jobs.

It has become almost cliché to say that North Carolina has undergone an economic transformation. Between 1990 and 2006, the state’s industries posted a net increase of 1.2 million jobs.¹⁹ This top-line figure, however, masks a marked contraction in the traditional labor-intensive enterprises that long served as the state’s economic backbone. Employment in the manufacturing sector dropped by 31 percent over that 16-year period, and employment in the textile and apparel sub-sectors fell by 71 percent.²⁰ Meanwhile, job creation occurred predominately in the retail trade and service industries.

Much of North Carolina’s recent job growth has occurred in two broad areas: well-paying industries that require workers with higher skill levels and poorly-paying industries that demand workers with relatively few skills. In absolute terms, much of the net job creation that occurred between 1990 and 2006 took place in industries with annual average earnings lower than those

FIGURE 7

CHANGES IN TOTAL PRIVATE NON-FARM EMPLOYMENT (FULL- AND PART-TIME) BY INDUSTRY, NORTH CAROLINA, 1990-2006, RANKED BY TOTAL CHANGE IN EMPLOYMENT						
	# Employment Change 1990-2006	% Employment Change 1990-2006	Share Total Employment 1990	Share Total Employment 2006	Average Earnings 2006	LIS Earnings?
Private Non-Farm Employment	1,212,923	37.7%	100.0%	100.0%	\$37,284	NO
Health Care and Social Assistance	251,460	107.7%	7.3%	10.9%	\$35,412	YES
Administrative and Waste Services	181,221	125.7%	4.5%	7.3%	\$25,272	YES
Construction	142,341	56.1%	7.9%	8.9%	\$37,596	YES
Accommodation and Food Service	131,700	60.4%	6.8%	7.9%	\$13,104	YES
Professional and Technical Services	128,264	86.0%	4.6%	6.3%	\$56,680	YES
Other services (except public administration)	112,894	59.3%	5.9%	6.8%	\$23,972	NO
Retail Trade	109,532	23.9%	14.2%	12.8%	\$23,712	NO
Real Estate and Rental and Leasing	103,551	104.5%	3.1%	4.6%	\$36,140	NO
Finance and Insurance	67,753	49.9%	4.2%	4.6%	\$70,408	YES
Educational Services	59,363	172.3%	1.1%	2.1%	\$36,556	NO
Transportation and Warehousing	49,880	47.5%	3.3%	3.5%	\$36,972	NO
Arts, Entertainment and Recreation	45,430	99.9%	1.4%	2.1%	\$28,028	NO
Wholesale Trade	40,213	25.7%	4.9%	4.4%	\$53,300	YES
Management of Companies	35,098	97.5%	1.1%	1.6%	\$80,340	YES
Information	23,207	36.0%	2.0%	2.0%	\$54,184	YES
Forestry, Fishing, related activities	6,063	28.2%	0.7%	0.6%	\$26,572	NO
Mining	507	9.5%	0.2%	0.1%	\$61,984	YES
Utilities	(13,345)	-48.6%	0.9%	0.3%	\$66,976	YES
Manufacturing	(262,209)	-31.2%	26.1%	13.0%	\$44,928	YES

NOTES: Industries are grouped by 2-digit NAICS code. "LIS Earnings" compares average industry earnings to the annual statewide LIS for a three-person family. Sources: U.S. Bureau of Economic Analysis; Employment Security Commission of North Carolina

found in declining fields. For instance, the health care and social assistance sector added almost as many positions as were lost in manufacturing, but those jobs delivered annual average earnings equal to just 78 percent of those paid in manufacturing.²¹ As **Figure 7** illustrates, three of the five industries that netted the most positions between 1990 and 2006 have average earnings that fall below the statewide LIS. These are the industries most apt to absorb displaced or disadvantaged workers.

Occupational statistics tell a similar story. In 2006, some 78 percent of the state's jobs were in occupations that paid wages below the amount needed to maintain a four-person family at a level roughly equal to the LIS.²² Many of these occupations – like home health aids, cashiers, cooks and housekeepers – draw disproportionately from low-income families and are expected to grow briskly in the near future. In fact, the two broad occupational groups projected to generate the greatest number of annual openings in North Carolina between 2004 and 2014 are those related to sales and food preparation. Both of those categories pay average wages below the LIS (**Figure 8**).²³ While well-paying occupations also are growing, these jobs account for comparatively fewer openings and demand workers with higher skill levels.

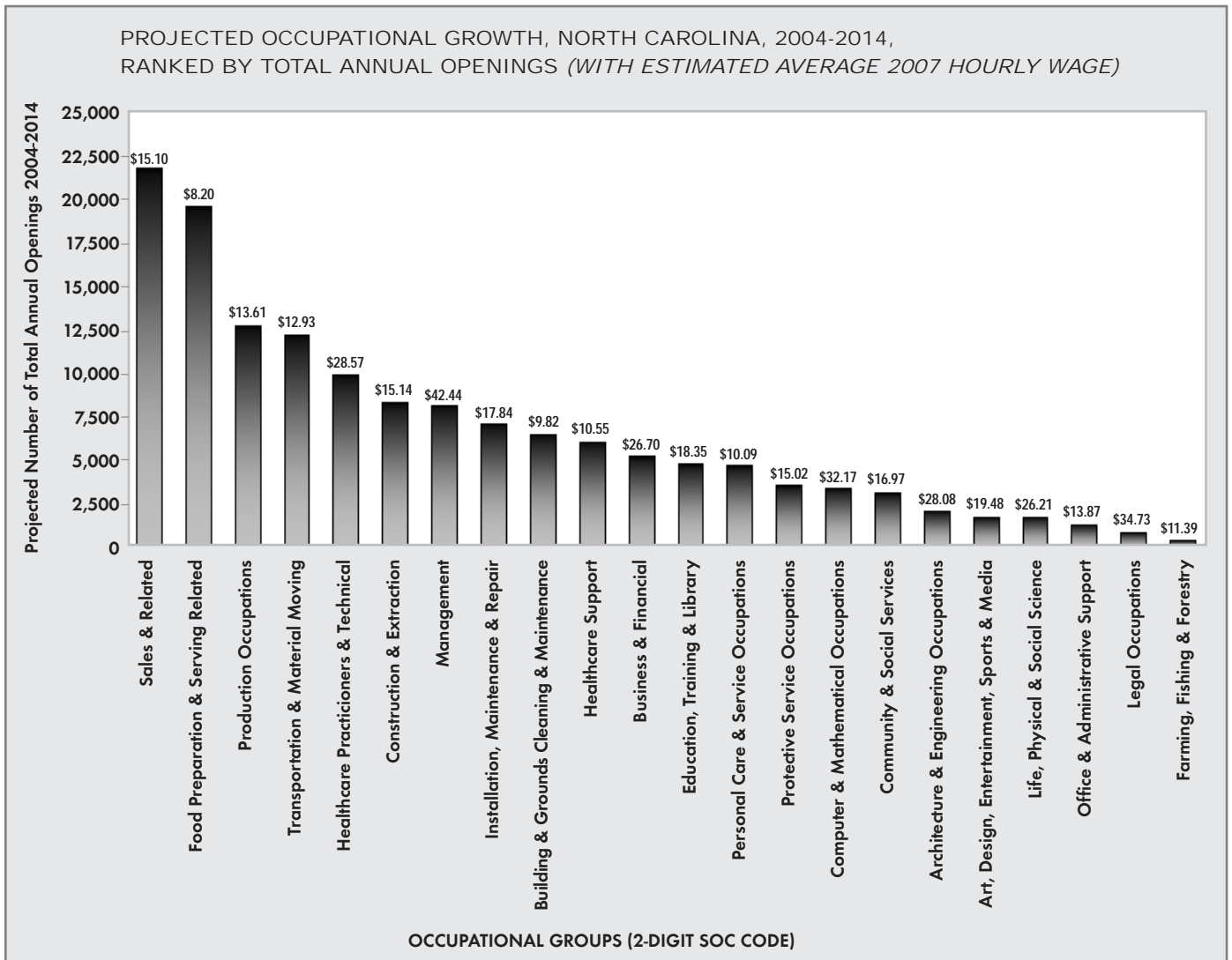


Besides paying poorly, low-wage jobs also are less likely to provide such crucial benefits as health insurance coverage and retirement savings. Only one quarter of low-income, non-elderly North Carolinians were covered by an employer-sponsored health plan in 2006; the rate for high-income workers was 79 percent.²⁴ Similarly, just 14 percent of the nation's lowest-wage workers were covered by an employer-sponsored retirement plan in 2004.²⁵ While both trends are associated with the unraveling of the nation's health care and retirement systems and impact workers all along the income spectrum, they exact a high toll from those with the fewest resources.

If low-wage jobs represented a first or temporary stop on an advancement path, perhaps they could be tolerated. Yet various longitudinal studies have found that steady employment on the part of low-wage workers often fails to translate into upward mobility.²⁶ On one level, this pattern is linked to shifts in industry structures and employment practices. The flattening of organizations and an increasing reliance upon contingent employment relationships now limits upward advancement within a firm or even within an industry. On another level, this development is tied to the weakening of labor market institutions, such as the minimum wage and the right to unionize, that foster a broadly shared prosperity.

None of this should be taken to say that North Carolina only has low-wage jobs. Better-paying jobs exist and are being created. Those positions, however, typically require workers with some level of education beyond high school, and 48 percent of Tar Heel adults currently possess no more than a high school diploma.²⁷ The disconnect manifests itself in a growing gap between the demand for and available supply of skilled workers. For example, the North Carolina Commission on Workforce Development projects that the demand for workers with the kinds

FIGURE 8



SOURCE: Employment Security Commission of North Carolina.

of technical skills developed through community college programs will exceed the available supply by 19,000 positions annually between 2007 and 2017.²⁸ This results in a frustrating mismatch between employers with good jobs but too few qualified applicants and workers with bad jobs but too few qualifications to advance.

STRATEGIES FOR RECONNECTING WORK AND WAGES

At a fundamental level, low-wage work represents a failure of America’s social contract, the set of mutual obligations and supporting institutions that enable individual success.²⁹ In terms of the labor market, this contract extends a promise of fair pay and treatment in exchange for hard work. To manage the pact, workers and firms rely upon a range of public policies and systems that foster economic growth and security. Strengthening those mechanisms represents a

powerful way of enhancing the well-being of families below the LIS. In the short term, work supports that bolster the incomes of low-wage families must be reinvigorated. And over the long term, wise policies and investments that improve the quality of jobs and expand the supply of skilled workers must be championed. Taken together, such strategies can deliver expanded opportunities and increased prosperity for all North Carolinians.

Short-Term Strategies: Boosting the Incomes of Families below the LIS with Work Supports

A variety of state, federal and joint programs exist to buttress the incomes of extremely low-wage families. The six major supports – childcare assistance, Medicaid/Children’s Health Choice, rental housing assistance, food stamps, Work First and the EITC – were designed to help families meet their immediate needs and bridge the gaps between low wages and basic living costs. These supports essentially are no different from those provided to high-wage workers through their workplaces or the income tax code. For instance, both the home mortgage interest deduction, which is used mostly by high-wage families, and rental housing vouchers, which are used mostly by low-wage families, have the same purpose: to help people afford a place to live.³⁰

Public work supports improve the well-being of the families that receive them. A recent national study conducted by the Center for Economic and Policy Research found that North Carolina’s standard set of work supports eliminates 52 percent of the gap between a low-wage family’s income and a basic budget similar to the LIS.³¹ Moreover, work supports push 16 percent of the North Carolina families that fall below a basic budget over that threshold.³²

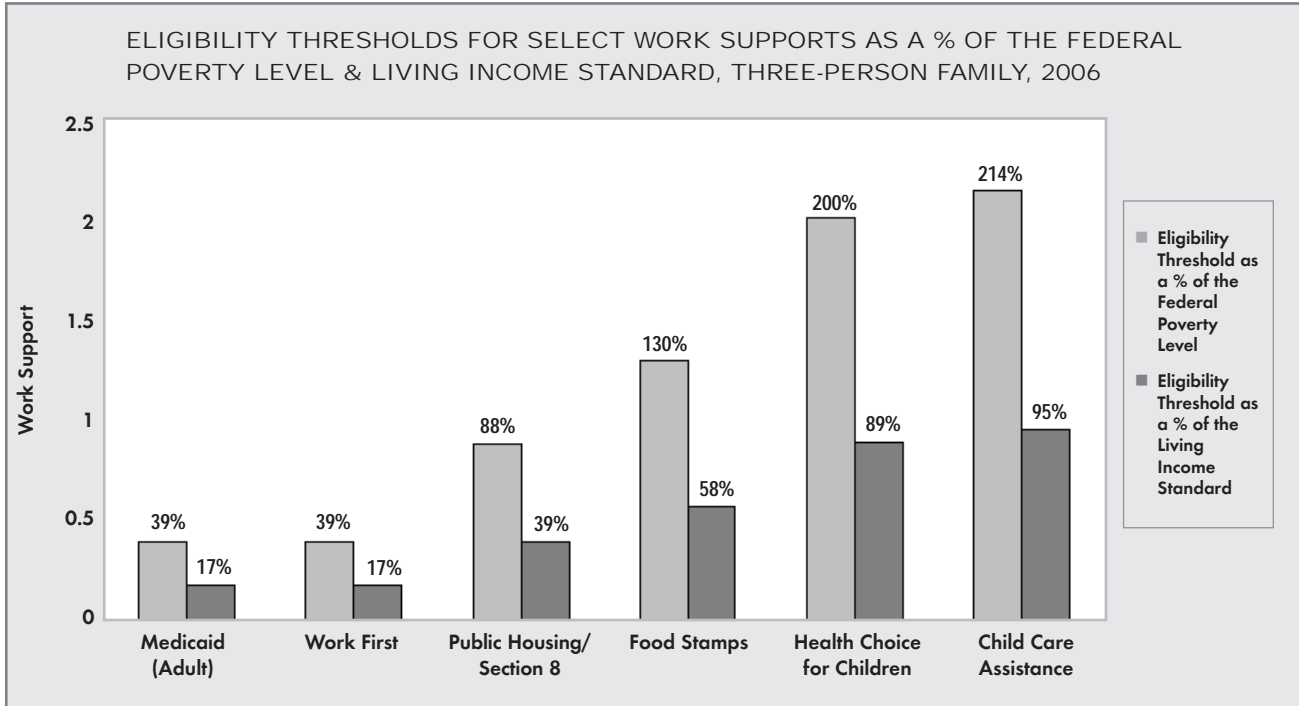
Unfortunately, work supports fail to reach as many families as they could, due to outdated program models, overly restrictive eligibility rules, complex applications, funding limitations and means tests that cause slight increases in earnings to trigger significant reductions in benefits. As a result, 22 percent of otherwise eligible families do not receive a single work support.³³

Figure 9 illustrates the structure of, and disincentives built into, work supports aimed at a North Carolina family with one adult and two children in 2006. For most supports, the family becomes ineligible at income levels far short of the FPL, let alone the LIS. An adult in such a family, for instance, would lose Medicaid coverage when monthly income exceeds \$540 – an amount equal to 39 percent of the FPL. The most effective programs are the EITC, Health Choice for Children and subsidized childcare, but both Health Choice and childcare subsidies have capped funding, which can result in lengthy waiting lists.

Improving the effectiveness of work supports requires three broad sets of changes. First, supports must extend farther up the income ladder, especially when it comes to health insurance. The General Assembly moved in this direction in 2007 by authorizing the NC Kids Care program, which, if allowed by the federal government, will cover uninsured children in families with incomes between 200 and 300 percent of the FPL. Moving forward, the legislature should aid the parents in low-wage families by increasing the Medicaid eligibility level to at least the FPL.

Second, the General Assembly should provide the funding needed to eliminate the waiting list

FIGURE 9



SOURCES: Center for Economic and Policy Research; North Carolina Budget and Tax Center

for subsidized childcare. As mentioned previously, childcare is the single largest LIS cost for families with multiple children, but funding limitations result in the essential rationing of childcare subsidies. Last session, the legislature addressed this issue by providing \$8.4 million to move 643 children off the waiting list and provide necessary market-rate adjustments to providers.³⁴ Providing the funding needed to eliminate the approximately 20,000-child backlog and maintain market rates would help families below the LIS cope with their largest bill.

Finally, public leaders should look to the EITC as a template for other supports. The EITC is the most effective of the six major work supports – it reaches 95 percent of eligible individuals – in part because it is designed in a way that rewards additional work and wages and offsets regressive payroll taxes.³⁵ Also, the EITC is administered as a universal benefit delivered through the tax code, not a means-tested program overseen by a social service agency. Those features should inform the design of other work supports and provide a rationale for the expansion of the newly adopted refundable state EITC (**Box 3, p. 18**).

Long-Term Strategies: Improving Job Quality

In addition to helping low-wage families better meet their immediate needs by bridging the gaps between low wages and the LIS, public policies and investments can improve the quality of existing jobs and incent the creation of higher-quality jobs. Put differently, public policies can mold the demand side of the labor market in ways that yield better jobs.³⁶

3. THE FEDERAL AND STATE EARNED INCOME TAX CREDIT (EITC)

The EITC is a federal tax credit designed to “make work pay” by providing low-wage workers with additional income to help them close the gap between what they earn and what they need to meet their basic needs. The EITC, which can put more than \$4,700 in the pockets of those who qualify, is available to workers earning less than \$39,783 annually.

The EITC is a refundable credit, so after offsetting any federal taxes owed, the remaining credit is received as a refund. EITC refunds enhance working families’ immediate well-being and improve their long-term economic mobility. Considerable research shows that families use the refund to purchase basic necessities, pay down debts, finance education and obtain decent housing.

Starting in 2009, all low- and moderate-income North Carolinians who qualify for the federal credit will be eligible for a new refundable state EITC. Their state credit will be 3.5 percent of what they receive under the federal program. In the near future, North Carolina’s leaders should consider increasing the percentage of the state EITC to at least 15 percent of the federal program. Rising costs of basic necessities, stagnant wages, and a regressive tax system underscore the need for an even stronger investment in North Carolina’s low-wage families. A 15 percent state EITC would return an average of \$245 to eligible workers, a significant amount that can help make ends meet.

– Meg Gray

One set of public tools involves the setting and enforcement of basic employment standards. Setting standards is a straightforward way of influencing the quality of a large number of jobs in a manner that prevents responsible employers from being undercut by low-road competitors. Perhaps the best-known standard is the minimum wage. After years of federal inaction, the General Assembly recently opted to raise the state minimum wage to \$6.15 per hour. This one move directly benefited 139,000 working Tar Heels, the majority of whom were adults over the age of 25, in a way that, as considerable research indicates, neither destroys jobs nor undercuts firm competitiveness.³⁷ Anecdotally, employment in North Carolina’s accommodation and food service industry – an industry with many minimum-wage workers – actually grew by five percent between the second quarter of 2006 and 2007, a period that includes the wage increase.³⁸

As mentioned previously, the federal government has allowed inflation to erode the minimum wage’s purchasing power. Even after the recently enacted federal minimum

wage hike takes full effect, the new wage of \$7.25 per hour will still buy less, after adjusting for inflation, than did the 1968 minimum of \$1.58 per hour. To restore the minimum wage’s purchasing power and prevent future erosion, North Carolina, at a minimum, should set its wage floor at a level comparable to the 1968 value – approximately \$9.58 per hour – and index the wage for inflation.

In addition to strengthening existing labor-market standards, public leaders also should consider adapting standards that reflect contemporary realities. Many basic measures were developed for an industrial economy in which relatively few women held paid jobs. Today, 65 percent of all Tar Heel women with children work, thereby causing families to juggle constantly the competing demands of work, parenting and, increasingly, elder care.³⁹ The fact that nearly half

of North Carolina’s private-sector workers lack a single paid sick day to use when a short-term illness touches them or their families only complicates the juggling act.⁴⁰ Consequently, guaranteeing all workers a modest number of paid sick days would be a simple method for improving the quality of existing jobs (**Box 4**).

Standards also should be incorporated into economic development efforts. In recent years, North Carolina has become aggressive in the use of business subsidies as a tool for industrial development. Current programs, however, lack forceful wage and benefit standards, meaning it is possible for companies to receive public subsidies for creating jobs that fail to pay a living wage or provide benefits affordable to low-wage families. To create jobs of higher quality, the state consequently should strengthen the wage and benefit standards embedded in subsidy deals, in part by using the LIS as a benchmark. To that end, **Figure 10 (p. 20)** lists the average hourly LIS wage for each of the state’s economic development regions. Comparing the hourly LIS figure for the Piedmont Triad Partnership to the average wage paid to an employee at Dell Inc.’s assembly plant in Forsyth County, for instance, shows that \$242 million in state money is underwriting jobs that, on average, pay 71 percent of the amount a local family would need to meet the LIS.⁴¹

Long-Term Strategies: Improving the Supply of Skilled Workers

Public policies, systems and investments also can influence the supply side of the labor market by enriching the skills of current and future workers. To their credit, North Carolina’s public

4. ESTABLISHING A STANDARD FOR PAID SICK DAYS



An estimated 1.6 million North Carolinians - 42 percent of the state’s total workforce - lack

paid sick days to use when a short-term illness touches them or their families. The absence of paid sick days is ill-suited to the realities of a world in which working adults juggling the demands of work, parenting and, increasingly, elder care are the norm.

As is the case nationally, the lack of paid sick days in North Carolina is intertwined with the problem of low-wage work. Today, roughly a quarter of all jobs in North Carolina are in occupations that

pay extremely low wages. Many of these occupations are in the fast-growing retail trade and accommodation/food service industries - industries that rarely offer paid sick time. In North Carolina, nearly eight out of every ten accommodation/food service employees and over half of all retail employees do not earn a single day of paid sick leave.

Guaranteeing all North Carolina workers a minimum of seven paid sick days per year would represent a straightforward way of improving the quality of existing jobs, particularly those that pay low wages. Firms also stand to benefit from reduced turnover costs.

- Louisa Warren

FIGURE 10

LIVING INCOME STANDARD BY ECONOMIC DEVELOPMENT REGION, 2008					
	Annual LIS	Monthly LIS	Hourly LIS (1)	Annual LIS as a % of FPL (2)	Hourly LIS as a % of Min. Wage (3)
Advantage West	\$37,749	\$3,146	\$18.15	184.4%	295.1%
Charlotte Regional Partnership	\$42,416	\$3,535	\$20.39	207.3%	331.6%
Piedmont Triad Partnership	\$39,405	\$3,284	\$18.94	192.5%	308.0%
Research Triangle Regional Partnership	\$44,112	\$3,676	\$21.21	215.5%	344.8%
Northeast Partnership	\$38,438	\$3,203	\$18.48	187.8%	300.5%
North Carolina's Eastern Region	\$37,713	\$3,143	\$18.13	184.3%	294.8%
North Carolina's Southeast	\$39,061	\$3,255	\$18.78	190.9%	305.4%

NOTES: 1) This is the total amount that must be earned by all the adults in a family, assuming full-time work (40 hours) for 52 weeks per year; 2) Compared to a weighted average of the federal poverty level for four family types; 3) Compared to the 2007 state minimum wage of \$6.15. SOURCE: North Carolina Budget and Tax Center

leaders have recognized this potential, and in recent years, public and private funding has underwritten several innovative initiatives. For example, the “Learn & Earn Early College Project” permits high-school students to earn both a diploma and associate degree within five years.⁴² While laudable, such programs often focus on the needs the future workforce to the virtual exclusion of current workers. Barriers also exist to limit educational opportunities for immigrants. Yet some two-thirds of the workers of 2020 already are in the workforce.⁴³ Any meaningful effort to improve the supply of skilled workers therefore must address the opportunities and challenges facing adult workers.

As mentioned previously, 48 percent of Tar Heel adults currently possess no more than a high school diploma. Those adults are most apt to turn to the curriculum and continuing education programs of the North Carolina Community College System (NCCCS) for their educational needs. Yet even within a model system with a historic commitment to affordability and accessibility, barriers exist that hinder the ability of adult workers to access, afford and complete a course of education and training. Financial aid policies, for instance, are geared towards full-time students between the ages of 18 and 21, even though the typical NCCCS student is 30 years of age, is working and is enrolled on a part-time basis.⁴⁴

Better aligning education and training systems with the needs of working adults requires a variety of short-term and long-term steps.⁴⁵ One more immediate measure involves expanding and reforming financial aid programs to better serve low-wage working adults, especially part-time students. This would involve both ensuring that financial aid calculations take into account the true cost of attendance for working students and providing additional funding to augment the modest financial aid resources currently dedicated to serving part-time students. A second set of immediate measures would reduce the institutional constraints that hinder the NCCCS from serving as many students as it could. Most problematically, a flawed funding formula prevents the NCCCS from fully serving low-wage working adults during downturns, establishing new programs tailored to the needs of local economies and operating high-cost, high-demand programs that address critical workforce gaps.

Another immediate approach involves preparing incumbent workers to move into better jobs. Across the country, public agencies and private employers are partnering in the development of programs

SPECIAL CONCERNS: HOUSING AFFORDABILITY AND TRANSPORTATION ADEQUACY

If human talents are the building blocks of economic growth, a region's ability to prosper hinges upon its ability to attract a skilled workforce. Workers, in turn, judge a



region's attractiveness not just by the strength of the labor market but also by the quality of life. Chief among those quality concerns are

the affordability of housing and the adequacy of transportation networks.

Unfortunately, many North Carolina communities face a relative lack of affordable housing, especially for renters. In fact, an analysis by the National Low Income Housing Coalition found that 43 percent of North Carolina's rental households were unable to afford the fair market rent for a two-bedroom apartment. As a result, these households were "housing burdened," meaning they spend over one-third of their monthly incomes on housing bills.

Difficulties in finding affordable housing flow from two factors. First, there is a disconnect between the low wages paid

to many workers and the actual cost of housing. A 2006 study by the Budget and Tax Center, for example, found that the typical teacher's assistant in North Carolina could not afford the fair market rent for a two-bedroom apartment in any county. Second, in many areas, the supply of affordable housing units simply is too small. One way to expand the supply is to increase the investment in the state's Housing Trust Fund. Established in 1987, this fund already has achieved impressive results, but financial constraints have limited its ability to grow the supply of affordable housing.

Transportation represents another long-term challenge. Automobile travel is the state's dominant form of transportation due to a pattern of low-density development, the separation between employment and residential centers and a relatively limited public transit network. A reliance on automobiles poses special challenges for low-wage families, particularly those unable to afford a car or who live in rural areas that lack public transit. In metropolitan areas, better investments in effective mass transit, coupled with smarter land-use planning, could reduce the transportation costs of low-wage families, increase travel speeds, improve the quality of life and deliver environmental benefits.

that develop training pipelines that prepare low-wage workers for more skilled positions. Consider, for example, "sector strategy" initiatives that combine the traditional tools of workforce and economic development to bring about changes in the labor market that benefit workers and employers in a particular industry important to a regional economy.⁴⁶

North Carolina currently is developing a sector strategy for the allied health field. Under the leadership of the Office of the Governor and the Commission on Workforce Development, pilot

funding has been provided to seven local partnerships to develop plans for helping local healthcare industries develop the workers needed to fill shortages in such technical and supportive occupations as radiation technologists and physicians assistants. This programmatic initiative has the potential to serve as a model for other industries, but a key challenge is securing the funding needed to take a promising concept to scale or piloting new ideas. To support such promising ideas, the General Assembly could provide seed funding, ideally by reinvigorating the state's Workforce Training Fund and turning it into a "Workforce Development Venture Fund."⁴⁷

A long-term step to reinvigorate the promise of work is to guarantee every North Carolinian the chance to obtain the equivalent of two years of postsecondary education at whatever pace and point best fit a person's needs. And for adults with low skill levels, this guarantee should include the opportunity to complete the basic education classes needed to pursue postsecondary studies. In many ways, the state has moved in this direction under the Easley Administration, at least for younger students. A possibility exists to build off those policies and the state's rich educational tradition and open wide the doors of opportunity to all adults, especially those in families below the LIS. Such a vision would redound to the benefit of individual workers, their families, firms and the state as a whole.

CONCLUSION

Despite working hard, a sizable number of North Carolina families with children earn too little to afford a bundle of basic goods and services. This reality is intertwined with changes in the labor market that have increased the prevalence of low-wage work, narrowed advancement opportunities and raised the qualifications needed to access "middle-wage" jobs. Fortunately, a mix of short- and long-term public policies and investments can restore the promise of work for families below the LIS. Strategies that strengthen work supports, improve the quality of existing jobs, incent the creation of better jobs and upgrade the supply of existing workers function not just to connect workers to better jobs, but also to create the skilled labor pools needed to grow the state's industries. The result: a more prosperous and dynamic North Carolina.

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All judgments and errors are the author's.

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Appendix A: The 2008 Living Income Standard Methodology

The 2008 Living Income Standard (LIS) is a market-based approach for estimating how much income a working family with children needs to afford basic expenses. The LIS uses actual cost data to approximate how much money is required for four representative family types to pay seven basic expenses: 1) housing, 2) food, 3) childcare, 4) health care, 5) transportation, 6) other necessities and 7) taxes.

Raw data for the LIS come from a variety of federal and state sources. For each budget item, the most conservative estimate is used. Food costs, for example, are based on the U.S. Department of Agriculture's "Thrifty Food Plan," which assumes that a family always buys bulk groceries, prepares every meal at home, never eats out and seldom purchases meat. By using conservative estimates, the LIS provides a basic budget for an extremely modest, if not austere, lifestyle.

The LIS also generally excludes the value of work supports, such as food stamps or Section 8 housing subsidies, for which a family might be eligible. Exceptions include an allowance for public health insurance and certain tax credits. These exceptions are made because health insurance coverage can greatly reduce a family's income needs while the tax credits offset the effects of regressive tax policies. By excluding the value of work supports, the LIS shows how much a family would need to earn to meet its basic needs without any assistance.

Most of the procedures underlying the LIS are based on the work of the Economic Policy Institute (EPI), a nonprofit research organization in Washington, D.C. Owing to significant methodological improvements, the 2008 LIS is not comparable to the three earlier versions published by the North Carolina Budget and Tax Center: *Working Hard Is Not Enough* (2001), *Working Hard Is Still Not Enough* (2003) and *Failing Jobs, Falling Wages* (2005). In many respects, the 2008 LIS is an even more conservative estimate.

Below are detailed descriptions of the methods used to craft the LIS. Unless noted, all data are for 2007, and all dollar figures represent 2007 values. Where necessary, dollar amounts from earlier years have been adjusted to their 2007 equivalents by using the U.S. Bureau of Labor Statistics' Consumer Price Index for all urban consumers (CPI-U).

1. FAMILY TYPES

According to the U.S. Census Bureau, some 1.1 million families with children reside in North Carolina. Owing to the impossibility of creating detailed budgets for every family, the LIS constructs budgets for four representative family types. The following chart summarizes the characteristics of each model family.

FAMILY TYPE	FAMILY CHARACTERISTICS
Two-person family	One adult female (age 20-50); One infant (age <1)
Three-person family	One adult female (age 20-50); One infant (age <1); One preschooler (age 3-5)
Four-person family	One adult female (age 20-50); One adult male (age 20-50); One infant (age <1); One preschooler (age 3-5)
Five-person family	One adult female (ages 20-50); One adult male (ages 20-50); One infant (ages <1); One preschooler (ages 3-5); One school-age child (ages 6-8)

2. GEOGRAPHY

To reflect regional variations in living costs, the 2008 LIS generates budgets for each family type in all 100 North Carolina counties. Counties are classified further as "metropolitan" or "non-metropolitan" based

on the 2003 standards used by the U.S. Office of Management and Budget. For the purposes of the LIS, the terms “non-metropolitan” and “rural” are used synonymously. Overall, 38 counties are considered metropolitan, 62 non-metropolitan. The following table lists North Carolina’s metropolitan areas.

METROPOLITAN STATISTICAL AREA	COMPONENT COUNTIES
<i>Asheville</i>	Buncombe, Haywood, Henderson, Madison
<i>Burlington</i>	Alamance
<i>Charlotte-Gastonia-Concord (NC part)</i>	Anson, Cabarrus, Gaston, Mecklenburg, Union
<i>Durham</i>	Chatham, Durham, Orange, Person
<i>Fayetteville</i>	Cumberland, Hoke
<i>Greensboro</i>	Guilford, Randolph, Rockingham
<i>Greenville</i>	Pitt
<i>Hickory-Morganton-Lenoir</i>	Alexander, Burke, Caldwell, Catawba
<i>Jacksonville</i>	Onslow
<i>Raleigh</i>	Franklin, Johnston, Wake
<i>Rocky Mount</i>	Edgecombe, Nash
<i>Virginia Beach-Newport News-Norfolk (VA)</i>	Currituck
<i>Wilmington</i>	Brunswick, New Hanover, Pender
<i>Winston-Salem</i>	Davie, Forsyth, Stokes, Yadkin
<i>Non-metropolitan</i>	All others (62 in total)

3. HOUSING

The LIS assumes that families rent rather than own their own homes. This is consistent with national research showing that low-income households are more apt to rent their homes.

Housing costs are based upon the U.S. Department of Housing and Urban Development (HUD) Fair Market Rent (FMR) values for each county in 2007. FMR is a survey estimate of the actual market rent for a modest apartment in the conventional marketplace. FMR measures shelter rent and the cost of all tenant-paid utilities except for telephone, cable and internet service. Area FMR values are set at the 40th-percentile rent. This means that 40 percent of the units in an area rent for less than the FMR, and 60 percent rent for more.

Assumptions about the appropriate size of an apartment mirror HUD’s occupancy standards. HUD guidelines state that parents and children should have separate bedrooms and that two children can share a bedroom. Therefore, the LIS assumes that two-, three- and four-person families require a **two-bedroom apartment**, while a five-person family requires a **three-bedroom apartment**.

In 2007, monthly FMR for a **two-bedroom apartment** in North Carolina ranged between \$412 and \$850. Monthly FMR for a **three-bedroom apartment** varied from \$557 to \$1,164.

Consistent with conservative estimating techniques, the LIS uses unadjusted FMR values rather than the statewide minimum for non-metropolitan counties. Due to concerns that FMR values in some non-metropolitan areas are too low, HUD has established minimum FMR values for every state. The minimum monthly FMR for a two-bedroom apartment in North Carolina is \$519, and the minimum value for a three-bedroom apartment equals \$681. In North Carolina, 26 counties have two-bedroom FMR values below the statewide minimum, and 35 counties have three-bedroom FMR values below the statewide minimum.

4. FOOD

Food costs are based on the June 2007 Thrifty Food Plan developed by the U.S. Department of Agriculture (USDA). The Thrifty Plan, which is the basis for food stamp allotments, reflects the estimated costs associated with purchasing the food required to prepare a nutritionally sound diet at home. There is no allowance of any kind for meals purchased outside of the home or eaten at any kind of restaurant.

Plan costs are tied to the age and gender of the adults and the age of the children. For infants, plan costs for a one-year old are used. For preschoolers, the costs for a four-to five-year old are used. For school-aged children, costs for a six-to eight-year old are used. For parents, the respective costs for males and females between the ages of 19 and 50 are used.

USDA food costs, which are not adjusted to reflect regional variations in food costs, are based on a four-person family, so to account for efficiencies related to larger family sizes, costs are adjusted according to USDA guidelines.

FAMILY TYPE	ADJUSTMENT TO PLAN COST
Two-person family	Plan Cost + 10%
Three-person family	Plan Cost + 5%
Five-person family	Plan Cost - 5%

5. CHILDCARE

Childcare costs are based on the 2007 North Carolina Childcare Market Rate Survey prepared by the Center for Urban Affairs and Community Services at North Carolina State University. The LIS assumes that all adults in a family work full-time, and all children - infants, preschoolers and school-aged children - require regular, age-appropriate care in **licensed family childcare homes** that have received a three-star rating from the North Carolina Division of Child Development. North Carolina rates all licensed childcare providers on a five-star scale. A one-star rating means that a facility meets basic standards. Additional stars are awarded to facilities that meet higher quality standards in terms of staff education and program standards.

6. HEALTH CARE

Health expenses are difficult to measure due to a lack of definitive data and the range of potential coverage options. Families may purchase coverage through an employer-sponsored group plan, obtain non-group insurance through the private market, receive public insurance or go uninsured. Premium and out-of-pocket costs for each option may vary greatly. Because health insurance is vital to a family's well-being, the LIS assumes that every family member is covered by some kind of insurance plan.

For families with **employer-sponsored health insurance**, the LIS bases the cost on the average private-sector employee's share of premium costs. This figure comes from the 2005 Medical Expenditure Panel Survey (MEPS) sponsored by the U.S. Department of Health and Human Services. The annual estimate is divided by 12 to produce a monthly cost estimate, and this figure then is adjusted for inflation using the CPI-U for medical care.

For families with **non-group health insurance**, monthly premium costs are derived from online quotes available through the website of Blue Cross and Blue Shield of North Carolina. Estimates are developed for each family type in each of the state's 100 counties (based on the zip code of the county seat). More specifically, quotes are generated for the "Blue Advantage Plan A" with maternity coverage for females, a \$500 annual deductible and \$15 co-payments. Actual prices could vary significantly depending on a family's medical history.

To estimate **out-of-pocket medical costs**, the LIS uses 2005 MEPS household survey data specific to the Southern region and selected age groups. For each family type, the appropriate MEPS results for the “Total Amount Paid by Self/Family” are summed, divided by 12 to yield a monthly amount and adjusted for inflation using the CPI-U for medical care.

Finally, health care costs for each family type are generated by using a weighted formula developed by EPI. Formula weights reflect the percentages of families with annual incomes between \$20,000 and \$30,000 that have employer-sponsored, non-group and public insurance, as measured by the U.S. Census Bureau’s 2004 Current Population Survey. While the LIS normally does not include the value of public insurance, some of the representative family types would be eligible for public insurance like the Health Choice for Children program. Such coverage would greatly reduce both a family’s health care costs and the amount of income needed to meet basic expenses.

The formulas for deriving health care costs are the following:

One-parent family

$$0.66 * \text{employer-sponsored premium} + 0.05 * \$0 \text{ (no premium for public insurance)} + 0.29 * \text{non-group premium} + \text{out-of-pocket costs}$$

Two-parent family

$$0.70 * \text{employer-sponsored premium} + 0.035 * \$0 \text{ (no premium for public insurance)} + 0.265 * \text{non-group premium} + \text{out-of-pocket costs}$$

7. TRANSPORTATION

The LIS assumes that a family relies upon a private automobile to travel to work and school, as well as to conduct essential family business. Automobile travel is North Carolina’s dominant mode of transportation due to low-density settlement patterns, a general separation between employment and residential centers and relatively limited public transit networks. In fact, some 80 percent of North Carolina workers commute to their jobs by themselves in a private automobiles, according to the U.S. Census Bureau.

Raw transportation data come from two sources: the 2001-2002 National Household Travel Survey (NHTS) sponsored by the U.S. Department of Transportation and the 2007 per-mile deduction rate computed by the U.S. Internal Revenue Service (IRS). The IRS per-mile rate (\$0.52) measures the cost of owning, repairing, maintaining and registering an automobile.

To estimate transportation costs for each family type, a four-step process is used.

First, the state’s 100 counties are classified as metropolitan or non-metropolitan based on the definitions developed by the U.S. Office of Management and Budget (see #2, above). Metropolitan counties also are grouped into the appropriate metropolitan statistical area.

Second, NHTS data showing the estimated number of miles driven annually per individual per metropolitan statistical area are compiled. The appropriate values then are assigned to each county. For example, each of the four counties that constitute the Asheville MSA is given a value of 7,927 miles per driver per year. Non-metropolitan counties are assigned a value of 10,541 miles per driver per year.

Third, NHTS data are analyzed to isolate the number of miles driven strictly for work and non-social purposes. For the typical North Carolina driver, work trips account for 40 percent of the total number of miles driven each year, and non-social trips, like school meetings or medical appointments, account for 25 percent of the total number of miles driven each year.

Finally, a formula developed by EPI is used to generate a monthly estimate for transportation costs based on the number of adults in a family. The formulas follow.

One-parent family

$$0.65(\text{work and non-social trips of 1st adult}) * (\text{Average annual miles per driver}/12) * 0.52(\text{IRS cost/mile})$$

Two-parent family

*[0.65(work and non-social trips of 1st adult) * Average annual miles per driver/12 * 0.52(IRS cost/mile)] + [0.25 (work trips 2nd adult)* Average annual miles per drive/12 * 0.52(IRS cost/mile)]*

8. OTHER NECESSITIES

Other necessary expenses incurred by families with children include clothing, personal care items, household supplies, reading materials, school supplies and local telephone service. Based on an analysis of the U.S. Bureau of Labor Statistics' Consumer Expenditure Survey, other necessities are valued at 27 percent of total food and housing costs. Note the LIS contains no allowance for such items as entertainment, meals eaten outside of home, cable television, cellular phone service, extracurricular activities and gifts.

9. TAXES & CREDITS

Tax costs are computed for each family type using a tax calculator created by the Budget and Tax Center. These costs include federal personal income tax, federal Social Security and Medicare payroll taxes (direct worker payments only) equal to 7.65% of pretax wages and state income taxes.

This method also produces the amounts a given family would receive from three federal tax credits: the Earned Income Tax Credit (EITC), the Child Tax Credit and the Child and Dependent Care Credit. Two state credits were also included: the Child Tax Credit and the Child and Dependent Care Credit.

All family types included in the study are eligible for the entire \$1,000 per child federal Child Tax Credit and federal Child and Dependent Care Credit. All family types are also eligible for North Carolina's \$100 per child state Child Tax Credit and at least a portion of the state Child and Dependent Care Credit.

Given the necessary income to cover basic expenses for families, the majority of one adult, one infant families and one adult, two children families qualify for the EITC. The average EITC for these two family types was \$816. While the LIS generally does not include the value of work support benefits, the value of the EITC is included because it is a tax benefit that offsets the regressive nature of payroll taxes.

To calculate specific tax amounts for each representative family, the after-tax family budget necessary to meet basic needs is identified by totaling the annual cost of food, housing, childcare, health care, transportation, and other necessities for each family type within each North Carolina county. The Budget and Tax Center tax calculator is then used to determine the pre-tax income necessary for families to achieve the after-tax family budget necessary to meet basic needs. The tax calculator computes the payroll and federal income taxes, the value of the three federal credits, North Carolina income taxes, and the value of the two state credits for each pre-tax income.

For one-adult households, the "head of household" filing status is used. "Married Filing Jointly" is used for the two-adult households. The appropriate standard deduction for each family type is used and exemptions are calculated according to the size of each family type.

Families' annual tax liability on the pre-tax income is divided by 12 and figured into the monthly LIS budget. Where applicable, refunds are applied to the annual pre-tax income to calculate the final annual LIS for each family type in each county.

Other taxes are accounted for in the appropriate budget item. Gas taxes, for example, are included in the transportation estimate. Similarly, an estimate for property taxes is included in the housing data, while the value of sales taxes is captured in the price of other necessities.

10. INCOME AND WAGE CALCULATIONS

After compiling budget data for each line item for each family type in each county, the values are summed to show the total amount of money that a family would need to meet its basic expenses. Annual totals then are converted into monthly and hourly wage figures. These figures represent the total amount of income that a family requires to meet its budget. For two-parent families, the total represents how much income the family must earn from the combined efforts of both adults.

For comparative purposes, the annual income figures also are shown as a percentage of the federal poverty threshold. The hourly figures are expressed as a percentage of the state's 2007 minimum wage of \$6.15 per hour. Note the federal government recently increased the national minimum wage, which will rise gradually to \$7.25 per hour by July 2009.

Consistent with conservative estimating techniques, the hourly wage figures are based on the assumption of full-time employment, meaning 40 hours per week for 52 weeks per year. Put differently, the LIS makes no allowance for a worker taking any time off. Also, research suggests that low-wage workers often are unable to work consistently and instead are subject to unexpected layoffs and changes in hours. As a result, the hourly LIS wage represents a best-case scenario, and the hourly wage actually needed likely is higher.

To simplify the presentation of 400 budget estimates (100 counties multiplied by four family types per county), the LIS also presents county-specific income and wage figures for each county. This is simply an average of the budgets for each of the four family types.

To create a statewide figure, the LIS uses a weighted average. First, the budgets for the four family types in each county are averaged to create a county-level figure. Those county level figures then are turned into a weighted average, in which the weight reflects each county's share of the state's total population. Population estimates come from the 2006 figures prepared by the State Demographer. A similar approach was used to generate averages for each of North Carolina's seven economic development regions and 24 local workforce areas.

Appendix B: Detailed Living Income Standard Budgets, by Family Type and County, 2008

TWO-PERSON FAMILY – (One Adult, One Child)

COUNTY	Monthly Budget Items								LIS TOTALS			
	Housing	Food	Childcare	Health Care	Transportation	Other Necessities	Taxes (inc. non-refundable credits)	Refundable Tax Credits	Monthly LIS Budget	Annual LIS Budget	Hourly LIS Wage (Total all Adults)	Annual LIS Budget as % of Federal Poverty Level
Alamance	700	244	427	478	238	255	296	(25)	2,612	31,343	15.07	219.3%
Alexander	552	244	427	485	223	215	228	(135)	2,239	26,873	12.92	188.0%
Alleghany	481	244	417	485	297	196	220	(150)	2,191	26,288	12.64	183.9%
Anson	412	244	417	504	257	177	195	(199)	2,006	24,074	11.57	168.5%
Ashe	448	244	417	485	297	187	210	(171)	2,117	25,404	12.21	177.8%
Avery	585	244	417	485	297	224	257	(67)	2,443	29,313	14.09	205.1%
Beaufort	504	244	427	491	297	202	233	(120)	2,278	27,335	13.14	191.3%
Bertie	489	244	418	491	297	198	225	(140)	2,222	26,661	12.82	186.6%
Bladen	421	244	427	513	297	180	210	(169)	2,123	25,471	12.25	178.2%
Brunswick	711	244	427	513	223	258	315	(15)	2,675	32,106	15.44	224.7%
Buncombe	620	244	427	475	223	233	249	(87)	2,385	28,616	13.76	200.2%
Burke	552	244	417	485	223	215	225	(140)	2,221	26,653	12.81	186.5%
Cabarrus	707	244	490	504	257	257	359	0	2,818	33,817	16.26	236.6%
Caldwell	552	244	427	485	223	215	228	(135)	2,239	26,873	12.92	188.0%
Camden	593	244	417	491	297	226	262	(57)	2,472	29,664	14.26	207.6%
Carteret	575	244	427	491	297	221	258	(65)	2,448	29,380	14.13	205.6%
Caswell	536	244	417	478	297	211	238	(110)	2,310	27,723	13.33	194.0%
Catawba	552	244	427	485	223	215	228	(135)	2,239	26,873	12.92	188.0%
Chatham	785	244	564	478	223	278	411	0	2,983	35,794	17.21	250.5%
Cherokee	413	244	417	475	297	177	197	(199)	2,021	24,258	11.66	169.7%
Chowan	593	244	417	491	297	226	262	(57)	2,472	29,664	14.26	207.6%
Clay	511	244	427	475	297	204	231	(124)	2,265	27,186	13.07	190.2%
Cleveland	619	244	417	485	297	233	269	(42)	2,522	30,266	14.55	211.8%
Columbus	469	244	417	513	297	193	224	(143)	2,213	26,561	12.77	185.9%
Craven	568	244	427	491	297	219	256	(70)	2,432	29,184	14.03	204.2%
Cumberland	612	244	389	513	223	231	246	(93)	2,365	28,382	13.65	198.6%
Currituck	844	244	417	491	238	294	388	0	2,916	34,989	16.82	244.8%
Dare	725	244	471	491	297	262	372	0	2,862	34,343	16.51	240.3%
Davidson	565	244	377	469	297	218	235	(117)	2,287	27,446	13.20	192.1%
Davie	640	244	427	469	223	239	255	(73)	2,424	29,082	13.98	203.5%
Duplin	440	244	417	513	297	185	214	(163)	2,146	25,757	12.38	180.2%
Durham	785	244	550	478	223	278	405	0	2,963	35,555	17.09	248.8%
Edgecombe	601	244	427	491	238	228	250	(84)	2,395	28,746	13.82	201.1%
Forsyth	640	244	491	469	223	239	272	(37)	2,541	30,495	14.66	213.4%
Franklin	850	244	417	478	243	295	388	0	2,915	34,981	16.82	244.8%
Gaston	707	244	427	504	257	257	325	(9)	2,712	32,540	15.64	227.7%
Gates	593	244	417	491	297	226	262	(57)	2,472	29,664	14.26	207.6%

TWO-PERSON FAMILY (ONE ADULT, ONE CHILD)

Monthly Budget Items									LIS TOTALS			
COUNTY	Housing	Food	Childcare	Health Care	Transportation	Other Necessities	Taxes (inc. non-refundable credits)	Refundable Tax Credits	Monthly LIS Budget	Annual LIS Budget	Hourly LIS Wage (Total all Adults)	Annual LIS Budget as % of Federal Poverty Level
Graham	511	244	417	475	297	204	228	(134)	2,242	26,910	12.94	188.3%
Granville	579	244	427	478	297	222	256	(69)	2,434	29,205	14.04	204.4%
Greene	469	244	427	491	297	193	221	(149)	2,192	26,299	12.64	184.0%
Guilford	709	244	477	469	243	257	327	(9)	2,717	32,601	15.67	228.1%
Halifax	496	244	417	491	297	200	227	(136)	2,236	26,835	12.90	187.8%
Harnett	536	244	427	478	297	211	241	(104)	2,329	27,944	13.43	195.5%
Haywood	552	244	417	475	223	215	222	(146)	2,203	26,434	12.71	185.0%
Henderson	620	244	427	475	223	233	249	(87)	2,385	28,616	13.76	200.2%
Hertford	490	244	417	491	297	198	225	(140)	2,222	26,666	12.82	186.6%
Hoke	565	244	417	513	223	218	237	(111)	2,307	27,682	13.31	193.7%
Hyde	593	244	427	491	297	226	264	(52)	2,490	29,885	14.37	209.1%
Iredell	631	244	427	485	297	236	280	(32)	2,569	30,823	14.82	215.7%
Jackson	586	244	427	475	297	224	258	(66)	2,445	29,343	14.11	205.3%
Johnston	850	244	391	478	243	295	377	0	2,878	34,537	16.60	241.7%
Jones	566	244	417	491	297	219	252	(81)	2,404	28,852	13.87	201.9%
Lee	590	244	427	478	297	225	260	(61)	2,459	29,513	14.19	206.5%
Lenoir	516	244	417	491	297	205	235	(117)	2,288	27,450	13.20	192.1%
Lincoln	571	244	427	504	297	220	260	(60)	2,463	29,556	14.21	206.8%
Macon	553	244	417	475	297	215	243	(99)	2,345	28,142	13.53	196.9%
Madison	620	244	471	475	223	233	261	(58)	2,470	29,642	14.25	207.4%
Martin	468	244	417	491	297	192	217	(156)	2,171	26,050	12.52	182.3%
McDowell	579	244	417	485	297	222	255	(71)	2,429	29,145	14.01	203.9%
Mecklenburg	707	244	509	504	257	257	367	0	2,845	34,141	16.41	238.9%
Mitchell	585	244	451	475	297	224	264	(53)	2,487	29,845	14.35	208.8%
Montgomery	482	244	447	504	297	196	235	(117)	2,287	27,447	13.20	192.1%
Moore	603	244	417	478	297	229	262	(58)	2,471	29,657	14.26	207.5%
Nash	601	244	427	491	238	228	250	(84)	2,395	28,746	13.82	201.1%
New Hanover	711	244	491	513	223	258	352	0	2,792	33,498	16.10	234.4%
Northampton	496	244	417	491	297	200	227	(136)	2,236	26,835	12.90	187.8%
Onslow	557	244	391	513	238	216	232	(124)	2,267	27,201	13.08	190.3%
Orange	785	244	627	478	223	278	437	0	3,072	36,868	17.73	258.0%
Pamlico	501	244	417	491	297	201	229	(132)	2,248	26,975	12.97	188.8%
Pasquotank	586	244	487	491	297	224	289	(29)	2,589	31,068	14.94	217.4%
Pender	560	244	427	513	238	217	242	(101)	2,340	28,080	13.50	196.5%
Perquimans	593	244	417	491	297	226	262	(57)	2,472	29,664	14.26	207.6%
Person	551	244	427	478	223	215	225	(139)	2,224	26,684	12.83	186.7%
Pitt	579	244	407	491	238	222	237	(111)	2,307	27,688	13.31	193.7%
Polk	596	244	427	475	297	227	261	(59)	2,469	29,623	14.24	207.3%
Randolph	705	244	417	469	243	256	291	(28)	2,597	31,165	14.98	218.1%
Richmond	488	244	417	504	297	198	228	(134)	2,242	26,898	12.93	188.2%

TWO-PERSON FAMILY (ONE ADULT, ONE CHILD)

Monthly Budget Items									LIS TOTALS			
COUNTY	Housing	Food	Childcare	Health Care	Transportation	Other Necessities	Taxes (inc. non-refundable credits)	Refundable Tax Credits	Monthly LIS Budget	Annual LIS Budget	Hourly LIS Wage (Total all Adults)	Annual LIS Budget as % of Federal Poverty Level
Robeson	504	244	417	513	297	202	236	(113)	2,300	27,597	13.27	193.1%
Rockingham	534	244	417	469	243	210	219	(152)	2,184	26,206	12.60	183.4%
Rowan	616	244	427	504	297	232	276	(33)	2,563	30,762	14.79	215.3%
Rutherford	583	244	417	485	297	223	257	(68)	2,438	29,257	14.07	204.7%
Sampson	438	244	417	513	297	184	214	(160)	2,146	25,756	12.38	180.2%
Scotland	548	244	417	513	297	214	251	(81)	2,403	28,831	13.86	201.7%
Stanly	536	244	427	504	297	211	248	(90)	2,377	28,519	13.71	199.6%
Stokes	640	244	427	469	223	239	255	(73)	2,424	29,082	13.98	203.5%
Surry	477	244	417	469	297	195	215	(162)	2,151	25,811	12.41	180.6%
Swain	511	244	427	475	297	204	231	(124)	2,265	27,186	13.07	190.2%
Transylvania	527	244	417	475	297	208	234	(118)	2,284	27,413	13.18	191.8%
Tyrrell	593	244	417	491	297	226	262	(57)	2,472	29,664	14.26	207.6%
Union	707	244	491	504	257	257	360	0	2,820	33,834	16.27	236.8%
Vance	520	244	427	478	297	206	235	(116)	2,291	27,496	13.22	192.4%
Wake	850	244	630	478	243	295	485	0	3,225	38,699	18.61	270.8%
Warren	530	244	417	478	297	209	236	(114)	2,296	27,555	13.25	192.8%
Washington	558	244	417	491	297	217	249	(87)	2,386	28,628	13.76	200.3%
Watauga	665	244	465	485	297	245	329	(8)	2,723	32,670	15.71	228.6%
Wayne	544	244	417	491	238	213	228	(135)	2,239	26,872	12.92	188.0%
Wilkes	488	244	427	485	297	198	225	(139)	2,225	26,705	12.84	186.9%
Wilson	597	244	417	491	297	227	263	(55)	2,481	29,776	14.32	208.4%
Yadkin	640	244	417	469	223	239	251	(82)	2,401	28,806	13.85	201.6%
Yancey	474	244	417	475	297	194	215	(160)	2,156	25,873	12.44	181.0%

THREE-PERSON FAMILY (ONE ADULT, TWO CHILDREN)

Monthly Budget Items									LIS TOTALS			
COUNTY	Housing	Food	Childcare	Health Care	Transportation	Other Necessities	Taxes (inc. non-refundable credits)	Refundable Tax Credits	Monthly LIS Budget	Annual LIS Budget	Hourly LIS Wage (Total all Adults)	Annual LIS Budget as % of Federal Poverty Level
Alamance	700	328	805	555	238	278	314	(89)	3,128	37,539	18.05	224.7%
Alexander	552	328	805	564	223	238	252	(256)	2,706	32,469	15.61	194.4%
Alleghany	481	328	783	564	297	218	242	(274)	2,640	31,683	15.23	189.7%
Anson	412	328	786	588	257	200	219	(307)	2,483	29,792	14.32	178.3%
Ashe	448	328	783	564	297	210	233	(287)	2,575	30,900	14.86	185.0%
Avery	585	328	786	564	297	247	282	(177)	2,912	34,940	16.80	209.2%
Beaufort	504	328	805	572	297	225	258	(242)	2,746	32,951	15.84	197.3%
Bertie	489	328	824	572	297	221	258	(242)	2,746	32,950	15.84	197.2%
Bladen	421	328	805	599	297	202	238	(280)	2,609	31,313	15.05	187.4%

THREE-PERSON FAMILY (ONE ADULT, TWO CHILDREN)

COUNTY	Monthly Budget Items								LIS TOTALS			
	Housing	Food	Childcare	Health Care	Transportation	Other Necessities	Taxes (inc. non-refundable credits)	Refundable Tax Credits	Monthly LIS Budget	Annual LIS Budget	Hourly LIS Wage (Total all Adults)	Annual LIS Budget as % of Federal Poverty Level
Brunswick	711	328	805	599	223	281	323	(75)	3,196	38,346	18.44	229.5%
Buncombe	620	328	805	552	223	256	275	(194)	2,866	34,392	16.53	205.9%
Burke	552	328	786	564	223	238	247	(267)	2,671	32,048	15.41	191.8%
Cabarrus	707	328	907	588	257	279	349	(43)	3,373	40,470	19.46	242.3%
Caldwell	552	328	805	564	223	238	252	(256)	2,706	32,469	15.61	194.4%
Camden	593	328	783	572	297	249	288	(158)	2,951	35,410	17.02	212.0%
Carteret	575	328	805	572	297	244	287	(159)	2,949	35,389	17.01	211.8%
Caswell	536	328	783	555	297	233	260	(231)	2,761	33,131	15.93	198.3%
Catawba	552	328	805	564	223	238	252	(256)	2,706	32,468	15.61	194.4%
Chatham	785	328	972	555	223	301	371	(16)	3,519	42,227	20.30	252.8%
Cherokee	413	328	783	552	297	200	220	(306)	2,487	29,841	14.35	178.6%
Chowan	593	328	786	572	297	249	288	(156)	2,957	35,483	17.06	212.4%
Clay	511	328	801	552	297	227	253	(253)	2,716	32,596	15.67	195.1%
Cleveland	619	328	786	564	297	256	296	(137)	3,009	36,114	17.36	216.2%
Columbus	469	328	783	599	297	215	246	(267)	2,670	32,040	15.40	191.8%
Craven	568	328	805	572	297	242	285	(165)	2,931	35,173	16.91	210.6%
Cumberland	612	328	750	599	223	254	270	(207)	2,829	33,944	16.32	203.2%
Currituck	844	328	783	572	238	316	352	(40)	3,393	40,718	19.58	243.7%
Dare	725	328	902	572	297	284	359	(28)	3,439	41,266	19.84	247.0%
Davidson	565	328	746	544	297	241	255	(249)	2,727	32,722	15.73	195.9%
Davie	640	328	805	544	223	261	280	(181)	2,901	34,806	16.73	208.4%
Duplin	440	328	783	599	297	207	238	(280)	2,613	31,353	15.07	187.7%
Durham	785	328	1,055	555	223	301	397	0	3,644	43,728	21.02	261.8%
Edgecombe	601	328	801	572	238	251	277	(189)	2,878	34,531	16.60	206.7%
Forsyth	640	328	917	544	223	261	316	(82)	3,148	37,777	18.16	226.1%
Franklin	850	328	786	555	243	318	352	(40)	3,392	40,707	19.57	243.7%
Gaston	707	328	805	588	257	279	327	(71)	3,220	38,645	18.58	231.3%
Gates	593	328	786	572	297	249	288	(156)	2,957	35,483	17.06	212.4%
Graham	511	328	786	552	297	227	249	(264)	2,686	32,231	15.50	192.9%
Granville	579	328	805	555	297	245	283	(175)	2,916	34,997	16.83	209.5%
Greene	469	328	801	572	297	215	244	(270)	2,656	31,868	15.32	190.8%
Guilford	709	328	903	544	243	280	337	(56)	3,287	39,449	18.97	236.1%
Halifax	496	328	785	572	297	223	249	(264)	2,685	32,216	15.49	192.9%
Harnett	536	328	805	555	297	233	266	(215)	2,806	33,667	16.19	201.5%
Haywood	552	328	786	552	223	238	244	(271)	2,651	31,817	15.30	190.5%
Henderson	620	328	805	552	223	256	275	(194)	2,866	34,392	16.53	205.9%
Hertford	490	328	783	572	297	221	246	(268)	2,669	32,030	15.40	191.7%
Hoke	565	328	785	599	223	241	262	(225)	2,779	33,343	16.03	199.6%
Hyde	593	328	801	572	297	249	293	(145)	2,987	35,849	17.24	214.6%
Iredell	631	328	805	564	297	259	306	(112)	3,079	36,948	17.76	221.2%

THREE-PERSON FAMILY (ONE ADULT, TWO CHILDREN)

COUNTY	Monthly Budget Items								LIS TOTALS			
	Housing	Food	Childcare	Health Care	Transportation	Other Necessities	Taxes (inc. non-refundable credits)	Refundable Tax Credits	Monthly LIS Budget	Annual LIS Budget	Hourly LIS Wage (Total all Adults)	Annual LIS Budget as % of Federal Poverty Level
Jackson	586	328	805	552	297	247	286	(163)	2,938	35,256	16.95	211.1%
Johnston	850	328	769	555	243	318	349	(44)	3,368	40,417	19.43	241.9%
Jones	566	328	783	572	297	241	276	(192)	2,871	34,454	16.56	206.3%
Lee	590	328	805	555	297	248	288	(157)	2,955	35,458	17.05	212.3%
Lenoir	516	328	785	572	297	228	256	(245)	2,736	32,835	15.79	196.6%
Lincoln	571	328	805	588	297	243	291	(150)	2,972	35,661	17.14	213.5%
Macon	553	328	783	552	297	238	265	(218)	2,798	33,578	16.14	201.0%
Madison	620	328	879	552	223	256	299	(131)	3,026	36,316	17.46	217.4%
Martin	468	328	786	572	297	215	241	(276)	2,630	31,564	15.17	188.9%
McDowell	579	328	783	564	297	245	279	(185)	2,890	34,682	16.67	207.6%
Mecklenburg	707	328	977	588	257	279	365	(22)	3,479	41,750	20.07	249.9%
Mitchell	585	328	825	552	297	247	291	(149)	2,976	35,712	17.17	213.8%
Montgomery	482	328	813	588	297	219	256	(245)	2,738	32,860	15.80	196.7%
Moore	603	328	786	555	297	251	287	(158)	2,950	35,398	17.02	211.9%
Nash	601	328	821	572	238	251	284	(166)	2,928	35,141	16.89	210.4%
New Hanover	711	328	937	588	223	281	350	(43)	3,375	40,495	19.47	242.4%
Northampton	496	328	783	572	297	223	248	(265)	2,681	32,172	15.47	192.6%
Onslow	557	328	749	588	238	239	248	(265)	2,682	32,179	15.47	192.6%
Orange	785	328	1,191	555	223	301	454	0	3,837	46,048	22.14	275.7%
Pamlico	501	328	783	572	297	224	250	(261)	2,694	32,323	15.54	193.5%
Pasquotank	586	328	865	572	297	247	311	(96)	3,109	37,313	17.94	223.4%
Pender	560	328	801	588	238	240	266	(216)	2,805	33,659	16.18	201.5%
Perquimans	593	328	783	572	297	249	288	(158)	2,951	35,410	17.02	212.0%
Person	551	328	801	555	223	237	248	(266)	2,678	32,134	15.45	192.4%
Pitt	579	328	785	572	238	245	264	(222)	2,788	33,462	16.09	200.3%
Polk	596	328	805	552	297	250	289	(153)	2,964	35,565	17.10	212.9%
Randolph	705	328	785	544	243	279	306	(113)	3,077	36,920	17.75	221.0%
Richmond	488	328	783	588	297	220	250	(261)	2,693	32,315	15.54	193.4%
Robeson	504	328	786	599	297	225	262	(227)	2,773	33,274	16.00	199.2%
Rockingham	534	328	785	544	243	233	241	(276)	2,631	31,575	15.18	189.0%
Rowan	616	328	805	588	297	255	309	(100)	3,098	37,173	17.87	222.5%
Rutherford	583	328	785	564	297	246	281	(180)	2,905	34,855	16.76	208.6%
Sampson	438	328	783	599	297	207	237	(280)	2,609	31,305	15.05	187.4%
Scotland	548	328	786	599	297	237	278	(186)	2,886	34,633	16.65	207.3%
Stanly	536	328	805	588	297	233	276	(192)	2,871	34,456	16.57	206.3%
Stokes	640	328	805	544	223	261	280	(181)	2,901	34,806	16.73	208.4%
Surry	477	328	785	544	297	217	237	(282)	2,603	31,238	15.02	187.0%
Swain	511	328	805	552	297	227	254	(250)	2,724	32,693	15.72	195.7%
Transylvania	527	328	786	552	297	231	255	(249)	2,727	32,725	15.73	195.9%
Tyrrell	593	328	783	572	297	249	288	(158)	2,951	35,410	17.02	212.0%

THREE-PERSON FAMILY (ONE ADULT, TWO CHILDREN)

Monthly Budget Items									LIS TOTALS			
COUNTY	Housing	Food	Childcare	Health Care	Transportation	Other Necessities	Taxes (inc. non-refundable credits)	Refundable Tax Credits	Monthly LIS Budget	Annual LIS Budget	Hourly LIS Wage (Total all Adults)	Annual LIS Budget as % of Federal Poverty Level
Union	707	328	910	588	257	279	350	(42)	3,377	40,522	19.48	242.6%
Vance	520	328	805	555	297	229	260	(230)	2,764	33,172	15.95	198.6%
Wake	850	328	1,151	555	243	318	480	0	3,925	47,103	22.65	282.0%
Warren	530	328	783	555	297	232	256	(246)	2,735	32,824	15.78	196.5%
Washington	558	328	783	572	297	239	273	(199)	2,851	34,206	16.45	204.8%
Watauga	665	328	843	564	297	268	327	(71)	3,222	38,668	18.59	231.5%
Wayne	544	328	786	572	238	235	249	(262)	2,690	32,283	15.52	193.3%
Wilkes	488	328	804	564	297	220	249	(263)	2,688	32,258	15.51	193.1%
Wilson	597	328	786	572	297	250	290	(152)	2,967	35,608	17.12	213.2%
Yadkin	640	328	783	544	223	261	274	(197)	2,856	34,270	16.48	205.1%
Yancey	474	328	786	552	297	217	238	(280)	2,612	31,343	15.07	187.6%

FOUR-PERSON FAMILY (TWO ADULTS, TWO CHILDREN)

Monthly Budget Items									LIS TOTALS			
COUNTY	Housing	Food	Childcare	Health Care	Transportation	Other Necessities	Taxes (inc. non-refundable credits)	Refundable Tax Credits	Monthly LIS Budget	Annual LIS Budget	Hourly LIS Wage (Total all Adults)	Annual LIS Budget as % of Federal Poverty Level
Alamance	700	468	812	649	329	315	352	(114)	3,511	42,128	20.25	200.4%
Alexander	552	468	812	659	309	275	310	(162)	3,223	38,674	18.59	183.9%
Alleghany	481	468	787	659	411	256	307	(164)	3,205	38,464	18.49	182.9%
Anson	412	468	790	685	356	237	287	(167)	3,068	36,817	17.70	175.1%
Ashe	448	468	787	659	411	247	299	(167)	3,153	37,832	18.19	179.9%
Avery	585	468	790	659	411	284	335	(136)	3,396	40,747	19.59	193.8%
Beaufort	504	468	833	667	411	262	324	(147)	3,322	39,867	19.17	189.6%
Bertie	489	468	803	667	411	258	315	(153)	3,257	39,086	18.79	185.9%
Bladen	421	468	812	697	411	240	304	(165)	3,188	38,256	18.39	181.9%
Brunswick	711	468	812	697	309	318	361	(105)	3,571	42,850	20.60	203.8%
Buncombe	620	468	812	646	309	294	325	(147)	3,326	39,911	19.19	189.8%
Burke	552	468	790	659	309	275	305	(165)	3,194	38,324	18.42	182.3%
Cabarrus	707	468	914	685	356	317	389	(71)	3,764	45,174	21.72	214.8%
Caldwell	552	468	812	659	309	275	310	(162)	3,223	38,674	18.59	183.9%
Camden	593	468	787	667	411	286	339	(127)	3,424	41,090	19.75	195.4%
Carteret	575	468	812	667	411	281	339	(127)	3,427	41,126	19.77	195.6%
Caswell	536	468	787	649	411	271	320	(150)	3,291	39,495	18.99	187.8%
Catawba	552	468	812	659	309	275	310	(162)	3,223	38,674	18.59	183.9%
Chatham	785	468	968	649	309	338	404	(56)	3,865	46,376	22.30	220.6%
Cherokee	413	468	787	646	411	238	289	(167)	3,085	37,014	17.80	176.0%

FOUR-PERSON FAMILY (TWO ADULTS, TWO CHILDREN)

COUNTY	Monthly Budget Items								LIS TOTALS			
	Housing	Food	Childcare	Health Care	Transportation	Other Necessities	Taxes (inc. non-refundable credits)	Refundable Tax Credits	Monthly LIS Budget	Annual LIS Budget	Hourly LIS Wage (Total all Adults)	Annual LIS Budget as % of Federal Poverty Level
Chowan	593	468	790	667	411	286	340	(126)	3,428	41,141	19.78	195.7%
Clay	511	468	809	646	411	264	317	(152)	3,274	39,283	18.89	186.8%
Cleveland	619	468	790	659	411	293	345	(121)	3,464	41,569	19.99	197.7%
Columbus	469	468	787	697	411	253	311	(161)	3,236	38,828	18.67	184.7%
Craven	568	468	812	667	411	280	337	(135)	3,407	40,889	19.66	194.5%
Cumberland	612	468	761	697	309	291	323	(148)	3,314	39,763	19.12	189.1%
Currituck	844	468	787	667	329	354	389	(70)	3,768	45,213	21.74	215.0%
Dare	725	468	898	667	411	322	398	(62)	3,827	45,928	22.08	218.4%
Davidson	565	468	750	636	411	279	317	(152)	3,274	39,286	18.89	186.8%
Davie	640	468	812	636	309	299	328	(143)	3,349	40,182	19.32	191.1%
Duplin	440	468	787	697	411	245	304	(165)	3,187	38,242	18.39	181.9%
Durham	785	468	1,050	649	309	338	421	(38)	3,981	47,775	22.97	227.2%
Edgecombe	601	468	809	667	329	288	328	(144)	3,346	40,153	19.30	191.0%
Forsyth	640	468	913	636	309	299	350	(116)	3,499	41,990	20.19	199.7%
Franklin	850	468	790	649	336	356	389	(71)	3,767	45,204	21.73	215.0%
Gaston	707	468	812	685	356	317	368	(93)	3,619	43,433	20.88	206.6%
Gates	593	468	790	667	411	286	340	(126)	3,428	41,141	19.78	195.7%
Graham	511	468	790	646	411	264	312	(160)	3,242	38,900	18.70	185.0%
Granville	579	468	812	649	411	283	336	(135)	3,402	40,821	19.63	194.1%
Greene	469	468	809	667	411	253	310	(162)	3,225	38,697	18.60	184.0%
Guilford	709	468	899	636	336	318	372	(88)	3,649	43,787	21.05	208.2%
Halifax	496	468	789	667	411	260	313	(160)	3,244	38,925	18.71	185.1%
Harnett	536	468	812	649	411	271	324	(147)	3,324	39,893	19.18	189.7%
Haywood	552	468	790	646	309	275	303	(167)	3,175	38,106	18.32	181.2%
Henderson	620	468	812	646	309	294	325	(147)	3,326	39,911	19.19	189.8%
Hertford	490	468	787	667	411	259	311	(161)	3,231	38,772	18.64	184.4%
Hoke	565	468	789	697	309	279	317	(152)	3,272	39,258	18.87	186.7%
Hyde	593	468	809	667	411	286	344	(122)	3,455	41,465	19.94	197.2%
Iredell	631	468	812	659	411	297	353	(113)	3,517	42,204	20.29	200.7%
Jackson	586	468	812	646	411	284	337	(134)	3,409	40,911	19.67	194.6%
Johnston	850	468	776	649	336	356	386	(74)	3,747	44,965	21.62	213.8%
Jones	566	468	787	667	411	279	331	(140)	3,368	40,420	19.43	192.2%
Lee	590	468	812	649	411	286	340	(126)	3,429	41,144	19.78	195.7%
Lenoir	516	468	789	667	411	266	318	(151)	3,284	39,409	18.95	187.4%
Lincoln	571	468	812	685	411	280	342	(124)	3,446	41,347	19.88	196.6%
Macon	553	468	787	646	411	276	323	(148)	3,315	39,782	19.13	189.2%
Madison	620	468	875	646	309	294	338	(133)	3,415	40,983	19.70	194.9%
Martin	468	468	790	667	411	253	306	(164)	3,198	38,375	18.45	182.5%
McDowell	579	468	787	659	411	283	333	(139)	3,381	40,566	19.50	192.9%
Mecklenburg	707	468	986	685	356	317	404	(56)	3,867	46,402	22.31	220.7%

FOUR-PERSON FAMILY (TWO ADULTS, TWO CHILDREN)

Monthly Budget Items									LIS TOTALS			
COUNTY	Housing	Food	Childcare	Health Care	Transportation	Other Necessities	Taxes (inc. non-refundable credits)	Refundable Tax Credits	Monthly LIS Budget	Annual LIS Budget	Hourly LIS Wage (Total all Adults)	Annual LIS Budget as % of Federal Poverty Level
Mitchell	585	468	833	646	411	284	342	(124)	3,444	41,333	19.87	196.6%
Montgomery	482	468	817	685	411	256	319	(150)	3,288	39,454	18.97	187.6%
Moore	603	468	790	649	411	289	337	(134)	3,414	40,965	19.69	194.8%
Nash	601	468	829	667	329	288	333	(133)	3,382	40,580	19.51	193.0%
New Hanover	711	468	933	697	309	318	387	(73)	3,750	44,999	21.63	214.0%
Northampton	496	468	787	667	411	260	312	(160)	3,241	38,893	18.70	185.0%
Onslow	557	468	756	697	329	277	311	(161)	3,234	38,808	18.66	184.6%
Orange	785	468	1,191	649	309	338	450	(8)	4,182	50,180	24.12	238.6%
Pamlico	501	468	787	667	411	261	313	(159)	3,250	38,994	18.75	185.4%
Pasquotank	586	468	872	667	411	284	355	(111)	3,532	42,388	20.38	201.6%
Pender	560	468	809	697	329	277	323	(148)	3,316	39,792	19.13	189.2%
Perquimans	593	468	787	667	411	286	339	(127)	3,424	41,090	19.75	195.4%
Person	551	468	809	649	309	275	307	(164)	3,204	38,446	18.48	182.8%
Pitt	579	468	792	667	329	283	319	(151)	3,285	39,424	18.95	187.5%
Polk	596	468	812	646	411	287	341	(125)	3,434	41,213	19.81	196.0%
Randolph	705	468	789	636	336	317	347	(119)	3,478	41,739	20.07	198.5%
Richmond	488	468	787	685	411	258	315	(153)	3,258	39,098	18.80	185.9%
Robeson	504	468	790	697	411	262	322	(149)	3,305	39,664	19.07	188.6%
Rockingham	534	468	789	636	336	270	301	(167)	3,168	38,014	18.28	180.8%
Rowan	616	468	812	685	411	293	354	(112)	3,527	42,322	20.35	201.3%
Rutherford	583	468	789	659	411	284	334	(137)	3,391	40,687	19.56	193.5%
Sampson	438	468	787	697	411	244	304	(166)	3,183	38,202	18.37	181.7%
Scotland	548	468	790	697	411	274	333	(138)	3,383	40,597	19.52	193.1%
Stanly	536	468	812	685	411	271	332	(139)	3,375	40,503	19.47	192.6%
Stokes	640	468	812	636	309	299	328	(143)	3,349	40,182	19.32	191.1%
Surry	477	468	789	636	411	255	302	(167)	3,171	38,054	18.30	181.0%
Swain	511	468	812	646	411	264	318	(151)	3,278	39,330	18.91	187.0%
Transylvania	527	468	790	646	411	269	317	(152)	3,275	39,303	18.90	186.9%
Tyrrell	593	468	787	667	411	286	339	(127)	3,424	41,090	19.75	195.4%
Union	707	468	906	685	356	317	387	(73)	3,753	45,037	21.65	214.2%
Vance	520	468	812	649	411	267	320	(149)	3,297	39,570	19.02	188.2%
Wake	850	468	1,180	649	336	356	483	0	4,321	51,856	24.93	246.6%
Warren	530	468	787	649	411	269	318	(151)	3,281	39,374	18.93	187.3%
Washington	558	468	787	667	411	277	329	(143)	3,354	40,246	19.35	191.4%
Watauga	665	468	850	659	411	306	371	(90)	3,640	43,674	21.00	207.7%
Wayne	544	468	790	667	329	273	309	(162)	3,217	38,605	18.56	183.6%
Wilkes	488	468	812	659	411	258	315	(153)	3,257	39,083	18.79	185.9%
Wilson	597	468	790	667	411	287	341	(125)	3,436	41,228	19.82	196.1%
Yadkin	640	468	787	636	309	299	323	(148)	3,314	39,769	19.12	189.1%
Yancey	474	468	790	646	411	254	303	(166)	3,179	38,152	18.34	181.4%

FIVE-PERSON FAMILY (TWO ADULTS, THREE CHILDREN)

COUNTY	Monthly Budget Items								LIS TOTALS			
	Housing	Food	Childcare	Health Care	Transportation	Other Necessities	Taxes (inc. non-refundable credits)	Refundable Tax Credits	Monthly LIS Budget	Annual LIS Budget	Hourly LIS Wage (Total all Adults)	Annual LIS Budget as % of Federal Poverty Level
Alamance	951	553	1,148	713	329	406	441	(94)	4,447	53,363	25.66	215.7%
Alexander	708	553	1,148	724	309	341	375	(162)	3,996	47,955	23.06	193.8%
Alleghany	631	553	1,106	724	411	320	367	(170)	3,942	47,310	22.75	191.2%
Anson	579	553	1,115	754	356	306	350	(188)	3,825	45,896	22.07	185.5%
Ashe	592	553	1,106	724	411	309	357	(181)	3,872	46,465	22.34	187.8%
Avery	700	553	1,115	724	411	338	387	(149)	4,080	48,958	23.54	197.9%
Beaufort	607	553	1,190	733	411	313	380	(157)	4,031	48,377	23.26	195.5%
Bertie	585	553	1,176	733	411	307	371	(166)	3,972	47,661	22.91	192.6%
Bladen	613	553	1,148	768	411	315	380	(157)	4,031	48,378	23.26	195.5%
Brunswick	996	553	1,148	768	309	418	460	(75)	4,578	54,936	26.41	222.0%
Buncombe	831	553	1,148	709	309	374	404	(132)	4,196	50,354	24.21	203.5%
Burke	708	553	1,115	724	309	341	368	(169)	3,949	47,393	22.78	191.5%
Cabarrus	891	553	1,265	754	356	390	464	(71)	4,601	55,213	26.54	223.1%
Caldwell	708	553	1,148	724	309	341	375	(162)	3,996	47,955	23.06	193.8%
Camden	801	553	1,106	733	411	366	414	(122)	4,262	51,147	24.59	206.7%
Carteret	837	553	1,148	733	411	375	432	(103)	4,387	52,643	25.31	212.7%
Caswell	655	553	1,106	713	411	326	371	(166)	3,969	47,634	22.90	192.5%
Catawba	708	553	1,148	724	309	341	375	(162)	3,996	47,955	23.06	193.8%
Chatham	1,026	553	1,216	713	309	426	471	(64)	4,651	55,808	26.83	225.5%
Cherokee	600	553	1,106	709	411	311	356	(182)	3,864	46,372	22.29	187.4%
Chowan	801	553	1,115	733	411	366	416	(120)	4,275	51,300	24.66	207.3%
Clay	670	553	1,138	709	411	330	381	(156)	4,036	48,434	23.29	195.7%
Cleveland	815	553	1,115	724	411	369	418	(118)	4,287	51,449	24.74	207.9%
Columbus	557	553	1,106	768	411	300	357	(181)	3,871	46,448	22.33	187.7%
Craven	766	553	1,148	733	411	356	413	(123)	4,259	51,105	24.57	206.5%
Cumberland	869	553	1,105	768	309	384	418	(118)	4,288	51,451	24.74	207.9%
Currituck	1,164	553	1,106	733	329	464	493	(41)	4,801	57,610	27.70	232.8%
Dare	958	553	1,285	733	411	408	493	(41)	4,800	57,601	27.69	232.8%
Davidson	736	553	1,115	698	411	348	391	(145)	4,108	49,290	23.70	199.2%
Davie	872	553	1,148	698	309	385	413	(123)	4,255	51,060	24.55	206.4%
Duplin	557	553	1,106	768	411	300	357	(181)	3,871	46,448	22.33	187.7%
Durham	1,026	553	1,505	713	309	426	531	(2)	5,061	60,738	29.20	245.5%
Edgecombe	746	553	1,138	733	329	351	389	(148)	4,092	49,101	23.61	198.4%
Forsyth	872	553	1,270	698	309	385	438	(97)	4,428	53,141	25.55	214.8%
Franklin	1,068	553	1,115	713	336	438	466	(68)	4,621	55,451	26.66	224.1%
Gaston	891	553	1,148	754	356	390	439	(96)	4,435	53,217	25.59	215.1%
Gates	801	553	1,115	733	411	366	416	(120)	4,275	51,300	24.66	207.3%
Graham	670	553	1,115	709	411	330	376	(161)	4,004	48,042	23.10	194.2%
Granville	723	553	1,148	713	411	345	398	(139)	4,152	49,823	23.95	201.4%
Greene	663	553	1,138	733	411	328	384	(153)	4,059	48,703	23.41	196.8%

FIVE-PERSON FAMILY (TWO ADULTS, THREE CHILDREN)

COUNTY	Monthly Budget Items								LIS TOTALS			
	Housing	Food	Childcare	Health Care	Transportation	Other Necessities	Taxes (inc. non-refundable credits)	Refundable Tax Credits	Monthly LIS Budget	Annual LIS Budget	Hourly LIS Wage (Total all Adults)	Annual LIS Budget as % of Federal Poverty Level
Guilford	893	553	1,270	698	336	391	449	(86)	4,504	54,052	25.99	218.4%
Halifax	631	553	1,112	733	411	320	370	(167)	3,964	47,566	22.87	192.2%
Harnett	724	553	1,148	713	411	345	398	(138)	4,154	49,845	23.96	201.4%
Haywood	715	553	1,115	709	309	342	367	(170)	3,940	47,278	22.73	191.1%
Henderson	831	553	1,148	709	309	374	404	(132)	4,196	50,354	24.21	203.5%
Hertford	643	553	1,106	733	411	323	372	(165)	3,977	47,724	22.94	192.9%
Hoke	773	553	1,112	768	309	358	394	(143)	4,124	49,491	23.79	200.0%
Hyde	801	553	1,138	733	411	366	421	(115)	4,308	51,692	24.85	208.9%
Iredell	836	553	1,148	724	411	375	430	(106)	4,372	52,467	25.22	212.0%
Jackson	769	553	1,148	709	411	357	409	(127)	4,229	50,750	24.40	205.1%
Johnston	1,068	553	1,148	713	336	438	473	(61)	4,668	56,014	26.93	226.4%
Jones	783	553	1,106	733	411	361	409	(127)	4,230	50,757	24.40	205.1%
Lee	725	553	1,148	713	411	345	398	(138)	4,156	49,867	23.97	201.5%
Lenoir	617	553	1,112	733	411	316	366	(171)	3,939	47,263	22.72	191.0%
Lincoln	690	553	1,148	754	411	336	398	(139)	4,151	49,808	23.95	201.3%
Macon	672	553	1,106	709	411	331	375	(162)	3,994	47,932	23.04	193.7%
Madison	831	553	1,216	709	309	374	418	(118)	4,293	51,514	24.77	208.2%
Martin	606	553	1,115	733	411	313	364	(173)	3,923	47,076	22.63	190.3%
McDowell	715	553	1,106	724	411	342	389	(147)	4,094	49,130	23.62	198.6%
Mecklenburg	891	553	1,422	754	356	390	496	(38)	4,824	57,891	27.83	234.0%
Mitchell	700	553	1,138	709	411	338	389	(148)	4,090	49,084	23.60	198.4%
Montgomery	601	553	1,106	754	411	312	365	(172)	3,930	47,164	22.67	190.6%
Moore	867	553	1,115	713	411	384	429	(107)	4,365	52,380	25.18	211.7%
Nash	746	553	1,198	733	329	351	401	(135)	4,177	50,125	24.10	202.6%
New Hanover	996	553	1,330	768	309	418	498	(36)	4,837	58,040	27.90	234.6%
Northampton	631	553	1,106	733	411	320	369	(168)	3,955	47,464	22.82	191.8%
Onslow	782	553	1,088	768	329	361	395	(141)	4,135	49,616	23.85	200.5%
Orange	1,026	553	1,692	713	309	426	608	0	5,327	63,928	30.73	258.4%
Pamlico	631	553	1,106	733	411	320	369	(168)	3,955	47,464	22.82	191.8%
Pasquotank	851	553	1,148	733	411	379	436	(100)	4,412	52,946	25.45	214.0%
Pender	736	553	1,138	768	329	348	393	(143)	4,123	49,472	23.78	199.9%
Perquimans	801	553	1,106	733	411	366	414	(122)	4,262	51,146	24.59	206.7%
Person	658	553	1,138	713	309	327	357	(180)	3,875	46,506	22.36	187.9%
Pitt	802	553	1,148	733	329	366	406	(130)	4,207	50,485	24.27	204.0%
Polk	745	553	1,148	709	411	351	403	(134)	4,186	50,230	24.15	203.0%
Randolph	893	553	1,112	698	336	391	416	(119)	4,280	51,357	24.69	207.6%
Richmond	613	553	1,106	754	411	315	368	(169)	3,952	47,424	22.80	191.7%
Robeson	605	553	1,115	768	411	313	371	(166)	3,970	47,642	22.90	192.5%
Rockingham	663	553	1,112	698	336	328	356	(182)	3,865	46,374	22.30	187.4%
Rowan	879	553	1,148	754	411	387	448	(88)	4,492	53,902	25.91	217.8%

FIVE-PERSON FAMILY (TWO ADULTS, THREE CHILDREN)

Monthly Budget Items									LIS TOTALS			
COUNTY	Housing	Food	Childcare	Health Care	Transportation	Other Necessities	Taxes (inc. non-refundable credits)	Refundable Tax Credits	Monthly LIS Budget	Annual LIS Budget	Hourly LIS Wage (Total all Adults)	Annual LIS Budget as % of Federal Poverty Level
Rutherford	698	553	1,112	724	411	338	386	(151)	4,072	48,863	23.49	197.5%
Sampson	608	553	1,106	768	411	314	370	(167)	3,963	47,553	22.86	192.2%
Scotland	666	553	1,115	768	411	329	387	(149)	4,080	48,963	23.54	197.9%
Stanly	730	553	1,148	754	411	347	408	(128)	4,223	50,675	24.36	204.8%
Stokes	872	553	1,148	698	309	385	413	(123)	4,255	51,060	24.55	206.4%
Surry	637	553	1,112	698	411	321	364	(173)	3,925	47,094	22.64	190.3%
Swain	670	553	1,148	709	411	330	383	(154)	4,050	48,605	23.37	196.4%
Transylvania	665	553	1,115	709	411	329	375	(162)	3,994	47,934	23.05	193.7%
Tyrrell	801	553	1,106	733	411	366	414	(122)	4,262	51,146	24.59	206.7%
Union	891	553	1,249	754	356	390	460	(75)	4,578	54,940	26.41	222.0%
Vance	623	553	1,148	713	411	318	371	(166)	3,971	47,657	22.91	192.6%
Wake	1,068	553	1,621	713	336	438	611	0	5,340	64,082	30.81	259.0%
Warren	648	553	1,106	713	411	324	369	(168)	3,957	47,482	22.83	191.9%
Washington	670	553	1,106	733	411	330	379	(158)	4,026	48,309	23.23	195.2%
Watauga	809	553	1,148	724	411	368	423	(113)	4,324	51,882	24.94	209.7%
Wayne	681	553	1,115	733	329	333	367	(170)	3,942	47,301	22.74	191.2%
Wilkes	626	553	1,147	724	411	318	374	(163)	3,992	47,901	23.03	193.6%
Wilson	715	553	1,115	733	411	342	393	(143)	4,120	49,437	23.77	199.8%
Yadkin	872	553	1,106	698	309	385	404	(132)	4,195	50,344	24.20	203.5%
Yancey	566	553	1,115	709	411	302	348	(189)	3,816	45,789	22.01	185.1%

Appendix C: Living Income Standard for North Carolina Workforce Development Areas and Economic Development Regions

LIVING INCOME STANDARD BY WORKFORCE DEVELOPMENT AREA, 2008					
	Annual LIS	Monthly LIS	Hourly LIS (1)	Annual LIS as a % of FPL (2)	Hourly LIS as a % of Min. Wage (3)
Cape Fear	\$41,699	\$3,475	\$20.05	203.7%	326.0%
Capital Area	\$48,604	\$4,050	\$23.37	237.5%	380.0%
Centralina	\$41,467	\$3,456	\$19.94	202.6%	324.2%
Charlotte/ Mecklenburg	\$45,406	\$3,784	\$21.83	221.9%	355.0%
Cumberland	\$38,385	\$3,199	\$18.45	187.6%	300.1%
Davidson	\$37,186	\$3,099	\$17.88	181.7%	290.7%
Durham	\$46,949	\$3,912	\$22.57	229.4%	367.0%
Eastern Region	\$37,295	\$3,108	\$17.93	182.2%	291.5%
Gaston	\$41,959	\$3,497	\$20.17	205.0%	328.0%
Greensboro/High Point/Guilford	\$42,472	\$3,539	\$20.42	207.5%	332.0%
High Country	\$37,695	\$3,141	\$18.12	184.2%	294.7%
Kerr-Tar	\$38,878	\$3,240	\$18.69	190.0%	303.9%
Lumber River	\$37,138	\$3,095	\$17.85	181.5%	290.3%
Mid-Carolina	\$39,061	\$3,255	\$18.78	190.9%	305.4%
Mountain Area	\$39,613	\$3,301	\$19.04	193.6%	309.7%
Northeastern	\$41,467	\$3,456	\$19.94	202.6%	324.2%
Northwest Piedmont	\$38,999	\$3,250	\$18.75	190.6%	304.9%
Pee Dee	\$38,151	\$3,179	\$18.34	186.4%	298.2%
Region C	\$35,779	\$2,982	\$17.20	174.8%	279.7%
Region Q	\$36,702	\$3,059	\$17.65	179.3%	286.9%
Regional Partnership	\$43,330	\$3,611	\$20.83	211.7%	338.7%
Southwestern	\$34,430	\$2,869	\$16.55	168.2%	269.2%
Turning Point	\$38,165	\$3,180	\$18.35	186.5%	298.4%
Western Piedmont	\$38,445	\$3,204	\$18.48	187.8%	300.5%

NOTES: 1) This is the total amount that must be earned by all the adults in a family, assuming full-time work (40 hours) for 52 weeks per year; 2) Compared to a weighted average of the federal poverty level for four family types; 3) Compared to the 2007 state minimum wage of \$6.15. SOURCE: North Carolina Budget and Tax Center

LIVING INCOME STANDARD BY ECONOMIC DEVELOPMENT REGION, 2008					
	Annual LIS	Monthly LIS	Hourly LIS (1)	Annual LIS as a % of FPL (2)	Hourly LIS as a % of Min. Wage (3)
Advantage West	\$37,749	\$3,146	\$18.15	184.4%	295.1%
Charlotte Regional Partnership	\$42,416	\$3,535	\$20.39	207.3%	331.6%
Piedmont Triad Partnership	\$39,405	\$3,284	\$18.94	192.5%	308.0%
Research Triangle Regional Partnership	\$44,112	\$3,676	\$21.21	215.5%	344.8%
Northeast Partnership	\$38,438	\$3,203	\$18.48	187.8%	300.5%
North Carolina's Eastern Region	\$37,713	\$3,143	\$18.13	184.3%	294.8%
North Carolina's Southeast	\$39,061	\$3,255	\$18.78	190.9%	305.4%

NOTES: 1) This is the total amount that must be earned by all the adults in a family, assuming full-time work (40 hours) for 52 weeks per year; 2) Compared to a weighted average of the federal poverty level for four family types; 3) Compared to the 2007 state minimum wage of \$6.15. SOURCE: North Carolina Budget and Tax Center



NORTH CAROLINA JUSTICE CENTER

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