

Housing, health care contribute most to rising costs of living in Washington

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It costs 8 percent more on average than it did two years ago for Washington residents to make ends meet, according to a new report from a University of Washington research group.

A [single parent](#) with one preschooler and one school-age child living in Seattle needs an annual income of \$56,904 – up 13 percent from \$50,268 two years ago – to meet the family's most basic requirements, according to the Self-Sufficiency Standard for Washington State 2011 released today. A similar family living in Spokane County needs \$41,750, up 8 percent from \$38,562 two years ago.

"Even as wages have stagnated and unemployment doubled during the Great Recession, the cost of meeting basic needs has continued to rise, putting an economic squeeze on families who are struggling to survive in this difficult economy," said Diana Pearce, author of the report and director of the Center for Women's Welfare at the UW School of Social Work.

Pearce added that the increase in costs were not due to inflation and occurred even as wages stagnated.

"Even though many people are working hard, they still can't make ends meet, and these cost increases make it even harder," she said.

The report, funded by the Workforce Development Council of Seattle-King County, also shows that East King County has the highest self-

sufficiency standard in the state, requiring \$65,690 (up 14 percent from \$57,766 two years ago) for a family with one parent, one preschooler and one school-age child. The same size family living in southwest Washington's Wahkiakum County, which has the lowest standard in the state, requires \$32,997, up 13 percent from \$29,324 two years ago.

Pearce's report evaluates the actual cost of living and working in each of Washington's 39 counties, with some counties – Benton, King, Kitsap, Pierce, and Snohomish – split to reflect different cost levels in urban, suburban and rural areas. The report measures how much a family must earn to pay for housing, food, child care, health care, transportation, taxes and other basic necessities without public assistance or help from family and friends. Costs are based on the age and number of children and adults in each household and where the family lives.

"These are bare-bones budgets," Pearce said. "They cover minimum necessities and leave no room for extras such as a latte or a take-out pizza."

Compared with Pearce's 2009 Washington state self-sufficiency report, the current report shows that:

- Skamania County had the largest cost of living increase in the state: 27 percent. Other counties showing large increases were Benton (20 percent), Franklin (22 percent) and Walla Walla (26 percent), all in southeast Washington.
- The state's most populous counties had moderate increases: King (13 - 15 percent), Snohomish (9 - 10 percent) and Pierce (8 - 9 percent).
- Most counties (24) had modest increases in cost of living, ranging from 1 to 9 percent.
- Three counties – Lincoln, Garfield and Asotin – showed

decreases, between 3 and 6 percent over the past two years.

Of all costs, health care increased the most since 2009, with a 12 percent average increase across the state. Housing costs showed the second-highest percentage increase, up an average of 10 percent from 2009 to 2011. However, some urban counties had substantially greater housing cost increases, including Snohomish (19 – 21 percent) and King (19 - 25 percent)

The jump in housing expenses may be surprising to some, said Pearce, since house prices have declined in many areas. "Falling house values has not translated into falling rents for most households. Of course, for families subsisting at this basic needs level, buying a house is rarely an option, and indeed some families may have experienced bank foreclosure on their homes, resulting in their coming into a rental market where rents are rising," she said.

Securing enough income to meet family needs, even at this basic level, is further challenged by the lack of jobs in Washington State that pay self-sufficiency wages. Pearce's report shows that of the 10 most common jobs in the state, only one, registered nursing, met or exceeded the minimum income necessary for a single parent supporting a preschooler and school-age child.

"Self-sufficiency has been our guiding principle since we first began supporting the standard 10 years ago," said Marléna Sessions, chief executive officer of the Workforce Development Council of Seattle-King County. The council uses the report, together with the statewide online calculator (www.thecalculator.org), to guide training programs for job seekers and to counsel families about the income they need to be economically secure.

"We created the self-sufficiency calculator so the standard could be

accessible to everyone. Not only is it an important tool for budgeting and career planning, it is a key measurement of the effectiveness of our employment services," Sessions said.

The self-sufficiency standard, created by Pearce and used in 37 states and the cities of New York and Washington, D.C., differs from the federal poverty level because the standard factors in geography as well as family composition. The federal poverty level – the most commonly used income benchmark for determining public assistance – considers three-person families poor if they make \$18,530 or less each year, whether they live in New York City or rural Mississippi.

"The federal poverty level is outdated, inadequate and vastly underestimates what it actually costs for American families to get by," Pearce said. "It was designed almost a half century ago, when food was a bigger portion of the family budget and child care was rarely a cost," she said.

The minimum wage in Washington (\$8.67 an hour) is the highest in the nation, but Pearce's calculations show that minimum wage only covers about 43 percent of what a family of an adult with a preschooler and a second child in elementary school needs. That percentage will increase slightly, to 45 percent, when Washington state minimum wage increases to \$9.04 an hour next year.

"Put another way, in many places, and especially for families with young children, even two people working full time at minimum wage cannot earn enough to meet their family's basic needs," Pearce said.

Provided by University of Washington

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