

The Basic Economic Security Tables (BEST) for the Washington Region



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Wider Opportunities for Women

BEST Features



- Budget standard
- Conservative definition of basic economic security.
One level of need on a continuum;
- Explicit, clear, and clear-eyed;
- Suggestive of a path toward security which includes good incomes and employment-based benefits;
- An indicator of where public policy falls short, and suggestive of policy leverage points.

BEST Features



- Expenses + savings
- City, county, statewide and national numbers
- Address of large variety of family types
- Security incomes with and without employment-based benefits
 - Health care
 - Retirement
 - Emergency savings/unemployment insurance

BEST Questions



ECONOMIC DEVELOPMENT AND JOBS

- Do current or prospective local industries and businesses pay BEST wages, or offer career paths which will allow workers economic security?
- What is the role of employment-based benefits, such as health insurance or retirement plans, in providing economic security for local families?

EDUCATION & JOB TRAINING

- Do workers have the education and training required for jobs that pay BEST wages?

BEST Questions



POLICY

- How might policy create incentives to save, or remove disincentives to saving? What should saving priorities be?
- Should the current employment-based benefits system be strengthened, or should the link between the workplace and benefits such as retirement plans and health insurance be reconsidered?

PUBLIC EDUCATION

- Can the BEST change attitudes toward what is required to “make ends meet”? How it be integrated into financial education curricula?

BEST Questions



EVALUATION & PROGRAM MANAGEMENT

- Are various asset-building policies and programs effective in promoting savings? How can existing asset-building programs be made more effective for low-income families?

COUNSELING, PUBLIC ASSISTANCE & SERVICES

- What are the most effective leverage points for helping workers and families?

BEST Questions



EMERGENCY SAVINGS

- How much emergency savings is enough? Are traditional notions of emergency savings accurate? Can families save for emergencies?

RETIREMENT SAVINGS

- How much do workers need to save to retire locally? How many low- and moderate-income workers can actually afford to retire?

EDUCATION SAVINGS

- How much does it really cost to attend college in the DC area? What is the minimum amount a parent must save to pay for the most economical college educations available without taking out loans?

HOMEOWNERSHIP SAVINGS

- What is the opportunity cost of saving for home purchase and homeownership? What trade-offs might be involved?

DC BEST, 1 Worker



Basic Economic Security Tables (Workers with Employment-based Benefits)	
District of Columbia	
Monthly Expenses for: 1 Worker	
Housing	\$879
Utilities	\$175
Food	\$270
Transportation	\$159
Child Care	\$0
Personal & Household Items	\$357
Health Care	\$140
Emergency Savings	\$63
Retirement Savings	\$100
Taxes	\$549
Tax Credits	-\$34
Monthly Total	\$2,658
Annual Total	\$31,896
Hourly Wage	\$15.10
Additional Asset Building Savings	
Children's Higher Education	\$0
Homeownership	\$289

DC BEST, by Family Type



Basic Economic Security Tables, 2009 (Workers with Employment-based Benefits)					
District of Columbia, Selected Family Types					
	1 Worker	1 Worker, 1 Infant	1 Worker, Preschooler, 1 Schoolchild	2 Workers, 1 Infant	2 Workers, 1 Preschooler, 1 Schoolchild
Housing	\$879	\$996	\$996	\$996	\$996
Utilities	\$175	\$198	\$198	\$198	\$198
Food	\$270	\$388	\$582	\$607	\$780
Transportation	\$159	\$159	\$159	\$319	\$319
Child Care	\$0	\$1,162	\$2,456	\$1,162	\$2,456
Personal & Household Items	\$357	\$427	\$479	\$486	\$532
Health Care	\$140	\$332	\$434	\$450	\$434
Emergency Savings	\$63	\$156	\$255	\$187	\$269
Retirement Savings	\$100	\$100	\$100	\$212	\$212
Taxes	\$549	\$962	\$1,532	\$1,003	\$1,461
Tax Credits	-\$34	-\$184	-\$333	-\$216	-\$366
Monthly Total (per Worker)	\$2,658	\$4,696	\$6,858	\$2,702	\$3,645
Annual Total	\$31,896	\$56,352	\$82,296	\$64,848	\$87,480
Hourly Wage (per Worker)	\$15.10	\$26.68	\$38.97	\$15.35	\$20.71
Additional Asset Building Savings					
Children's Higher Education	\$0	\$51	\$102	\$0	\$102
Homeownership	\$289	\$364	\$364	\$289	\$364

DC Area BEST, by Jurisdiction



Basic Economic Security Tables, 2009						
<i>(Workers with Employment-based Benefits)</i>						
DC Area, by Jurisdiction						
Monthly Expenses for: 1 Worker, 1 Preschooler						
	District of Columbia	Prince George's County	Alexandria	Montgomery County	Arlington County	Fairfax County
Monthly Total	\$4,991	\$5,280	\$6,055	\$6,158	\$6,316	\$6,716
Annual Total	\$59,892	\$63,360	\$72,660	\$73,896	\$75,792	\$80,592
Hourly Wage	\$28.36	\$30.00	\$34.40	\$34.99	\$35.89	\$38.16
Additional Asset Building Savings						
Children's Higher Education	51	65	53	65	53	53
Homeownership	364	306	384	400	454	433

Findings



- Housing and childcare dominate budgets. Transportation can be critical.
- Security savings is within reach for some low- and moderate-income workers (approx. 5% of budgets)
- DC is home to “hot jobs” which pay economic security incomes to workers without 4-year degrees.
- Workers without benefits require \$1.50 - \$3.50 per hour in additional wages to achieve security incomes.

Policy Points



Policy Options – How to Help Low-Income Workers

- Reduce largest expenses (e.g. child care)
- Help workers obtain smaller pieces of security puzzle
 - Promote savings. Base efforts on target populations.
- Increase wages or attract higher-paying jobs; create career ladders and long-term supportive services
- Improve access to employment-based benefits
 - Health care reform
- Look at BEST numbers in conjunction with best policy windows.