



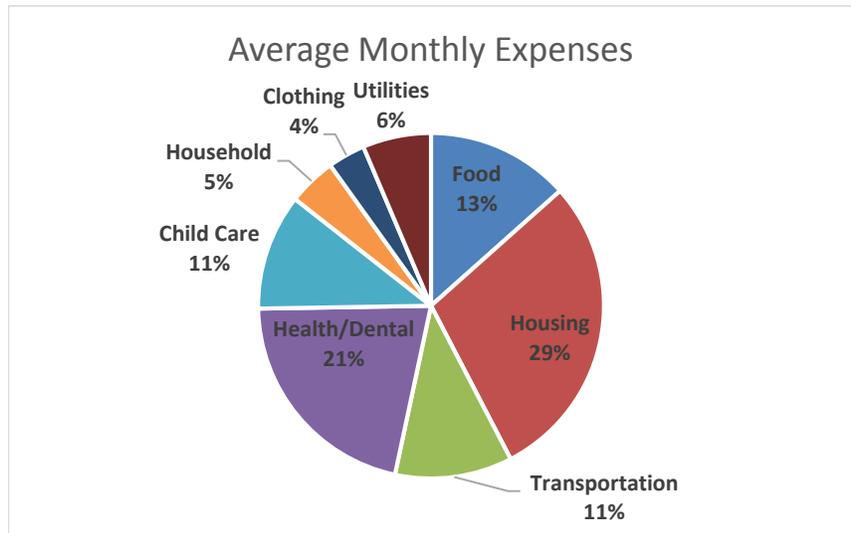
2014
BREVARD COUNTY
LIVING WAGE STUDY

Executive Summary

The 2014 Living Wage Study for Brevard County was calculated for a family of four (two parents-two children), a family of three (one parent – two children) and for a single individual. The results factored in costs for food, housing, transportation, utilities, taxes, and apparel.

Calculations were completed for nine (9) different scenarios to show amounts for the different family sizes with and without childcare and with and without health insurance.

The study found that based on average expenses housing makes up 29% of the family budget followed by childcare, health care, food, and transportation.



The household living wage necessary for a family living in Brevard County to meet the basic needs without government assistance ranges from \$58,443.72 (\$28.10 per hour) to \$86,713 (\$41.69 per hour) for a family of four, and from \$44,896 (\$21.58 per hour) to \$67,926 (\$32.66 per hour) for a family of three and \$23,579 (\$11.34 per hour) for a single person. Detailed costs and wage needs are shown in the table on page 23.



What is a “Living Wage”?

CareerSource Brevard (CSB) formerly known as Brevard Workforce developed the following definition:

“Living Wage” is the hourly salary that must be earned in Brevard County to support a family at a level of self-sufficiency so that the family may meet their basic needs, and through progression, ultimately eliminate the need of any government assistance programs.”

A living wage is not the same as the statutory minimum wage levels enforced by law (currently \$ 7.93 per hour in Brevard). Nor is a living wage the same as the federal poverty level which for 2014 equates to \$11.47 an hour for a family of four. The concept of living wage should be perceived as a suggested income level to achieve decent living standards. This study is a research report rather than a policy paper and is intended to be used as a goal to be attained by Brevard County citizens and as a guide for further study by public and private entities.

A living wage study isn't about a fair wage, but rather about being able to meet the basic costs of housing, food, clothing, transportation, health care, and other issues that affect a family's wellbeing without Federal, State, or local intervention.

A living wage study does not offer comment about the appropriateness of the compensation provided individuals for the performance of assigned tasks but rather estimates the hourly household compensation needed to purchase those items identified as comprising the most basic family budget.

A living wage should not be viewed as a single dollar amount but must be addressed as a range taking into account the life style and composition of the family being measured. Childcare and health care are substantial factors on the needed wage, and the willingness of parents to work different shifts, the availability of family members to care for minor children, and an employer's benefit package will have a major impact on these and other elements of the basic family budget.

Finally a “local living wage” can't be a static number. The cost of living continues to rise and must be adjusted to account for changes in the economy. While the costs had continued to rise since 2003, this study found, for the first time, there was a decrease in some of those basic costs that resulted in a much smaller increase (0.6%) in the upper range limit when

compared to that seen in previous studies. The lower income range of the scale increased by 10.3% over the 2011 rates as a result of substantially higher health care costs (up 28.5%) and a 5.2% increase in food costs. Housing costs were down less than 1% and childcare costs were down 5.5%.

Using the scenarios for 3 and 4 member families described later in this report, an annual household living wage in Brevard County was within a range of \$44,896.56 to \$86,712.60 annually (\$21.58 and \$41.69 hourly).

Household Income						
	Lower Range		Upper Range		Single Person	
Year	Annually	Hourly	Annually	Hourly	Annually	Hourly
2014	\$44,896.56	\$21.58	\$86,712.60	\$41.69	\$23,578.68	\$11.34
2011	\$40,700.76	\$19.57	\$86,132.80	\$41.41	\$24,029.04	\$11.55
2009	\$39,646.24	\$19.06	\$74,984.76	\$36.05	\$25,101.00	\$12.07
2005	\$32,870.52	\$15.80	\$61,312.44	\$29.48	\$19,003.32	\$9.14
2003	\$26,734.61	\$12.85	\$44,111.81	\$21.21	N/A	N/A

The 1.8% decrease in wage needs for a single person is primarily the result of reduced housing costs.

Methodology

This study utilizes CareerSource Brevard’s board approved definition and elements and makes every attempt to remain consistent with the methodology applied in the past to allow historical comparisons and trending information. In some cases it has been necessary to adjust elements to accurately reflect current economic conditions. For example, the current calculations do not include the costs for a home land-line phone due to the popularity and availability of low cost cell phone options.

The living wage is calculated for several different scenarios for each of the following:

- a) family/household size of three (single parent with 1 infant and 1 school age child) ,
- b) family/household size of four (two parents with 1 infant and 1 school age child), and
- c) single adult

The scenarios were developed and calculated with the acknowledgement that employers are not required to provide benefits for employees. Thus two categories were analyzed; those with employer provided benefits and those without.

The elements selected for inclusion in the basic family budget are: food, housing, utilities, housekeeping supplies, household furnishings and equipment, clothing, transportation, health care, child/dependent care and taxes. These items were considered to be the typical needs that must be met either on a monthly or annual basis. There is room for debate as to what constitutes a necessity in today’s society, particularly as consumption norms evolve. However, this study takes a conservative approach and does not include costs for things such as dining out, credit card debt, savings, social/recreational needs, life insurance, etc.

Main Findings

The 2014 living wage study found changes (increases and decreases) in the cost of living for Brevard County in most areas. The following report provides detailed information on the current rates and the historical trends seen over the past 10 years. The table on page 19 shows all results current and historical in table format.

Food

Food costs have been derived from the U.S. Department of Agriculture (USDA), Center for Nutrition Policy and Promotion, US Average as of February 2014. The Thrifty Plan, which is used as the basis for the Supplemental Nutrition Assistance Program (SNAP), has been used for this study, and assumes that all foods are purchased at stores and prepared in the home.

USDA provides differentiation based on the age of children ranging from 1 to 18 years of age into as many as seven categories. For the purpose of this study, the cost of food at differing ages was averaged to more accurately reflect the needs of the children in the study.

Thrifty Plan					
Family Make-up	2003	2005	2009	2011	2014
<i>Single Parent 20-50 Years of age and 2 children under 18 Years of Age</i>	\$326.60 Per month	\$344.38 Per month	\$419.24 Per month	\$427.91 Per month	\$450.33 Per month

<i>Two Parents 20-50 Years of age and 2 children under 18 Years of age</i>	\$478.20 Per month	\$486.78 Per month	\$579.54 Per month	\$591.46 Per month	\$622.93 Per month
Source: Official USDA Food Plans: Cost of Food at Home, U.S. Average, January 2003, March 2005, March 2009, February 2011, and February 2014 respectively.					

Food costs were up 5.2 % per month for the 2014 study while food assistance subsidies decreased by 5.5 %.

Housing

The size of required housing depends on the size of the family. It is generally expected that parents and children have their own bedrooms and that adolescents of differing gender have their own bedrooms. This will affect the basic family budget, based on the size and make-up of the family. Housing for a single person was calculated based on a 1 bedroom rental.

The housing market saw huge growth in 2005 and 2006 before beginning a steady decline in 2007 that continued through 2012 (the most recent data available from the property appraiser). A more recent number obtained from a story in Florida Today as reported by the Florida Realtors Association shows the median sale price on the rebound averaging \$140,000 in 2013.



Median Sale Price	
2000	\$99,400
2001	\$108,450
2002	\$119,400
2003	\$130,900
2004	\$159,000
2005	\$212,150
2006	\$220,500
2007	\$200,000
2008	\$185,000
2009	\$154,000
2010	\$145,000
2011	\$132,500
2012	\$134,900
2013	\$140,000

Source: County property appraiser tax rolls, compiled by Shimberg Center - Florida Housing Data Clearinghouse.

Rental

According to the U.S. Department of Housing and Urban Development (HUD), Fair Market Rents (FMR) for rental units in the Brevard County area for calendar year 2013 are shown in the table below:

Fair Market Rents					
Year	Efficiency	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
2003	\$418	\$489	\$611	\$818	\$953
2005	\$456	\$558	\$657	\$885	\$987
2008	\$601	\$735	\$866	\$1,167	\$1,301
2011	\$629	\$770	\$907	\$1,222	\$1,362
2013	\$540	\$706	\$874	\$1,210	\$1,439

(Source: U.S. Department of Housing and Urban Development, www.huduser.org)

There are several Housing Assistance programs available through HUD with varying eligibility requirements and income guidelines that may be available to families in Brevard County; however for purposes of this study those are not being addressed.

Resale Homes

The chart below shows a sampling of the number of resale homes available in Brevard County as of May 2014 compared to the number available in previous year studies.

Resale Homes Available			
	\$50,000 to \$80,000	\$80,000 to \$100,000	\$100,000 to \$150,000
May 2014	544	376	402
May 2011	842	437	420
May 2009	428	455	1021
May 2005	5	4	35
April 2003	56	90	N/A
December 2000	107	153	N/A

Source: www.homes.com linked from Florida Today

While the number of available homes remains relatively high, one can clearly see from the table how the housing market has changed. In 2009, the majority of houses available cost \$100,000 to \$150,000. In 2011, that number flipped with the majority of houses available at \$50,000 to \$80,000. This trend continues, however the numbers are spread more equally in 2014 than in prior years.

New Home Construction

Homefinder.com was used to search for new construction homes available in Brevard County. New homes were available in the Cocoa, Melbourne, Palm Bay and Titusville areas, in May 2014 starting from \$131,000. The average cost of new home construction is \$93 per square foot. For the purpose of this study, we will look at a hypothetical home of 1,500 square feet with three bedrooms, two baths, and an attached two-car garage, noting that the price per square foot does not vary substantially from 1 or 2 baths. Using the average cost of a new home, the cost to build a 1,500 sq. ft. 3 bedroom/2 bath home is approximately \$139,500.

(Source: www.homefinder.com/floridatoday)

Building lots are available throughout Brevard County and have increased in value like the housing market.

- \$2,900 to \$125,000 in the Palm Bay area
- \$4,900 to \$159,000 in the Cocoa area
- \$6,250 to \$155,000 in the Melbourne area

(Source: www.brevardpropertyappraiser.com)

For purposes of this study, we priced out the cost of a new home on a \$4,900 developed lot. The following table represents the current costs associated with new home construction. Costs as stated in the April 2003, May 2005, May 2009 and March 2011 studies are also shown for comparison purposes.

	April 2003	May 2005	May 2009	March 2011	May 2013
Purchase of developed lot	\$7,000	\$10,000	\$18,400	\$6,000	\$4,900
Cost of Construction per square foot	\$59.00	\$80.00	\$84.78	\$79.12	\$93.00
Construction Cost for 1,500 square foot home	\$88,500	\$120,000	\$127,170	\$118,680	\$139,500
Total Cost	\$95,500	\$130,000	\$145,654.78	\$124,680	\$144,400

So that the Living Wage Study for 2014 remains comparable to the study completed for 2003, 2005, 2009, and 2011, the costs associated with new home construction were used for purposes of illustration in calculating mortgage costs, real estate taxes and home insurance.

Mortgage Costs

For purposes of this study, it was assumed that a first-time homebuyer would use personal resources, and resources available within the community to make a down payment on a

home. The community resource may include the Housing and Community Development Program First Time Homebuyer’s Program, to arrange for housing assistance. Brevard County’s Affordable Housing Initiative has decreased the amount of assistance from \$42,655 in 2011 to \$33,400 in 2013. To qualify, first time homebuyers must meet income, assets and family size requirements. The median assistance level is \$25,400.

(Source: <http://www.brevardcounty.us/HumanServices/HousingPrograms/FirstTimeBuyerProgram>)

Assuming that the purchaser will have \$25,400 available to them as a deposit for the purchase of a home, we have calculated the mortgage costs for a newly constructed home with a fixed 30-year mortgage in Brevard County, Florida, as shown below:

Average Interest Rates and Monthly Payment Amounts									
2003		2005		2008		2011		2014*	
Rate	Payment	Rate	Payment	Rate	Payment	Rate	Payment	Rate	Payment
5.6 %	\$490.60	5.3%	\$666.75	4.92%	\$601.10	4.65%	\$470.66	4.17%	\$579.85

(Source: <https://www.navyfederal.org/calcs/mortgageloan.php>)

*2014 Basis - \$144,400 less \$25,400 deposit – Mortgage value: \$119,000

Real Estate Taxes

Tax assessment information varies by location and ranges from 16.6174 in Palm Shores to 24.8842 in Melbourne Village. The average rate was used in this study and is used in the historical comparisons.

Real Estate Taxes					
Year	2003	2005	2008	2011	2014
Average Millage Rate	20.1329	19.4286	17.5473	19.7135	20.2151

(Source: <https://www.bcpao.us/mainhtml/taxauth.asp>)

“Save Our Homes” and other legislation has changed the typical amounts used in past studies for assessed value. This study found that assessed values were generally from 82% to 95% of the market value. For the year 2013, the average assessment for the 14 city areas was \$20.39 per \$1,000. On a home valued at \$144,400, the assessed value would be between \$118,408 and \$137,180, less the Homestead Tax Exemption of \$25,000. For purposes of this study, we used the average monthly tax cost on assessed value of \$102,794 for the new construction, which is \$175.01.

Home Insurance

Home insurance was calculated on the ‘Average Florida House’ as defined by Florida Department of Financial Services. That definition is a frame structure insured for

replacement cost of \$150,000 and based on coverage comparable to the 2003, 2005, 2008, and 2011 Living Wage Studies:

<i>Insurance Cost</i>					
	*2003	*2005	**2008	**2011	**2014
<i>Dwelling</i>					
<i>Personal Property</i>	\$400.00 -	\$604.00 -	\$1,521 -	\$2,416 -	\$1,912 -
<i>Personal Liability</i>	Annually	Annually	Annually	Annually	Annually
<i>Personal Injury</i>	\$33.33 –	\$50.33 –	\$126.75 –	\$201.33 –	\$159.33 –
<i>Hurricane Coverage</i>	Monthly	Monthly	Monthly	Monthly	Monthly

*(Source: Farm Bureau Insurance of Brevard County, 321-636-4361)

** (Source: Florida Department of Financial Services Rates for Farm Bureau Insurance <https://choices.fldfs.com/pandc/homeowners>)

While the estimated monthly expenditure for the purchase of a home is less than the average cost of renting a three-bedroom dwelling in Brevard County (see table below), it is not reasonable to assume that individuals meeting the basic elements of a living wage formula would be homeowners. As a result, the average expenditure associated with renting a three-bedroom dwelling in Brevard County is used in this study.

<i>Housing Costs</i>					
	2003	2005	2008	2011	2014
<i>Rental</i>	\$818.00	\$885.00	\$1,167.00	\$1,222.00	\$1,210.00
<i>Home Ownership –</i>	\$591.03	\$854.71	\$853.12	\$817.33	\$914.19
<i>Mortgage</i>	\$490.60	\$666.75	\$601.10	\$470.66	\$579.85
<i>Taxes</i>	\$ 67.10	\$137.63	\$125.27	\$145.34	\$175.01
<i>Insurance</i>	\$ 33.33	\$ 50.33	\$126.75	\$201.33	\$159.33

Clothing, Housekeeping Supplies, Household Goods, and Utilities

U.S. Department of Labor (USDOL), Bureau of Labor Statistics (BLS), Consumer Expenditure Survey 2012, reflects the amount spent on clothing and household goods for the Southern region of the United States. This calculation includes the cost of clothing, footwear, apparel, services, housekeeping furnishings and equipment, and is determined as a percentage of the gross expenditure of a family on an annual basis. By way of comparison to previous studies, the cost of clothing, housekeeping supplies and household goods is beginning to rise after seeing a decrease in 2011. This study found increases in all areas, from 0.2% increase in housekeeping supplies to 1.7% increase in utility costs.

The average pretax income for the region, upon which the BLS based this study, increased slightly (1.5%) over the 2011 study, as compared to a decrease of just over 7% between the 2008 and 2011 studies, and increases of 19% between 2005 and 2008 studies, and 4% between 2003 and 2005 studies. It should be noted that the Average Consumer Unit (Household Size) that is used by the USDOL, BLS for reporting this data is 2.5, which is slightly less than the household sizes used in this study thus providing a conservative estimate of the expenses in these categories.

The chart below shows the percentages used in previous studies, and the current percentages that will be used in the final analysis for all scenarios in this study.

Category	Percent (%) of Annual Expenditures				
	2003	2005	2008	2011	*2014
<i>Housekeeping Supplies: Laundry and cleaning supplies, other household products, postage and stationery</i>	1.08%	1.30%	1.6%	1.1%	1.3%
<i>Household Furnishings and Equipment: Household textiles, furniture, floor coverings, major appliances, small appliances, miscellaneous house wares, miscellaneous household equipment</i>	3.07%	3.50%	4.3%	2.5%	3.3%
<i>Apparel and Services: Men and boys, Women and girls, children under 2 years</i>	3.73%	4.10%	4.5%	3.0%	3.5%
<i>Utilities – Including Power, Water, Sewer, Garbage Pick-up, Telephone Service, Gas, etc.</i>	N/A	7.60%	9.5%	6.4%	8.1%

(Source: Bureau of Labor Statistics, Consumer Expenditure Survey, 2003, 2005, 2008, 2009, 2012)

* Data for the 2014 Study is based on the most current Survey for 2012 Published in September 2013

Transportation

Transportation costs are associated with a number of household tasks such as shopping for groceries, getting to necessary appointments, getting children to school & childcare locations as well as an obvious work-related expense associated with paid employment. These costs include gas, oil, maintenance, tire wear, and insurance coverage. Calculations assume cars are owned and no car payments are owed.

The study assumes two vehicles for two wage earner families and uses costs published by American Automobile Association’s (AAA) Annual Report “Your Driving Costs” adjusted to reflect the most recent fuel cost (\$3.65 per gallon) from the AAA Daily Fuel Gauge Report. The AAA report includes estimates for Maintenance (1.09 cents per mile) and Tires (4.92 cents per mile). Maintenance costs were used in the calculations for this study but tires were not because they are not annual expenses.

The AAA report also includes estimated costs for Insurance which is typically \$400 to \$500 per year lower than the quotes that have been used in past Living Wage Studies. To remain

consistent, the 2014 study will again use the quotes from Progressive's On-line quote. It is important to note that there are many factors (age, driving history, credit history, etc.) that affect insurance rates. A typical policy through Progressive with a \$500 deductible costs \$1,472.94 per year or \$122.75 per month.

Public transportation has not been addressed in this study as a viable option for Brevard County residents. While mass transit is readily available in large urban areas, it is not a realistic consideration for a family with children in an area such as Brevard County.

Transportation costs are up slightly at just 3.8% over 2011 prices.

	2003	2005	2008	2011	2014
<i>Cost per mile</i>	\$0.106	\$0.147	\$0.16	\$0.18	\$0.19
<i>Monthly Operation Costs</i>	\$88.30	\$122.50	\$133.58	\$151.83	\$158.33
<i>Monthly Auto Insurance</i>	\$126.00	\$142.70	\$119.55	\$118.69	\$122.75
<i>Total Monthly Costs</i>	\$214.30	\$210.00	\$253.13	\$270.52	\$281.08

Health Care

Health care costs used in this study assume that the employer carries health and dental insurance for employees and pays 70% of the cost of coverage for the employee and 30% of the cost for family and/or spouse coverage. This study uses rates from Health First – Value Choice Plan for medical coverage and from Ameritas Dental Plan for dental coverage.

<i>Health Insurance Coverage</i>	2003	2005	2008	2011	2014
<i>Employee only</i>	\$0.00	\$105.87	\$143.91	\$152.49	\$172.58
<i>Dependent Spouse</i>	\$263.37	\$359.07	\$645.20	\$508.31	\$865.77
<i>Dependent Children</i>	\$227.30	\$265.62	\$612.10	\$414.83	\$773.15
<i>Family</i>	\$490.67	\$543.57	\$767.52	\$853.77	\$1,208.05

<i>Dental Insurance Coverage</i>	2003	2005	2008	2011	2014
<i>Employee only</i>	\$0.00	\$6.00	\$7.63	\$9.46	\$12.97
<i>Dependent Spouse</i>	\$34.96	\$18.92	\$32.11	\$31.52	\$56.78
<i>Dependent Children</i>	\$29.36	\$24.83	\$36.37	\$51.52	\$73.61
<i>Family</i>	\$64.32	\$43.86	\$43.04	\$83.04	\$100.13

Child Care

Child care services in Brevard are administered by the Early Learning Coalition (ELC). The rates used in the report are the most recently available rates posted on the Early Learning Coalition website. The study assumes that of the two children in the household, one is an infant (demanding the highest cost of child care) and the other is attending school full time requiring only before/after school care. While the Early Learning Coalition offers a Sibling Discount of 50% when there is more than one child, that discount is at the discretion of the provider and was therefore not included in the calculations for this study. Sources for this report indicate that the average costs for school age children have decreased substantially

between 2011 and 2014. Infant care increased by about 8% over the three year period since the last study.

Monthly Child Care Costs					
	2003	2005	2008	2011	2014
<i>Infant</i>	\$455.00	\$498.33	\$551.85	\$616.42	\$667.42
<i>School Age</i>	\$173.33	\$264.33	\$277.55	\$413.83	\$323.57
<i>Total Cost</i>	\$628.33	\$762.66	\$829.40	\$1,030.25	\$990.99

Taxes

Taxes are calculated using the IRS rules for 2013 as follows:

Federal Income Tax – Based on the annual gross income amount less the standard deduction of \$12,200 for a married couple or \$8,950 for a single head of household and \$3,950 for each exemption (4 in the 4 person family and 3 in the three person family) and then adjusted by applicable Earned Income Tax Credits.

FICA – Calculated at 7.65% of Wages

Sales Taxes – Calculated at 6.0% of consumables (40% of total wages less that amount set aside for Federal Withholding and FICA (Social Security) Taxes.

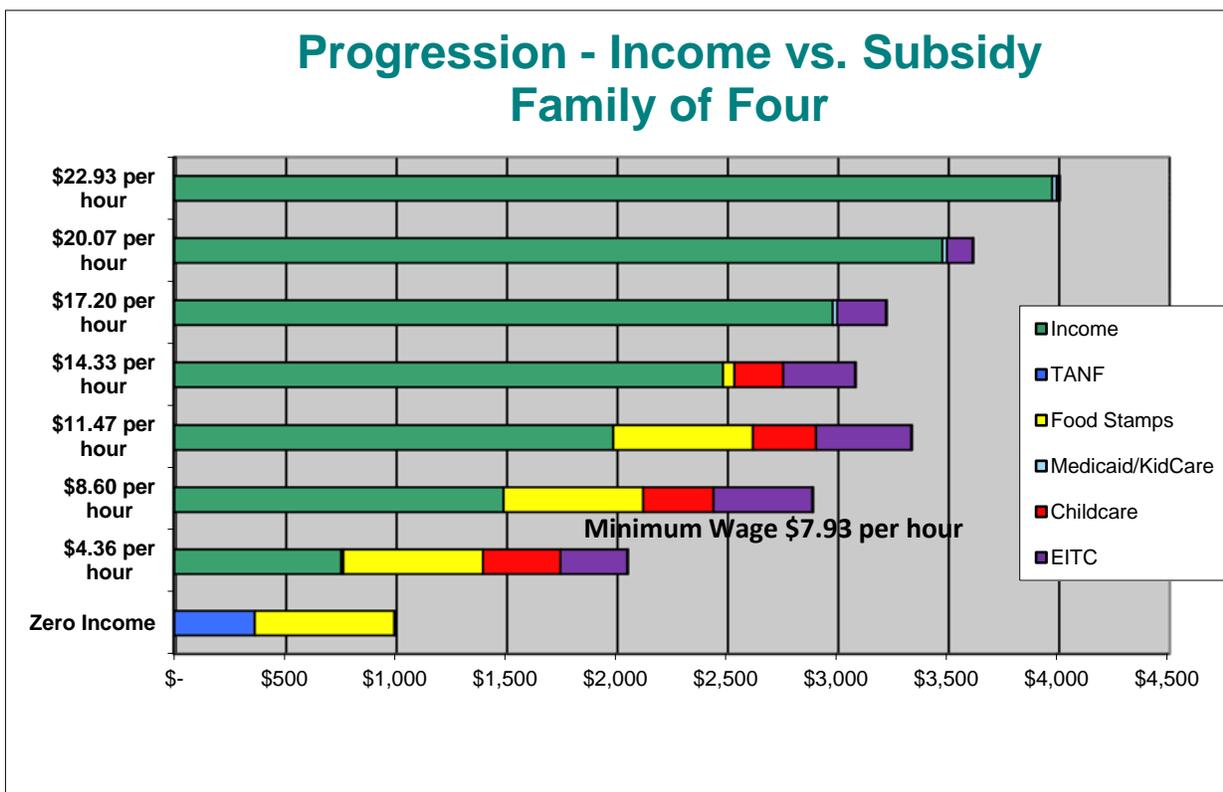
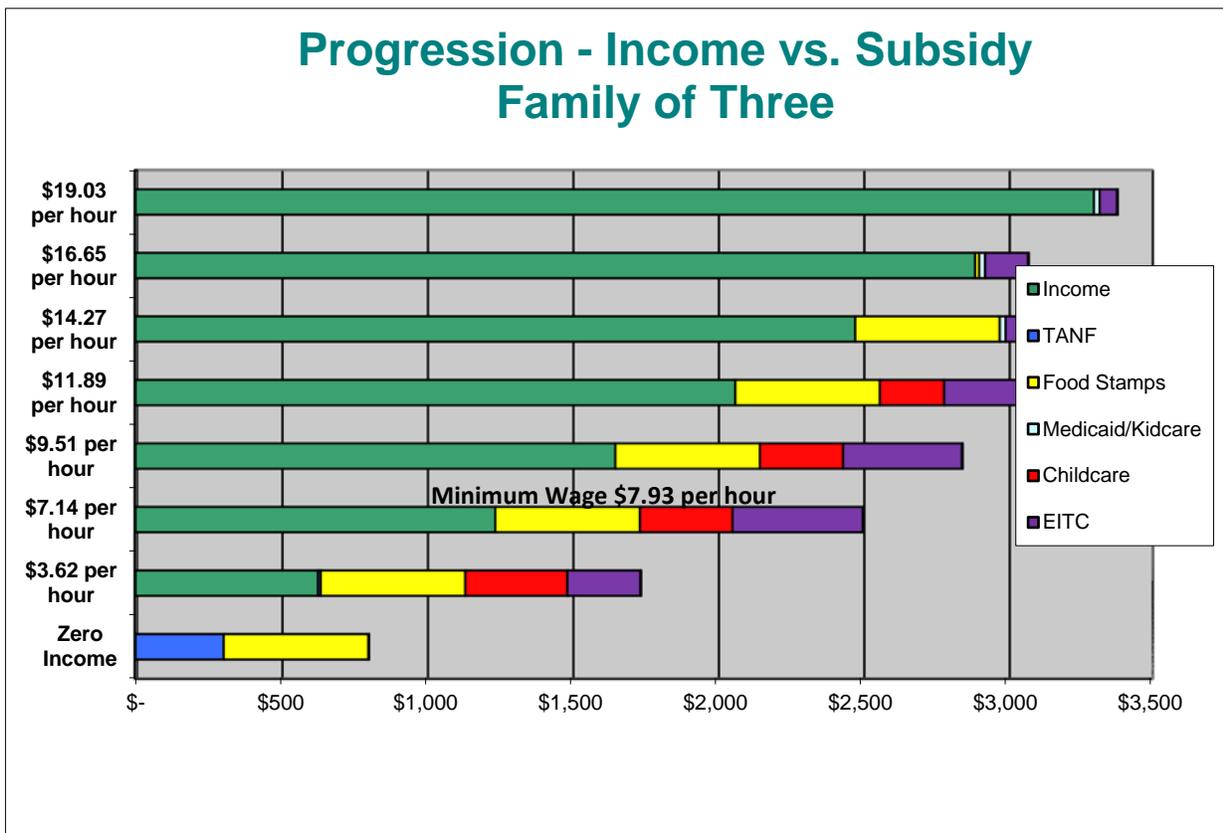
Subsidies – The Progression from Public Assistance to Self Sufficiency

No one would deny that it takes time and much effort for a family to move from poverty to earning a living wage. Nine scenarios follow this section and identify a living wage for each case. The scenarios describe the number of people in a household who are working, whether one or both of the workers are covered by health insurance through an employer, and whether the cost of childcare is required.

It is also understood that federal, state and local government agencies have made a significant investment in the community by providing services and benefits to assist households in maintaining proper nutrition, decent housing and adequate childcare. These services are available to all families in their time of need. For the time that households are eligible for any or all of these services and benefits, they should be encouraged and assisted in making use of the services and benefits that have been provided for their use.

This section will define the services and benefits available to families, discuss the eligibility requirements in very broad terms, and specifically show at what point a household's income

disqualifies families from continued receipt of these services and benefits. The charts on page 14 demonstrate the progression for each family size:



Eligibility for any program depends on an enormous amount of information that is specific to the household applying for the benefits. Each agency has requirements, benchmarks and thresholds that are used for determining eligibility. The dollar amounts represented in the following scenarios have been derived from a broad-stroke picture of a hypothetical household, and are used for the purpose of illustration in this report only.

Federal Poverty Level

The table below represents the Federal Poverty Level (FPL) breakdown that is used in the charts throughout the remainder of this document:

2014 Annual Amounts							
	38% FPL	75% FPL	100% FPL	125% FPL	150% FPL	175% FPL	200% FPL
1 Adult/ 2 Children	\$7,520.20	\$14,842.50	\$19,790.00	\$24,737.50	\$29,685.00	\$34,632.50	\$39,580.00
2 Adults/ 2 Children	\$9,063.00	\$17,887.50	\$23,850.00	\$29,812.50	\$35,775.00	\$41,737.50	\$47,700.00
2014 Monthly Amounts							
1 Adult/ 2 Children	\$626.68	\$1,236.88	\$1,649.17	\$2,061.46	\$2,473.75	\$2,886.04	\$3,298.33
2 Adults/ 2 Children	\$755.25	\$1,490.63	\$1,987.50	\$2,484.38	\$2,981.25	\$3,478.13	\$3,975.00

TANF – Temporary Assistance to Needy Families

TANF provides cash assistance to low income families with children. Adult recipients must actively seek employment or engage in job training services as a condition of eligibility. The maximum TANF grant for a family of three is \$303 per month, and for a family of four a maximum TANF grant of \$364.

In very simplified terms, a person requesting TANF would be asked to produce proof of their monthly income. One-half of that countable monthly amount would be used for eligibility determination. If this figure falls below the maximum grant for a household, then the household would receive TANF benefits in an amount equal to the difference between the product of the calculation and the maximum benefit. Example: If a person provides proof of monthly income of \$500, then \$250 (one-half of the \$500) would be excluded, leaving a balance of \$250 as countable income. For a family of three, the difference between the maximum benefit of \$303 and countable income of \$250 is \$53. The household would receive \$53 per month in TANF benefits.

If any member of the TANF grant becomes employed, and the household earns monthly countable income in excess of \$606 (36.7% FPL) for a family of three or \$728 (36.6% FPL) for a family of four, the household becomes ineligible for further receipt of TANF.

Food Stamps

The Food Stamp Program supplements food budgets of low-income households with children as well as the working poor, elderly, and disabled individuals. The maximum benefit for a household of three in 2014 is \$497 per month and \$632 per month for a family of four. The calculation to determine eligibility for Food Stamps is very complicated, and takes into account earned income, medical expenses, persons with disabilities, dependent care, child support paid, and shelter and utility expenses.

As a household reaches a monthly earned income threshold in excess of 175% FPL, the household becomes ineligible for food stamps.

Medical Coverage

All members of a household with monthly incomes below the federal poverty threshold are eligible for Medicaid coverage. In addition, families that formerly received TANF may also be eligible for transitional Medicaid for up to one year after the TANF has been cancelled due to over-income. The State of Florida also offers health insurance programs for children under an umbrella called "Florida Kid Care." There are four separate programs offered through Florida Kid Care, outlined below:

1. Medicaid

Provides health care coverage and services to families and children whose monthly income is within certain limits.

Age: Birth through 18 years

Restrictions: Monthly household income for a family of 4 making less than:

- . 200% FPL for a child under the age of 1
- . 133% FPL for children ages 1 through 5
- . 100% FPL for children ages 6 through 18

Cost: No cost to the family.

2. MediKids - A health insurance program for children that provides comprehensive benefits similar to the Medicaid program. MediKids offers more benefits than Healthy Kids (outlined below) and has no co-pays.

Ages: Birth through 4 years.

Restrictions: Ineligible for Medicaid and CMS Network

Cost: Most families will pay \$15 to \$20 per household for a family making between 133% and 200% of the FPL.

3. Florida Healthy Kids – Provides medical coverage for children in households whose income is over the Medicaid limit and under 200% of the FPL.

Ages: 5 through 18 years.

Restrictions: Ineligible for Medicaid and CMS Network

Cost: Most families will pay \$15 to \$20 per household for a family making less than 200% FPL.

4. Children's Medical Services (CMS) Network

A program for children who have special health care needs.

Ages: Birth through 18 years.

Restrictions: A household of 4 making less than 200% FPL requires medical eligibility. CMS is specifically for children with special health care needs, such as Spina Bifida, Leukemia, and Diabetes.

Cost: Most families will pay \$15 to \$20 per household for a family making less than 200% FPL.

All of the above health care programs for children are available in Brevard County. Even at the highest level of income in our scenarios, which is 200% FPL, subsidized health insurance is available to families at a nominal shared cost of about \$20 dollars per household. It should be noted that there are differences in the availability of coverage with the above programs, for example some provide dental and vision, while others require it to be purchased separately.

Scenarios Used in Calculating a Living Wage

The following pages contain budget information for several scenarios, based on the itemizations outlined above. The scenarios differ with respect to the number of people in the household who are working, whether either or both of the workers are covered by health insurance through an employer, and whether the cost of childcare is required.

Scenario #1 - Two parents, two children under the age of 18 years

Both parents working outside of the home

Both parents covered by health/dental insurance through employer.

Scenario #2 - Two parents, two children under the age of 18 years

Both parents working outside of the home

Parents working different shifts eliminating the need for child care.

Both parents covered by health/dental insurance through employer.

Scenario #3 - Two parents, two children under the age of 18 years

Both parents working outside of the home

One parent covered by health/dental insurance through employer.

Scenario #4 - Two parents, two children under the age of 18 years

Both parents working outside of the home

Parents working different shifts eliminating the need for child care.

One parent covered by health/dental insurance through employer.

Scenario #5 - One parent, two children under the age of 18 years

One parent working outside of the home

One parent covered by health/dental insurance through employer

Child care provided by family member at no cost.

Scenario #6 - One parent, two children under the age of 18 years

One parent working outside of the home

One parent covered by health/dental insurance through employer.

Scenario #7 – Single Adult

Working outside of the home

Covered by health/dental insurance through employer.

Living in a 1 Bedroom Rental

Scenario #8 - Two parents, two children under the age of 18 years

One parent working outside of the home

One parent covered by health/dental insurance through employer.

Scenario #9 - Two parents, two children under the age of 18 years

Both parents working outside of the home

Neither parent covered by health/dental insurance through employer.

Acronyms Used in this Study

BLS- Bureau of Labor Statistics

CSB – CareerSource Brevard (formerly Brevard Workforce)

DEO – Department of Economic Opportunity (formerly Agency for Workforce Information (AWI))

EITC – Earned Income Tax Credit

ELC – Early Learning Coalition

FICA – Federal Insurance Contribution Act – Social Security Taxes

FPL – Federal Poverty Level

FMR – Fair Market Rents

HUD – Housing and Urban Development

SNAP – Supplemental Nutrition Assistance Program

TANF – Temporary Assistance to Needy Families

USDA – U.S. Department of Agriculture

USDOL – U.S. Department of Labor

Federal Poverty Guidelines for 2014

Family Unit Size	Federal Poverty Level – Annual	Federal Poverty Level – Hourly
1	\$11,670.00	\$5.61
2	\$15,730.00	\$7.56
3	\$19,790.00	\$9.51
4	\$23,850.00	\$11.47
5	\$27,910.00	\$13.42
6	\$31,970.00	\$15.37
7	\$36,030.00	\$17.32
8	\$40,090.00	\$19.27

To calculate the Federal Poverty Guideline for family units with more than eight members, add \$4,060.00 for each additional person.

Full Comparison Chart

<i>Element</i>	<i>Family Make Up</i>	2003	2005	2008/9	2011	2014
Food – monthly	Single parent, 2 children	326.6	344.38	419.24	427.91	450.33
	Two parents, 2 children	478.2	486.78	579.54	591.46	622.93
Housing - monthly	Rental	818	885	1167	\$1,222	\$1,210
	Home Ownership – Cost	95,500	130,000	145,700	124,680	144,400
	Mortgage Cost	490.6	666.75	601.1	470.66	579.85
	R/E Tax Assessment -Annual	20.13 per 1,000	19.43 per 1,000	17.55 per 1,000	19.71 per 1,000	20.39 per 1,000
	R/E Assessed Value	67.1	137.63	125.27	145.34	175.01
	House Insurance	33.33 to 37.50	50.33	126.75	201.33	159.33
Transportation – monthly -1 Automobile	Auto Insurance	126	142.7	119.55	118.69	122.75
	Operational Costs	88.3	122.5	133.58	151.83	158.33
Transportation – monthly -2 Automobiles	Auto Insurance	N/A	285.4	160.13	237.38	245.5
	Operational Costs	N/A	245	267.16	303.66	316.66
Household Goods (shown as a % expenditures)	Supplies	1.08%	1.30%	1.23%	1.10%	1.3%
	Furnishings	3.07%	3.50%	2.47%	2.50%	3.3%
	Apparel	3.73%	4.10%	2.75%	3.00%	3.5%
Utilities (shown as a % of expenditures)	Includes Power, Water, Sewer, Garbage, Phone	N/A	7.60%	7.82%	6.40%	8.1%
Health Care – monthly	Employee @ 30% of cost	N/A	105.87	143.91	152.49	166.47
	Dependent Spouse	263.37	359.07	386.16	508.31	446.7
	Dependent Children	227.3	265.62	308.93	414.83	357.36
	Dependent Family	490.67	543.57	671.59	853.77	776.87
Dental Care - monthly	Employee @ 30% or cost	N/A	6	7.63	9.45	12.97
	Dependent Spouse	34.96	18.92	15.57	31.52	26.52
	Dependent Children	29.36	24.83	25.51	51.52	43.34
	Dependent Family	64.32	43.86	41.08	83.04	69.86
Childcare – Weekly Fees	Infant	105	115	127.35	142.25	154.02
	Toddler	90	101	111.3	124.25	111.3
	2 years	85	92	101.35	113.25	N/A
	3 years – 4 Years	80	87.5	96.6	108	122.46
	School age P/T	40	61	64.05	95.5	70.71
	School age F/T	65	81.5	85.6	100.25	N/A
Childcare – monthly costs	1 infant, 1 school age part time	623.5	762.66	829.4	1,030.25	973.83
TANF – maximum monthly benefit	Family of three	303	303	303	303	303
	Family of four	364	364	364	364	364
Food Stamps - maximum monthly benefit	Family of three	366	393	526	526	497
	Family of four	465	499	668	668	632

Medical – Florida KidCare – maximum costs		93.00 per child	20	20	20	20
Earned Income Tax Credit	Maximum amount – annual	4,140.00	4,300.00	4,824.00	5,112.00	5,372.00

	Scenario #1	Scenario #2	Scenario #3	Scenario #4	Scenario #5	Scenario #6
	Two parents, two children under 18 yrs., both working, both covered by employer's health/dental.	Two parents, two children under 18 yrs., working different shifts, both covered by employer's health/dental.	Two parents, two children under 18 yrs., both working one parent covered by employer's health/dental.	Two parents, two children under 18 yrs., working different shifts one parent covered by employer's health/dental.	One parent, two children under 18 yrs., parent working, covered by employer's health/dental, childcare provided by family member at no cost	One parent, two children under 18 yrs., parent working, covered by employer's health/dental insurance.
Food	\$622.93	\$622.93	\$622.93	\$622.93	\$450.33	\$450.33
Housing	\$1,210.00	\$1,210.00	\$1,210.00	\$1,210.00	\$1,210.00	\$1,210.00
Transportation	\$562.16	\$562.16	\$562.16	\$562.16	\$281.08	\$281.08
Health/Dental Care	\$1,015.48	\$1,015.48	\$1,264.83	\$1,264.83	\$829.93	\$829.93
Child Care	\$973.83	\$0.00	\$973.83	\$0.00	\$0.00	\$973.83
Sub Total	\$4,384.40	\$3,410.57	\$4,633.75	\$3,659.92	\$2,771.34	\$3,745.17
Housekeeping	\$66.59	\$51.80	\$70.37	\$55.58	\$42.09	\$56.88
Household	\$107.56	\$83.67	\$113.68	\$89.79	\$67.99	\$91.88
Clothing	\$179.27	\$139.45	\$189.46	\$149.65	\$113.31	\$153.13
Utilities	\$327.81	\$255.00	\$346.45	\$273.64	\$207.20	\$280.01
Miscellaneous	\$56.34	\$43.83	\$59.55	\$47.03	\$35.61	\$48.13
Subtotal	\$5,121.96	\$3,984.31	\$5,413.26	\$4,275.61	\$3,237.55	\$4,375.20
FICA	\$521.80	\$379.85	\$552.79	\$423.33	\$286.22	\$433.03
Federal Tax	\$799.57	\$320.07	\$860.35	\$525.49	\$0.00	\$535.96
Sales Tax	\$377.54	\$281.12	\$399.65	\$309.25	\$217.61	\$316.38
Total Taxes	\$1,698.90	\$981.05	\$1,812.79	\$1,258.06	\$503.83	\$1,285.37

Monthly Income	\$6,820.87	\$4,965.36	\$7,226.05	\$5,533.67	\$3,741.38	\$5,660.57
Annual Income	\$81,850.44	\$59,584.32	\$86,712.60	\$66,404.04	\$44,896.56	\$67,926.84
Hourly Household Wage	\$39.35	\$28.65	\$41.69	\$31.93	\$21.58	\$32.66
Total Outlay	\$ 6,820.87	\$ 4,965.36	\$ 7,226.05	\$ 5,533.67	\$ 3,741.38	\$ 5,660.57
	Scenario #1	Scenario #2	Scenario #3	Scenario #4	Scenario #5	Scenario #6
Standard Deduction	\$ 12,200.00	\$ 12,200.00	\$ 12,200.00	\$ 12,200.00	\$ 8,950.00	\$ 8,950.00
Exemptions *3950	\$ 15,800.00	\$ 15,800.00	\$ 15,800.00	\$ 15,800.00	\$ 11,850.00	\$ 11,850.00
Income after Standard Deduction	\$ 53,850.44	\$ 31,584.32	\$ 58,712.60	\$ 38,404.04	\$ 24,096.56	\$ 47,126.84
First Tax Amount	\$ 1,785.00	\$ 1,785.00	\$ 1,785.00	\$ 1,785.00	\$ 1,275.00	\$ 1,275.00
Second Tax Amount	\$ 7,809.82	\$ 4,469.90	\$ 8,539.14	\$ 5,492.86	\$ 1,701.98	\$ 5,156.53
Total Annual Tax	\$ 9,594.82	\$ 6,254.90	\$ 10,324.14	\$ 7,277.86	\$ 2,976.98	\$ 6,431.53
Earned Income Tax Credit	\$ -	\$ 2,414.00	\$ -	\$ 972.00	\$ 2,205.00	\$ -
Total Federal Tax - Monthly	\$ 799.57	\$ 320.07	\$ 860.35	\$ 525.49	\$ -	\$ 535.96
Monthly Income less Taxes	\$ 5,121.97	\$ 3,984.31	\$ 5,413.26	\$ 4,275.61	\$ 3,237.55	\$ 4,375.20

Elements	Scenario Descriptions		
	Scenario #7	Scenario #8	Scenario #9
	Single Adult, working outside the home, covered by employer's health/dental insurance.	Two parents, two children under 18 yrs., one parent working, covered by employer's health/dental.	Two parents, two children under 18 yrs., both working, no health/dental insurance.
Food	\$172.60	\$622.93	\$622.93
Housing	\$706.00	\$1,210.00	\$1,210.00
Transportation	\$281.08	\$281.08	\$562.16
Health/Dental Care	\$185.55	\$1,264.83	\$0.00
Child Care	\$0.00	\$0.00	\$973.83
Sub Total	\$1,345.23	\$3,378.84	\$3,368.92
Housekeeping	\$20.43	\$51.31	\$51.16
Household	\$33.00	\$82.89	\$82.65
Clothing	\$55.00	\$138.15	\$137.75
Utilities	\$100.58	\$252.62	\$251.88
Miscellaneous	\$17.29	\$43.42	\$43.29
Subtotal	\$1,571.53	\$3,947.24	\$3,935.65
FICA	\$150.31	\$374.36	\$372.58
Federal Tax	\$131.92	\$294.39	\$285.65
Sales Tax	\$111.12	\$277.56	\$276.42
Total Taxes	\$393.35	\$946.31	\$934.65
Monthly Income	\$1,964.89	\$4,893.55	\$4,870.31
Annual Income	\$23,578.68	\$58,722.60	\$58,443.72
Hourly Household Wage	\$11.34	\$28.23	\$28.10
	\$ 0.00	\$ 0.00	\$ 0.00
Total Outlay	\$ 1,964.89	\$ 4,893.55	\$ 4,870.31

Standard Deduction	\$ 6,100.00	\$ 12,200.00	\$ 12,200.00
	Scenario #7	Scenario #8	Scenario #9
Exemptions *3950	\$ 3,950.00	\$ 15,800.00	\$ 15,800.00
Income after Standard Deduction	\$ 13,528.68	\$ 30,722.60	\$ 30,443.72
First Tax Amount	\$ 892.50	\$ 1,785.00	\$ 1,785.00
Second Tax Amount	\$ 690.55	\$ 4,340.64	\$ 4,298.81
Total Annual Tax	\$ 1,583.05	\$ 6,125.64	\$ 6,083.81
Earned Income Tax Credit	\$ -	\$ 2,593.00	\$ 2,656.00
Total Federal Tax - Monthly	\$ 131.92	\$ 294.39	\$ 285.65
Monthly Income less Taxes	\$ 1,571.54	\$ 3,947.24	\$ 3,935.66

Addendum

Alternative Health Care Summary

In an effort to consider the impact of the Patient Protection and Affordable Care Act, signed into law in 2010, additional research was conducted and included reviewing plans available and the associated costs for a family of 4 (Husband, Wife and 2 children) with an annual household income of \$58,000. Due to the wide variety of plans available and the many personalized criteria that go into choosing a plan, this study does not include the costs of an alternative health plan in the calculations for an hourly wage.

This addendum uses the following assumptions:

- The family in this scenario would be eligible for a Health Care Premium Tax Credit of \$513.09 per month.
- The coverage assumed in this scenario was selected based on Medium level services needed: 3 Doctor visits, 1 lab/diagnostics, 2 prescription drugs, and \$100 in medical expenses per year per family member.
- None of the family members have health problems that require treatment beyond routine annual care.

There are over 120 plans to choose from all having different coverage amounts and elements (Vision, Dental, Maternity). The following table outlines the costs associated with each of the four levels of service for an HMO plan.

	Bronze	Silver	Gold	Premium
Monthly Premium	\$700	\$890	\$1087	\$1228
Annual Deductible	\$9,000	\$8,000	\$2,000	\$1,600
Out-of-Pocket Maximum	\$13,600	\$10,400	\$5,000	\$5,000
Co-Insurance/Co-Payment Emergency Room, Primary Care, and Specialist	60%/40%	70%/30%	80%/20%	90%/10%
Prescription Drugs – Generic	\$3	\$3	\$3	\$3