

THE SELF-SUFFICIENCY STANDARD for the U.S. VIRGIN ISLANDS 2010



A Family Needs Budget



The Self-Sufficiency Standard for the US Virgin Islands

September 2010

Final Report



Bureau of Economic Research

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Acknowledgements

The Self-Sufficiency Standard for the US Virgin Islands was developed by Dr. Zenia Kotval and Dr. John Mullin of Mullin and Associates. The authors would like to acknowledge the contributions of Lauritz Mills, Director of the US Virgin Islands Bureau of Economic Research (USVI BER), who assisted in the writing and production of this report. We also acknowledge the support and dedication of the staff of BER, namely Bernadette Melendez, Donnie Dorsett, Petrani Cornelius, Vanessa Richardson, Delores Hazel and Bernesha Liburd who designed the cover.

The project was managed by the USVI BER, Office of the Governor and funded with an appropriation from the 27th Legislature of the US Virgin Islands. We thank the Governor and Senators for their support of the project.

We would also like to thank the members of the Living Wage Advisory Board or their designee for their participation:

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Chapter 1. A Living Wage: Why is it Important?

Introduction

Widening wage disparities and the declining real value of wages have given rise to a number of families who are finding that their income is inadequate to support their needs. Though many of these families are not poor as defined by the official federal poverty measure, their incomes cannot provide for the family's basic needs, considered to be those goods and services that afford a minimally decent standard of living. These needs include food, housing, child care, clothing, transportation, health care and miscellaneous expenses.

Historically, the US Federal Poverty Level (FPL) has been used to determine the amount of income individuals and families need to purchase a basket of goods and services deemed minimally adequate. Based on the FPL, persons and families are considered poor if their income is below a particular threshold, and not poor if it is above. There are several problems, however, with the federal measure of poverty. There has been little change since it was adopted in 1969, except for annual adjustments for overall price changes, as measured by the Consumer Price Index. It continues to assume that food is the major cost of a household budget, as families spend one-third of their budget on food. This may have been true when the measure was developed more than four decades ago, but it is not an accurate depiction of today's consumption patterns. Families no longer spend one-third of their income on food and two-thirds on other basic needs. Food now accounts for about one-sixth of the family budget. Housing, transportation and utilities represent a much larger share of family spending.

Another inadequacy of the federal measure of poverty is there is no variation by geographic region. In other words, the FPL is the same whether a family lives in the US Virgin Islands or Palm Beach, Florida where income and costs are different. Consequently, it is generally agreed by many experts that the current measure underestimates the extent of poverty in high cost of living areas; therefore, some have recommended that poverty incomes be adjusted for area cost of living differences.

Besides, expenses most families now consider as essential in their household budget are excluded from the poverty measure. For example, the cost of child care is not figured into the thresholds because the federal poverty measures assume a family unit of one wage earner and a stay-at-home parent. Child care is assumed to be provided by the stay-at-home-mother and, thus, implicitly has no costs. The reality is that working, single heads of households and two-income households are the norm. The change in basic needs over time and the growth in expenses associated with today's living have a great impact on family budgets. So for most families there is a gap between the federal poverty thresholds and the actual cost of providing for that family's basic needs. Simply, the FLP is not high enough to reflect the realities that low-income earners face.

The Living Wage

Concerned that many working families are unable to make ends meet and the federal measure of poverty is far too low, community-based organizations have advocated for living wages. These groups have argued that instead of using poverty as the standard to measure people's economic well-being, a more suitable measure is the living wage which takes into account the full range of costs required for families of different sizes and locations to maintain a decent standard of living.

The living wage is defined as the wage level that a full-time worker needs to earn to support a family above the federal poverty line. Because the minimum wage laws in many areas—passed by both state and federal governments—have proven unable to empower workers to provide adequately for their families, there are calls for living wage ordinances. A living wage involves local legislation that requires employers to pay a certain wage, higher than the federal or state minimum wage level, to a specific set of employees. In general, beneficiaries include employees of contractors or subcontractors with city service contracts, or businesses that receive economic development subsidies or financial assistance from cities or other governmental entities.

The modern living wage movement emerged as grassroots responses to the declining real value of the minimum wage, the growth of a low-wage service sector, and widening economic disparities. The movement began in Baltimore in 1994 when the city passed an ordinance requiring firms with city contracts to pay employees a rate above the federal minimum wage. Since then, 37 states, the District of Columbia and New York City have enacted living wages ranging from \$6.25 to \$12.00 an hour, with some requiring businesses to pay a higher wage if health insurance is not provided to the employees.

Arguments for Living Wage

The most common arguments for proposing a living wage goes to the crux of meeting the needs of poor families. Proponents have advocated that living wages should allow families to provide for themselves without the help of government subsidies. The federal minimum wage, they argue, is not sufficient for a full-time worker to support a family. Therefore, it is beneficial to the health and welfare of citizens to be paid a living wage which enables their families not to live in poverty.

In recent years the minimum wage has declined in real value. As a result, more American citizens are living below the poverty level. During the 1960s and 1970s the minimum wage was enough to provide for a family of three with only one wage earner. However, today the minimum wage is no longer able to provide for the same family. A recent study by the Northwest Federation of Community Organizations provides a plethora of information about how the living expenses for a family have increased substantially in recent years. Record food price increases in 2007 saw the cost of many staple food items increase by 30%. Health insurance premiums have increased 131% between 1999 and 2008 and the employee

contribution has increased by 128%. In fact, two out of every five adults in the United States are having trouble paying their medical bills. Forty-six million people in the United States lacked health insurance in 2008 and more than one-quarter of people who earn less than \$25,000 a year are uninsured.

The increase in income inequality—the gap between high-income and low-income households—that has widened significantly since the 1970s, is another reason a living wage is deemed necessary. The living wage aims to reduce this gap to a small extent by raising the earnings of low-wage workers. Cities with large percentages of immigrants and low educational attainment have larger proportions in the low-wage segments that stand to gain from a living wage that ensures decent wages and benefits.

Proponents argue that living wage legislation protects worker rights as municipal services are increasingly contracted out to private companies and organizations. The living wage laws have traditionally been applied to those employed by firms that have a contract with the local/state government. Private companies usually hire workers at lower wage levels, thus exploiting the laborers for bottom line profits. The point of the living wage law is that if employers receive some economic benefit from the government, then they should also pass on benefits to their workers. If the federal minimum wage could be increased to levels that would enable low-income workers to get out of poverty, then that would be desirable. However, community organization efforts often do not get to the higher federal levels for the sweeping changes that are being demanded, and therefore, they are more apt to be targeted towards the local municipal ordinances.

Finally, supporters charge that living wage ordinances counter some of the negative economic trends affecting low-wage earners. They force a redistribution of economic resources and a decrease in the race to the bottom where municipalities undercut each other in order to attract or retain businesses. These laws also serve as an organizing tool to help low-income communities become involved in their economic futures.

Opposition to a Living Wage

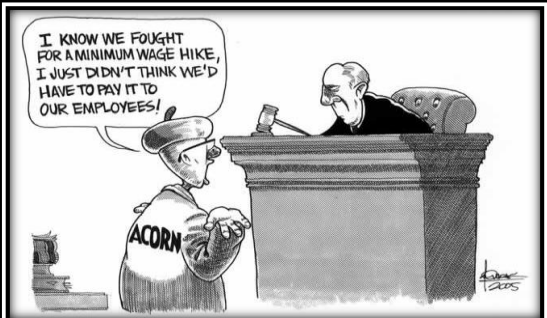
Often, the argument made by the opposition is that the living wage is a misappropriation of city resources. According to their ideology, the market, not the government, should determine how money is distributed in an economy (Tolley, Bernstein, & Lesage, 1999). Not only are living wage ordinances inappropriate for governments to be involved with, overseeing the implementation of this type of ordinance can be incredibly costly for city governments. Critics point to some of the inefficiencies and unintended consequences of a living wage ordinance. They contend it results in increased budgets and taxes because of higher administrative costs associated with its implementation, decreased competition for contracts, an increased number of unemployed low-skilled workers, and discouraged investment in the community.

Another opposing argument states that if employers are forced to pay higher wages, those costs are passed on to consumers through higher prices. Further, business may choose to hire

fewer employees or move to a different location at the cost of local employment. To this extent, counter-arguments maintain that relocation of firms to outlying areas to avoid the living wage laws is unreasonable for most firms, as the cost of relocation is usually higher than the costs faced due to the living wage laws. Since this law usually applies to contractors for the government, the workers would still be within the law's jurisdiction, and where the firm contracting these services is located does not matter. Additionally, increased productivity through reduced turnover, absenteeism, and supervisory needs would offset some of these increased wage costs to firms.

Finally, opponents contend that the primary goal of a living wage ordinance, which is to lift families out of poverty, is generally not met in practice due to its limited coverage. Since these ordinances typically only apply to employees of contractors and subcontractors who receive a public benefit, only a relatively small number of employees are covered. Therefore, claims of poverty reduction might be overstated.

Table 1. Advantages and Disadvantages of Living Wage Standards

Cited Advantages	Cited Disadvantages
<ul style="list-style-type: none"> Reduces the gap between differing income groups. 	<ul style="list-style-type: none"> Misappropriates resources.
<ul style="list-style-type: none"> Allows cities with large percentages of immigrant and low educational attainment populations to thrive. 	<ul style="list-style-type: none"> Hires fewer employees, moves to different locations, and/or increases costs of their products.
<ul style="list-style-type: none"> Allows private companies that benefit from government contracts to pass on some of that benefit to their workers. 	<ul style="list-style-type: none"> Increases administrative costs.
<ul style="list-style-type: none"> Diminishes private companies' willingness to bid contracts at low levels (which award contracts) but do not allow workers to earn a living wage. 	<ul style="list-style-type: none"> Decreases competition for contracts.
<ul style="list-style-type: none"> Redistributes economic resources. 	<ul style="list-style-type: none"> Hikes the costs for city governments and other clients. The affected companies will simply pass on the added cost of the increased salaries.
<ul style="list-style-type: none"> Easier to implement than a new federal wage since living wage ordinances typically apply at the municipal level. 	
<ul style="list-style-type: none"> Allows low-income communities to become involved in their economic futures. 	
<ul style="list-style-type: none"> Reduces employee turnover and absenteeism. 	

Chapter 2. A Snapshot of Poverty in the US Virgin Islands

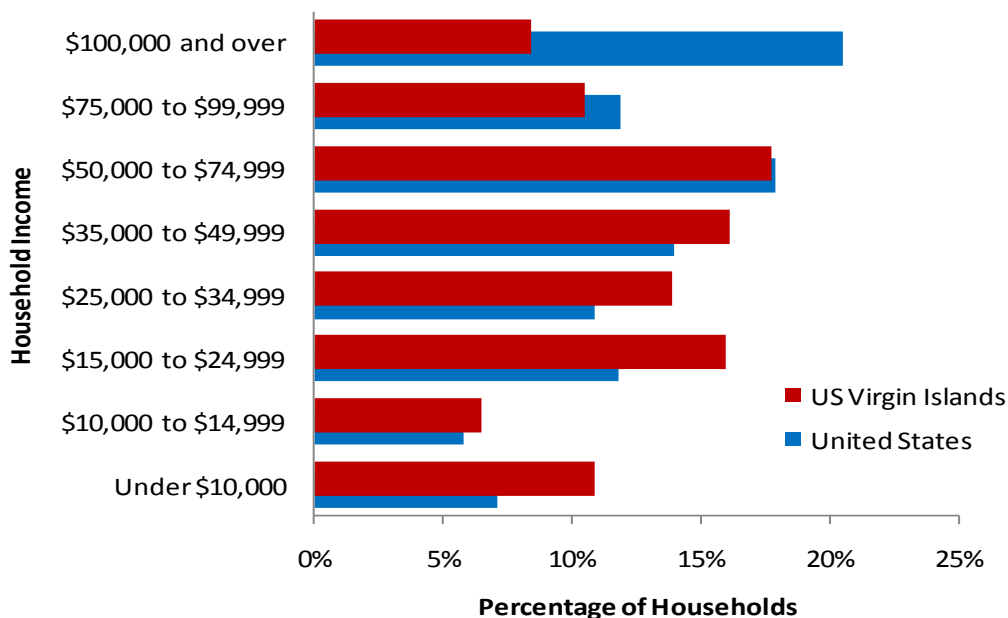
Socio-Demographics

The US Virgin Islands (USVI) has an estimated population of 115,852 in 2008, the most recent year for which data are available. Among the three islands, St. Croix and St. Thomas are nearly equally populous, with 56,783 and 54,592 persons, respectively. St. John is considerably smaller, with only 4,477 persons—less than 4 percent of the total population. The USVI has a workforce of about 50,000, mostly engaged in tourism. Together, St. Thomas and St. John capture just over half of the total employment base (58%), despite having a near even split of the resident population. The employment base of St. Croix has expanded more rapidly in the pre-recessionary years, with an annual average growth rate of 5.2 percent since 2003, while the combined St. Thomas/St. John growth rate has been 2.1 percent

Income and Poverty

The estimated median income of households in the USVI was \$35,711 in 2008, considerably lower than the US median household income of \$50,112. The average income of island residents is pulled downward by a large segment of the population earning very little money. About 11% of all households live on less than \$10,000 per year, compared to 7% for the United States as a whole (Figure 1). About 20,506 or half of USVI households live on less than \$35,000 a year in comparison to a third of all households in the US

Figure 1. Household Income Distribution, 2008

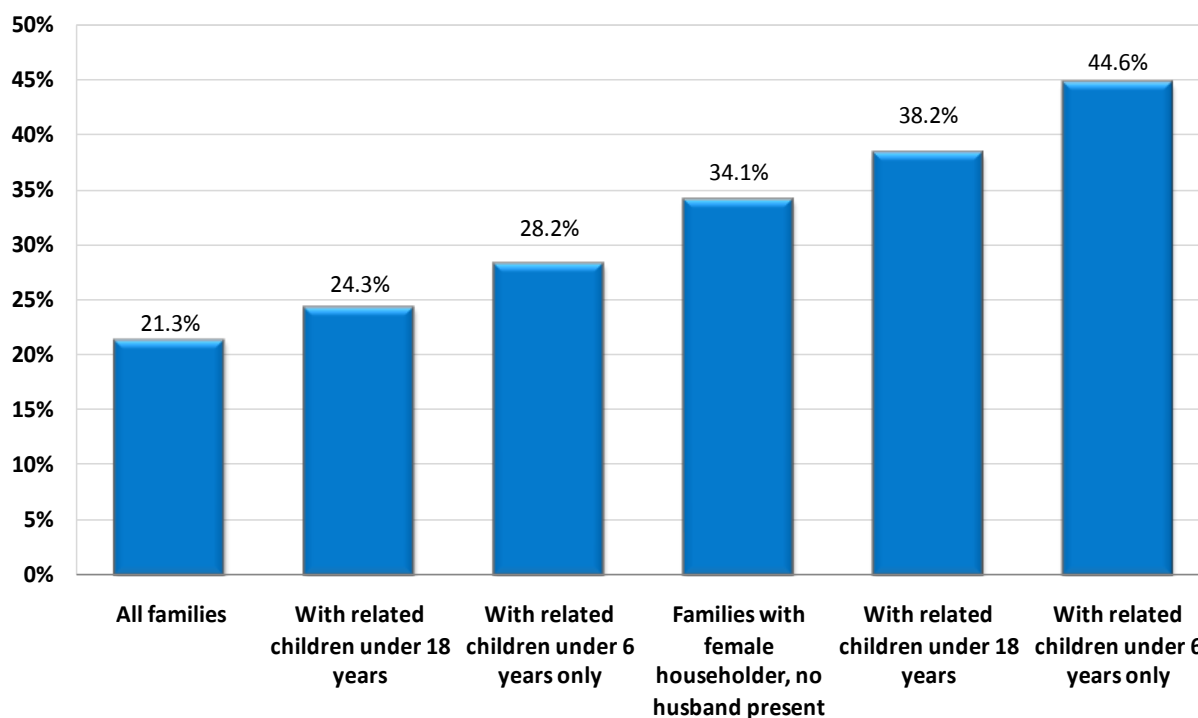


Source: 2008 Community Survey ECC, UVI and US Census Bureau, Current Population Reports

The data on poverty paint an even more dramatic portrait of the economic realities of the USVI. Roughly 25% of residents (29,133) were living in poverty in 2008, twice the US poverty rate of 13%. There were 6,206 families or 23% in poverty, a large number of them with poor children.

Nearly a quarter (24%) of families with related children under 18 years live in poverty, and nearly one in three (28%) of families with related children, age five or younger, live in poverty in the USVI. Families headed by females, and no husband present, fare even worse (Figure 2). A third (34%) of these families live in poverty. About 38% of single female headed households with children under 18 years live in poverty, and approximately 45% of single, female-headed households with children under 5 are poor.

Figure 2. Percentage of Families in the US Virgin Islands whose Income in 2008 was below the Poverty Line



These realities are what prompted the USVI Legislature to pass Act 7027 which required the USVI BER to develop an economic Self-Sufficiency Standard for the US Virgin Islands. The Standard defines how much money is needed by a family or household to provide for basic needs of housing, food, child care, health care, transportation, clothing, miscellaneous household and personal expenses, and taxes without public or private subsidies (such as public housing, food stamps, Medicaid, child care or private subsidies such as food provided by charities or local food banks or free babysitting services.) The standard is a measurement of essentials, and excludes longer-term needs such as savings for retirement or education, emergency expenses and major purchases such as cars or extras for gifts or fees.

Chapter 3. Components of the Self-Sufficiency Standard

The Self-Sufficiency Standard calculation is consistent with standardized or equivalent methodologies and calculators used nationally. Expenses included in the calculation are those for food, shelter, clothes, travel to and from work/school, basic necessities and taxes. It does not include savings, meals at restaurants, or funds for emergencies. The basic needs included in the calculations of each budget item are summarized in Table 2 below. (See Appendix A for more detailed information on sources and methodology.)

In order to accommodate the various types of needs experienced by different family structures, the budget was calculated for a single adult, one adult with one child, two adults living together, two adults and one child, and two adults with two children.

Table 2. Summary of Data Components of the Self-Sufficiency Standard for the United States Virgin Islands	
Housing	Includes rent and utilities. The cost of rent and utilities is based on the Fair Market Rents calculated by the US Department of Housing and Urban Development (HUD) and obtained from the USVI Housing Authority. Rental prices in the private market were also obtained from the VI Moving Center.
Child Care	Full-time family care for infants, center care for preschoolers, and before and after care for school age children. Data were obtained from the USVI Department of Human Services, Office of Child Care and Regulatory Services (2009). It does not include after school programs for teenagers or babysitting when not at work.
Food	Food for home preparation (excludes fast food or restaurant meals). Food costs are based on the US Department of Agriculture (USDA) Low Cost Food Plans and adjusted upward by 30%.
Transportation	The cost of owning a car (insurance, gas, oil and registration, etc.) and public transportation for commuting to and from work and additional rides for personal reasons. It does not include non-essential travel and vacation.
Health Insurance	Employer-sponsored health care premiums and out of pocket costs are calculated based on the Health Insurance Component Analytical Tool (MEPSnet/IC) and Cigna Health Insurance Plan for government employees.
Taxes and Credits	Taxes include income and payroll taxes. Exclude itemized deductions.
Miscellaneous	Expenses are calculated as \$200 for adults and \$100 for children for essentials such as clothing, shoes, diapers, household products, nonprescription medicines, personal hygiene items, and telephone services. Excludes costs for recreation, entertainment, debt repayment, savings, broadband/internet, education/training.

Chapter 4. How Much is Needed for Economic Self-Sufficiency?

USVI Self-Sufficiency Standard

The Self-Sufficiency Standard for the USVI is presented for selected family types and the basic income needed to live without subsidy. The basic needs budget is presented for households with and without employer health benefits. Household types are selected to demonstrate the application of the Self-Sufficiency Standard.

Table 3: Self-Sufficiency Standard by Household Structure: US Virgin Islands 2010
Monthly Expenses and Share of Total Budget

Basic Needs Budget & Self-Sufficiency Wage with Employer Health Benefits										
Monthly Costs	1 Adult		1 Adult 1 Child		2 Adults		2 Adults 1 Child		2 Adults 2 Children	
	Cost	% of Total	Cost	% of Total	Cost	% of Total	Cost	% of Total	Cost	% of Total
Food	\$ 260	16	\$ 429	16	\$ 520	21	\$ 780	20	\$ 910	20
Child Care	\$ -	-	\$ 539	20	\$ -	-	\$ 539	14	\$ 944	20
Medical Care	\$ 128	8	\$ 249	9	\$ 249	10	\$ 359	9	\$ 359	8
Housing	\$ 900	55	\$ 900	34	\$ 1,000	41	\$ 1,300	34	\$ 1,300	28
Transportation	\$ 150	9	\$ 250	9	\$ 300	12	\$ 400	10	\$ 500	11
Other Necessities	\$ 200	12	\$ 300	11	\$ 400	16	\$ 500	13	\$ 600	13
Monthly Basic Needs	\$ 1,638		\$ 2,667		\$ 2,469		\$ 3,878		\$ 4,613	
Annual Basic Needs	\$ 19,656		\$ 32,004		\$ 29,628		\$ 46,536		\$ 55,356	
Taxes	\$ 1,150		\$ 1,856		\$ 2,059		\$ 3,308		\$ 4,443	
Self Sufficiency Wage										
Annual	\$ 20,806		\$ 33,860		\$ 31,687		\$ 49,844		\$ 59,799	
Hourly	\$ 10.00		\$ 16.28		\$ 15.23		\$ 23.96		\$ 28.75	
Hourly per adult	\$ 10.00		\$ 16.28		\$ 7.62		\$ 11.98		\$ 14.37	
% higher than min. wage	37.97%		124.54%		5.06%		65.27%		98.27%	
Basic Needs Budget & Self-Sufficiency Wage without Employer Health Benefits										
Monthly Costs	1 Adult		1 Adult 1 Child		2 Adults		2 Adults 1 Child		2 Adults 2 Children	
	Cost	% of Total	Cost	% of Total	Cost	% of Total	Cost	% of Total	Cost	% of Total
Food	\$ 260	14	\$ 429	14	\$ 520	18	\$ 780	17	\$ 910	17
Child Care	\$ -	-	\$ 539	17	\$ -	-	\$ 539	12	\$ 944	18
Medical Care	\$ 366	20	\$ 711	23	\$ 711	24	\$ 1,025	23	\$ 1,025	19
Housing	\$ 900	48	\$ 900	29	\$ 1,000	34	\$ 1,300	29	\$ 1,300	25
Transportation	\$ 150	8	\$ 250	8	\$ 300	10	\$ 400	9	\$ 500	9
Other Necessities	\$ 200	11	\$ 300	10	\$ 400	14	\$ 500	11	\$ 600	11
Monthly Basic Needs	\$ 1,876		\$ 3,129		\$ 2,931		\$ 4,544		\$ 5,279	
Annual Basic Needs	\$ 22,512		\$ 37,551		\$ 35,175		\$ 54,526		\$ 63,346	
Taxes	\$ 1,317		\$ 2,178		\$ 2,444		\$ 3,876		\$ 5,084	
Self Sufficiency Wage										
Annual	\$ 23,829		\$ 39,729		\$ 37,619		\$ 58,402		\$ 68,430	
Hourly	\$ 11.46		\$ 19.10		\$ 18.09		\$ 28.08		\$ 32.90	
Hourly per adult	\$ 11.46		\$ 19.10		\$ 9.05		\$ 14.04		\$ 16.45	
% higher than min. wage	58.02%		163.45%		24.76%		93.66%		126.90%	

Notes: The Standard is calculated by adding expenses and taxes. The hourly wage is calculated by dividing the annual wage by 2,080 (number of working hours in a year.)

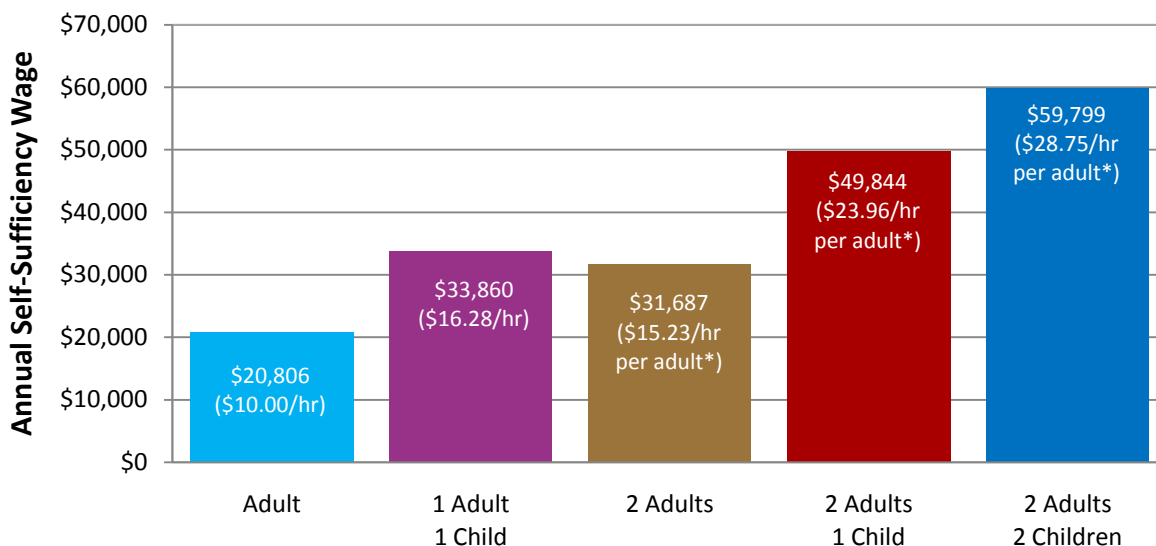
The hourly, monthly, and annual wages represent both parents' combined wages.

Totals may not add exactly due to rounding.

Housing costs include \$100 to \$200 per month in utility costs depending on size of home and number of occupants.

As shown in Table 3 and Figure 3, the minimum wage to live in the USVI is \$10.00 per hour (\$20,806 annually) for a single person with employer-sponsored health insurance. This is approximately 38% higher than the federally mandated minimum wage. This difference grows exponentially for larger household structures, especially where child care is involved. With the addition of a child, one parent with benefits must earn \$16.28 per hour (\$33,860 annually). Two employed adults need a combined wage of \$15.23 an hour (\$31,687 annually), and if they support a child, the family must earn \$23.96 an hour (\$49,844 annually). If they support two children, the family needs a combined wage of \$28.75 an hour (\$59,799 annually).

Figure 3. The Self-Sufficiency Standard for Select Family Types

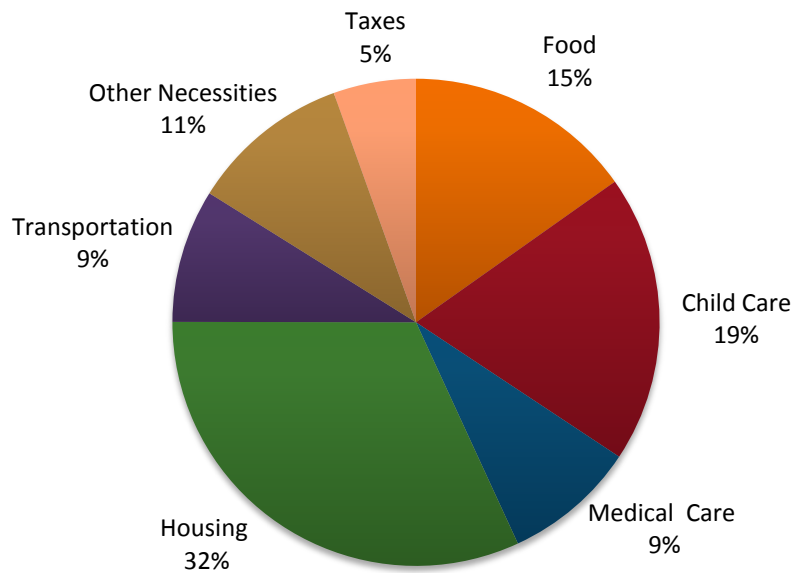


** The hourly wage for families with two adults represents the hourly wage that each adult would need to earn, while the monthly and annual wages represent both parents' wages combined.*

As Table 3 demonstrates, housing, food and child care are the most expensive costs for families. Housing costs range from 25% to 55% of a family's budget. Food costs range from 13% to 21% of a family's budget, much lower than the 33% assumed by the FPL. Child care costs range from 12% to 20%. Health care costs range from 8% to 24% and is higher for families without employer-sponsored health insurance. The cost of transportation and miscellaneous necessities ranges from 8% to 16% of a family's budget.

Figure 4 is used to illustrate the proportion of income required for each basic need for a single-parent family with one child in the USVI. The monthly expenses are shown as a percent of the total income necessary for this family to be self-sufficient. In general, a single parent spends one-third (32%) of his or her income on housing, the largest single expense. Child care is the second largest expense, accounting for 19%. Food accounts for 15%, other necessities account for 11%, medical care and transportation account for 9% each and taxes for 5% of household costs.

Figure 4: The Self-Sufficiency Standard for a Family with One Adult and One Child



Chapter 5. The Self-Sufficiency Standard and other Benchmarks of Income

It is useful to compare the Self-Sufficiency Standard to other measures of income adequacy, such as the federal poverty thresholds and the minimum wage. The poverty threshold is defined as the dollar amounts the Census Bureau uses to determine poverty status and eligibility for social services such as Section 8 housing and food stamps. The minimum wage is the smallest hourly wage that an employee may be paid as mandated by federal law.

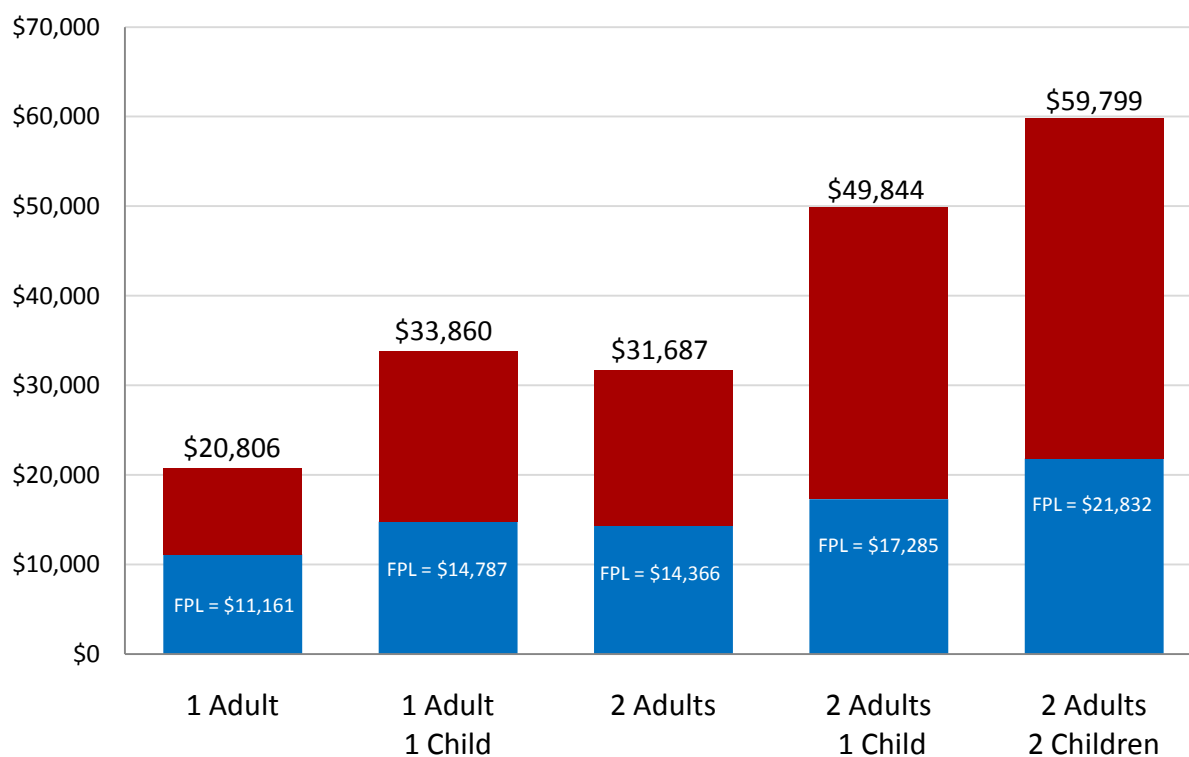
There are considerable differences between the Self-Sufficiency Standard and the federal poverty thresholds as shown in Table 4 and illustrated in Figure 5. The poverty threshold falls way short of the wage requirements for each of the household configurations. In essence, a single person would actually need to make 86% more, on an annual basis, than the amount government deems necessary to live without any subsidy. A family of two adults and a child needs 129% more than the poverty standard to live on. This only gets exacerbated when additional members are added to a household. This, in turn, illustrates the problems with the social service net provided by government agencies. A single person barely survives at \$10.00 per hour. Anything less, would require subsidy. However, according to regulations, this person does not qualify for any subsidy, as the poverty threshold is \$5.37 per hour.

Table 4. 2009/2010 US Poverty Compared to USVI Living Wage					
Size of family unit	US Poverty Threshold Annual	US Poverty Threshold Hourly	USVI Living Wage Threshold Annual	USVI Living Wage Threshold Hourly	USVI LW as a percent of US Poverty Standards
Single Person	\$ 11,161	\$ 5.37	\$ 20,806	\$ 10.00	186%
Adult + Child	\$ 14,787	\$ 7.11	\$ 33,860	\$ 16.28	229%
Couple	\$ 14,366	\$ 6.91	\$ 31,687	\$ 15.23	221%
Family of 3	\$ 17,285	\$ 8.31	\$ 49,844	\$ 23.96	288%
Family of 4	\$ 21,832	\$ 10.50	\$ 59,799	\$ 28.75	274%

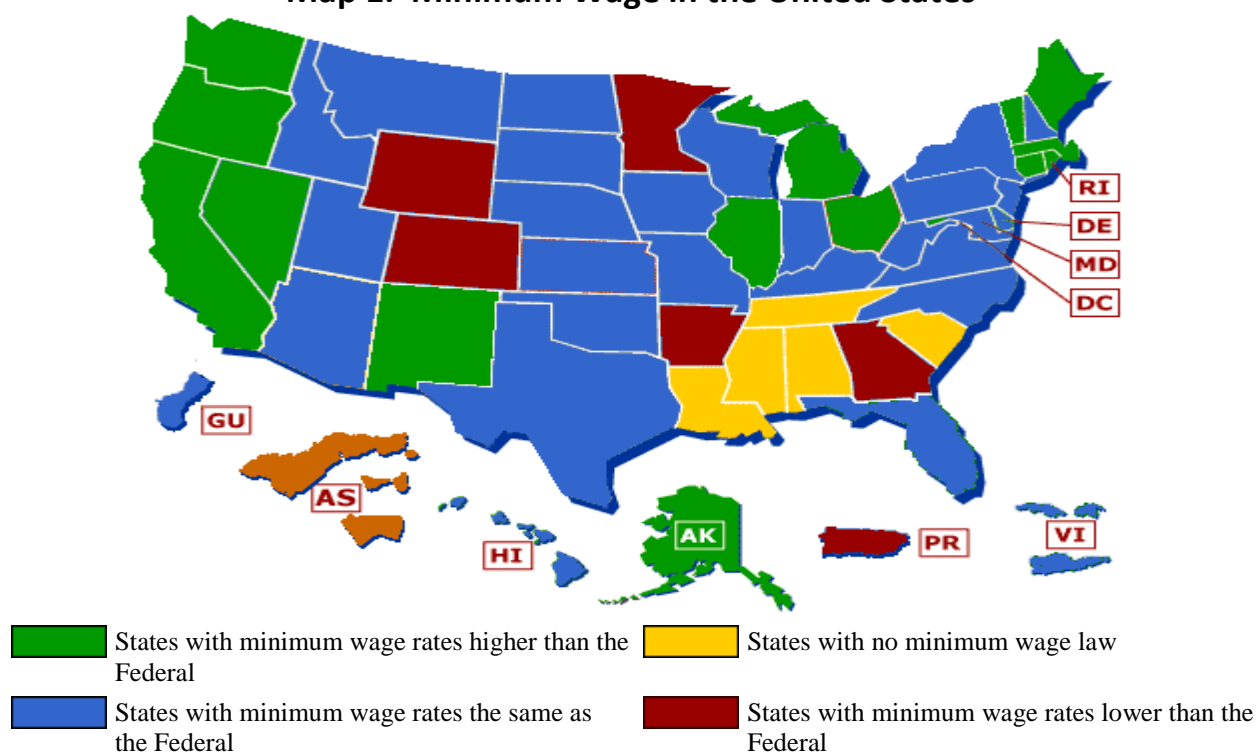
Source: US Census Bureau and The Self-Sufficiency Standard for the US Virgin Islands 2010, Bureau of Economic Research

The USVI, like 26 states, has a federal mandated minimum wage of \$7.25 per hour. At the federal minimum hourly wage, a full-time worker earns \$15,080 annually. This is about \$5,725 less than is needed for a single person in the USVI to be self-sufficient. (Fourteen states and the District of Columbia have minimum wage requirements above the federal minimum and five states do not have an established minimum wage requirement. See Map 1 on the next page for states with minimum wages below, the same, or above the federal minimum wage.)

Figure 5. Annual Self-Sufficiency Wage



Map 1. Minimum Wage in the United States



Chapter 6. How does the USVI Compare to Other US Cities?

The Self-Sufficiency Standard has been developed for 37 states, plus the Washington D.C. Metropolitan Area and New York City. The cost of basic needs of families in the USVI can be compared to families in other geographic areas since the Self-Sufficiency Standard uses the same methodology. What it costs for a family of two parents and one child to make ends meet are compared to Miami Beach, FL; Honolulu, Hawaii; Anchorage, Alaska; Myrtle Beach, South Carolina; New Orleans, Louisiana; Washington DC, and Miami-Dade County, Florida.

A two-parent and one child family in the USVI needs to earn \$49,844 annually or \$23.96 per hour to meet their basic needs, making the USVI the third most expensive place to live in this comparison. The most expensive city shown in Table 5, Honolulu, has an annual Self-Sufficiency Wage of \$58,165 or \$27.76 per hour. The second and most comparable costs of living to the USVI are found in Washington D.C, where this same family needs a Self-Sufficiency Wage of \$50,917 annually or \$24.50 per hour. However, the basic needs costs in the USVI are higher than DC for food and health care.

The federal poverty threshold for the US mainland is not easily applicable to the USVI context, given the specific structure of the economy of the USVI (e.g., heavily tourism dependent) and the fact that migration or movement for work or resources is constrained because of geography. Also compounding the issue of basic needs and a living wage is that the average costs in the USVI are much higher than in the US mainland, due to the importation of most goods.

Table 5. Basic Family Budget Calculator (for a family of two parents and one child)							
Monthly Costs	Miami Beach, Florida	Honolulu, Hawaii	Anchorage, Alaska	Myrtle Beach, South Carolina	New Orleans, Louisiana	Washington DC	USVI
Housing	\$ 1,035	\$ 1,630	\$ 930	\$ 774	\$ 990	\$ 1,324	\$ 1,300
Food	\$ 514	\$ 514	\$ 514	\$ 514	\$ 514	\$ 594	\$ 780
Child Care	\$ 487	\$ 631	\$ 690	\$ 447	\$ 477	\$ 572	\$ 539
Transportation	\$ 447	\$ 482	\$ 404	\$ 468	\$ 447	\$ 629	\$ 400
Health Care	\$ 357	\$ 231	\$ 460	\$ 354	\$ 424	\$ 227	\$ 359
Other Necessities	\$ 372	\$ 515	\$ 347	\$ 310	\$ 361	\$ 557	\$ 500
Taxes	\$ 333	\$ 844	\$ 376	\$ 259	\$ 438	\$ 340	\$ 276
Total	\$ 3,545	\$ 4,847	\$ 3,720	\$ 3,124	\$ 3,650	\$ 4,243	\$ 4,154
Annual Total	\$ 42,536	\$ 58,165	\$ 44,640	\$ 37,488	\$ 43,796	\$ 50,917	\$ 49,844
Hourly Wage	\$ 20.45	\$ 27.96	\$ 21.46	\$ 18.02	\$ 21.06	\$ 24.50	\$ 23.96

Note: Totals may not add exactly due to rounding.

Source: Poverty in America. <http://www.livingwage.geog.psu.edu>

Chapter 7. Factors to be Considered in Assessing a Living Wage

Economy of the US Virgin Islands

The economy of the USVI is based primarily around tourism. About 2.4 million travelers from the US and Europe, among other places, came to the USVI last year and patronized tourist-based establishments such as hotels, restaurants, and gift shops. One of the resorts is all-inclusive and can consist of lodging, food and beverages, as well as access to pools, beaches, and entertainment, included in one flat fee per customer, per night rate. Tourist-based enterprises in the USVI require a large service staff with the ability to work for relatively low wages.

According to 2009 data compiled by the USVI BER, approximately 14% (6,875) of the total workforce of the USVI was employed in the Leisure and Hospitality sector, which is typically low-paying. Another 14% (6,807) of the total workforce of the USVI was employed in wholesale and retail trade in 2009, which can also be a low-paying employment sector. In most cases, individuals working in tourism-based sectors, such as food service and retail, may not be able to meet monthly expenses and plan for a future that includes financial independence. With 23% of families of the USVI living in poverty and about 19% of households making \$75,000 or more per year, there is a stark income inequality in the USVI. Since the economy is driven predominantly by tourism, individuals have limited options for employment, which further complicates finding income for affordable housing, transportation, medical insurance, and child care.

Gender Wage Gap

Another employment gap in the USVI is the wages of men and women in full-time employment. Males in full-time employment in the USVI have a median income of \$26,096, while women in full-time employment are paid a median income of \$22,067 per year. Given that males and females in the USVI oftentimes work in the same employment sectors, this wage disparity is large. Further complicating the gender wage gap in the USVI is the fact that more than one third of family households are headed by women with no husbands present. Female heads of households, particularly those with young children, are particularly in need of a living wage that allows them to provide basic needs for their families. Nearly 66% of female-headed households have children under 18 years, thus the increased likelihood that a number of these children live in low-income families or poor families.

In addition to low-wage employment options for residents, the territory has to import nearly all of its goods, thereby significantly increasing the cost for basic items when compared to the US mainland. Thus, a high cost of living and low wages are the reality for many families.

Appendix A. Methodology

With income inequality and a heavy dependence on tourism, the concept of a living wage is more effective to identify those individuals and households who may be struggling to make ends meet in the USVI, than a general poverty threshold. Identifying a living wage for the USVI will capture those who are not only below the poverty threshold, but are going to struggle to meet their needs in the economy of the USVI. A basic budget was constructed for individuals in the USVI using the following calculation.

Basic Needs Budget (or After Tax Income) = (food costs + child care costs + health insurance costs + housing costs + transportation costs + other necessities costs.)

Constructing Food Costs

The USVI produces very little locally grown food. It, therefore, must import nearly all of the food for households and restaurants--adding significantly to the cost. Studies show that the USVI has a 15-30% higher food cost when compared to the rest of the US, and for some items, the cost was 50% higher.

Higher cost of food is a reality for all individuals in the USVI, but deeply affects individuals who are living near or below the poverty line. The high cost of food further complicates the economic bottom line for individuals who may be maintaining employment, but are saddled with a higher cost of living.

In order to calculate the food costs for individuals and families living in the USVI, the 2009 USDA *Cost of Food at Home at Four Levels, US Average* "low" monthly food cost plan is used to develop a cost-per-adult and a cost-per-child. The market baskets specify the types and quantities of foods that people could purchase and prepare at home to obtain a nutritious diet. In order to adjust for inflation in the USVI, the USDA average monthly food cost for various family structures is adjusted upward by 30%. The following tables show the food cost breakdown for individuals in the US and the USVI.

Basic Food Costs for the USVI based on USDA Low Cost Food Plans

Person(s)	Monthly food cost US Average	Monthly food cost USVI Average (30% higher)
Average Child	\$130	\$169
Average Adult Cost	\$200	\$260
Family of Two	\$430	\$559
Family of Four	\$700	\$910

Source: Official USDA Food Plans: Cost of Food at Home at Four Levels, US Average, August 2009.

Average market baskets of the Low-Cost, Moderate-Cost, and Liberal Food Plans versus corresponding average consumption

Food	Low-Cost			Moderate-Cost			Liberal		
	Average Consumption	Market Basket	+/-	Average Consumption	Market Basket	+/-	Average Consumption	Market Basket	+/-
	Pounds per week			Pounds per week			Pounds per week		
Grains	2.57	3.08	+20%	2.52	3.61	+44%	2.29	3.83	+67%
Vegetables	3.36	7.28	+116%	3.65	8.95	+145%	4.30	10.80	+151%
Fruit	2.80	7.19	+157%	3.37	7.37	+118%	3.80	10.16	+168%
Milk Products	4.85	11.22	+131%	5.06	12.64	+150%	5.06	13.68	+170%
Meat and beans	2.99	2.99	0%	3.41	3.75	+10%	3.86	3.46	-10%
Other foods (fats, oils, sweets, etc.)	9.53	3.97	-58%	9.14	2.08	-77%	8.85	2.72	-69%
Total	26.10	35.72		27.15	38.39		28.16	44.66	

Note: The numbers are rounded; thus, when summed, they may not equal the respective totals.

Source: Carlson, A., Lino, M., & Fungwe, T. (2007). *The Low-Cost, Moderate-Cost, and Liberal Food Plans, 2007 (CNPP-20)*. US Department of Agriculture, Center for Nutrition Policy and Promotion. Pg 36.

**Official USDA Food Plans: Cost of Food at Home at Four Levels,
US Average, June 2009¹**

Age-gender groups	Weekly cost ²				Weekly cost ²			
	Thrifty plan	Low cost plan	Moderate cost plan	Liberal plan	Thrifty plan	Low cost plan	Moderate cost plan	Liberal plan
Individuals³								
Child:								
1 year	20.10	26.40	30.20	36.50	87.10	114.30	131.00	158.10
2-3 years	21.70	27.10	32.90	39.90	93.80	117.60	142.40	173.10
4-5 years	22.40	28.40	35.00	42.70	97.20	122.80	151.70	185.00
6-8 years	28.60	38.70	47.70	56.20	123.80	167.70	206.60	243.30
9-11 years	32.70	43.10	55.20	64.60	141.60	186.60	239.30	280.00
Male								
12-13 years	35.00	49.20	61.10	72.00	151.50	213.10	264.60	311.80
14-18 years	36.30	50.80	63.70	72.70	157.30	220.30	275.90	314.80
19-50 years	38.90	50.00	62.70	76.80	168.40	216.50	271.80	332.90
51-70 years	35.60	47.30	58.10	70.30	154.00	205.20	251.90	304.50
71 + years	35.80	46.80	58.00	71.70	155.20	202.70	251.50	310.50
Female:								
12-13 years	35.20	42.80	51.20	62.40	152.70	185.40	221.80	270.30
14-18 years	34.70	42.90	52.00	63.80	150.40	185.90	225.40	276.50
19-50 years	34.50	43.40	53.50	68.60	149.60	187.90	231.80	297.10
51-70 years	34.20	42.40	52.70	62.70	148.30	183.60	228.40	271.50
71 + years	33.40	41.90	52.10	62.70	144.70	181.50	225.70	271.70
Families								
Family of 2:⁴								
19-50 years	80.70	102.70	127.90	159.90	349.70	444.80	554.00	692.90
51-70 years	76.70	98.70	121.90	146.20	332.60	427.60	528.30	633.50
Family of 4:								
Couple, 10-50 years and children--								
2-3 and 4-5 years	117.50	148.80	184.10	228.00	509.00	644.80	797.80	988.10
6-8 and 9-11 years	134.60	175.10	219.10	266.20	583.40	758.70	949.50	1153.30

This file may be accessed on CNPP's home page at: <http://www.cnpp.usda.gov>

¹ The Food Plans represent a nutritious diet at four different cost levels. The nutritional bases of the Food Plans are the 1997-2005 Dietary Reference Intakes, 2005 Dietary Guidelines for Americans, and 2005 My Pyramid food intake recommendations. In addition to cost differences among plans are in specific foods and quantities of foods. Another basis of the Food Plans is that all meals and snacks are prepared at home. For specific foods and quantities of foods in the Food Plans, see *Thrifty Food Plan, 2006 (2007)* and *The Low-Cost, Moderate-Cost, and Liberal Food Plans, 2007 (2007)*. All four Food Plans are based on 2001-02 data and updated to current dollars by using the Consumer Price Index for specific food items.

² All costs are rounded to nearest 10 cents.

³ The costs given are for individuals in 4-person families. For individuals in other size families, the following adjustments are suggested: 1-person—add 20 percent; 2-person—add 10 percent; 3-person—add 5 percent; 4-person—no adjustment; 5- or 6-person—subtract 5 percent; 7- (or more) person—subtract 10 percent. To calculate overall household food costs, (1) adjust food costs for each person in household and then (2) sum these adjusted food costs.

⁴ Ten percent added for family size adjustment.

Constructing Child Care Costs

According to the 2008 USVI Community Survey, approximately 49% of USVI family households contained children under the age of 18. Child care expenses account for a large portion of the annual income for many households. This is particularly true for those household structures with only one parent. About 40% of USVI family households with children under 18 years had a female parent only and 16% had a male parent only.

On average, child care expenses for the US are approximately \$679 per infant and \$400 per toddler, each month, averaging a per child cost estimate of \$539 monthly. Additional children are calculated at 75% of first child. This is approximately \$405 per additional child. This is based on standard cost of living ratios.

These figures are reflective of what is reported by local agencies in the territory. The following data is reported by the USVI Department of Human Services, Office of Child Care & Regulatory Services (2009).

Child Care Subsidy Standards

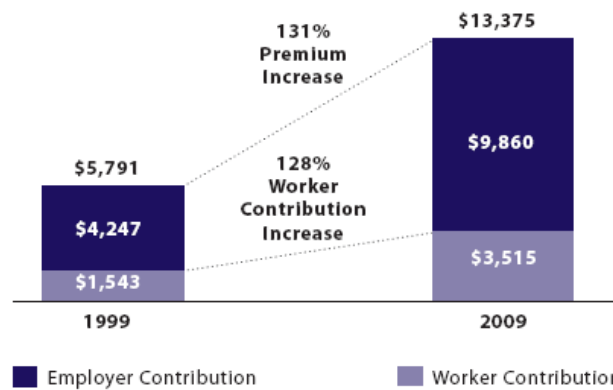
St. Croix	Monthly Non-Subsidized	\$240 - \$690
	Monthly Subsidy Max	\$300 (Infant & Preschool) \$150 (after school)
	Monthly Subsidy Co-payment	\$16 - \$40
St. Thomas/St. John	Monthly Non-Subsidized	\$666
	Monthly Subsidy Max	\$300 (Infant & Preschool) \$150 (after school)
	Monthly Subsidy Co-payment	\$16 - \$40

Source: USVI Department of Human Services: Office of Child Care and Regulatory Services (2009).

Constructing Medical Expenses

Increasing medical expenses are becoming a significant burden on all families. Not only have the costs more than doubled in the last decade; employees that do not have employer covered health benefits are paying 74% more than those covered by employees. This affects the hourly wage significantly. The following two graphs show US averages as presented by the Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2009. The USVI, although higher, is comparable.

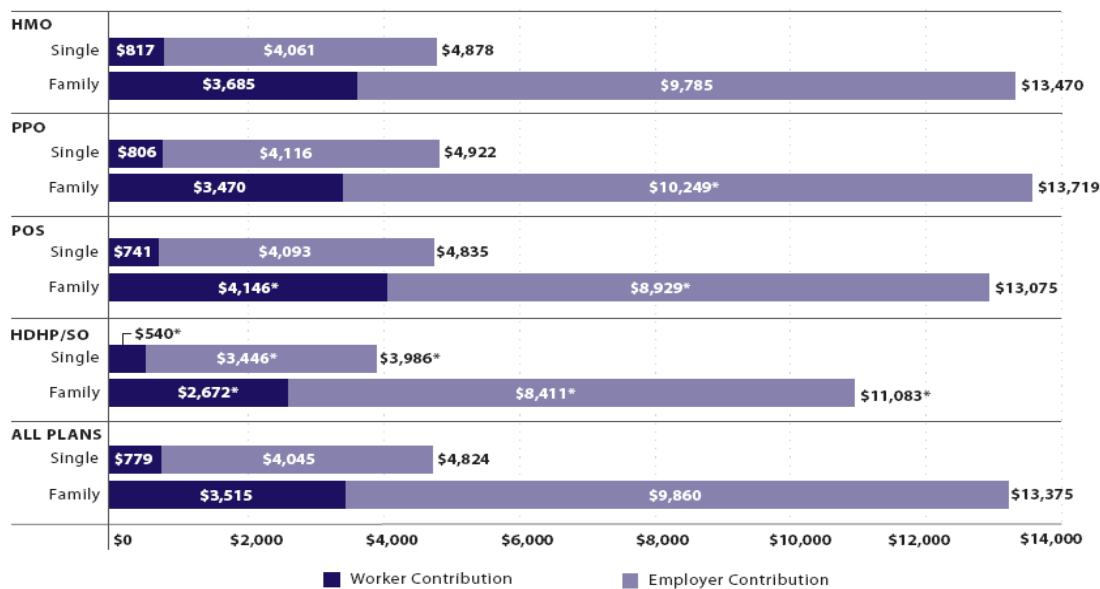
Average Annual Health Insurance Premiums and Worker Contributions for Family Coverage, 1999–2009



Note: The average worker contribution and the average employer contribution may not add to the average total premium due to rounding.

Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999–2009.

Average Annual Employer and Worker Premium Contributions and Total Premiums for Covered Workers for Single and Family Coverage, by Plan Type, 2009



*Estimate is statistically different from All Plans estimate by coverage type ($p < .05$).

Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2009.

The USVI has only two hospitals-one on St. Thomas and a second on St. Croix, therefore health care in the USVI is somewhat limited by geography. With a limited amount of health care services available to residents, the costs are much higher than the mainland US. Also important, is that many mainland US medical programs do not specifically include or consider the USVI.

According to the 2009 USVI Health Insurance Survey, there were 33,000 individuals (approximately 29% of the population) living without health insurance in the USVI. Approximately 82,834 USVI residents do, in fact, have health insurance. However, in spite of having help with the cost of medical care, residents are still often reluctant to obtain it. A theme which resonates in USVI daily life is individuals who are working and striving for a better position in life, but are subsequently unable to afford basic needs such as health care. Quality, affordable health care should be included in living-wage estimation, as it is such a vital aspect of life.

Health insurance cost estimates for the USVI are calculated based on the Health Insurance Component Analytical Tool (MEPSnet/IC), which is an online tool provided by the Agency for Health care Research and Quality. In addition, data from the Cigna Health Insurance plan, used by the USVI government, was used to estimate monthly insurance costs and employee contributions. As per the government plan, monthly costs for a single employee are \$354 and family is \$623. Employees pay 35% of these costs while the employer assumes the remaining 65%. As can be noted, they are in keeping with the national standardized estimates.

Medical Costs with Employee Share

Medical Insurance	Annual Cost	Monthly Cost	Employee Share (35%)
1 Adult	\$4,386	\$365.50	\$128
Employee Plus-one	\$8,535	\$711.25	\$249
Family	\$12,298	\$1,024.83	\$359

Source: Health Insurance Component Analytical Tool (MEPSnet/IC)

(http://www.meps.ahrq.gov/mepsweb/data_stats/MEPSnetIC.jsp); and Cigna Health Insurance for Government Employees

Constructing Housing Costs

Home ownership rates on the islands are far below ownership rates in the US mainland. The 2008 USVI Community Survey report indicates that owner occupied housing units in the USVI were about 49% of the housing stock, as compared with 64% owner occupied housing in the mainland. Since the USVI is a group of islands with limited space available for development, low-income individuals and families are not always a priority.

Housing, coupled with an economy that is largely tourist based, creates a housing market that is competitive and geared toward wealthy USVI residents and vacationers who purchase condominiums. According to data from the USVI BER, in 2009 the average home in the USVI was in the \$463,000 range. A housing market that is inflated by limited space availability and geared toward wealthy residents and international travelers makes it difficult for the average working resident in the USVI to be a homeowner. Therefore, many individuals and families choose to rent housing instead of buying housing. However, similar to the high cost of buying housing, renting in the USVI is higher on average than the US mainland as well.

To calculate housing costs in the USVI, the USVI Moving Center was used to research private apartment rental prices and the USVI Housing Authority was the source of public housing. The tables below show the average cost of apartment housing on each of the islands and an average cost for the USVI as a whole.

Average Fair Market Rents			
Island	Studio	1 Bedroom	2 Bedroom
St. Croix	\$ 700	\$ 900	\$ 1,000
St. Thomas/St. John	\$ 1,000	\$ 1,200	\$ 1,600
Average cost	\$ 900	\$ 1,000	\$ 1,300

Source: USVI Moving Center (2009): (http://www.vimovingcenter.com/apartments_houses/); and Community Survey 2008

Subsidized housing rates from the Housing Authority are shown below:

Average Fair Market Rents for Subsidized Housing			
Island	Studio	1 Bedroom	2 Bedroom
St. Croix	\$ 642	\$ 670	\$ 811
St. Thomas/St. John	\$ 730	\$ 870	\$ 1,125
Average cost	\$ 700	\$ 800	\$ 1,000

Source: USVI Housing Authority, October 2008

It is assumed that a single adult would live in a studio apartment, while an adult plus one (another adult or child) would require a one bedroom and a family would require a two bedroom apartment.

Constructing Transportation Costs

Transportation in the USVI is largely auto dependent. The public transportation system provides minimal options for mobility, but is not always reliable. According to the 2000 US Census data, about 54% of the total workforce of the USVI drove a car, truck, or van to work alone. At that same point in time, another 24% of working individuals carpooled to work in a car, truck, or van.

The majority of USVI households own at least one vehicle, but about 17% of households in 2008 did not own a vehicle. Individuals in this group rely on the relatively limited access that busses provide or ride in taxis or dollar rides. For the residents who do not own a car, employment, housing, health care, child care, and even shopping options are limited to where transportation can adequately and reliably take them. Given that reliable transportation is vital, particularly for those who are employed, this is an essential cost that must be figured into the living wage budget.

To accommodate residents and tourists without access to vehicles, the USVI has an extensive taxi system. Many residents take “dollar rides” which are an unregulated system of trucks with benches and covering in the back, which are used as taxis. Generally, dollar rides follow the same routes as busses and can be an effective and relatively inexpensive way for residents to travel on the islands.

To calculate transportation expenses for families without a car, we assume five round-trip “dollar rides” per week for work purposes, and seven round-trip additional rides in the course of a week for personal reasons. Twelve round-trips at approximately \$1.00/ride is \$24.00. However, to account for differences in rates and variation, the weekly cost of transportation is estimated at \$35 per person, which translates into \$150 per person, per month. Children are calculated on a standard living wage ratio at 70% of adult costs. This translates to a child’s cost of \$100.

Other Necessities

The basic needs budget for the USVI includes \$200 per month for an adult and \$100 for a child for basic necessities such as utilities, health and beauty supplies, and clothing that are not covered by the other categories in this study.

Taxes

Tax rates in the USVI use a “mirror system” as they are largely based on the US tax system.

Living Wage Estimation

A living wage is defined as an “an hourly wage or the annual income necessary to cover basic household needs plus all relevant taxes while maintaining economic independence from publicly provided income and housing assistance.” (Farrigan & Glasmeier, 2005).

Given the above basic living costs, monthly wages can be summed up. These wages, when multiplied by twelve, provides an Annual Wage before taxes. Add payroll and federal taxes and one can estimate the needed annual payroll. An hourly wage is calculated by dividing the annual wage by 2,080 (number of working hours in a year).

The next three tables show the living wage differentials between islands as well as the composite picture of the USVI.

Self-Sufficiency Standard by Household Structure: St. Thomas and St. John, US Virgin Islands 2010

Monthly Expenses and Share of Total Budget

Basic Needs Budget & Self-Sufficiency Wage with Employer Health Benefits										
Monthly Costs	1 Adult		1 Adult 1 Child		2 Adults		2 Adults 1 Child		2 Adults 2 Children	
	Cost	% of Total	Cost	% of Total	Cost	% of Total	Cost	% of Total	Cost	% of Total
Food	\$ 260	15	\$ 429	15	\$ 520	19	\$ 780	18	\$ 910	18
Child Care	\$ -	-	\$ 666	23	\$ -	-	\$ 666	15	\$ 1,166	23
Medical Care	\$ 128	7	\$ 249	9	\$ 249	9	\$ 359	8	\$ 359	7
Housing	\$ 1,000	58	\$ 1,000	35	\$ 1,200	45	\$ 1,600	37	\$ 1,600	31
Transportation	\$ 150	9	\$ 250	9	\$ 300	11	\$ 400	9	\$ 500	10
Other Necessities	\$ 200	12	\$ 300	10	\$ 400	15	\$ 500	12	\$ 600	12
Monthly Basic Needs	\$ 1,738		\$ 2,894		\$ 2,669		\$ 4,305		\$ 5,135	
Annual Basic Needs	\$ 20,856		\$ 34,728		\$ 32,028		\$ 51,660		\$ 61,620	
Taxes	\$ 1,150		\$ 1,856		\$ 2,059		\$ 3,308		\$ 4,443	
Self Sufficiency Wage										
Annual	\$ 22,006		\$ 36,584		\$ 34,087		\$ 54,968		\$ 66,063	
Hourly	\$ 10.58		\$ 16.28		\$ 15.23		\$ 23.96		\$ 28.75	
Hourly per adult	\$ 10.58		\$ 16.28		\$ 7.62		\$ 11.98		\$ 14.37	
% higher than min. wage	45.93%		124.55%		5.03%		65.24%		98.27%	
Basic Needs Budget & Self-Sufficiency Wage without Employer Health Benefits										
Monthly Costs	1 Adult		1 Adult 1 Child		2 Adults		2 Adults 1 Child		2 Adults 2 Children	
	Cost	% of Total	Cost	% of Total	Cost	% of Total	Cost	% of Total	Cost	% of Total
Food	\$ 260	13	\$ 429	13	\$ 520	17	\$ 780	16	\$ 910	16
Child Care	\$ -	-	\$ 666	20	\$ -	-	\$ 666	13	\$ 1,166	20
Medical Care	\$ 366	19	\$ 711	21	\$ 711	23	\$ 1,025	21	\$ 1,025	18
Housing	\$ 1,000	51	\$ 1,000	30	\$ 1,200	38	\$ 1,600	32	\$ 1,600	28
Transportation	\$ 150	8	\$ 250	7	\$ 300	10	\$ 400	8	\$ 500	9
Other Necessities	\$ 200	10	\$ 300	9	\$ 400	13	\$ 500	10	\$ 600	10
Monthly Basic Needs	\$ 1,976		\$ 3,356		\$ 3,131		\$ 4,971		\$ 5,801	
Annual Basic Needs	\$ 23,712		\$ 40,275		\$ 37,575		\$ 59,650		\$ 69,610	
Taxes	\$ 1,317		\$ 2,178		\$ 2,444		\$ 3,876		\$ 5,084	
Self Sufficiency Wage										
Annual	\$ 25,029		\$ 42,453		\$ 40,019		\$ 63,526		\$ 74,694	
Hourly	\$ 12.03		\$ 19.10		\$ 18.09		\$ 28.08		\$ 32.90	
Hourly per adult	\$ 12.03		\$ 19.10		\$ 9.05		\$ 14.04		\$ 16.45	
% higher than min. wage	65.97%		163.45%		24.76%		93.66%		126.90%	

Notes: The Standard is calculated by adding expenses and taxes. The hourly wage is calculated by dividing the annual wage by 2,080 (number of working hours in a year.)

The hourly, monthly, and annual wages represent both parents' combined wages.

Totals may not add exactly due to rounding.

Housing costs include \$100 to \$200 per month in utility costs depending on size of home and number of occupants.

Self-Sufficiency Standard by Household Structure: St. Croix, US Virgin Islands 2010

Monthly Expenses and Share of Total Budget

Basic Needs Budget & Self-Sufficiency Wage with Employer Health Benefits										
Monthly Costs	1 Adult		1 Adult 1 Child		2 Adults		2 Adults 1 Child		2 Adults 2 Children	
	Cost	% of Total	Cost	% of Total	Cost	% of Total	Cost	% of Total	Cost	% of Total
Food	\$ 260	18	\$ 429	18	\$ 520	22	\$ 780	22	\$ 910	22
Child Care	\$ -	-	\$ 465	19	\$ -	-	\$ 465	13	\$ 814	19
Medical Care	\$ 128	9	\$ 249	10	\$ 249	11	\$ 359	10	\$ 359	9
Housing	\$ 700	49	\$ 700	29	\$ 900	38	\$ 1,000	29	\$ 1,000	24
Transportation	\$ 150	10	\$ 250	10	\$ 300	13	\$ 400	11	\$ 500	12
Other Necessities	\$ 200	14	\$ 300	13	\$ 400	17	\$ 500	14	\$ 600	14
Monthly Basic Needs	\$ 1,438		\$ 2,393		\$ 2,369		\$ 3,504		\$ 4,183	
Annual Basic Needs	\$ 17,256		\$ 28,716		\$ 28,428		\$ 42,048		\$ 50,196	
Taxes	\$ 1,150		\$ 1,856		\$ 2,059		\$ 3,308		\$ 4,443	
Self Sufficiency Wage										
Annual	\$ 18,406		\$ 30,572		\$ 30,487		\$ 45,356		\$ 54,639	
Hourly	\$ 8.85		\$ 14.70		\$ 14.66		\$ 21.81		\$ 26.27	
Hourly per adult	\$ 8.85		\$ 14.70		\$ 7.33		\$ 10.90		\$ 13.13	
% higher than min. wage	22.06%		102.73%		1.08%		50.38%		81.15%	
Basic Needs Budget & Self-Sufficiency Wage without Employer Health Benefits										
Monthly Costs	1 Adult		1 Adult 1 Child		2 Adults		2 Adults 1 Child		2 Adults 2 Children	
	Cost	% of Total	Cost	% of Total	Cost	% of Total	Cost	% of Total	Cost	% of Total
Food	\$ 260	16	\$ 429	15	\$ 520	18	\$ 780	19	\$ 910	19
Child Care	\$ -	-	\$ 465	16	\$ -	-	\$ 465	11	\$ 814	17
Medical Care	\$ 366	22	\$ 711	25	\$ 711	25	\$ 1,025	25	\$ 1,025	21
Housing	\$ 700	42	\$ 700	25	\$ 900	32	\$ 1,000	24	\$ 1,000	21
Transportation	\$ 150	9	\$ 250	9	\$ 300	11	\$ 400	10	\$ 500	10
Other Necessities	\$ 200	12	\$ 300	11	\$ 400	14	\$ 500	12	\$ 600	12
Monthly Basic Needs	\$ 1,676		\$ 2,855		\$ 2,831		\$ 4,170		\$ 4,849	
Annual Basic Needs	\$ 20,112		\$ 34,263		\$ 33,975		\$ 50,038		\$ 58,186	
Taxes	\$ 1,317		\$ 2,178		\$ 2,444		\$ 3,876		\$ 5,084	
Self Sufficiency Wage										
Annual	\$ 21,429		\$ 36,441		\$ 36,419		\$ 53,914		\$ 63,270	
Hourly	\$ 10.30		\$ 17.52		\$ 17.51		\$ 25.92		\$ 30.42	
Hourly per adult	\$ 10.30		\$ 17.52		\$ 8.75		\$ 12.96		\$ 15.21	
% higher than min. wage	42.10%		141.65%		20.75%		78.76%		109.78%	

Notes: The Standard is calculated by adding expenses and taxes. The hourly wage is calculated by dividing the annual wage by 2,080 (number of working hours in a year.)

The hourly, monthly, and annual wages represent both parents' combined wages.

Totals may not add exactly due to rounding.

Housing costs include \$100 to \$200 per month in utility costs depending on size of home and number of occupants.

Self-Sufficiency Standard by Household Structure: US Virgin Islands 2010

Expenses and Share of Total Budget

Basic Needs Budget & Self-Sufficiency Wage with Employer Health Benefits										
Monthly Costs	1 Adult		1 Adult 1 Child		2 Adults		2 Adults 1 Child		2 Adults 2 Children	
	Cost	% of Total	Cost	% of Total	Cost	% of Total	Cost	% of Total	Cost	% of Total
Food	\$ 260	16	\$ 429	16	\$ 520	21	\$ 780	20	\$ 910	20
Child Care	\$ -	-	\$ 539	20	\$ -	-	\$ 539	14	\$ 944	20
Medical Care	\$ 128	8	\$ 249	9	\$ 249	10	\$ 359	9	\$ 359	8
Housing	\$ 900	55	\$ 900	34	\$ 1,000	41	\$ 1,300	34	\$ 1,300	28
Transportation	\$ 150	9	\$ 250	9	\$ 300	12	\$ 400	10	\$ 500	11
Other Necessities	\$ 200	12	\$ 300	11	\$ 400	16	\$ 500	13	\$ 600	13
Monthly Basic Needs	\$ 1,638		\$ 2,667		\$ 2,469		\$ 3,878		\$ 4,613	
Annual Basic Needs	\$ 19,656		\$ 32,004		\$ 29,628		\$ 46,536		\$ 55,356	
Taxes	\$ 1,150		\$ 1,856		\$ 2,059		\$ 3,308		\$ 4,443	
Self Sufficiency Wage										
Annual	\$ 20,806		\$ 33,860		\$ 31,687		\$ 49,844		\$ 59,799	
Hourly	\$ 10.00		\$ 16.28		\$ 15.23		\$ 23.96		\$ 28.75	
Hourly per adult	\$ 10.00		\$ 16.28		\$ 7.62		\$ 11.98		\$ 14.37	
% higher than min. wage	37.97%		124.54%		5.06%		65.27%		98.27%	
Basic Needs Budget & Self-Sufficiency Wage without Employer Health Benefits										
Monthly Costs	1 Adult		1 Adult 1 Child		2 Adults		2 Adults 1 Child		2 Adults 2 Children	
	Cost	% of Total	Cost	% of Total	Cost	% of Total	Cost	% of Total	Cost	% of Total
Food	\$ 260	14	\$ 429	14	\$ 520	18	\$ 780	17	\$ 910	17
Child Care	\$ -	-	\$ 539	17	\$ -	-	\$ 539	12	\$ 944	18
Medical Care	\$ 366	20	\$ 711	23	\$ 711	24	\$ 1,025	23	\$ 1,025	19
Housing	\$ 900	48	\$ 900	29	\$ 1,000	34	\$ 1,300	29	\$ 1,300	25
Transportation	\$ 150	8	\$ 250	8	\$ 300	10	\$ 400	9	\$ 500	9
Other Necessities	\$ 200	11	\$ 300	10	\$ 400	14	\$ 500	11	\$ 600	11
Monthly Basic Needs	\$ 1,876		\$ 3,129		\$ 2,931		\$ 4,544		\$ 5,279	
Annual Basic Needs	\$ 22,512		\$ 37,551		\$ 35,175		\$ 54,526		\$ 63,346	
Taxes	\$ 1,317		\$ 2,178		\$ 2,444		\$ 3,876		\$ 5,084	
Self Sufficiency Wage										
Annual	\$ 23,829		\$ 39,729		\$ 37,619		\$ 58,402		\$ 68,430	
Hourly	\$ 11.46		\$ 19.10		\$ 18.09		\$ 28.08		\$ 32.90	
Hourly per adult	\$ 11.46		\$ 19.10		\$ 9.05		\$ 14.04		\$ 16.45	
% higher than min. wage	58.02%		163.45%		24.76%		93.66%		126.90%	

Notes: The Standard is calculated by adding expenses and taxes. The hourly wage is calculated by dividing the annual wage by 2,080 (number of working hours in a year.)

The hourly, monthly, and annual wages represent both parents' combined wages.

Totals may not add exactly due to rounding.

Housing costs include \$100 to \$200 per month in utility costs depending on size of home and number of occupants.

Based on the calculations, the living wage for different household configurations is estimated as follows:

Health Insurance Option	1 Adult	1 Adult 1 Child	2 Adults	2 Adults 1 Child	2 Adults 2 Children
Living Wage w/Employer Health	\$ 10.00	\$ 16.28	\$ 15.23	\$ 23.96	\$ 28.75
Living Wage w/o Employer Health	\$ 11.46	\$ 19.10	\$ 18.09	\$ 28.08	\$ 32.90

A single adult would need to make a minimum of \$10.00 per hour with benefits or \$11.46 per hour without benefits to make ends meet. An adult with a child would need to make a minimum of \$16.28 per hour with benefits or \$19.10 without benefits. If two adults lived together they would need to earn a combined wage of \$15.23 per hour with benefits and \$18.09 without benefits. Similarly, if two adults resided together with one child, they would need to earn a combined wage of \$23.96 with health care benefits or \$28.08 without it. In the case of two adults and 2 children living in the same household, both adults would need to earn a combined wage of \$28.75 with benefits or \$32.90 without it in order to supply their most basic necessities.

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