

ON THE ROAD

Exploring Economic Security Pathways in Wyoming

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The conclusions and opinions contained in this document do not necessarily reflect the opinions of those listed above. Any mistakes are the author's responsibility.

INTRODUCTION

The Self-Sufficiency Standard approach to economic security consists of three elements: securing the costs of daily basic needs, creating an emergency savings fund, and choosing the appropriate asset-building Economic Security Pathway(s). The first report, *The Self-Sufficiency Standard for Wyoming 2016*, covers the first two elements, while this report focuses on the third element of asset-building.

#1 SECURE BASIC NEEDS

For many people, a working definition of poverty is not being able to secure your basic needs. Yet many researchers and policy analysts have concluded that the Federal Poverty Level (FPL), developed half a century ago, is not only methodologically out of date, but also no longer accurately measures poverty.¹ Even the Census Bureau characterizes the federal poverty measure as a “statistical yardstick rather than a complete description of what people and families need to live.”² Designed to address the major shortcomings of the FPL, the Self-Sufficiency Standard was developed to provide a more accurate, nuanced, and up-to-date measure of income adequate for basic needs.³

1 Ruggles, P. (1990). *Drawing the line: Alternative poverty measures and their implications for public policy*. The Urban Institute, Washington, D.C.; Bergmann, B. & Renwick, T. (1993). *A budget-based definition of poverty: With an application to single-parent families*. The Journal of Human Resources, 28 (1), 1-24.; Citro, C. & Michael, R. Eds. (1995). *Measuring poverty: A new approach*. Washington, DC: National Academy Press.

2 Dalaker, *Poverty in the United States: 2000*. (U.S. Census Bureau, Current Population Reports, Series P60-214). U.S. Government Printing Office (Washington, D.C., 2001).

3 The Self-Sufficiency Standard was developed in the mid-1990s by Diana Pearce as an alternative performance standard in the workforce development system, to measure more accurately and specifically what would be required to meet the Job Training Partnership Act Program goal of “self-sufficiency for each individual participant. The development of the Standard also benefited from other attempts to create alternatives, such as Living Wage campaigns, the National Academy of Sciences studies, and Trudi Renwick’s work. For more detail on the Standard, see <http://www.selfsufficiencystandard.org/>.

The first step to achieving economic security is meeting household basic needs at a minimally adequate level. The Self-Sufficiency Standard defines how much income families of various sizes and composition need to make ends meet without public or private assistance in each county of Wyoming. The Standard calculates a family-sustaining wage that does not require choosing among basic necessities such as nutritious food, adequate housing, or child care.

#2 CREATE AN EMERGENCY SAVINGS FUND

However, as shown in the first report, *The Self-Sufficiency Standard for Wyoming 2016*, the Standard is admittedly a conservative measure. It is a “bare bones” budget with costs set at minimally adequate levels with no extras. For example, the food budget has no take-out or restaurant food, not even a pizza or a cup of coffee. Realistically, achieving incomes at the Self-Sufficiency level should not be assumed to mean the achievement of economic security, but is instead the first and necessary, but not sufficient, step. All families need additional resources in order to be able to weather any unexpected income loss. In short, after having secured the cost of basic needs (as measured by the Standard)—the next step toward increased economic security is emergency savings. *The Self-Sufficiency Standard for Wyoming 2016* includes a separate emergency savings calculation that estimates how much each household needs to save on a monthly basis to have a “rainy day” fund that would cover basic needs in case of an unforeseen job loss.

THE ROAD TO ECONOMIC SECURITY



The Self-Sufficiency Standard approach to economic security consists of three elements: securing the costs of daily basic needs, creating an emergency savings fund, and choosing the appropriate asset-building Economic Security Pathway(s).



STEP 1: SECURE BASIC NEEDS

The Self-Sufficiency Standard calculates how much income families of various sizes and compositions need to make ends meet without public or private assistance in each county in Wyoming. The Standard measures income adequacy, and is based on the costs of basic needs for working families: housing, child care, food, health care, transportation, and miscellaneous items, plus taxes and tax credits. To download the full report and tables for 472 family types, by county, visit www.selfsufficiencystandard.org/Wyoming.

$$\text{House} + \text{Child Care} + \text{Shopping} + \text{Car} + \text{Medical} + \text{Clothing} + \text{Phone} = \text{SELF-SUFFICIENCY STANDARD}$$



STEP 2: CREATE AN EMERGENCY SAVINGS FUND

After meeting basic needs the next step towards economic security is saving for emergencies, particularly job loss, the most common reason for income loss. Emergency savings, together with unemployment insurance, enable families to weather economic crises.

$$\left[\begin{array}{c} \text{House} + \text{Child Care} + \text{Shopping} + \text{Car} \\ \text{Medical} + \text{Clothing} + \text{Phone} \end{array} \right] - \text{Unemployment benefits} \times \text{3.25 months} = \text{EMERGENCY SAVINGS FUND}$$

STEP 3: CHOOSE AN ECONOMIC SECURITY PATHWAY

Once a family has secured income at the Self-Sufficiency Standard level and instituted their emergency savings fund, the road to long-term economic security will be different for each, depending on family circumstances. This report considers three key pathways that can move families closer to long-term economic security:

- (1) postsecondary education, (2) improved housing and/or homeownership, and
- (3) savings for retirement.



Postsecondary Education



Improved housing or Homeownership



Savings for Retirement

LONG-TERM ECONOMIC SECURITY

#3 CHOOSE AN ECONOMIC SECURITY PATHWAY

Assuming that basic needs and emergency savings have been secured, this report details the costs of taking the next steps towards economic security, which we call Economic Security Pathways, or ESPs.

Which pathway to economic security is chosen will be different for each household. For some, this might be additional savings, to meet immediate costs (such as a car breakdown) or to ensure sufficient resources for the long-term costs of retirement. For others, paying off debts may be the first priority. For still others, income beyond that needed for the essentials may be devoted to securing alternative housing, enabling the family to move, thus leaving an abusive partner or a problematic living situation.

It is not assumed that every family can or should take any or all of these pathways. Rather, by providing this information, this report enables individuals and households to make informed choices as to which ESPs make the most sense for their situation and family.

Considered here are three key pathways that adults can take to move closer to long-term economic security (1) postsecondary education, (2) improved housing or homeownership, and (3) savings for retirement. For each of these pathways varying alternatives are presented, so that users of this report can explore a range of potential options and compare the costs of each one. The numbers provided are meant to give the user estimates of what and how much the costs might be for each security pathway. Of course, the actual costs for an individual family or householder will be determined by their unique situation and choices.

For each Economic Security Pathway costs are shown as specifically as possible and, when data allows, the ESP costs are shown by county. In addition, for each ESP example scenarios are modeled. These suggest different options and timeframes using various family types, circumstances, and places to illustrate how the ESP data can be used flexibly, in combination with the Self-Sufficiency Standard, public work supports, and private assistance to move along a given pathway. Note that these scenarios are meant to be illustrative rather than definitive, and to suggest how the ESP data presented here can be used to help plan for future asset building.





ECONOMIC SECURITY PATHWAY #1: POSTSECONDARY EDUCATION

True long-term self-sufficiency increasingly requires human capital investments that enhance skills as well as improve access to jobs with career potential. In today's economy, one cannot easily maintain and move beyond the basic Self-Sufficiency level without a technologically advanced and broad-based education. A high-school diploma no longer has the same value it once did in the job market, as businesses increasingly require higher skill levels from potential employees.¹ Advanced education provides the flexibility to move into new, innovative, or nontraditional jobs and careers. Postsecondary education not only leads to wages well above the Self-Sufficiency level, but these jobs also provide benefits, increased stability, and have promotion and salary increase potential.

As a “human capital” investment, education is generally an excellent way to achieve economic security, for unlike other assets, it cannot be taken away or foreclosed on. The higher earnings that result can enable the achievement of other economic security goals, such as buying a house or saving for retirement.

Almost all postsecondary education or training requires resources for tuition, fees, books, and supplies, thus requiring monetary investment, as well as addressing decreased wages if attendance cannot be combined with full-time work.

HOW MUCH DOES POSTSECONDARY EDUCATION COST?

Among the many options for postsecondary education, three types are presented here: post-high school certificates, two-year community college degrees, and four-year bachelor's degrees.

POST-HIGH SCHOOL CERTIFICATE. The median earnings of certificate holders are 20% higher than workers with a high school degree as their highest

educational attainment.² There are hundreds of different options for post-high school certificates³ in Wyoming across many different fields. For example, Gillette College offers a Practical Nursing certificate which trains workers to become Licensed Practical Nurses. Western Wyoming Community College offers an Industrial Maintenance certification that trains students to work as industrial machinery mechanics.

These certificate programs vary in terms of the amount of academic credits required to earn the certificate, from just 18 credits (a little over one semester) to almost two years, with most certificate programs falling in between. As a result, the costs vary considerably by the type of certificate, how many credits are needed to complete it, and the specific institution at which it is offered.

To illustrate the range of costs, we have shown in **Table 1** a specific certificate or diploma program that is found at several state-supported local community colleges. For each program, the total program-specific costs are estimated, including tuition, fees, books, and supplies.⁴ The costs range from roughly \$2,500 to about \$7,000, with the least expensive certificate program shown being the Basic HVAC/R Technician program offered at Laramie County Community College, at \$2,665 for a 18-credit program. The most expensive shown is that of Licensed Practical or Vocational Nurses; costs for these nursing programs range from just under \$6,000 to around \$7,000.⁵ Most of the certificate programs require around 30 credits for completion, and are in the \$4,000 to \$6,000 cost range. For example, the Administrative Assistant certificate at Northwest

2 Anthony Carnevale, Stephen Rose, Andrew Hanson, “Certificates: Gateway to Gainful Employment and College Degrees,” <https://cew.georgetown.edu/wp-content/uploads/2014/11/Certificates.FullReport.061812.pdf> (accessed July 21, 2015).

3 Some long-term certificate programs are called diplomas, particularly in nursing programs.

4 Cost estimates are for illustrative purposes only, and prospective students should contact the school for cost details. If total program cost was provided by the school, that estimate is shown. Otherwise, the estimate is based on the posted rate and fees per credit, plus the average cost of books and supplies for community college students.

5 Most community college courses are three credits per semester. The amount of time it will take to complete a certificate program will depend on the timing of course offerings at the community college. Contact an academic advisor for more detail, if you are interested in pursuing a community college certificate.

1 Harry Holzer & Robert Lerman, “America’s Forgotten Middle Skill Jobs: Education and Training Requirements in the Next Decade and Beyond,” The Workforce Alliance (2007), Washington, D.C., http://www.urban.org/UploadedPDF/411633_forgettenjobs.pdf (accessed June 1, 2011).

Table 1. Estimated Cost of Selected Certificate Programs, WY 2015-2016

IN-DEMAND, HIGH-WAGE OCCUPATIONS REQUIRING POST-SECONDARY CERTIFICATE*			NUMBER OF CREDITS	ESTIMATED COST (Tuition, Fees, Books, & Supplies)
OCCUPATION	MEDIAN WAGE	ANNUAL OPENINGS		
Heating, Air Conditioning, and Refrigeration Mechanics and Installers	\$43,700	30	18-34	\$2,665-\$3,755
Licensed Practical and Licensed Vocational Nurses	\$43,390	30	39-48	\$5,774-\$6,946
Secretaries	\$33,650	120	30-33	\$4,342-\$4,345
Industrial Machinery Mechanics	\$55,260	140	19-42	\$2,973-\$5,529
Bus & Truck Mechanics & Diesel Engine Specialists	\$51,980	40	28-43	\$4,381-\$6,005
Bookkeeping, Accounting, and Auditing Clerks	\$35,620	110	24-35	\$3,352-\$4,608
Medical Records and Health Information Technicians	\$35,770	10	33-43	\$4,886-\$6,727

* Certificate programs included in the sample were selected if the expected median wage is above \$15.00 per hour and if the outlook for the job category has average or faster projected growth. Median wages and job growth projections come from the National Center for O*NET Development, O*NET OnLine, <http://www.onetonline.org/> (accessed December 10, 2015) and Michael Moore (2012), "Labor Market Information: Demographics, Projections, Skills, and Education", Wyoming Department of Workforce Services, http://wyomingworkforce.org/_docs/news/publicnotices/2012-08-15-attachment-c.pdf (accessed July 15, 2015).

Note: The cost of certificate programs is estimated for illustrative purposes only. Contact the college for specific details. Cost estimates are based on tuition, fees, books and supplies. The estimate is based on the posted tuition rate and fees per credit plus the average cost of books and supplies for community college students.

College in Powell, Wyoming is a 30-credit program that trains students to work in an office setting, and has an estimated cost of \$4,342.

COMMUNITY COLLEGE TWO-YEAR DEGREE. Table 2 shows the cost of attaining an associate's degree from a public two-year community or technical college in Wyoming. On average, community college students spend \$2,652 annually on tuition and fees and \$1,550 annually on books and supplies. In total, the cost of a two-year community college degree (not including living expenses), if attending full time for two years, is \$8,790 on average. If attending part time for four years, the cost increases to \$10,360.

Note that these tuition rates assume a 60-credit associate's degree. However, credit requirements vary by program and may require more than 60 credits. Additionally, course prerequisites not covered in a degree program or remedial course requirements can also increase the total number of credit hours and resulting cost.

If a student attends part time they are available to work full time while attending school, but must consider that educational costs continue to rise each year. Although going part time reduces the annual cost of attending college to only \$2,590 on average, the total cost of attending part time over four years is slightly higher than for two years, \$10,360 compared to \$8,790, due

to the anticipated inflation in tuition and other costs over the longer time period.

BACHELOR'S DEGREE. Wyoming has only one public four-year institution, the University of Wyoming. Assuming full-time attendance, annual costs for the first year are:

- Tuition - \$4,892
- Books and Supplies - \$1,476
- Room & Board - \$10,037

The total expense for the first year is \$16,404. When costs are inflated for the three future years of attendance, using the average increases over the last decade, the estimated total cost of attaining a bachelor's degree from the University of Wyoming is about \$70,000.

MEETING THE COSTS OF EDUCATION

As shown above, postsecondary education can be expensive, particularly for a four-year degree. An approach favored by many students is to use a combination of grants, scholarships, and loans. Among full-time students in public community colleges, 56% of students have federal grants averaging \$4,342, and 27% have student loans averaging \$4,797

Table 2. Estimated Resident Cost of a 2-Year Associate Degree, WY 2015-2016

COMMUNITY COLLEGE	ANNUAL EXPENSES, 1ST YEAR			FULL-TIME TOTAL	PART-TIME TOTAL
	Tuition & Fees	Books & Supplies	Total		
Casper College	\$2,640	\$1,550	\$4,190	\$8,532	\$10,263
Central Wyoming College	\$2,892	\$1,550	\$4,442	\$9,048	\$10,456
Eastern Wyoming College	\$2,712	\$1,550	\$4,262	\$8,679	\$9,557
Gillette College	\$2,892	\$1,550	\$4,442	\$9,048	\$10,456
Laramie County Community College	\$3,144	\$1,550	\$4,694	\$9,563	\$11,612
Northwest College	\$2,792	\$1,550	\$4,342	\$8,843	\$10,199
Sheridan College	\$2,892	\$1,550	\$4,442	\$9,048	\$10,456
Western Wyoming Community College	\$2,400	\$1,550	\$3,950	\$8,041	\$9,685
Wind River Tribal College	\$1,500	\$1,550	\$3,050	\$6,200	\$6,411
Average	\$2,652	\$1,550	\$4,201	\$8,790	\$10,360

Note: Annual for full-time is defined here as 30 credit hours, for part-time it is 15 credits. Future rates are inflated based on the 10-year average change in tuition and fees for 2-year public colleges in the West.

annually. Among full-time students in public four-year institutions, 38% of students have federal grants (most commonly, Pell grants) averaging \$4,508 and 51% have student loans averaging \$6,579 annually.⁶

A second approach to financing education is to spread out the costs over time, so that one can continue full-time or part-time employment while in school. For four-year degrees, a third way to reduce costs is to commute from home rather than pay room and board, as the average cost of room and board at the University of Wyoming is over half of the cost of a four-year degree

(60%), so this strategy could significantly cut the cost of this degree at this school. Finally, a fourth approach is to combine work and private and public assistance of various kinds; see the accompanying scenario for a discussion of this method of making post-secondary education affordable and workable.

Education, which economists call “human capital” is a key asset and pathway to economic security. Moreover, it is one asset that cannot be taken away. The intent of the calculations and detailed scenarios presented here is not to be prescriptive, but rather to make clear that this education pathway to greater economic security is realistic and doable.

6 U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), “Table 331.20, Full-time, first-time degree/certificate-seeking undergraduate students enrolled in degree-granting postsecondary institutions, by participation and average amount awarded in financial aid programs, and control and level of institution: 2000-01 through 2011-13,” https://nces.ed.gov/ipeds/data/digest/d14/tables/dt14_331.20.asp (accessed December 1, 2015).

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EDUCATION, WHICH ECONOMISTS CALL “HUMAN CAPITAL,” IS A KEY ASSET AND PATHWAY TO ECONOMIC SECURITY.

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SCENARIO

MEETING THE COST OF HIGHER EDUCATION

The education scenario presented here is that of a woman we will call Elizabeth Jones. Ms. Jones is a 25-year-old single mother with a four-year-old preschooler, living in Laramie County. She has a high school degree and works as a retail salesperson earning \$11.08 per hour (\$1,921 monthly), the median wage among retail salespersons in Wyoming.¹ She also receives \$219 per month in child support—the average amount received by families participating in the Child Support Program in Wyoming.² Ms. Jones' total resources are thus \$2,332 per month. However, according to the Self-Sufficiency Standard, a family of her type living in Laramie County requires \$2,701 per month to meet basic needs. Since her wages plus child support cannot meet the cost of basic needs for her family, Ms. Jones combines help from her mother and state assistance programs:

- Ms. Jones lives with her mother and pays reduced housing costs, only 71% of what she would pay if living on her own.
- She is eligible for child care assistance through the state and pays \$38 per month for her preschooler instead of the full market rate child care cost of \$566.
- In addition, her preschooler is eligible for Wyoming Kid Care, which covers her child's health care costs. Her own health care costs are \$148 (for health insurance through her employer plus out of pocket costs), instead of the \$409 she would be paying for employer-sponsored health insurance for the whole family as assumed in the Self-Sufficiency Standard.

Overall, Ms. Jones' resources with family help and public work supports cover her family's basic needs with just enough extra to consider attending her local community college. She has decided to complete the Paralegal Program from Laramie County Community College which leads to an associate of applied science degree. This degree will prepare her to work as a paralegal or legal assistant, enabling her to have earnings well above her Self-Sufficiency Wage, enough for her to support her family without assistance.³ However, getting this degree will cost about \$10,000. Below we explore two options for how she can achieve this goal of attaining her associate degree and becoming a paralegal.

NOTE ON SHARED HOUSING VERSUS HOUSING ASSISTANCE. We use “doubling up” rather than public housing assistance in our modeling because it is a more likely scenario. (By doubling up we refer to two or more families—whether relatives, friends, or roommates—living together to reduce the cost of housing.) Although households with income below 80% of area median income are technically eligible for federal housing assistance, most assistance for new program participants is limited to households with extremely low income (defined by HUD as income below 30% of area median income). According to the Center for Budget and Policy Priorities, only one in four households that are eligible for housing assistance receives any housing assistance; moreover, most agencies have years-long waiting lists for housing assistance.* In short, public housing assistance is not a likely option for most low-income households. For this reason, several of the scenarios in this brief rely on households “doubling up” as a way to reduce housing costs, rather than public housing assistance.

* Center on Budget and Policy Priorities (2015), “Policy Basics: Federal Rental Assistance,” <http://www.cbpp.org/research/housing/policy-basics-federal-rental-assistance>.

1 U.S. Department of Labor, “May 2013 State Occupational Employment and Wage Estimates,” Databases and Tables, Occupational Employment Statistics, <http://www.bls.gov/oes/data.htm> (accessed November 19, 2015).

2 U.S. Department of Health and Human Services, Administration for Children & Families, Office of Child Support Enforcement, “FY 2013 Preliminary Report,” Tables 4, 14, 15 and 75, <http://www.acf.hhs.gov/programs/css/resource/fy2013-preliminary-report> (accessed August 28, 2014). Data has been inflated using the Bureau of Labor Statistics Consumer Price Index. U.S. Department of Labor, Bureau of Labor Statistics, “West Region All Items, 1982-84=100 - CUURA101SA0,” Consumer Price Index, <http://data.bls.gov/cgi-bin/survey/most?cu> (accessed December 1, 2015).

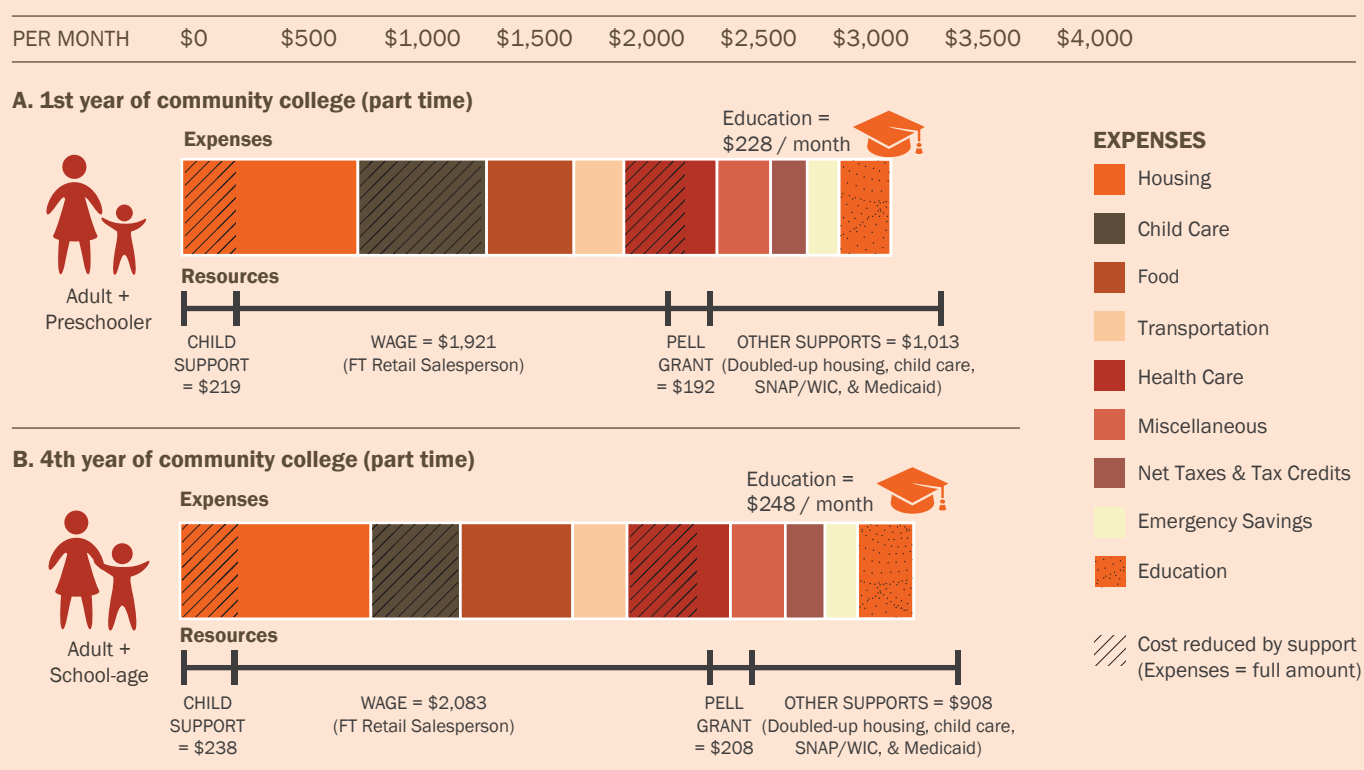
3 Visit <http://www.onetonline.org/> to explore career options and find local salary information and training programs.

OPTION 1. This option is “pay as you go,” which means that Ms. Jones attends school part time over a period of four years, while continuing to work full time (see **Figure A**). The monthly cost of attending school part time is affordable on her tight budget both because the costs are less (on average over four years it is only \$242 per month for tuition, fees, books, and supplies) and because she is receiving supports that reduce her living costs (housing, child care, and health care). The first bar shows her expenses according to the Self-Sufficiency Standard plus the cost of education. The resources line illustrates how private and public assistance helps her close the gap between her income and her family’s needs. Her income and expenses are assumed to increase slightly each year with inflation. Overall, public and private supports cover \$1,013 of her monthly expenses in her first year. As her young child ages from a preschooler to a school-age child over the four years, her costs change somewhat as well (e.g. child care costs go down as her child starts school but food costs increase).

Note that she has a monthly surplus of about \$227 per month and will receive annual refundable tax credits totaling about \$3,597. Those funds may provide her with some reserves to add further to her emergency savings fund, or be used to secure other ESPs, such as alternative housing, a needed vehicle, etc. These funds may also be used to meet some of her basic needs if she was unable to obtain all of the work supports modeled here.

Figure A. Public and private supports close the gap between wages and expenses to allow a working single mother to attend community college, over four years.

Expenses and resources shown per month for Laramie County, WY 2016



RESOURCE ASSUMPTIONS: Income is based on median wage of retail salespersons in Wyoming (\$11.08 per hour) and an average child support award (\$219 per month). Supports include living with a parent, child care assistance, and CHIP. Pell grant assumes half the average Pell grant award at Laramie County Community College (see <http://nces.ed.gov/collegenavigator/?q=Laramie+County+Community+College&s=all&id=240620#finaid>).

EXPENSE ASSUMPTIONS: Living expenses are based on costs included in the 2016 Self-Sufficiency Standard. The monthly Standard for Laramie County is \$2,701 for one adult and one preschooler and \$2,483 for one adult and one school-age child. Education expenses are based on attendance at Laramie County Community College and includes the cost of tuition, fees, books, and supplies. Education expenses are not typically paid on a monthly basis, however, they are shown as such to illustrate how they fit into a monthly budget.

INFLATION ASSUMPTIONS: Expenses change with each year to reflect the child aging plus resources and expenses are updated with inflation. For illustration purposes, it is expected that expenses, wages, and income eligibility levels will increase at the same rate with each year modeled.

OPTION 2. A second approach is that of “saving first, then school” (see **Figure B**). Ms. Jones continues to work full time as a retail salesperson for one year before beginning school in order to build up her savings. When she is working full time and saving for school, she receives a refund of \$3,597 in annual tax credits. These are saved and shown as a resource in **Figure B** the next year. Over the next two years, she attends school while working part time. With lower earnings, her annual tax credit refund increases to \$4,373.

After her “savings” year, each year she is in school her resources to cover her expenses consist of a combination of her part-time employment, her (saved) tax credit refunds, federal Pell grants, and continuing private and public assistance (living with her mother, child care assistance, food assistance, and Medicaid). If Ms. Jones receives the average federal Pell award of Laramie County Community College student, about \$4,600 annually, nearly all of her educational costs would be covered.

Figure B. Public and private supports close the gap between wages and expenses to allow a working single mother to attend community college, over two years.

Expenses and resources shown per month for Laramie County, WY 2016



RESOURCE ASSUMPTIONS: Income is based on median wage of retail salespersons in Wyoming (\$11.08 per hour) and an average child support award (\$219 per month). Supports include living with a parent, child care assistance, and CHIP. Pell grant assumes the average Pell grant award at Laramie County Community College (see <http://nces.ed.gov/collegenavigator/?q=Laramie+County+Community+College&s=all&id=240620#finaid>).

EXPENSE ASSUMPTIONS: Living expenses are based on costs included in the 2016 Self-Sufficiency Standard. The monthly Standard for Laramie County is \$2,701 for one adult and one preschooler and \$2,483 for one adult and one school-age child. Education expenses are based on attendance at Laramie County Community College and includes the cost of tuition, fees, books, and supplies. Education expenses are not typically paid on a monthly basis, however, they are shown as such to illustrate how they fit into a monthly budget.

INFLATION ASSUMPTIONS: Expenses change with each year to reflect the child aging plus resources and expenses are updated with inflation. For illustration purposes, it is expected that expenses, wages, and income eligibility levels will increase at the same rate with each year modeled.



ECONOMIC SECURITY PATHWAY #2 HOUSING

Whether it involves moving to more stable rental housing or becoming a homeowner, achieving improved housing stability is an important step towards economic security. Families may need to move for a variety of reasons: seeking better schools, or job opportunities; relocating to a specific community; moving out of “doubled up” housing, shelter or transitional housing; leaving an unsafe situation (such as domestic violence); or escaping a rental market with rapidly rising rents.

The Standard presumes that all households are renters, but it only includes the ongoing cost of rent and utilities, and does not include the costs of getting **into** more secure housing. Two options for achieving more secure housing are discussed here: alternative rental housing and homeownership.

ALTERNATIVE RENTAL HOUSING

This option presumes that the household is now living in housing that is not their own, such as living in a shelter or “doubled up,” with no security deposits or other savings. Thus securing alternative rental housing requires savings to cover the costs of moving into rental housing, including the cost of the first month’s rent, a security (damage) deposit, and moving expenses. These costs are calculated as follows:

- The monthly rental cost is based on the housing cost calculated in the *Self-Sufficiency Standard for Wyoming 2016*, which uses the most recent Fair Market Rents (FMRs). FMRs are calculated annually by the U.S. Department of Housing and Urban Development (HUD) for each state’s metropolitan and non-metropolitan areas. FMRs include utilities (except telephone and cable) and are intended to reflect the cost of housing in the current market that meets minimum standards of decency.¹ FMRs are

typically set at the 40th percentile, which means that 40% of the housing in a given area is less expensive than the FMR, and 60% is more than the FMR.

- The security deposit is equal to one month of rent.
- Moving costs are quoted costs for a full service (movers and a truck) move by bedroom size for licensed and insured moving companies.²

Costs vary by the location and the size of the housing unit. **Table 3** shows the total savings required by county and by housing unit size in Wyoming. Families that require a three- or four-bedroom housing unit need savings from about \$2,400 to over \$4,000 to move to alternative rental housing, depending on the county. In the most expensive county, Teton County, a family requiring a three-bedroom unit needs \$4,114 to secure alternative housing. In contrast, a household with no children, requiring only a one-bedroom unit, needs to save about \$1,500 on average, but up to almost \$2,250 in the most expensive county in order to obtain more secure housing.

WHETHER IT INVOLVES MOVING TO MORE STABLE RENTAL HOUSING OR BECOMING A HOMEOWNER, ACHIEVING IMPROVED HOUSING STABILITY IS AN IMPORTANT STEP TOWARDS ECONOMIC SECURITY.

¹ Not all rental units include the cost of utilities. However, deposits may be required for new utility customers. Including the full FMR covers the cost of securing utilities when not included in the rent itself. For information on avoiding utility deposits see <https://www.consumer.ftc.gov/articles/0220-utility-services>.

² Note that the Standard assumes adults and children do not share bedrooms, and so by definition a household with children requires at least a two-bedroom housing unit.

Table 3. Estimated Cost to Relocate to Alternative Rental Housing, WY 2016

COUNTY	BEDROOMS				COUNTY	BEDROOMS			
	1	2	3	4		1	2	3	4
Albany	\$1,510	\$2,108	\$3,084	\$3,683	Natrona	\$1,614	\$2,144	\$3,082	\$3,699
Big Horn	\$1,316	\$1,816	\$2,470	\$2,937	Niobrara	\$1,302	\$1,842	\$2,416	\$2,885
Campbell	\$1,716	\$2,380	\$3,258	\$3,451	Park	\$1,452	\$1,886	\$2,718	\$3,177
Carbon	\$1,482	\$1,994	\$2,828	\$3,039	Platte	\$1,438	\$1,816	\$2,528	\$2,897
Converse	\$1,506	\$1,934	\$2,708	\$2,841	Sheridan	\$1,614	\$2,258	\$2,932	\$3,945
Crook	\$1,534	\$1,928	\$2,634	\$3,013	Sublette	\$1,756	\$2,184	\$3,204	\$3,815
Fremont	\$1,380	\$1,946	\$2,544	\$2,857	Sweetwater	\$1,694	\$2,366	\$3,076	\$4,133
Goshen	\$1,374	\$1,816	\$2,426	\$2,845	Teton	\$2,248	\$2,838	\$4,114	\$4,375
Hot Springs	\$1,350	\$1,816	\$2,668	\$3,173	Uinta	\$1,370	\$1,922	\$2,680	\$3,309
Johnson	\$1,562	\$2,052	\$3,012	\$3,199	Washakie	\$1,438	\$1,816	\$2,668	\$3,173
Laramie	\$1,456	\$2,048	\$2,950	\$3,399	Weston	\$1,614	\$2,020	\$2,794	\$3,151
Lincoln	\$1,562	\$2,190	\$2,938	\$3,231					

Note: Alternative housing costs include the cost of first month rent, security deposit, and moving costs.



SCENARIO

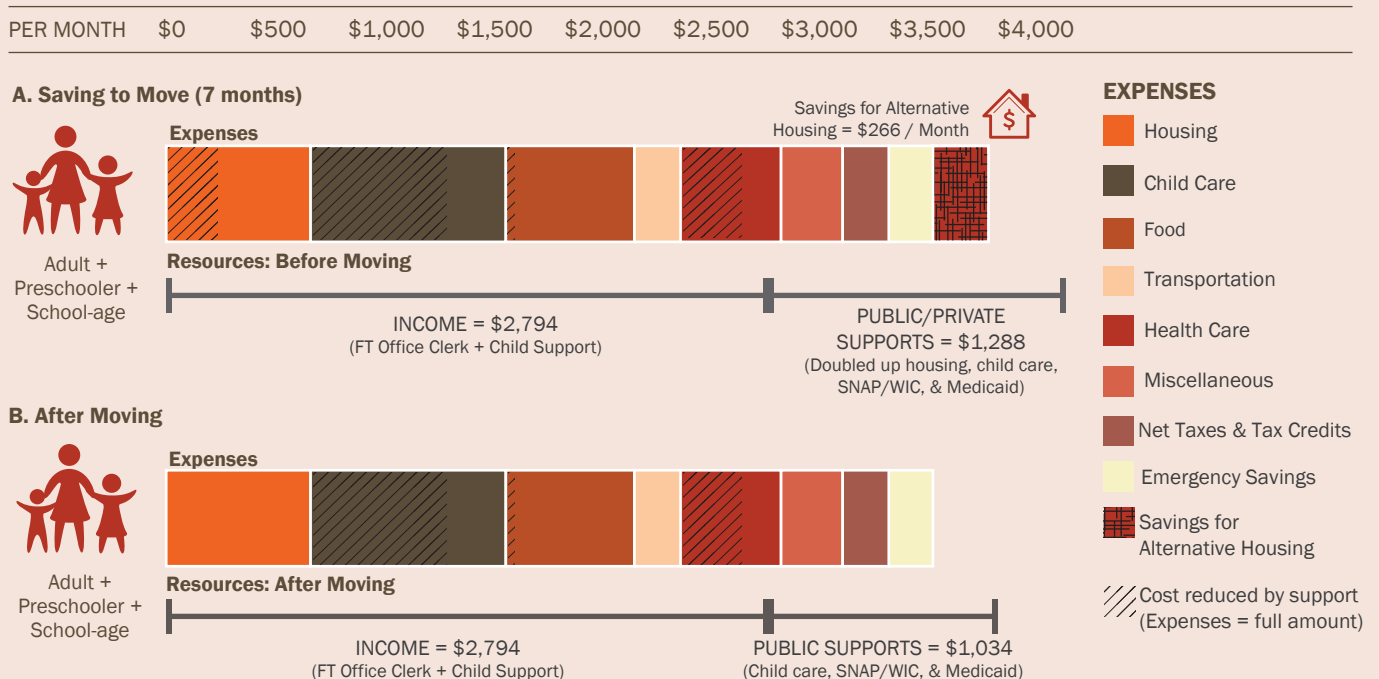
MEETING THE COST OF ALTERNATIVE HOUSING

The alternative housing scenario presented here is that of the Miller family, which includes a mother with two young children (one preschooler and one school-age child) living in Niobrara County. Ms. Miller works as an office clerk and earns \$2,575 per month, the median earnings of office clerks in Wyoming (see **Figure C**). She also receives a monthly child support payment in the amount of \$219. Due to the high child care costs for younger children her wages are short of her Self-Sufficiency Standard (\$3,141 per month). However, she is able to meet her family's needs with the additional help of her parents, with whom she lives and who share the cost of housing. Additionally, at her income level she is eligible for child care assistance, WIC, and Medicaid for her children. By getting family support with housing, plus public support (benefits) to help cover the costs of child care, food, and health insurance, Ms. Miller's earnings are enough to meet her basic needs and build her emergency savings fund, plus she has a surplus of \$531 per month. She has decided that she needs to secure alternative rental housing.

To live independently and move into her own apartment, she will need to save \$671 for a security deposit, another \$671 for the first month's rent, and \$500 for moving costs, for a total of \$1,842, to secure a two-bedroom apartment in Niobrara County (see **Table 3**). If she saves half of her monthly surplus (\$266 per month), in about seven months she will save enough to move into her own apartment. With the continued aid of child care, food, and health care assistance, her monthly earnings are enough to cover the full cost of a two-bedroom rental but she will have a smaller surplus per month. This scenario requires continued child care, food, and health care assistance plus child support in order to afford the increased housing costs on her current salary.

Figure C. Public and private supports close the gap between wages and expenses to allow a working single mother to secure alternative housing

Expenses and resources shown per month for Niobrara County, WY 2016



RESOURCE ASSUMPTIONS: Income is based on assumption that Ms. Miller earns the median wage of a full time Office Clerk (which is \$2,575 per month in Wyoming), and receives the average Wyoming child support award (\$219 per month). Public and private supports include living with her parents, child care assistance, SNAP/WIC, and Medicaid.

EXPENSE ASSUMPTION: Living expenses are based on costs in the Self-Sufficiency Standard. The 2016 Standard for one adult, one preschooler, and one school-age child living in Niobrara County is \$3,141 per month (\$17.85 per hour). The Standard shows refundable and nonrefundable tax credits as if they are received monthly. However, in order to be as realistic as possible, tax credits that are available as a refund on annual taxes are excluded from the monthly budget in this figure.

HOMEOWNERSHIP

Owning a home has been considered part of the American Dream, and an investment that can provide long-term security. Homeownership may also provide more economic certainty, particularly if families are able to secure long-term fixed rate mortgages, thus avoiding rent increases.

Important as homeownership is as a long-term security pathway for many families, the upfront costs can be quite high. Indeed, the single most expensive big-ticket item for most families is the purchase of a home. At the same time, depending on the local housing market, it may also cost less to own than rent, especially when the homeowner's mortgage interest tax deduction is taken into account.

The costs of becoming a first-time homeowner are calculated for "starter" homes, defined here as being valued at the 25th percentile in the local housing market. Costs for purchasing a starter home include: down payment, closing costs, and moving costs. The ability to afford the ongoing costs of homeownership, including the mortgage payment, insurance, taxes, utilities, repairs, and upkeep, will vary depending on household income.

The most important determinant of the cost of becoming a homeowner is the price of the house, as both down payment and closing costs are tied to the price of the home. There is considerable variation in starter home values between Wyoming counties, from a low of \$67,200 in Weston County to a high value of \$340,400 in Teton County (see **Table 4**).

As noted above, the amount of down payment is calculated as a percentage of the sales price. Unless the home buyer qualifies for a VHA or FHA loan or other

special program, normally at least 10% is required, and more typically, 20%. With the average price of a starter home in Wyoming of \$122,830, the average down payment would be \$12,283 (10%) or \$24,566 (20%). However, there is much variation in the down payment amounts, reflecting house price variation across counties. Likewise, closing costs also vary across counties, reflecting variation in the house price.¹

Altogether, the costs of purchasing a starter home, including down payment, closing costs, and moving costs, can vary substantially by county, as shown in **Table 4**. For example, purchasing a home in Weston County, where houses are the least expensive in the state, with the lower down payment of 10%, would require an initial outlay of about \$8,000. Purchasing a starter home in Teton County, the county with the highest housing costs, would require about \$37,000 with a 10% down payment and over \$70,000 with a 20% down payment.

Note that lower down payments typically result in higher interest rates and/or other increased costs, such as mortgage insurance (PMI), that increases the monthly mortgage payment.² For example, with a 20% down payment, a 30 year loan with a 4% interest rate will result in a mortgage payment of roughly \$645 per month for the average price starter home in Wyoming (\$122,830). However, the mortgage payment will increase to at least \$756 per month if just a 10% down payment is made, reflecting the larger loan amount.³ Note that these mortgage payment totals include taxes and home insurance plus PMI with the 10% down payment, but not repairs or utilities.

1 Note the costs of initial homeownership do not include any monthly mortgage payments. Closing costs are assumed to be .845% of the loan amount (the average in Wyoming for a \$200,000 loan).

2 Typically on a conventional loan, if the down payment is less than 20 percent of the value of the home, lenders will require the buyer to carry mortgage insurance, usually an additional \$30-70 per month for every \$100,000 borrowed. For more information see <http://www.zillow.com/mortgage-rates/buying-a-home/mortgage-insurance-and-pmi/>.

3 Zillow, "Mortgage Calculator," <http://www.zillow.com/mortgage-calculator/>.

Table 4. Estimated Savings Required to Purchase a Starter Home, WY 2016
Percentage of Down Payment

COUNTY	STARTER HOME VALUE (25th Percentile)	Total Savings Needed (Includes Down Payment, Closing Costs, & Moving Costs)		COUNTY	STARTER HOME VALUE (25th Percentile)	Total Savings Needed (Includes Down Payment, Closing Costs, & Moving Costs)	
		10% Down	20% Down			10% Down	20% Down
Albany	\$136,800	\$15,470	\$29,034	Natrona	\$129,000	\$14,630	\$27,422
Big Horn	\$82,200	\$9,595	\$17,745	Niobrara	\$71,900	\$8,486	\$15,616
Campbell	\$129,500	\$14,684	\$27,525	Park	\$142,200	\$16,051	\$30,151
Carbon	\$85,700	\$9,971	\$18,469	Platte	\$87,500	\$10,165	\$18,841
Converse	\$113,100	\$12,920	\$24,134	Sheridan	\$150,800	\$16,976	\$31,929
Crook	\$98,200	\$11,316	\$21,053	Sublette	\$209,700	\$23,314	\$44,107
Fremont	\$105,800	\$12,134	\$22,625	Sweetwater	\$78,600	\$9,207	\$17,001
Goshen	\$87,600	\$10,176	\$18,862	Teton	\$340,400	\$37,377	\$71,130
Hot Springs	\$82,500	\$9,627	\$17,807	Uinta	\$118,700	\$13,522	\$25,292
Johnson	\$155,500	\$17,482	\$32,901	Washakie	\$91,600	\$10,606	\$19,689
Laramie	\$127,500	\$14,469	\$27,111	Weston	\$67,200	\$7,981	\$14,644
Lincoln	\$133,100	\$15,072	\$28,269				



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MEETING THE COST OF HOMEOWNERSHIP

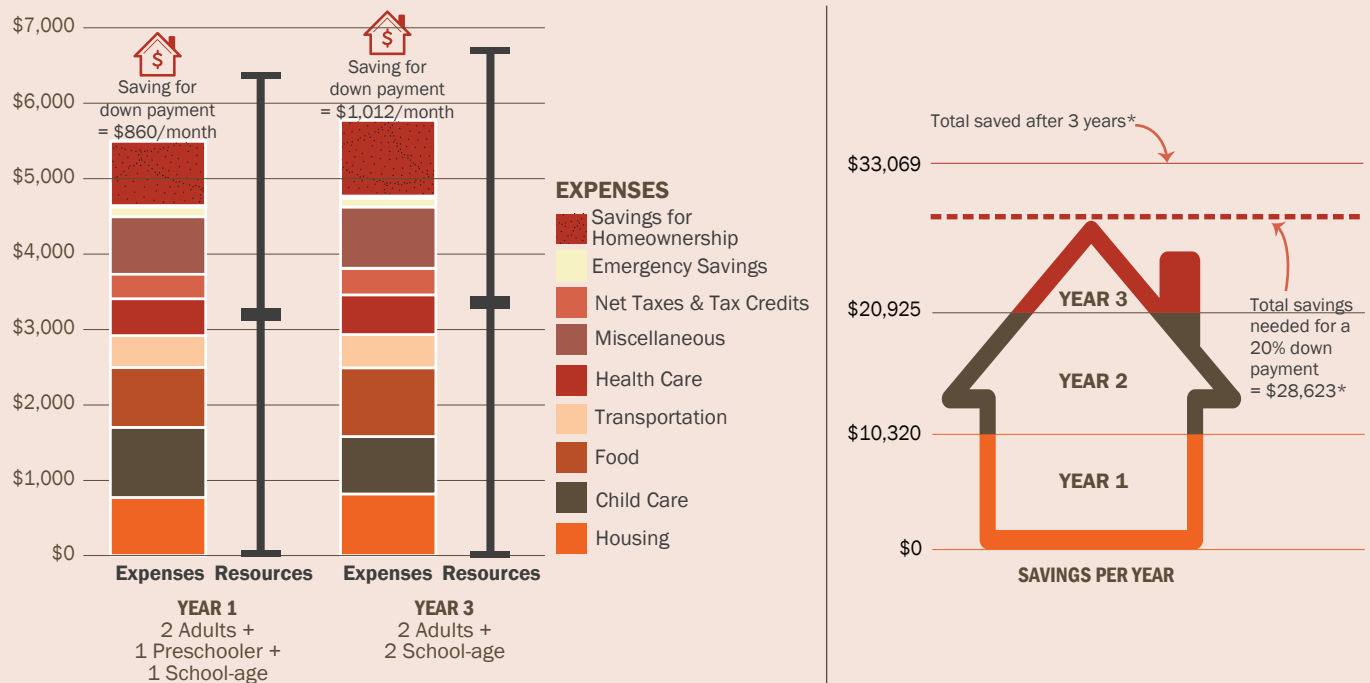
This scenario, shown in **Figure D**, is that of Mr. and Mrs. Baker who live in Laramie County with their preschooler and school-age child. Mr. and Mrs. Baker both are full-time workers earning the median salary of Wyoming workers.

The Bakers hope to find a starter home for around \$127,000 (the 25th percentile of home values in Laramie County). To become homeowners, the Bakers would need to save for a 20% down payment, closing costs, and moving costs, for a total of \$27,111 before inflation (see **Table 4**).

If they save half of their surplus earnings each month, they would save a little over \$10,000 per year when they have a preschooler and a school-age child; the third year, when they have two school-age children (and lower child care costs), they are able to save more, over \$12,000. After three years they will have saved enough to cover a 20% down payment, closing costs, and moving costs for a starter home in Laramie County.

However, note that this scenario, unlike the alternative housing scenario described above, does not calculate whether the family is able to afford the *ongoing* costs of homeownership, including the mortgage payment, insurance, taxes, utilities, repairs and upkeep, which may total more or less than their current (rental) housing costs.

Figure D. Saving monthly for the goal of homeownership pays off over time.
Expenses and resources shown per month: Laramie County, WY 2016



RESOURCE ASSUMPTIONS: Total monthly income in year one is \$6,392 and \$6,934 in year three. Income is based on the median wage of all workers in Wyoming (\$18.16 per hour, per adult).

EXPENSE ASSUMPTIONS: Living expenses are based on costs in the Self-Sufficiency Standard. The 2016 Standard for two adults, one preschooler, and one school-age child living in Laramie County is \$3,875 per month (\$11.01 per hour, per adult); for two adults and two school-age children in Laramie County, it is \$3,622 per month (\$10.29 per hour, per adult).

INFLATION ASSUMPTIONS: Expenses change with each year to reflect children aging plus resources and expenses increasing with inflation. For illustration purposes, it is expected that expenses, wages, and down payment goal will increase at the same rate with each year modeled.

* Down payment goal for a starter home in Laramie County is \$27,111 before inflation but estimated to be \$28,623 with inflation.



ECONOMIC SECURITY PATHWAY #3

SAVING FOR RETIREMENT

Although the benefits of saving for retirement can seem far off, particularly for younger families, retirement savings are an important priority for long-term economic security.¹ Data suggests that even now Social Security does not provide adequate income for most individuals during retirement, and is likely to be even less adequate in the future. Social Security is the largest single source of income for both men and women over 65 today, more than earnings, pensions, and assets combined. Yet more than a third of elders find themselves in “near poverty,” that is, with income less than 200% of the official poverty level.²

In addition, although Medicare was originally intended to meet elders’ medical needs once they were no longer covered by employer-provided health benefits, Medicare no longer does so. In fact, elders even with Medicare are spending an increasingly higher proportion of their income on health care costs, often as much if not more than before the insitution of Medicare.³ Indeed, recent research using the

Supplemental Poverty Measure (SPM), which takes into account the impact of “necessary expenditures” (which includes health care), finds that health expenditures push many elderly below the poverty level, substantially increasing the proportion of the elderly deemed “poor” by this alternative version of the federal poverty measure.⁴ In addition, this does not take into account that both the FPL and the SPM have thresholds that are too low. Given the limitations of Social Security, and rising health care costs not covered by Medicare, saving for retirement is crucial for achieving economic security beyond the working years.

To determine how much savings are required in retirement, two calculations are made:

- the amount needed to meet basic needs, using the Retirement-Adjusted Self-Sufficiency Standard for one- and two-adult elderly households; and,
- the expected Social Security benefits to be received.

The gap between the amount of expected expenses in retirement and the amount of expected income from Social Security is the total amount that must be saved.

One more factor affects how much needs to be saved for retirement, and that is when savings are begun, as

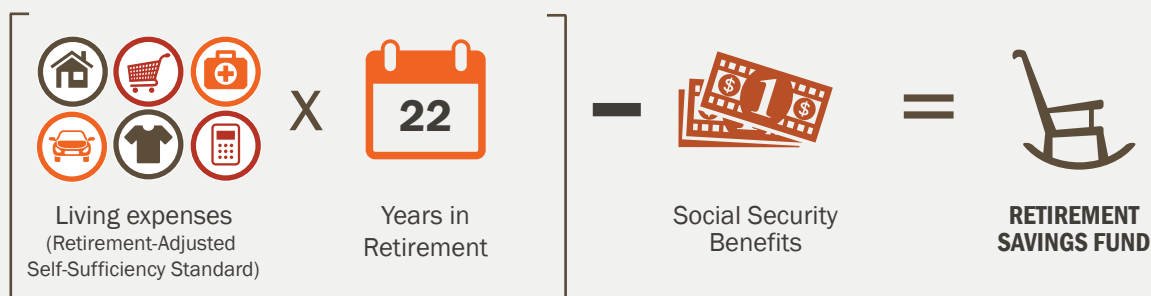
1 The U.S. Department of Labor has many publications on the importance of saving for retirement through the Retirement Savings Education Campaign. See <http://www.dol.gov/ebsa/pdf/savingsfitness.pdf> or <http://www.dol.gov/ebsa/pdf/NewEntrants.pdf>.

2 Juliette Cubanski, Giselle Casillas, and Anthony Damico, Kaiser Family Foundation, “Poverty Among Seniors: An Updated Analysis of National and State Level Poverty Rates Under the Official and Supplemental Poverty Measures,” <http://kff.org/report-section/poverty-among-seniors-issue-brief/> (accessed February 3, 2016).

3 Patricia Neuman, Juliette Cubanski, Katherine A. Desmond, & Thomas H. Rice “How Much ‘Skin In The Game’ Do Medicare Beneficiaries Have? The Increasing Financial Burden of Health Care Spending, 1997–2003,” *Health Affairs*, 26, no 9, (2007):1692-1701 doi:10.1377/hlthaff.26.6.1692.

4 U.S. Census Bureau, Kathleen Short, “The Research Supplemental Poverty Measure: 2010,” *Current Population Reports*, November 2011, <http://www.census.gov/prod/2011pubs/p60-241.pdf> (accessed February 20, 2013).

HOW IS THE RETIREMENT SAVINGS FUND CALCULATED?



the sooner they are able to begin saving for retirement, the better. Beginning retirement savings at a younger age means that there are more months in which to save, plus the more time there is for savings to grow. For this reason, calculations for the Retirement Economic Security Pathway are presented for three different ages at which retirement savings begin: 25, 40, and 55 years.

STEP 1. CALCULATE EXPENSES IN RETIREMENT

The total expenses needed in retirement are calculated based on *The Self-Sufficiency Standard for Wyoming 2016* for one and two adults, by county. The Standard is modified for the cost of living in retirement by making several adjustments:

- All income is assumed to be unearned (so no payroll taxes), and with the larger deduction for those over 65, generally very little or no federal income tax is owed.
- Health care costs are adjusted to account for higher health care expenses in retirement (net of Medicare).⁵
- Food costs are adjusted for retirement age.
- Transportation costs assume only one car per household and are based on the average daily miles driven by adults 66-88 years old.
- Housing costs assume the expenses of renting as in the Standard.

The resulting Retirement-Adjusted (RA) Self-Sufficiency Standard averages just about \$70 more per month than the Self-Sufficiency Standard but it varies depending on county. For example, the monthly Standard for one adult in Carbon County is \$1,563 but after adjusting for retirement it increases to \$1,628. In Teton County, the Standard per month is \$2,218 and

⁵ Health care costs in the RA Standard assume Original Medicare with Part D (Prescription Drug Coverage) plus Medigap (supplemental insurance) and out-of-pocket costs. Original Medicare consists of Part A (hospital insurance) and Part B (medical insurance) and has a universal premium per participant. Medigap is based on the cost of AARPs Plan F premium. Part D assumes the cost of the Humana Walmart Rx Plan. Out-of-pocket costs are calculated from the U.S. Department of Health and Human Services, Agency for Healthcare Research and Quality.

ONCE A FAMILY OR INDIVIDUAL IS ABLE TO MEET THEIR BASIC NEEDS, THE SOONER THEY ARE ABLE TO BEGIN SAVING FOR RETIREMENT, THE BETTER

decreases to \$2,052 when adjusted for retirement (see Table 5).

The initial RA Standard is updated for inflation based on the retirement year of the three sample ages when savings begin. It is assumed that the 25, 40, and 55 year olds will all begin retirement at the age of 67 (when full Social Security benefits begin). The cost of living based on the RA Self-Sufficiency Standard is assumed to have a 3% annual inflation rate during retirement.⁶ The length of the retirement period is based on the life expectancy at retirement age, varying by gender and current age, and ranges from about 20 to 22 years.⁷

The RA Standard is inflated annually and aggregated to obtain the total expenses expected over the course of the retirement years, shown as “Total Expenses over Retirement” in Table 5. Because of expected inflation, the younger one is and therefore the longer the time until retirement begins, the greater the initial RA Standard (at age 67), and therefore the greater the total needed to cover living expenses in retirement. For example, in Carbon County, the total needed to cover expenses during retirement for one adult who was 25 in 2016 and plans to retire at age 67 is \$860,000, but is \$550,000 if the adult is 40 now, and \$350,000 if the adult is 55 now. In more expensive places, the numbers are even higher. For example, in Teton County the amount needed for expenses over retirement is just over \$1 million for one adult who is 25, \$690,000 if they are 40, and \$440,000 if they are 55. However, as described below, the older one is when savings begin, the less time there is to accumulate savings, so that

⁶ The annual inflation rate of 3% is a typical assumption made by retirement calculators (for example, see Vanguard and T.RowePrice).

⁷ Estimates for one adult assume life expectancy for females and ranges from 20.6 years for the 55 year old to 22.1 years for the 25 year old. For two adults, life expectancy is the average of female and male ranging from 19.6 years for the 55 year old to 21.2 for the 25 year old.

Table 5. The Retirement-Adjusted (RA) Self-Sufficiency Standard, Social Security Benefit, and Needed Retirement Savings, Carbon County and Teton County, WY 2016
By Age at Which Savings Begin for 1 and 2 Adults

	CARBON COUNTY (LOW COST)		TETON COUNTY (HIGH COST)	
	1 Adult	2 Adults	1 Adult	2 Adults
Monthly Expenses: Retirement-Adjusted (RA) Self-Sufficiency Standard (Current Dollars)	\$1,628	\$2,474	\$2,052	\$3,048
Monthly Social Security Benefit (Current Dollars)	\$978	\$1,956	\$1,188	\$2,376
RETIREMENT SAVINGS CALCULATION STARTING TO SAVE AT AGE 25				
Total Expenses Over Retirement	\$860,000	\$1,290,000	\$1,090,000	\$1,580,000
Total Social Security Benefit Over Retirement	\$460,000	\$900,000	\$560,000	\$1,090,000
Total Net Savings Required at Retirement (Expenses less Social Security benefits)	\$410,000	\$390,000	\$530,000	\$490,000
Amount Needed to Save Monthly	\$192	\$183	\$252	\$233
RETIREMENT SAVINGS CALCULATION STARTING TO SAVE AT AGE 40				
Total Expenses Over Retirement	\$550,000	\$810,000	\$690,000	\$1,000,000
Total Social Security Benefit Over Retirement	\$300,000	\$590,000	\$370,000	\$720,000
Total Net Savings Required at Retirement (Expenses less Social Security benefits)	\$240,000	\$220,000	\$320,000	\$280,000
Amount Needed to Save Monthly	\$318	\$285	\$419	\$365
RETIREMENT SAVINGS CALCULATION STARTING TO SAVE AT AGE 55				
Total Expenses Over Retirement	\$350,000	\$510,000	\$440,000	\$630,000
Total Social Security Benefit Over Retirement	\$200,000	\$390,000	\$240,000	\$470,000
Total Net Savings Required at Retirement (Expenses less Social Security benefits)	\$150,000	\$120,000	\$190,000	\$160,000
Amount Needed to Save Monthly	\$717	\$596	\$948	\$768

Retirement totals are rounded to the nearest ten thousand.

EMPLOYER-SPONSORED RETIREMENT PLANS

Funds from retirement plans or pensions are not included in these calculations for several reasons. While 66% of private industry workers have access to a retirement plan through their employer, only 49% of workers participate in a retirement plan.¹ In addition, for current retirees, the proportion of income received from retirement plans is quite small, averaging just 14%.² While this is not negligible, it is also true that this average reflects a very uneven distribution of private pension benefits. On average, the highest quintile receives 20% of their income from pensions, while the lowest quintile receives only 2% of their income from pensions.³ Finally, unlike Social Security where the benefit is known and anticipated, in terms of calculations, the amount that can be anticipated from retirement plan participation is highly variable over time and across individual workers. Benefit amounts vary considerably between employers as well as by factors such as years of service, income levels, employer contribution, plan type, and so forth. Given this variability, and the relatively small amounts for most workers, it is not possible to reasonably estimate an average amount of income to be expected in retirement from pension plans.

1 U.S. Department of Labor, Bureau of Labor Statistics, Employee Benefits Survey, "Table 1. Retirement benefits: Access, participation, and take-up rates, civilian workers, National Compensation Survey, March 2015," <http://www.bls.gov/news.release/pdf/eb2.pdf> (accessed September 30, 2015).

2 Peter Brady and Michael Bogdan, 2013, "A Look at Private-Sector Retirement Plan Income after ERISA in 2012," Investment Company Institute http://www.ici.org/info/per19-08_data.xls (accessed April 16, 2016).

3 Ibid.

SOCIAL SECURITY BENEFITS PROVIDE THE LARGEST SOURCE OF INCOME FOR BOTH MEN AND WOMEN 65 AND OLDER.

the monthly savings goal is much higher for those who start saving later.

Two-adult households need about 150% as much as single adults to cover their total expenses in retirement. That is, while some expenses double, such as food, others such as housing are the same for one- and two-adult households. For example, for two adults age 25 now, the total amount of expenses expected over retirement is nearly \$1.29 million in Carbon County, which is 150% of the single adult's expenses (\$860,000), and about \$1.58 million in Teton County, which is 145% of the single adult's expenses in that county (see **Table 5**).

STEP 2. CALCULATE SOCIAL SECURITY INCOME

Social Security benefits provide the largest source of income for both men and women 65 and older.⁸ The total Social Security benefit amount in retirement is calculated for the same amount of time as costs (about 22 years). The Social Security benefit is estimated using a Social Security Administration calculator with earnings based on the Self-Sufficiency Standard for one adult in each Wyoming county. It also assumes 42 years of employment and includes Social Security Administration estimates of Cost of Living Adjustment (COLA) increases. For example, the monthly Social Security benefit is estimated to be \$978 in Carbon County and \$1,188 in Teton County (in current dollars).

- The total Social Security benefit over retirement for a 25-year-old worker is estimated at \$460,000 in Carbon County and \$560,000 in Teton County.

- The total Social Security benefit over retirement for a 40-year-old worker is estimated at \$300,000 in Carbon County and \$370,000 in Teton County.
- The total Social Security benefit over retirement for a 55-year-old worker is estimated at \$200,000 in Carbon County and \$240,000 in Teton County.

For a two-adult retired household, assuming both adults were workers, the income from Social Security benefits is double these amounts.⁹

STEP 3. CALCULATE SAVINGS NEEDED FOR RETIREMENT

The total amount needed to save for retirement is the difference between total estimated expenses (based on the RA Self-Sufficiency Standard) and the total expected benefits from Social Security. This amount is adjusted, based on the assumption of a conservative rate of return on savings before and after retirement of 6% annually,¹⁰ and the number of years between current age (25, 40, or 55 years, when savings begin) and retirement to get the amount of Net Savings at Retirement required. To save this total, the monthly amount of savings required to close the gap between expenses (the RA Standard) and income (Social Security) is calculated for each age, for one and two adult households, and for each county in Wyoming.

In Carbon County, a 25-year-old adult needs a net savings of \$410,000 at retirement and must start saving \$192 per month to reach that goal. In Teton County, the 25-year-old adult will need a net savings of \$530,000 at retirement and must start saving \$252 per month to reach that goal.

8 Social Security Administration, "Fast Fact and Figures About Social Security, 2013," SSA Publication No. 13-11785, http://www.ssa.gov/policy/docs/chartbooks/fast_facts/2013/fast_facts13.pdf (accessed May 20, 2015).

9 Consistent with the Self-Sufficiency Standard assumption that all adults work, two-adult households are considered to be two retired workers with both adults receiving a Social Security benefit. Some women, even though they worked, may find that the 50% spousal benefit is more than the benefit to which they are entitled in their own right. However, with increased workforce participation and a decline in the wage gap, in the future it is expected that most women as well as men will receive their own benefit, rather than a spousal benefit. The SSA estimates that by 2025, about 8% of women will receive benefits only on their spouses earnings and only 6% will do so by 2040 (see Social Security Administration, Office of Retirement Planning, "Current Law Projections," <http://www.socialsecurity.gov/retirementpolicy/projections/women-dual-2025-alt.html#chart1>

10 Retirement savings plan calculators tend to use higher estimated rates of return, in the 8% to 9% range. However, to be more conservative considering rate of return volatility our calculations use 6% similar to AARP calculator and the "conservative" return option from Kiplinger. See https://secure.aarp.org/work/retirement-planning/retirement_calculator.html#your-retirement-income abd <http://www.kiplinger.com/tool/retirement/T047-S001-retirement-savings-calculator-how-much-money-do-i/>

Table 6. Estimated Monthly Retirement Savings, WY 2016
By Age at Which Savings Begin, and County, for One and Two Adults

COUNTY	25 YEARS OLD		40 YEARS OLD		55 YEARS OLD	
	1 Adult	2 Adults	1 Adult	2 Adults	1 Adult	2 Adults
Albany	\$193	\$188	\$319	\$294	\$719	\$616
Big Horn	\$181	\$166	\$299	\$258	\$674	\$535
Campbell	\$214	\$187	\$356	\$291	\$805	\$607
Carbon	\$192	\$183	\$318	\$285	\$717	\$596
Converse	\$197	\$178	\$327	\$276	\$739	\$574
Crook	\$198	\$181	\$329	\$281	\$743	\$586
Fremont	\$184	\$177	\$305	\$276	\$687	\$576
Goshen	\$185	\$169	\$306	\$262	\$690	\$545
Hot Springs	\$182	\$175	\$300	\$273	\$676	\$569
Johnson	\$201	\$181	\$334	\$282	\$754	\$587
Laramie	\$193	\$173	\$320	\$269	\$723	\$559
Lincoln	\$204	\$171	\$339	\$264	\$767	\$546
Natrona	\$207	\$182	\$345	\$283	\$780	\$588
Niobrara	\$178	\$168	\$294	\$260	\$661	\$541
Park	\$191	\$177	\$316	\$276	\$713	\$575
Platte	\$190	\$174	\$314	\$270	\$709	\$563
Sheridan	\$204	\$188	\$339	\$293	\$765	\$611
Sublette	\$216	\$194	\$358	\$302	\$811	\$630
Sweetwater	\$213	\$188	\$354	\$293	\$801	\$610
Teton	\$252	\$233	\$419	\$365	\$948	\$768
Uinta	\$185	\$169	\$307	\$262	\$692	\$545
Washakie	\$190	\$176	\$314	\$273	\$709	\$568
Weston	\$206	\$182	\$343	\$283	\$775	\$589

Table 6 provides estimates of the amount one would need to save on a monthly basis to meet total expenses in retirement years, net of Social Security benefits, by county, by age at which savings begin, and for one- and two-adult households. In addition, the scenario and **Figure E** present an example for one adult of what it would take to save for retirement, depending on when the savings begin.

The table and scenario presume that once started, the savings would continue at the same level monthly until retirement. However, some savings in the early years is better than no savings at all. With this in mind, as an example, the following calculations were made that anticipated less saving at the beginning, and more towards the end of the employment period.

1. The average retirement savings needed for one adult in Wyoming is \$198 per month if starting to save for retirement when 25 years old. If an adult saved only half this amount, about \$99 per month, until she was 40 years old, she would have saved close to \$29,000 with compounded interest. If she

then began saving the full amount she needs for retirement, she will need to save \$291 a month. If she had not saved anything, and started at zero at age 40, she would have to start saving \$328 per month at that point.

2. If she only increases her savings at age 40 to \$198 per month, doubling what she had been saving since age 25, she will fall short of her savings goal, so that at age 55, she would have to begin saving \$807 per month to reach her savings goal by her retirement age of 67.

These numbers reinforce that the more one saves at early ages, the easier it is to achieve one's retirement goal. Note that these calculations do not take into account any additional income, such as pension payments from an employer-sponsored plan, or higher Social Security payments reflecting wages higher than the Standard. At the same time, these savings assume expenses at the Self-Sufficiency Standard level, adjusted for retirement, but nevertheless a "bare bones" budget.

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THE MORE ONE SAVES AT EARLY AGES, THE EASIER IT IS TO ACHIEVE ONE'S RETIREMENT GOAL

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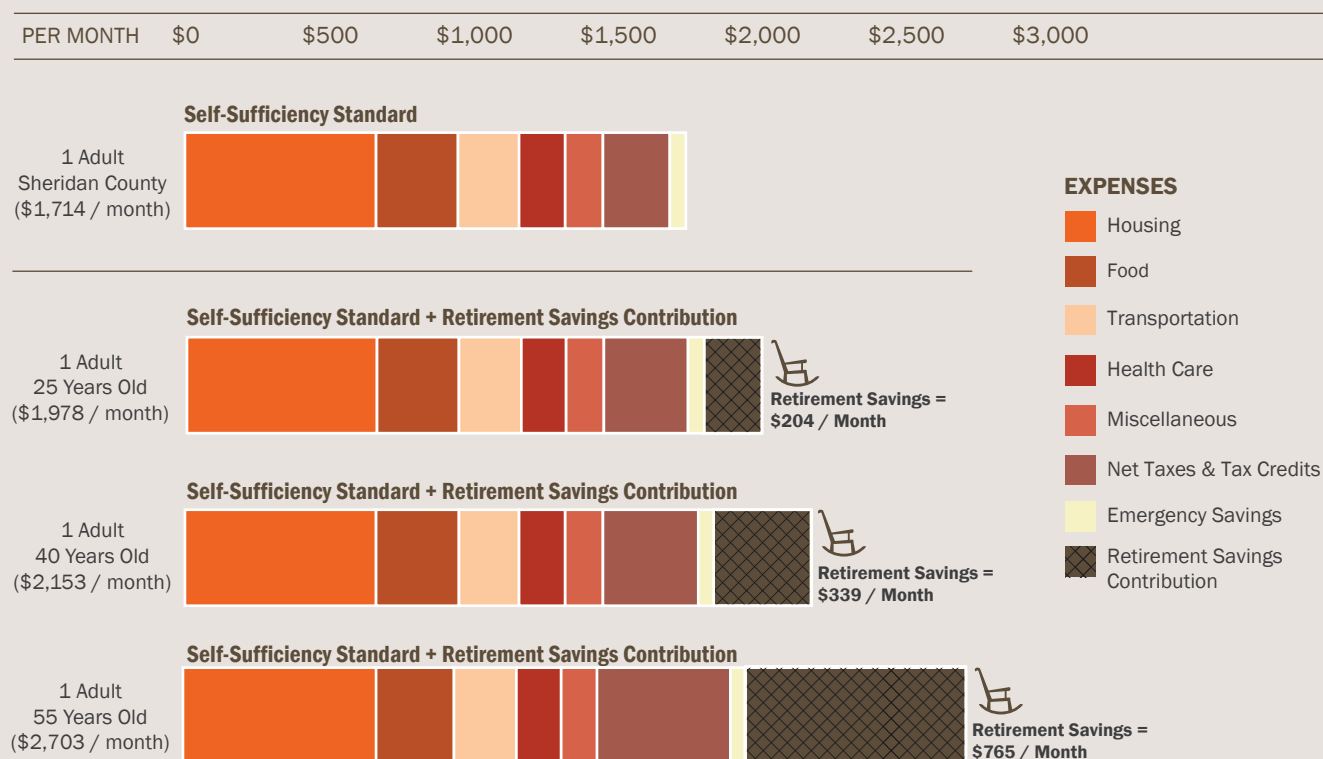


SCENARIO

MEETING THE COST OF RETIREMENT

This scenario is that of a single adult, Susan Smith, living in Sheridan County. The Self-Sufficiency Standard for a single adult, in Sheridan County is \$1,714 per month including an emergency savings contribution (see the first bar of **Figure E**). If Ms. Smith is 25 years old and has decided to start saving the suggested minimum of \$204 per month, the amount she needs to earn to maintain her basic needs AND save for retirement increases to \$1,978 per month. However, if Ms. Smith is 40 years old and just starting to save for retirement she would need to earn \$2,153 per month to both meet her basic needs AND save for retirement. Note that as the amount she needs to earn increases with the higher retirement contribution, her taxes also increase. Finally, if Ms. Smith has not saved anything for retirement, and is 55 years old, she needs to earn \$2,703 per month to meet her basic needs AND save for retirement, almost four times as much as if she started saving at age 25 (\$765 vs. \$204).

Figure E. Minimum necessary to meet basic needs AND save for retirement increases with the starting age of saving for retirement
Expenses shown per month for Sheridan County, WY 2016



EXPENSE ASSUMPTIONS: Living expenses are based on costs in the Self-Sufficiency Standard. The 2016 Standard for one adult living in Sheridan County is \$1,661 per month (\$9.44 per hour) plus \$53 emergency savings. Hourly wage assumes full-time, year-round employment.

Three conclusions can be drawn from the calculations shown in **Table 5** and **Table 6** and the scenario in **Figure E**.

1. **NUMBER OF ADULTS:** While it is not quite true that “two can live as cheaply as one,” when it comes to retirement savings, two-adult households do have two advantages. First, living costs are not double, but rather about 50% more for two adults compared to one adult, depending on the county. Second, there will be two Social Security payments to offset expenses, on the assumption that both adults will be workers. Thus the cost of retirement savings per individual is less per adult than a single adult needs to save for retirement. For example, a 40-year-old single adult in Carbon County needs to save \$318 per month for retirement, while a 40-year-old couple in Carbon County needs to save \$285 per month or \$143 per person.
2. **GEOGRAPHIC LOCATION:** Because the cost of living varies considerably, the amount needed to save for retirement varies considerably by place. However, unlike during working age, some retirees have some flexibility regarding location, so that while they may have earned more, and therefore earned higher benefits from living in a relatively expensive place, in retirement they can move to less expensive places to live. For example, the cost of housing in Teton County is about \$380 more per month than the cost of housing in Carbon County. Thus at retirement, retirees can reduce their cost of living by choosing less expensive places to live.

3. **AGE:** The data presented here demonstrate the substantial advantage of starting to save for retirement at a younger age. The longer one waits to begin, the more one has to save in order to catch up, and the less time there is for savings to accumulate with interest. For example, a 25-year-old single adult in Carbon County needs to save \$192 per month for retirement. If this single adult waits until she is 40 years old, she would have to save \$318 per month and if she waited until she was 55 years old, she would need to save \$717 per month. This increase occurs because even though the total savings required in current dollars is less for people expecting to retire sooner, there is less time for savings to earn interest and grow. That is, starting savings early both spreads out the savings over a longer time, requiring a smaller monthly investment, and allows for more time for savings to grow.

As noted above, the two-adult calculations assume both adults receive a Social Security benefit based on earnings at the one-adult Self-Sufficiency Standard level for both. However, if one adult does not work outside the home or has had partial workforce participation the adult is still eligible for a Social Security benefit equal to half of their spouse's benefit. The spouse with the lesser earnings is entitled to take whichever benefit is larger, their own as a worker, or as a spouse.

CONCLUSION

This report used *The Self-Sufficiency Standard for Wyoming 2016* calculations to explore the costs of various Economic Security Pathways householders may take to increase their economic security. Understanding more about the extra costs associated with saving for an Economic Security Pathway will help families chart realistic paths to achieve and maintain economic security over the long term.

As we look to the future, the trends impacting families striving to achieve economic security are mixed. On the one hand, the importance of building assets, particularly education and training, have been increasingly recognized as key to achieving economic security. This recognition is apparent in several areas:

- Relaxed restrictions on assets and savings for low-income program participants.¹ These include allowing benefit recipients to save towards education or housing security; in some cases these savings have been matched by state or private funds, such as IDA (Individual Development Account) programs.
- At the federal level, expanded health care coverage through the Affordable Care Act has increased economic security by decreasing the number of people experiencing or at risk of incurring uncovered health care costs.² For example, in Wyoming the uninsured rate dropped from 14.9% in 2010 to 12.0% in 2014.³ Such coverage helps prevent bankruptcy and impoverishment due to uncovered

medical expenses, as 53% of households without coverage reported difficulty paying medical bills in the past year versus 20% of households with insurance coverage.⁴

- Additionally, reforms included in the 2009 American Recovery and Reinvestment Act extended unemployment insurance to more workers in many states, partly by broadening eligibility for part-time workers and increasing the number of weeks of unemployment benefits for workers who need training to improve their job skills.⁵

At the same time, there has been a counter trend that is reducing economic security for many American households. A primary source of this trend is the shifting of risk from corporations and government to individuals over the past several decades. For example, an increasing number of employers have cut or eliminated health insurance coverage, reduced or eliminated pensions, or structured jobs as temporary or contract work, limiting their contributions to employees' Social Security, unemployment insurance, and other benefits.⁶

1 See Aleta Sprague & Rachel Black, 2012, "State Asset Limit Reforms and Implications for Federal Policy," http://assets.newamerica.net/sites/newamerica.net/files/policydocs/SpragueBlackFinal10.31.12_0.pdf (accessed April 21, 2015).

2 U.S. Congress, House, 2010, "Compilation of Patient Protection and Affordable Care Act," HR 3590, 111th Congress, 2nd Session, <http://housedocs.house.gov/energycommerce/ppacacon.pdf> (accessed September 29, 2015).

3 U.S. Census Bureau, 2010 and 2014 American Community Survey 1-Year Estimates, "Table S2701: Health Insurance Coverage Status," Wyoming, <http://factfinder.census.gov> (accessed January 26, 2016).

4 Liz Hamel, Mira Norton, Karen Pollitz, Larry Levitt, Gary Claxton, and Mollyann Brodie, January 2016, "The Burden of Medical Debt: Results from the Kaiser Family Foundation/New York Times Medical Bills Survey," <https://kaiserfamilyfoundation.files.wordpress.com/2016/01/8806-the-burden-of-medical-debt-results-from-the-kaiser-family-foundation-new-york-times-medical-bills-survey.pdf> (accessed February 3, 2016).

5 Reforms included in the 2009 American Recovery and Reinvestment Act provided funding to states to modernize their unemployment insurance programs. Fourteen states broadened eligibility for part-time workers, and 15 expanded benefits for workers participating in approved training programs. U.S. Congress, House, 2009, "American Recovery and Reinvestment Act of 2009," HR 1, 111th Congress, 1st Session, www.gpo.gov/fdsys/pkg/BILLS-111hr1enr/pdf/BILLS-111hr1enr.pdf (accessed September 29, 2015). National Employment Law Project, "Modernizing Unemployment Insurance: Federal Incentives Pave the Way for State Reforms," Briefing Paper, May 2012, http://nelp.3cdn.net/a77bc3b5988571ee4b_dfm6b-tygh.pdf (accessed September 29, 2015).

6 See Elise Gould, 2012, "A Decade of Declines in Employer-Sponsored Health Insurance Coverage," www.epi.org/publication/bp337-employer-sponsored-health-insurance/; and, U.S. Department of Treasury, 2010, "Statistical Trends in Retirement Plans," www.treasury.gov/tigta/auditreports/2010reports/201010097fr.pdf; and Tian Luo, Amar Mann, and Richard Holden, 2010, "The Expanding Role of Temporary Help Services from 1990 to 2008," www.bls.gov/opub/mlr/2010/08/art1full.pdf (accessed April 15, 2015).

Furthermore, although homeownership opportunities for low-income households expanded prior to the Great Recession,⁷ this trend was partially fueled by predatory lending and subprime mortgages, resulting in increased rates of default and foreclosures during the downturn.⁸ As a result, homeownership rates have fallen from 67% in 2009 to 63% in 2015, and especially so for people of color, whose homeownership rates were already low, and have now fallen from 46% to 43% for African Americans, and from 49% to 45% for Hispanics.⁹ Tightening of underwriting standards was a prudent and necessary move, but this has increased the barriers faced by low-income households seeking the economic security of home ownership.¹⁰

In other areas as well, the Great Recession has led to cutbacks, particularly at the state and local level, in programs that support low-income working families, such as child care assistance, TANF benefits, after school programs, and others. Although some of these have been restored with the recovery, many have not, or have only been partially reinstated or re-funded at previous levels.

As this brief summary suggests, achieving economic security is not only challenging, but is an effort that faces rapidly changing circumstances, reflecting economic cycles, changing business practices, increasing costs (such as health care for both workers and retirees), and changing public policies and priorities. Nevertheless, as demonstrated in this report,

7 Carlos Garriga, William T. Gavin, & Don Schlagenhauf, 2006, "Recent Trends in Homeownership," <http://research.stlouisfed.org/publications/review/06/09/Garriga.pdf> (accessed April 21, 2015).

8 Jeff Holt, 2009, "A Summary of the Primary Causes of the Housing Bubble and the Resulting Credit Crisis: A Non-Technical Paper," *Journal of Business Inquiry*, 8(1), 120-129, www.uvu.edu/woodbury/docs/summaryofthepriamrycauseofthe-housingbubble.pdf (accessed April 15, 2015).

9 Robert R. Callis and Melissa Cresin, 2015, "Residential Vacancies and Home Ownership in Second Quarter 2015," <http://www.census.gov/housing/hvs/files/qtr215/currenthvspress.pdf> (accessed September 2015, 2015).

10 Christopher E. Herbert, Eric S. Belsky, & William C. Apgar, 2012, "Critical Housing Finance Challenges for Policymakers," Joint Center for Housing Studies of Harvard University www.jchs.harvard.edu/sites/jchs.harvard.edu/files/w12-2_herbert_belsky_apgar.pdf (accessed April 22, 2015).

UNDERSTANDING MORE ABOUT THE EXTRA COSTS ASSOCIATED WITH SAVING FOR AN ECONOMIC SECURITY PATHWAY WILL HELP FAMILIES ACHIEVE AND MAINTAIN ECONOMIC SECURITY OVER THE LONG TERM.

achieving economic security is possible and doable, although different for each individual and family. It is hoped that this report, through providing information and insight, will aid families in their efforts to access the information and resources that make getting on the road to economic security possible.

Looking to the future, from food stamps to Social Security and beyond, there are public policy proposals being put forward that would restrict access to or decrease benefits in a wide range of federal programs. Such proposals suggest that achieving economic security and even maintaining current programs will continue to be a challenge. This is not a challenge that individuals must face alone, but one where all stakeholders—employers, the government, and the community as well as individuals—can and will contribute towards achieving economic security for all.

Table 7. Methodology Assumptions and Data Sources for Economic Security Pathways, WY 2016

ASSUMPTIONS	DATA SOURCES
POSTSECONDARY EDUCATION	
<p>Full time is defined as 30 credit hours annually; part time is 15 credits annually.</p> <p>The 2015-2016 rates are inflated to future years based on the average change in tuition and fees for public colleges in the West over the previous 10 years.</p>	<p>Tuition & Fees: Wyoming Community College Commission, “Wyoming Community Colleges,” https://communitycolleges.wy.edu/ (accessed August 3, 2015). University of Wyoming, “Tuition, Fees, and Expenses,” http://www.uwyo.edu/registrar/Class_Schedules/fall2015/fa15tuitionfees.pdf (accessed August 3, 2015).</p> <p>Books & Supplies: College Board, Annual Survey of Colleges, “Average Student Expenses by College Board Region, 2014-15 (Enrollment-Weighted),” from personal communication with College Board, January 20, 2015.</p> <p>Tuition & Fees Inflation: College Board, “Average Tuition and Fees and Room and Board by College Board Region, 1990-91 to 2014-15 (Enrollment-Weighted),” http://trends.collegeboard.org/sites/default/files/2014-trends-college-pricing-source-data-final.xlsx (accessed January 14, 2015).</p> <p>Books & Supplies Inflation: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), Spring 2010 through Spring 2013, Student Financial Aid component; and Fall 2009 through Fall 2012, Institutional Characteristics component, “Table 330.40. Average total cost of attendance for first-time, full-time undergraduate students in degree-granting postsecondary institutions, by control and level of institution, living arrangement, and component of student costs: 2009–10 through 2012-13,” http://nces.ed.gov/programs/digest/d13/tables/xls/tabn330.40.xls (accessed January 14, 2015).</p>
ALTERNATIVE HOUSING	
<p>Alternative housing costs include the cost of first month’s rent, security deposit, and moving costs. Security deposit is equal to one month’s rent.</p> <p>Moving costs assume \$100/hr for first 2 movers and a truck plus \$25/hr each additional mover. Number of movers & moving hours varies by bedroom size.</p>	<p>Rent and Security Deposit: Housing costs from <i>The Self-Sufficiency Standard for Wyoming 2016</i>, based on Fair Market Rents and the U.S. Census American Community Survey.</p> <p>Moving Costs: “How many movers/hours do I need?,” http://www.moverscorp.com/moving_guide/ (accessed February 3, 2015). “How Much Does A Local Move Cost?,” http://www.kudzu.com (accessed July 15, 2015). “Budgeting for Muscle: How to Estimate the Cost of a Pro Move,” http://blog.movingcompanyreviews.com/estimate-cost-pro-move/ (accessed July 15, 2015). “How Much Does it Cost to Hire Movers?,” http://www.mymovingreviews.com/move/how-much-does-it-cost-to-hire-movers (accessed July 15, 2015).</p>
HOUSING PURCHASE	
<p>Closing costs are assumed to be .845% of the loan amount (the average in Wyoming for a \$200,000 loan in June, 2015). Closing costs include lender fees, third-party fees for services, and title insurance.</p> <p>Moving costs are based on a 3-bedroom home.</p>	<p>Home Values: U.S. Census Bureau, “B25076: Lower Value Quartile (Dollars),” 2009-2013 5-Year American Community Survey, Detailed Tables, http://factfinder.census.gov/ (accessed August 4, 2015).</p> <p>Closing Costs: Bankrate.com, “Wyoming Closing Costs,” http://www.bankrate.com/finance/mortgages/closing-costs/wyoming.aspx (accessed August 3, 2015).</p> <p>Moving Costs: See above.</p>
RETIREMENT	
<p>All numbers shown for two adults are the total for both adults in the family. Life expectancy for one adult is the life expectancy for females at age 67 for 25, 40, and 55-year-olds. For two adults, life expectancy is the male and female average at 67 for each age. Cost of living is calculated using the 2016 Wyoming Self-Sufficiency Standard adjusted for retirement.</p> <p>Retirement adjustments include: Original Medicare for health costs, one car for two adults and an adjusted mileage rate, food costs are weighted based on retirement age and average life expectancy of males and females.</p> <p>Expenses are assumed to inflate at a rate of 3%.</p> <p>Savings assume a 6% return on investment.</p>	<p>Life expectancy: U.S. Social Security Administration, Office of the Chief Actuary, “Retirement & Survivors Benefits: Life Expectancy Calculator,” http://www.socialsecurity.gov/OACT/population/longevity.html (accessed August 18, 2015).</p> <p>Retirement Age: Social Security Administration, “Full Retirement Age,” http://www.ssa.gov/retire2/retirechart.htm (accessed August 18, 2015).</p> <p>Social Security Benefit: U.S. Social Security Administration, “Calculators: Online Calculator,” http://www.ssa.gov/retire2/AnypiaApplet.html (accessed December 21, 2015).</p> <p>Cost of Living: <i>The Self-Sufficiency Standard for Wyoming 2016</i>, Adjusted for Retirement; Centers for Medicare & Medicaid Services, “Medicare 2015 costs at a glance,” https://www.medicare.gov/your-medicare-costs/costs-at-a-glance/costs-at-a-glance.html; Centers for Medicare & Medicaid Services, “Medicare Plan Finder,” https://www.medicare.gov/find-a-plan/questions/home.aspx (accessed July 20, 2015); AARP, “Medicare Supplement Insurance Plans,” https://www.aarpmedicareplans.com/health-plans/medicare-supplement-plans.html (accessed July 20, 2015); U.S. Department of Health and Human Services, Agency for Healthcare Research and Quality, Center for Financing, Access, and Cost Trends, Medical Expenditure Panel Survey-Household Component Analytical Tool, “Total Amount Paid by Self/Family, all Types of Service, 2012,” http://www.meps.ahrq.gov/mepsweb/data_stats/MEPSnetHC.jsp (accessed July 20, 2015); U.S. Department of Transportation, 2009 National Household Transportation Survey, “Average Annual Vehicle Miles of Travel Per Driver,” Online Analysis Tools, http://www.nhts.ornl.gov (accessed July 24, 2015).</p> <p>Social Security Benefit Inflation: U.S. Social Security Administration, Office of the Chief Actuary, “COLAs & AWI increases under the intermediate assumptions of the 2014 Trustees Report,” http://www.socialsecurity.gov/OACT/TR/TRassum.html (accessed March 12, 2015).</p>

ABOUT THE AUTHOR

Diana M. Pearce, PhD is on the faculty at the School of Social Work, University of Washington in Seattle, Washington, and is Director of the Center for Women's Welfare. Recognized for coining the phrase "the feminization of poverty," Dr. Pearce founded and directed the Women and Poverty Project at Wider Opportunities for Women (WOW). She has written and spoken widely on women's poverty and economic inequality, including testimony before Congress and the President's Working Group on Welfare Reform. While at WOW, Dr. Pearce conceived and developed the methodology for the Self-Sufficiency Standard and first published results in 1996 for Iowa and California. Her areas of expertise include low-wage and part-time employment, unemployment insurance, homelessness, and welfare reform as they impact women. Dr. Pearce has helped found and lead several coalitions, including the Women, Work and Welfare Coalition and the Women and Job Training Coalition. She received her PhD degree in Sociology and Social Work from the University of Michigan.

THE CENTER FOR WOMEN'S WELFARE

The Center for Women's Welfare at the University of Washington School of Social Work is devoted to furthering the goal of economic justice for women and their families. The main work of the Center focuses on the development of the Self-Sufficiency Standard and related measures, calculations, and analysis. Under the direction of Dr. Diana Pearce, the Center partners with a range of government, non-profit, women's, children's, and community-based groups to:

- research and evaluate public policy related to income adequacy;
- create tools, including online calculators, to assess and establish income adequacy and benefit eligibility; and
- develop programs and policies that strengthen public investment in low-income women, children, and families.

For more information about the Center's programs, or work related to the Self-Sufficiency Standard, call (206) 685-5264. This report and more can be viewed at www.selfsufficiencystandard.org.



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The Wyoming Women's Foundation (WYWF) invests in the economic self-sufficiency of women and opportunities for girls in Wyoming.

Established in 1999, the Foundation is one of a family of funds held at the Wyoming Community Foundation (WYCF), a nonprofit, charitable 501(c)(3) organization, and one of more than 700 community foundations in the United States. The Wyoming Women's Foundation makes grants that benefit women and girls as well as our communities overall. As a statewide leader dedicated to promoting women and girls, we leverage funds through our endowment, and grant-making is focused on lasting change. As an endowed fund of the Wyoming Community Foundation, contributions are safe and well-managed. WYCF uses investment consultants and managers to grow our funds, and adds expertise in community building to grant earnings across the state. WYCF is confirmed in compliance with National Standards for U.S. Community Foundations as established by the Council on Foundations. This means we meet the nation's highest philanthropic standards for operational quality, integrity, and accountability.



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