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## The Cost of Living in Iowa Putting Real Numbers to Basic Needs for Families Across Iowa

MOUNT VERNON, Iowa (Jan. 18, 2008) — More than half of Iowa jobs pay less than what is needed for a single parent with one child to provide for the family, according to a new report.

The report, “The Cost of Living in Iowa,” examines both cost and income issues facing Iowa families of different sizes, county by county. It found that statewide, a single parent must earn \$13.92 per hour to support one child, and \$16.90 to support two.

“Yet, half of jobs held by Iowa workers pay less than \$13.92 an hour and nearly two-thirds are below \$16.90. Our findings suggest that many hard-working Iowa families must go without, or go into debt, due to low wages,” said Beth Pearson, a research associate for the nonpartisan Iowa Policy Project (IPP) and co-author of the report.

“By comparing the wage that Iowa jobs actually pay with what’s needed to support a family, we can better understand the challenges Iowans face every day,” she said. “For example, only when two parents are working full time is the median wage in each metropolitan area and non-metro region of the state sufficient to meet a family’s basic needs.”

Pearson and former IPP researcher Elaine Ditsler compiled data and analysis, with assistance from the Economic Policy Institute and JOBS NOW, to determine costs of food, housing, health care, transportation, child care and clothing, and sorted the information by county and in the context of wages.

For two-parent families, with both parents working, the report found a wage of \$8.88 was needed for a family with one child, and \$10.92 for a family with two children. Yet, almost 1 in 5 jobs held by Iowa workers pays less than \$8.88, and 1 in 3 pays less than \$10.92. The median wage is \$13.77.

The researchers noted their analysis goes beyond the federal poverty wage guidelines that are commonly used in policy discussions.

“The federal poverty guidelines are widely acknowledged to be outdated and based on flawed assumptions,” Pearson said. “Food accounts for less of a family budget than it used to, while housing, transportation, child care, utilities and health care are bigger issues for families than the poverty guidelines recognize.”

The full report — with county by county and family size breakdowns — is available as a free download from the Iowa Policy Project website <<http://www.iowapolicyproject.org>>.

The IPP is a nonpartisan, nonprofit research and policy analysis organization based in Mount Vernon, with its principal office in Iowa City. IPP reports on economic opportunity, state and federal fiscal issues and energy and the environment are available at <http://www.iowapolicyproject.org>.