

WAITING FOR THE PAYOFF

How Low Wages and Student Debt Keep Prosperity Out of Reach

Education is often lauded as the great equalizer and a solution to the growing income gap.

But, as the cost of college breaks family budgets and requires students to take out thousands of dollars in educational loans, wages, even for those with a degree, have not kept pace, and have even declined in many occupations.

Though campaigns to increase the minimum wage have been won in cities and states across the country, current minimum wage rates do not provide a living wage for even a single adult. Research on living wage rates produced by People's Action Institute and its founding organizations shows that, nationally, a living

wage for a single adult is \$17.28 per hour. For those with student debt, that living wage rises to \$18.67 per hour.

Increasing the minimum wage to a living wage and abolishing the tipped subminimum wage will help more workers make ends meet, but student debt forgiveness is also vital. And, because systemic barriers mean women and people of color are disproportionately impacted by low wages and student debt, more must be done to strengthen and enforce equal opportunity statutes.

At a minimum, working full-time should ensure financial stability, including the ability to pay off student loan debt.

It's time for elected officials to take action to make that a reality.





Iowa

\$15.10
Single Adult
Hourly Living Wage

\$7.25
Minimum Wage

\$16.74
Student Debt
Hourly Living Wage

The living wage for a single adult is \$15.10 per hour. This reflects what is needed to meet basic needs and maintain some ability to deal with emergencies and plan ahead. The living wage for a single adult with two children is \$28.32 per hour. For those paying off student debt after graduating from college, the living wage for a single adult increases to \$16.74, based on the state's median student debt payment.

Iowa's minimum wage of \$7.25 does not allow working families to make ends meet. The state's minimum wage provides only 48 percent of a living wage for a single adult and just over a quarter of the living wage for a single adult with two children.

Iowa 2016 Monthly Family Budgets	Household 1: Single adult	Household 2: Single adult with a school-age child (age 6-8yrs)	Household 3: Single adult with a toddler (12-24 months) and a school-age child (6-8yrs)	Household 4: Two adults (one of whom is working) with a toddler and a school-age child	Household 5: Two adults (both of whom are working) with a toddler and a school age child
Food	\$210.00	\$405.76	\$533.03	\$775.23	\$775.23
Housing & Utilities	\$565.34	\$715.78	\$715.78	\$715.78	\$715.78
Transportation	\$642.12	\$586.77	\$586.75	\$1,281.92	\$1,431.63
Health Care	\$171.79	\$319.25	\$466.02	\$522.31	\$522.31
Houshold, clothing, & personal (18%)	\$397.31	\$506.89	\$575.40	\$823.81	\$861.23
Savings (10%)	\$220.73	\$281.61	\$319.66	\$457.67	\$478.46
Child Care	\$0.00	\$375.80	\$1,079.74	\$0.00	\$1,079.74
State/federal taxes (annually)	\$4,920.60	\$5,560.26	\$7,595.44	\$7,598.84	\$11,024.00
Gross income needed per working adult (monthly)	\$2,617.35	\$3,655.21	\$4,909.34	\$5,209.95	\$3,391.52
Gross income needed per working adult (annually)	\$31,408.21	\$43,862.58	\$58,912.03	\$62,519.39	\$40,698.29
Living Wage per working adult (hourly)	\$15.10	\$21.09	\$28.32	\$30.06	\$19.57



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Iowa

Polk County

Polk County 2016 Monthly Family Budgets	Household 1: Single adult	Household 2: Single adult with a school-age child (age 6-8yrs)	Household 3: Single adult with a toddler (12-24 months) and a school-age child (6-8yrs)	Household 4: Two adults (one of whom is working) with a toddler and a school-age child	Household 5: Two adults (both of whom are working) with a toddler and a school age child
Food	\$210.00	\$405.76	\$533.03	\$775.23	\$775.23
Housing & Utilities	\$654.46	\$807.46	\$807.46	\$807.46	\$807.46
Transportation	\$642.12	\$586.77	\$586.75	\$1,281.92	\$1,431.63
Health Care	\$171.79	\$319.25	\$466.02	\$522.31	\$522.31
Household, clothing, & personal (18%)	\$419.59	\$529.81	\$598.31	\$846.73	\$884.15
Savings (10%)	\$233.11	\$294.34	\$332.40	\$470.40	\$491.20
Child Care	\$0.00	\$382.40	\$1,126.34	\$0.00	\$1,126.34
State/federal taxes (annually)	\$5,343.86	\$6,215.15	\$8,216.76	\$8,048.62	\$11,626.33
Gross income needed per working adult (monthly)	\$2,776.40	\$3,843.72	\$5,135.04	\$5,374.76	\$3,503.58
Gross income needed per working adult (annually)	\$33,316.79	\$46,124.61	\$61,620.42	\$64,497.10	\$42,042.98
Living Wage per working adult (hourly)	\$16.02	\$22.18	\$29.63	\$31.01	\$20.21



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Iowa

Story County

Story County 2016 Monthly Family Budgets	Household 1: Single adult	Household 2: Single adult with a school-age child (age 6-8yrs)	Household 3: Single adult with a toddler (12-24 months) and a school-age child (6-8yrs)	Household 4: Two adults (one of whom is working) with a toddler and a school-age child	Household 5: Two adults (both of whom are working) with a toddler and a school age child
Food	\$210.00	\$405.76	\$533.03	\$775.23	\$775.23
Housing & Utilities	\$611.46	\$757.46	\$757.46	\$757.46	\$757.46
Transportation	\$642.12	\$586.77	\$586.75	\$1,281.92	\$1,431.63
Health Care	\$171.79	\$319.25	\$466.02	\$522.31	\$522.31
Household, clothing, & personal (18%)	\$408.84	\$517.31	\$585.81	\$834.23	\$871.65
Savings (10%)	\$227.14	\$287.39	\$325.45	\$463.46	\$484.25
Child Care	\$0.00	\$382.40	\$1,126.34	\$0.00	\$1,126.34
State/federal taxes (annually)	\$5,142.21	\$5,959.65	\$7,961.26	\$7,801.12	\$11,397.83
Gross income needed per working adult (monthly)	\$2,699.87	\$3,752.98	\$5,044.30	\$5,284.69	\$3,459.34
Gross income needed per working adult (annually)	\$32,398.47	\$45,035.78	\$60,531.59	\$63,416.27	\$41,512.07
Living Wage per working adult (hourly)	\$15.58	\$21.65	\$29.10	\$30.49	\$19.96



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