TECHNICAL DOCUMENTATION

Living Wage Estimate Methodology

A detailed explanation of how Living Wage for Us estimates living wages in the United States and the methodological approach used to produce principled, accurate, and defensible estimates.

LIVING WAGE FOR US, Inc.

Version 1.0.0
November 6, 2026

Table of Contents

1. About this document 5
   1.1 Standards followed 5
   1.2 Roles in developing the living wage estimates 5
   1.3 Publication of the estimates 5
2. Overview of the approach 6
   2.1 Methodological approach 6
   2.2 How the estimates are constructed 7
   2.3 LW4US adjustments to EPI's data 8
3. Geography 10
   3.1 Definition of areas 10
   3.2 Reference area approach 10
   3.3 Reference area identification and selection 11
4. The reference family 13
   4.1 Family size 13
   4.2 Workers per family 14
      Living wage for a single worker 16
      Share of single-worker families 16
   4.3 Working hours and the published unit 16
      A 40-hour work week 17
5. Cost Categories 17
   5.1 Food 17
      Evidence that the diet is adequate 18
      Macronutrients 20
   5.2 Housing 22
      Adequate housing, size and occupancy 23
   5.3 Healthcare 24
      Plans priced 24
      What a Marketplace plan must cover 25
      Typical coverage of low-wage workers and public provision 25
      Access to care 26

Premium and the premium tax credit 27
Calculating premium and taxes together 28
State help with premiums 29
Children eligible for CHIP 29
Out-of-pocket costs 31
How EPI estimates out-of-pocket costs 31
Checks against silver-plan and bronze-plan spending 32
5.4 Care: childcare, eldercare and retirement 33
Life-cycle approach 33
The retirement provision compared with current saving for retirement 34
Savings guidance, Social Security and the assumed return 34
Checking the care line against the 5% saving 35
New Mexico: free universal childcare 36
Vermont: subsidized childcare 37
Childcare data sources 38
Type of care 38
5.5 Transportation 39
5.6 Other necessities 39
Stakeholder consultation on the exclusions 42
How expenditure survey data are used 42
What the estimate covers, by COICOP division 43
5.7 Resiliency 44
6. Statutory deductions from pay 45
6.1 EPI's tax calculation 45
6.2 LW4US revisions to the tax calculation 46
6.3 Tax year and calculator 47
6.4 Checks on the taxes used 48
Spot checks of the state payroll programs 49
7. Public benefits and subsidies 50
7.1 Every benefit considered 50
7.2 The availability test 53
7.3 How each state with a special addition is treated 54

7.4 Summary of the treatment 56
8. Data sources and annual updates 56
9. Consultation, quality assurance and transparency 58
9.1 Stakeholder Consultation and ongoing engagement 58
9.2 Advisory Council 59
9.3 Quality assurance 59
9.3.1 Technical oversight and methodology review 60
9.3.2 Data collection quality assurance 60
9.3.3 Data analysis and calculation quality assurance 60
9.3.4 Validation and discrepancy resolution 61
9.3.5 Validation Checks applied to the 2027 estimates 62
9.4 Transparency 63
10. Avoiding conflicts of interest 64
10.1 Independence of EPI and the cost estimates 64
10.2 Transparency of methodological decisions 64
10.3 Governance and external oversight 65
11. Alignment with ILO principles 66
Appendix A. Sources named in this document 67

1. About this document

This document sets out in detail how Living Wage For Us, Inc. (LW4US) estimates living wages in the United States. It expands the summary methodology, *Principled, accurate, and defensible living wage estimates in the U.S.: Methodology* (2026). The summary describes each choice briefly. This document records the steps, data sources, assumptions and reasons behind each choice, so that employers, workers' organizations, partners and independent reviewers can follow the estimates and replicate them. It is intended to provide a transparent and complete account of the methodology and to demonstrate how the estimates align with established living wage principles and standards.

1.1 Standards followed

LW4US aligns with the global consensus on what is important in estimating a living wage as described by the International Labour Organization (ILO), including the ILO's definition of a living wage, and with the WageMap Living Wage Reference Standard. The Reference Standard is a multistakeholder-informed global standard on best practice for estimating living wages that are locally specific and internationally comparable. LW4US follows the ten principles on estimating a living wage set out in paragraph 8 of the conclusions of the Meeting of Experts on wage policies, including living wages, of which the ILO Governing Body took note in March 2024. Section 11 shows how this methodology meets each principle.

The ILO describes a living wage as 'the wage level that is necessary to afford a decent standard of living for workers and their families, taking into account the country circumstances and calculated for the work performed during the normal hours of work' (ILO, conclusions of the Meeting of Experts on wage policies, including living wages, 2024; ilo.org/living-wages).

1.2 Roles in developing the living wage estimates

LW4US works with the Economic Policy Institute (EPI), an independent nonprofit research institute, in producing the living wage estimates. EPI calculates most of the cost of living components used in the estimates through its Family Budget Calculator methodology, which is documented at epi.org/publication/family-budget-calculator-documentation/.

LW4US uses these cost components as the foundation of the living wage estimates. LW4US determines the family model used in the estimates, applies the methodological adjustments described in this document, and publishes the resulting living wage estimates.

The relationship between EPI and LW4US combines EPI's expertise in estimating household costs with LW4US's expertise in implementing living wages and applying living wage standards. Section 2 provides an overview of how the estimates are constructed and identifies the responsibilities of each organization.

The division of responsibilities between EPI and LW4US contributes to the independence of the estimates and forms part of LW4US's approach to managing potential conflicts of interest. Section 10 discusses these arrangements in greater detail.

1.3 Publication of the estimates

LW4US publishes the living wage estimates for every county in the United States on its website at livingwageforus.org. The estimates are available free of charge and may be accessed by any user.

The website includes an interactive map of the United States. Selecting a county displays the living wage estimate for that county together with the full monthly breakdown of costs used in the calculation, including housing, food, transportation, health insurance premiums, out-of-pocket healthcare, care costs, other necessities, the margin for unexpected events, and taxes. Greater levels of micro detail are publicly available through the datasets we mention in this methodology, thus making every aspect of this methodology independently reproducible.

For each county, LW4US publishes both the living wage for the typical number of workers in the family model and the living wage for a single full-time worker earning the entire amount required by the family (section 4.2). Users may review the individual cost categories, compare them with EPI's published figures for the same county, and examine the effect of the adjustments described in this methodology.

The publication of the estimates, their component costs, and the supporting methodology is intended to promote transparency, allow independent review, and enable employers, workers, researchers, and other stakeholders to understand how the estimates were produced.

2. Overview of the approach

2.1 Methodological approach

The living wage is estimated from the needs of workers and their families using evidence-based methods. The estimate separately costs adequate food, housing, healthcare (insurance and out-of-pocket costs), childcare, transportation, other essential needs and mandatory deductions from pay. It then adds retirement and eldercare savings and a margin for unforeseen events.

The estimates rely primarily on data collected in country by public agencies and national statistical organizations, supplemented where necessary by data from specialized nonprofit organizations. For example, childcare costs are drawn from Child Care Aware of America where comparable national statistical data are unavailable. The methodology does not rely on self-selected online surveys and does not depend solely on modeling. Where national data are modeled down to county level, the source and method are identified in the relevant section of this document.

The estimates are built for a defined reference family (section 4), in a defined reference area for each county (section 3), and published as a floor, not a ceiling.

The estimates are the same for men and women, supporting gender equality in pay and reflecting the principle that a living wage should be sufficient to support a decent standard of living regardless of gender. Care costs are presented as a separate cost category rather than being incorporated within broader household expenses. This makes visible the substantial cost of care and its potential effect on labor force participation and household income, particularly for women, who continue to perform a disproportionate share of unpaid care work.

The remainder of this section (2.2-2.3) summarizes how the estimates are constructed, identifying the responsibilities of EPI and LW4US and what adjustments are applied. Later sections then describe each component of the methodology in detail, with the calculation of individual cost categories covered in section 5, statutory deductions in section 6 and public benefits and subsidies in section 7.

2.2 How the estimates are constructed

LW4US estimates the living wage using a combination of independently produced cost data and methodological choices developed by LW4US. Most of the underlying cost categories are calculated by EPI through its Family Budget Calculator methodology, as described in section 1.2. LW4US uses these estimates as the foundation of the living wage methodology, applies the adjustments described in this document, and publishes the final living wage estimates.

Component	Calculated by	LW4US adjustment
Food	Calculated independently by EPI	None
Housing	Calculated independently by EPI	None
Health insurance premiums	Bronze premium: EPI. Benchmark silver premium, credits and the choice between the two: LW4US, using the KFF Health Insurance Marketplace Calculator data files	The lower of the bronze plan at full price (the plan EPI prices) and the benchmark silver plan after the federal premium tax credit and any state premium help (section 5.3)
Out-of-pocket healthcare	Calculated independently by EPI	Used as provided by EPI, after checks against silver-plan and bronze-plan spending in MEPS found no significant difference (see section 5.3)
Care (childcare, eldercare and retirement saving)	Calculated independently by EPI	Childcare public benefits credited where government provides it to every family: free in New Mexico; the family share in Vermont (sections 5.4 and 7). LW4US raises the care line to 10.6% of gross pay where EPI's is lower, so that the retirement saving stays at 5% of earnings (section 5.4) over the life of a worker as they lose 16 years of those savings to invest in childcare in our model family.
Transportation	Calculated independently by EPI, using Center for Neighborhood Technology data	None
Other necessities	Calculated independently by EPI, with adjustments made by LW4US	The ratio of housing plus food in the second quartile, as provided by EPI, plus entertainment and other miscellaneous items, less childcare and elder care: 43.70% in total (section 5.6). Childcare and elder care are removed in order to avoid double counting as they are included in the care line (LW4US raises the care line above EPI's figures to pay for adequate eldercare and retirement saving). The additions come to about 3.5% of the gross income a family needs (2.7% to 4.5% across counties); the removal is about 0.14%
Resiliency margin	Added by LW4US	5% of costs before taxes and before subsidies, added (section 5.7)
Statutory deductions from pay	EPI's approach, run by LW4US with a TAXSIM-compatible calculator for 2026 tax law	Local income taxes added in 79 counties; tax calculation linked to health premiums (section 6)

Component	Calculated by	LW4US adjustment
Public benefits and subsidies	LW4US	Health insurance and childcare benefits credited where available to a family at a living wage (section 7).
Geography	Estimated by LW4US	Lowest-cost county among the county itself, the counties within a one-hour drive of it, and bordering counties that are in the same commuting zone or supply workers for at least 2% of its jobs (section 3.1)
Family size and workers per family	Estimated by LW4US	Statistical family model; 1.7471 full-time-equivalent workers. The corresponding wages for one full-time worker who earns everything the family needs is published alongside the living wage rates (section 4.2)

The living wage estimates therefore combine EPI's evidence-based cost estimates with LW4US's implementation of living wage standards and practices. Together, these produce estimates that are locally specific, transparent, and comparable across all U.S. counties and in the global context.

2.3 LW4US adjustments to EPI's data

LW4US uses EPI's cost estimates as the foundation of the methodology. In a limited number of areas, however, LW4US adjusts EPI's figures to reflect practical experience implementing living wages with employers and to align the methodology with the WageMap Living Wage Reference Standard and other established living wage practices.

Most of these adjustments increase the estimate because they incorporate costs or provisions that the WageMap Living Wage Reference Standard and other living wage methodologies treat as part of a living wage. A smaller number reduce the estimate such as accounting for public benefits, but also align with the WageMap Living Wage Reference Standard and ILO principles for estimating a living wage. All adjustments are disclosed below so that readers can understand their effect on the final living wage estimate.

LW4US shares its adjustments and the reasons for them with EPI as a matter of transparency. Responsibility for the adjustments, and for the resulting living wage estimates, remains with LW4US.

Adjustment	Effect on the estimate	Basis
Entertainment and other miscellaneous items added to other necessities; childcare and elder care removed	Raises (+12.65 points of food plus housing, net, against EPI's 31.05%)	Entertainment and other miscellaneous items are Consumer Expenditure Survey categories that EPI leaves out. Adding them lets workers take part in some social life and covers unavoidable items such as finance charges, legal, accounting and funeral costs. (section 5.6)
Resiliency margin of 5%	Raises	Not included by EPI. Covers unforeseen events, and is taken on costs before subsidies so that it does not shrink when a subsidy pays part of the bill (section 5.7)

Adjustment	Effect on the estimate	Basis
Local income taxes of 2% or more	Raises	Not included by EPI. Added in 79 counties where the average local rate is 2% or more: Maryland 24, Indiana 45, New York City 5, Philadelphia 1 and Ohio 4 (section 6.2)
Lower of bronze and subsidized silver plan for health insurance	Lowers (the premium is never above EPI's bronze premium)	Bronze and silver plans must cover the same ten essential health benefits, and EPI prices bronze. LW4US prices whichever costs the family less: bronze at full price, or the benchmark silver plan after the federal premium tax credit and any state help (section 5.3). Out-of-pocket costs were checked against silver-plan spending and EPI's figures were kept
Care line raised to 10.6% of gross pay where EPI's childcare cost is lower	Raises, in the counties where EPI's line is lower	Keeps the retirement saving at 5% of earnings over a working life when 16 years of the care line pay for childcare. EPI's childcare line is unchanged in the counties where it already exceeds 10.6% as it provides ample savings for eldercare/retirement by repurposing childcare costs for years when there is no childcare need (section 5.4)
Childcare and elder care removed from other necessities	Lowers (−0.53% of food plus housing)	The CEX personal services group is paid childcare and elder care. The care component already covers both, so keeping it would be a double count (section 5.6)
Public benefits credited where available at a living wage	Lowers, only where the benefit is available, accessible, and in sufficient supply	Aligns with the WageMap Living Wage Reference Standard. EPI does not credit public benefits. Free childcare in New Mexico, the Vermont childcare subsidy and state health insurance premium help are included in public benefits (sections 5.3, 5.4 and 7)

Taken together, the adjustments generally increase the estimate relative to EPI's Family Budget Calculator. This is because several adjustments add costs or provisions that living wage standards commonly recognize as necessary to achieve a decent standard of living, while a smaller number make offsetting reductions to avoid double-counting or to reflect the accounting of applicable public benefits under this methodology.

One example is the calculation of other necessities. LW4US estimates other necessities as 43.70% of the combined cost of food and housing. This is derived from EPI's expenditure data for households in the second income quintile, adjusted to remove childcare and eldercare expenditures that are separately costed elsewhere in the methodology and to add entertainment and other miscellaneous expenditures treated as part of a living wage under this methodology. EPI's corresponding ratio is 31.05%, while the 2026 LW4US estimates applied 43.48%.

3. Geography

> **The challenge** County-by-county estimates do not reflect where low-wage workers live. They reflect where the work is located. If work is in a very high-cost county, low-wage workers commonly live in a less expensive neighboring county, so the living wage must reflect where workers actually live.

3.1 Definition of areas

EPI's Family Budget Calculator covers all 3,144 U.S. counties and county equivalents (some locations are not inside any county but are defined as county-equivalents by the federal government for administrative and statistical reasons). County data for Connecticut are provided by planning region, as explained further below.

Childcare costs and out-of-pocket medical costs depend on whether an area is designated metropolitan or nonmetropolitan (rural). Housing uses HUD fair market rent areas: counties in the same metropolitan area share one rent figure, which is then adjusted to each county (section 5.2). Where data collection differs by place, this is indicated in the relevant section of this document: childcare data gaps in some states (section 5.4), free childcare in New Mexico (section 7), metropolitan and nonmetropolitan treatment of housing, childcare and out-of-pocket medical costs, and local income taxes in five states (section 6).

The 2027 estimates cover counties and county equivalents in the 50 states and the District of Columbia. Puerto Rico and the other U.S. territories were not included in the 2027 estimates.

Connecticut. In 2022, Connecticut replaced its eight counties with nine planning regions as its county-equivalent geography for federal statistics. LW4US used the eight counties in earlier years, waiting to change until data began to be published in the new format. EPI made the adjustment to the calculations starting in 2026 for the 2027 living wage estimates. Connecticut therefore appears in the 2027 rates by planning region (FIPS codes 09110 to 09190: Capitol, Greater Bridgeport, Lower Connecticut River Valley, Naugatuck Valley, Northeastern Connecticut, Northwest Hills, South Central Connecticut, Southeastern Connecticut and Western Connecticut). For sources that still use the old counties, EPI builds a crosswalk from town populations. LW4US kept the eight former counties for the steps that depend on them, namely health insurance, because marketplace premiums are set by rating areas that follow Connecticut's former county lines.

3.2 Reference area approach

Workers often live in different counties from where they work. For that reason, LW4US considers not only the county where a job site is located, but also counties that are connected through commuting patterns. The methodology has evolved over time to balance labor-market connections with realistic commuting distances. Prior to 2026, LW4US used USDA commuting zones, which group counties into labor markets based on commuting flows. In 2026, LW4US adopted a one-hour commuting approach because some commuting zones encompass areas larger than a worker would reasonably travel each day. For the 2027 estimates, commuting-zone information is retained only for identifying bordering counties that serve as sources of workers (see section 3.3 below).

Once candidate counties have been identified, LW4US selects the lowest-cost county as the reference county for the job-site county. This approach reflects the principle that workers may choose to live anywhere within the area from which commuting is common. Selecting the lowest-cost candidate

produces a modest downward effect on some estimates, but it ensures that all plausible residential locations available to workers are considered. Special geographic adjustments are made where administrative boundaries have changed. For example, because Connecticut replaced counties with planning regions, Dutchess and Putnam Counties in New York were assigned the planning regions that overlap the former Litchfield County area.

By focusing on the lowest-cost location within a commuting area while remaining grounded in observed commuting relationships, LW4US seeks to identify a wage sufficient to support a decent standard of living without overstating costs.

3.3 Reference area identification and selection

For each county where a job site is located, LW4US chose the lowest-cost county among the county itself, the counties from which workers can commute to it within an hour, and the bordering counties that commuting data show are a source of workers. That county's living wage was then used as the estimate for the job-site county.

The reference area for each county was identified and selected using the following steps:

1. **The commuting list.** Commuting distances are considered first. LW4US constructed a list of 27,564 pairs of counties between which the drive from the home county to the job-site county takes no more than 60 minutes. The drive time was measured from the population-weighted center of the home county to the business center of the job-site county, driving only, with the Google Maps Platform Distance Matrix API. One hour was confirmed by the multistakeholder Advisory Council as the top of a reasonable commute. The same list was used for 2026 and 2027 living wage estimates.
2. **Bordering counties.** Bordering counties are considered because homes and jobs could be anywhere within a county, including rural areas and farms, while a drive from a population weighted center to a business center focuses on urban jobs. LW4US took every county that shares a boundary with the job-site county from the Census Bureau's 2026 county adjacency file. A county counts as bordering only when the shared boundary has a length above zero; counties that meet only at a point are not counted. A bordering county that is on the commuting list is a candidate. A bordering county that is not on the list is a candidate only if commuting data show that it supplies workers to the job-site county by either of two tests. First, it is in the same commuting zone as the job-site county in the 2020 delineation of the USDA Economic Research Service, which groups counties by their commuting flows. Second, the workers who live in it and work in the job-site county fill at least 2% of all jobs in the job-site county (Census Bureau, County-to-County Commuting Flows, American Community Survey 2009–2013, Table 1, the latest edition LW4US could use). These commuting data tests eliminate bordering counties in which the share of workers' home locations is very small. Of the 3,246 bordering counties that were not on the list, 670 passed the zone test, 240 more passed the 2% test, and 2,336 were not candidates. The Census flow table has no entries for the Connecticut planning regions, so only the zone test is used for them.
3. **Counties that do not border.** A county that does not border the job-site county is a candidate only if it is on the commuting list, which means if the drive between the two, in either direction, takes no more than an hour. This accounts for regions where the size of counties is relatively small and it is possible for a single commute to cross multiple county lines.

4. **Alaska.** Alaska's boroughs and census areas are very large in scale compared to the rest of the U.S., and thus cannot use a neighboring county. For an Alaskan county the candidates are the county itself and the counties on the commuting list.
5. **Public transport.** Public transport can only add a candidate if it reaches another county within an hour that is lower cost than the one already chosen and is not already a candidate. LW4US therefore checked the metropolitan areas where public transport is used for commuting: those in which at least 3% of workers commute by bus, subway, rail or ferry (American Community Survey 2024 microdata, Census Bureau). This includes 23 metropolitan areas, out of which 13 job-site counties had a lower cost county in the same metropolitan area that was not yet a candidate (45 pairs). These are located in the New York City, Washington DC, Chicago and Portland metropolitan areas. In order to test for additional candidates, 15 of those pairs were selected, covering most of the lower cost counties. Each was tested using Google Maps for public transport directions departing at 8:00 a.m. on a weekday, from the population-weighted center of the job-site county to the population-weighted center of the other county. None came within an hour, with the fastest being 2 hours 20 minutes, and five returning no public transport route. Therefore no county was added.
6. **Choice of the lowest-cost county.** For each job-site county LW4US took as candidates the job-site county itself, every county on the commuting list for it and every bordering county that passed a test in step 2 and chose the candidate with the lowest living wage in the 2027 estimates. Where two had the same living wage, it chose the county with the lower FIPS code. The county used for the job-site county in the 2026 estimates is not a candidate unless it meets these tests.
7. **Result.** The 2027 living wage of the chosen county, with all of that county's costs, including its state and local taxes and its health marketplace, was taken and used as the public estimate for the job-site county. Of the 3,144 job-site counties, 2,574 took a county on the commuting list, 356 took themselves, 157 took a bordering county in the same commuting zone and 57 took a bordering county that met the 2% test.

Living wage estimates are calculated at the county level and are intended to apply consistently to all employers within a county, even if a county is large and diverse. The reference-area methodology therefore considers the range of locations from which workers commute to jobs in the county as a whole, rather than the commuting patterns associated with any particular employer or worksite. Bordering counties are included when commuting data indicate that they contribute workers to the county's labor market.

As a result, the published living wage estimate represents a county-wide floor rather than an estimate tailored to a particular employer workplace location within a county. Individual employers may be located in a city center, in an agricultural area, or any urban, suburban, or rural parts of a county and may draw workers from a different geographic area than the commuting patterns reflected in the analysis. In such a case, an employer may voluntarily choose to apply the living wage of a higher-cost county that provides a more representative basis for its particular worksite.

4. The reference family

4.1 Family size

> **The challenge** Family size takes many forms. The model must reflect a typical situation and must not perpetuate poverty, which often limits workers' family planning choices.

LW4US used the typical family household in the United States: two adults and 1.99 children, the average number of own children under 18 in married-couple families with their own children under 18. Two adults is the most common arrangement in families with their own children, and it gives the potential for more than one worker to cover the cost of a decent living. This follows the WageMap Living Wage Reference Standard, which is based on extensive stakeholder feedback and recommends a family size that is statistically accurate for a typical family in a given area and is updated regularly.

Source. The figure is from the U.S. Census Bureau, Historical Families Tables, Table FM-3, *Average Number of Own Children Under 18 Per Family, by Type of Family: 1955 to 2023* (Current Population Survey, March and Annual Social and Economic Supplements; Internet release date November 2024; census.gov/data/tables/time-series/demo/families/families.html). LW4US used the column for married-couple families among families with own children under 18 for 2023, the latest year available at the time of calculation. LW4US refreshes the figure annually, checking for the latest year available in the data table. Own children includes biological, step and adopted children of the parents. The same table gives 1.94 for all families with own children under 18, whatever the family type. LW4US used the married-couple figure because the reference family has two adults.

Year	Married-couple families with own children under 18	All families with own children under 18
2019	1.98	1.93
2020	1.99	1.93
2021 (revised)	2.01	1.95
2022	2.00	1.94
2023	1.99	1.94

Other household types. LW4US considered extended and multigenerational households and single-parent families. None of these household types is the majority. In March 2025, 70.4% of children under 18 lived with two parents, 25.6% with one parent (21.0% with their mother only and 4.6% with their father only) and 4.0% with no parent (U.S. Census Bureau, Historical Living Arrangements of Children, Table CH-1, CPS ASEC 2025; 51.2 million of 72.7 million children lived with two parents). Multigenerational households, which hold two or more adult generations or grandparents with grandchildren, were home to 18% of the U.S. population (59.7 million people) in March 2021 (Pew Research Center, The Demographics of Multigenerational Households, 24 March 2022, from the CPS ASEC). A two-parent family is therefore the arrangement most children live in, and the multigenerational and single-parent arrangements are minorities.

Because children are counted as whole numbers, the model rounds 1.99 children to two. Costs are therefore calculated for a four-person family consisting of two adults and two children aged 4 and 8.

4.2 Workers per family

> **The challenge** The number of workers per family is not a simple statistic. It needs assumptions that fit the model family, for example that at least one worker is employed full time, since the estimate addresses working families.

LW4US assumes one full-time worker and then assesses the likelihood of a second worker, following the Anker Methodology® (developed by Richard and Martha Anker) for establishing workers per family. A rolling average over ten years avoids temporary shocks in unemployment and other rates while letting the figures keep up with economic and social change.

The proportion of full-time work per working-age adult is:

> Equation 1: average adult labor force participation rate × (1 − unemployment rate) × (1 − [part-time employment rate ÷ 2])

Part-time workers count as half a full-time worker. All three inputs are for people aged 25 to 54, so no one aged 65 or over is included. LW4US took each input as the average of the ten calendar years 2016 to 2025. Each annual figure comes from the BLS Current Population Survey annual averages:

- **Labor force participation rate, ages 25–54:** civilian labor force aged 25–54 as a share of the civilian noninstitutional population aged 25–54 (BLS, Employment status of the civilian noninstitutional population by age, sex and race, Table 3).
- **Unemployment rate, ages 25–54:** unemployed people aged 25–54 as a share of the civilian labor force aged 25–54 (Table 3).
- **Part-time employment rate, ages 25–54:** people aged 25–54 who usually work part time (Table 8, Employed and unemployed full- and part-time workers by age, sex, race, and Hispanic or Latino ethnicity) as a share of employed people aged 25–54 (Table 3). Part time means usually working fewer than 35 hours a week.

Year	Labor force participation, 25–54	Unemployment rate, 25–54	Part-time employment rate, 25–54
2016	81.3%	4.2%	12.1%
2017	81.7%	3.7%	11.6%
2018	82.1%	3.3%	11.3%
2019	82.5%	3.1%	11.0%
2020	81.4%	7.1%	10.8%
2021	81.6%	4.9%	10.8%
2022	82.4%	3.1%	10.4%
2023	83.3%	3.1%	10.5%
2024	83.6%	3.4%	11.1%
2025	83.6%	3.6%	11.2%
Ten-year average	82.34%	3.95%	11.07%

Data sources:

Input	Source and link	Rates calculated
Population, labor force, employed and unemployed, ages 25–54	BLS, Current Population Survey, Table 3, Employment status of the civilian noninstitutional population by age, sex, and race. Annual averages, 2016–2025. www.bls.gov/cps/cpsaat03.htm (latest year); earlier years can be found in in https://www.bls.gov/cps/tables.htm	Participation = labor force ÷ population. Unemployment = unemployed ÷ labor force
Usually part time, ages 25–54	BLS, Current Population Survey, Table 8, Employed and unemployed full- and part-time workers by age, sex, race, and Hispanic or Latino ethnicity. Annual averages, 2016–2025. www.bls.gov/cps/cpsaat08.htm (latest year)	Part-time rate = usually part time ÷ employed (Table 3)
Definitions	BLS, Current Population Survey concepts and definitions, www.bls.gov/cps/definitions.htm	—

The annual rates above were calculated from these BLS counts (thousands of people aged 25 to 54):

Year	Civilian noninstitutional population (Table 3)	Civilian labor force (Table 3)	Employed (Table 3)	Unemployed (Table 3)	Usually work part time (Table 8)
2016	125,761	102,248	98,004	4,244	11,810
2017	125,697	102,683	98,833	3,850	11,501
2018	126,390	103,705	100,314	3,391	11,321
2019	126,281	104,180	100,976	3,204	11,083
2020	126,045	102,630	95,331	7,298	10,308
2021	126,108	102,867	97,867	5,000	10,552
2022	127,162	104,837	101,578	3,259	10,539
2023	127,941	106,541	103,223	3,318	10,878
2024	128,642	107,522	103,831	3,691	11,537
2025	131,082	109,534	105,616	3,919	11,793

BLS's 2025 annual averages exclude October 2025, for which no data were collected, so they are 11-month averages. The calculation with the ten-year averages was:

> $0.8234 \times (1 - 0.0395) \times (1 - 0.1107 \div 2) = 0.7471$
>
> Full-time-equivalent workers per family = 1 + 0.7471 = 1.7471

Living wage for a single worker

LW4US publishes two living wages for every county. The first is the hourly living wage for the reference family with the typical number of workers, 1.7471 full-time-equivalent workers as calculated above. The second is the annual income that one full-time worker would need to earn to cover everything the family needs, with no second earner. It is the family's total gross annual income needed, equal to the family's total cost of living plus taxes. The taxes are the same whether one worker or two workers earn it because taxes are based on family income, and there is no additional social security tax because the highest income needed in any county is below the Social Security wage base. The living wage for a single worker expressed as an hourly equivalent is calculated by dividing the annual figure by 2,080 hours. This estimate is published alongside the living wage for the reference family with the typical number of workers, in alignment with the WageMap Living Wage Reference Standard (1.3.3 Q6)

Share of single-worker families

The WageMap Living Wage Reference Standard asks for the share of single-worker families and the number of workers assumed in the living wage model (1.3.3 Q7). This section explains how the share of single-worker families was estimated.

LW4US looked at the reference family: a married couple with two of their own children under age 18, four people in all. The data come from the Census Bureau's 2024 American Community Survey microdata, which records how many family members worked during the previous 12 months (variable WIF).

The sample held 74,285 reference families, which stand for about 7.66 million families across the country once Census weights are applied. The share of single-worker families is the weighted number of reference families with exactly one worker divided by the weighted number of all reference families. Nationally, 22.9% of reference families had one worker, 71.2% had two, 5.1% had three or more, and 0.8% had none. State shares of single income families ranged from 11.4% in Vermont to 31.3% in New Mexico. In all cases, this is the minority of families.

County results. The survey identifies where a household lives only by area groups of at least 100,000 people (public use microdata areas, or PUMAs). Few counties have enough reference families for a reliable direct count. LW4US therefore estimated state shares and displays those with the single worker living wage figure on the living wage rates map.

4.3 Working hours and the published unit

The living wage estimates assume one full-time worker and count part-time work as half a full-time worker (section 4.2). LW4US converted the family budget to an hourly wage in three steps.

1. Added up the family's annual cost of living (section 5) and taxes (section 6). The result was the gross annual income the family needed.
2. Divided by the number of full-time-equivalent workers per family under section 4.2 (1.7471) to obtain the gross annual income needed from each full-time worker.
3. Divided by 2,080 hours to obtain the hourly living wage.

> Hourly living wage = (family gross annual income needed ÷ 1.7471) ÷ 2,080

The estimate included no overtime hours and no overtime premium.

A 40-hour work week

A full-time worker was assumed to work 40 hours a week for 52 weeks, which is 2,080 hours a year. Forty hours is the point above which, federal law requires overtime pay: the Fair Labor Standards Act provides that an employee covered by the Act may not work "a workweek longer than forty hours" unless paid at least one and one-half times the regular rate for the hours above forty (29 U.S.C. § 207(a)(1)). Federal law also sets 40 hours as the basic workweek of a full-time federal employee (5 U.S.C. § 6101(a)(2)(A)). The U.S. Department of Labor states the same rule: covered employees must receive overtime pay for hours worked over 40 in a workweek (dol.gov/agencies/whd/overtime). The 40-hour week is therefore the standard full-time workweek in U.S. law, and LW4US used it for every worker. Overtime is thus excluded, in alignment with ILO principles and the WageMap Living Wage reference Standard. The 2,080 hours include all 52 weeks of the year, with no weeks deducted, so paid holidays and leave are inside the annual hours and are paid at the living wage. LW4US does not assume a specific number of leave days for the purposes of calculating the living wage.

5. Cost Categories

Each category is calculated separately for the reference family. EPI's descriptions are reproduced in substance from EPI's Family Budget Calculator documentation; LW4US additions and adjustments are indicated as such in this document. EPI's figures were provided in 2026 dollars. Where EPI used data from an earlier year it inflated them to 2026 dollars with an item-specific consumer price index (childcare, transportation and out-of-pocket costs each use their own series). Because full-year 2026 CPI data were not yet available, EPI averaged January to September CPI values in both the data year and 2026 and inflated by the ratio of the two averages.

5.1 Food

> **The challenge** Food costs should cover a nutritious diet at relatively low cost and should be specific to location. Available price data often do not vary beyond region, so a second data set is needed to estimate food prices county by county.

Diet. The USDA Low-Cost Food Plan, from the USDA report *Official USDA Food Plans: Cost of Food at Home at Four Levels* (USDA 2026). The report gives national costs for four plans (Thrifty, Low-Cost, Moderate-Cost and Liberal), which serve as national standards for nutritious diets. The Low-Cost Plan assumes that almost all food is bought at a grocery store and prepared at home. The nutritional foundation of the plans is the 1997–2005 Dietary Reference Intakes, the 2005 Dietary Guidelines for Americans and the 2005 MyPyramid food intake recommendations. The plans are based on 2001–2002 data and updated to current dollars using the Consumer Price Index for specific food items.

Price year. June 2026 data, which represents the 2026 average weekly cost.

Where the prices come from. USDA priced the Low-Cost Plan's foods from what households actually paid, using the 2001 and 2002 Nielsen Homescan panels, which cover 16,821 households weighted to represent the U.S. population. The purchases include supermarkets, convenience stores, warehouse clubs, mass merchandisers and drug stores (USDA, Food Plans 2007: Cost of Food at Home, administrative report, p. 4). USDA priced each food category as a weighted average of the prices paid across brands, sizes and purchase occasions, and weighted the foods by what the second quartile of households by food spending, the 25th to 50th percentile, eats (pp. 6 and 12). Because the panels

cover purchases across the full years 2001 and 2002, the prices average over the seasons, and USDA keeps the costs current each month with the Consumer Price Index for specific food items. LW4US takes these prices as USDA published them. They reflect the kinds of stores where households shop and the food choices of lower-spending households.

Family members priced. Costs are built from the plan's categories for one man and one woman aged 19–50, a child aged 4–5 and a child aged 6–8.

USDA's costs are for individuals in four-person households. For other household sizes USDA suggests adding 20% (one person) or 10% (two people), subtracting 5% (five or six people) or subtracting 10% (seven or more); a four-person household has no adjustment (USDA, Official USDA Food Plans: Cost of Food at Home). LW4US's reference family has four people, so no adjustment applies. The family's cost is the sum of each member's cost:

> Food cost = male age 19–50 + female age 19–50 + child age 4–5 + child age 6–8, each at the Low-Cost Plan cost

Evidence that the diet is adequate

Energy. LW4US and EPI did not set the calorie levels. USDA assigned each age and sex group an energy level using the median weight and height of that group (National Health and Nutrition Examination Survey, 2001–2002) and a low-active physical activity level as defined by the Institute of Medicine (2005). It applied the levels set for the Thrifty Food Plan to the Low-Cost Plan so that the plans differ only in cost (USDA CNPP-20, p. 13; Table 2c, p. 16). The levels for the modeled family were:

Family member	Assigned energy (kcal a day)	Source
Woman aged 19–50	2,200	CNPP-20, Table 2c
Man aged 19–50	2,800	CNPP-20, Table 2c
Adult (average of woman and man, as EPI prices)	2,500	Calculated
Child aged 4–5	1,400	CNPP-20, Table 2c
Child aged 6–8	1,600	CNPP-20, Table 2c
Family average per person	(2 × 2,500 + 1,400 + 1,600) ÷ 4 = 2,000	Calculated

The WageMap Living Wage Reference Standard's reference is 2,100 kcal per person. The family average of 2,000 is 95% of it. The WageMap Living Wage Reference Standard accepts a cross-check against WHO-based energy requirements for typical height, weight, activity and age in place of the 2,100 figure, so LW4US made one for the adults.

The FAO, WHO and United Nations University equations estimate basal metabolic rate (BMR) from body weight for adults aged 30 to 60: men, 11.472 × kg + 873.1; women, 8.126 × kg + 845.6 (FAO, Human Energy Requirements, 2001, Table 5.2). Energy need is BMR times a physical activity level (PAL). FAO's categories are sedentary or light (1.40–1.69), active or moderately active (1.70–1.99) and vigorous (2.00–2.40) (Table 5.3). Median body weights for adults aged 40–49, the age of the modeled

adults, are 90.5 kg for men and 75.2 kg for women (National Center for Health Statistics, Anthropometric Reference Data for Children and Adults: United States, 2015–2018).

	BMR (kcal)	Sedentary or light (PAL 1.40–1.69)	Active (PAL 1.70–1.99)	Low-Cost Plan
Woman	1,457	2,039–2,462	2,476–2,899	2,200
Man	1,911	2,676–3,230	3,249–3,804	2,800
Adult average	1,684	2,358–2,846	2,863–3,351	2,500

The plan's levels for both adults fall within the FAO range for a sedentary or light lifestyle. With the children at USDA's levels, the same range gives a family average of 1,929 to 2,173 kcal per person, which includes both the plan's 2,000 and the WageMap Living Wage Reference Standard's 2,100. The levels are national. They are not tied to the activity level of any industry.

USDA's purchased baskets carry more energy than the assigned levels, for example 2,432 kcal for a woman aged 19–50 and 3,095 kcal for a man, because they include the allowance for food waste described below (CNPP-20, Table A-3a). The assigned levels are the amounts people are expected to eat.

Children. FAO, WHO and UNU give energy requirements for children by age and sex: one moderate-activity level for ages 4 to 5, and light, moderate and heavy levels from age 6 (Human Energy Requirements, 2001, Chapter 4, Tables 4.5 and 4.6). For ages 4 to 5 the requirement is 1,350 kcal a day for boys and 1,250 for girls; USDA assigned 1,400. For ages 7 to 8 it is 1,450 (light) to 1,700 (moderate) for boys and 1,325 to 1,550 for girls, and for ages 8 to 9 it is 1,550 to 1,825 for boys and 1,450 to 1,700 for girls; USDA assigned 1,600 for ages 6 to 8. At ages 4 to 5, USDA's level is above the FAO, WHO and UNU requirement for both sexes. At ages 7 to 8 it is above the light level for both sexes, within the light-to-moderate range for boys and above the moderate level for girls. At ages 8 to 9 it is within the light-to-moderate range for both sexes.

Fruit and vegetables. The World Health Organization recommends at least 400 g of fruit and vegetables a day for adults and children over 10, at least 350 g for children aged 6 to 9, and at least 250 g for children aged 2 to 5 (WHO, Healthy diet fact sheet, updated 26 January 2026). The Low-Cost Plan baskets were required to meet the USDA MyPyramid amounts for each calorie level (CNPP-20, Table 2b, p. 16). LW4US converted the as-purchased weights in USDA's weekly baskets (CNPP-20, Table ES-1a) to grams a day, counting whole fruit and vegetables and leaving out potato products and fruit juice:

> Grams a day = (whole fruit + all vegetables − potato products, pounds a week) × 453.6 ÷ 7

Family member	MyPyramid amount (cups a day)	Basket weight (grams a day)	WHO minimum (grams a day)
Woman aged 19–50	2 fruit + 3 vegetables	About 820	400
Man aged 19–50	2.5 fruit + 3.5 vegetables	About 850	400
Child aged 4–5	1.5 fruit + 1.5 vegetables	About 510	250
Child aged 6–8	1.5 fruit + 2 vegetables	About 570	350

Each basket exceeds the WHO minimum. The weights are as purchased, so they include peel, cores and other inedible parts, and the edible weight is lower. As purchased, each basket is at least 1.6 times the WHO minimum.

Salt, sugar and dairy. The WageMap Living Wage Reference Standard's nutrition question also names salt, sugar and dairy. LW4US compared the Low-Cost Plan with the WHO guidance on each (WHO, Healthy diet fact sheet, updated 26 January 2026):

Item	WHO guidance	Low-Cost Plan	Comparison
Salt	Adults: under 5 g of salt (2,000 mg of sodium) a day. Children: lower amounts, no fixed figure	USDA could not build a basket that meets the US guideline of 2,300 mg of sodium a day. It limited sodium to no more than the median consumption of each age-gender group. Sodium in the baskets ranged from 1,856 mg (age 1) to 4,404 mg (adult men) (CNPP-20, p. 18)	Limited to median consumption of each age-gender group
Sugar	Free sugars under 10% of total energy; 5% or less may give added benefit	USDA set no numeric limit on added sugars and did not directly limit discretionary calories. It controlled total calories, nutrients, foods and oils instead (CNPP-20, p. 18).	Controlled through total calories, foods and oils
Dairy	No numeric amount. Reduced-fat dairy preferred	Three cups of milk products a day for adults and for children aged 9 and over, and two cups for children aged 1 to 8 (CNPP-20, Table 2a). Lower-fat and skim milk products make up about 90% of the milk products by weight in the baskets of women 19–50, 85% for men 19–50, 96% for a child aged 4–5 and 98% for a child aged 6–8 (Table ES-1a). Calcium is at 100% of the reference intake (p. 14)	No WHO amount to compare. The plan favors reduced-fat dairy

Macronutrients

The WageMap Living Wage Reference Standard's nutrition question also asks about macronutrients as advised by WHO. USDA required the Low-Cost Plan baskets for adults to supply 10–35% of calories from protein, 45–65% from carbohydrate and 20–35% from total fat, with less than 10% from saturated fat (CNPP-20, Table 2a, p. 15). USDA reports that the baskets met these standards; it does not publish the shares the baskets actually deliver (CNPP-20, pp. 14, 17–18). The table compares the USDA ranges with the WHO and FAO ranges (WHO/FAO, Diet, Nutrition and the Prevention of Chronic Diseases, Technical Report Series 916, 2003, Table 6) and with what adults in the United States eat (National Health and Nutrition Examination Survey, What We Eat in America, August 2021–August 2023, adults aged 20 and over):

Share of calories	WHO and FAO range	USDA range for the Low-Cost Plan (adults)	U.S. adults, average intake
Protein	10–15%	10–35%	16%
Carbohydrate	55–75%	45–65%	45%
Total fat	15–30%	20–35%	37%
Saturated fat	Under 10%	Under 10%	12%

The differences are a reflection of local food preferences in the United States, which LW4US kept on purpose so that the budget fits how people in the country eat. USDA's range for protein reaches 35% of calories, above WHO's 15%, and U.S. adults eat 16% on average, just above the WHO range. Protein is a more expensive category of food than most others, so the higher range adds money to the food budget and widens the choices open to workers. USDA's range for carbohydrate starts at 45%, below WHO's 55%, and U.S. adults eat 45% on average.

U.S. adults take 37% of their calories from fat and 12% from saturated fat. The Low-Cost Plan holds fat to no more than 35% of calories and saturated fat to under 10%, so the plan allows less fat than Americans eat while staying close enough to their habits to be realistic. The USDA range for fat is also closer to the WHO range than to actual U.S. eating.

USDA reports that about 75 percent of the sodium Americans consume comes from food-processing methods (U.S. Department of Health and Human Services and USDA, 2005). Meeting the sodium recommendation would have required substantial changes in food-manufacturing practices, or making many foods, including bread and pasta, from scratch without added salt. The sodium content of a diet also rises with energy intake. USDA assumed that foods prepared from a recipe contained no added salt (CNPP-20, pp. 12 and 18). The sodium in the baskets is therefore a feature of the foods sold in U.S. stores, not of the quantity or cost of food priced. LW4US priced the plan's baskets as USDA published them, with the county adjustment described below, and made no adjustment for sodium. Any adjustment would be artificial: it would price a diet built from foods that do not reflect how people in the country buy and eat. USDA built the plans to stay as close as possible to people's original consumption habits (CNPP-20, p. 11), and the sodium in the baskets comes from those habits and from the processed foods on sale.

The plan includes an allowance for household discard of edible food from plate waste and spoilage, 10% for the Low-Cost Plan. USDA added it to both reported food intake and the dietary requirements in its model, drawing on its research on household discard of edible and spoiled food (CNPP-20, p. 11; USDA 1983a, 1983b). The baskets are stated in as-purchased form, with refuse factors for inedible portions. USDA describes the percentages as dated and as the only ones available that apply to households with different food spending (CNPP-20, p. 11). They are USDA's national guidance for U.S. households.

The USDA figures are national. County-level food costs adjust them with a multiplier generated from Feeding America's Map the Meal Gap (2024 data). For every U.S. county and county equivalent, Map the Meal Gap reports the average cost of a meal consumed by a 19–50-year-old male under the USDA Thrifty Food Plan. These meal costs are derived from Nielsen data that measure the cost of Universal Product Code (UPC) barcoded food items in over 65,000 stores across the country. Each county's

multiplier is its average meal cost divided by the average meal cost across all counties. The multiplier is then applied to the USDA national estimate. Where a metropolitan area covers several counties, EPI's documentation describes metropolitan-level costs as population-weighted averages of county costs.

USDA's plan costs use the average price that households paid for each food item, taken from national household purchase data for 2001–2002 that followed households for one year, and the price of a food category is weighted by its share of consumption (CNPP-20, pp. 4, 5 and 12). USDA keeps the costs current each month with the Consumer Price Index for specific food items (USDA Food and Nutrition Service, USDA Food Plans). Map the Meal Gap builds a cost per pound for each food category from the sales of all items in the category, and uses a 52-week period ending in December of its data year (Map the Meal Gap 2026 Technical Brief).

USDA's price data include purchases at supermarkets, convenience stores, warehouse clubs, mass merchandisers and drug stores (CNPP-20, p. 4). USDA's Economic Research Service found that about 89 percent of households do their primary grocery shopping at supermarkets or supercenters, and that the types of stores used do not vary by SNAP or WIC participation or food security status (Economic Information Bulletin 138, March 2015). It also found that 90 percent of SNAP and food-insecure households did their primary grocery shopping at a supermarket or supercenter (Amber Waves, August 2015).

The Low-Cost Plan baskets are built in six groups: grains, vegetables, fruits, milk products, meat and beans, and other foods (CNPP-20, Table ES-1a). The plan's categories include, for example, dark-green vegetables such as broccoli, spinach, chard, collard greens, mustard greens and kale; orange vegetables such as carrots, pumpkin, winter squash and sweet potatoes; fruits such as bananas, apples, cherries, peaches, pears, grapes, plums, papayas and apricots; nuts, peanut butter and other nut butters, and seeds; and fluid, evaporated and dry reduced-fat and skim milks, buttermilk, and lowfat or nonfat yogurts (CNPP-20, Table 1). USDA built the baskets to reflect current dietary recommendations, food composition data, food prices and actual consumption patterns (p. 1), used statistical weights so that the household sample represents the U.S. population (p. 4), and kept the baskets as close as possible to people's original consumption habits (p. 11). The Low-Cost Plan 'corresponds to participants' food consumption in the second quartile' (p. 6). These consumption data are national. The report contains no local data on what people eat.

5.2 Housing

> **The challenge** Housing costs should be local and cover decent housing with the proper space for a family. LW4US costs a two-bedroom rental so that adults and children have separate sleeping spaces, in line with WageMap guidance on acceptable housing.

EPI prices rent with HUD fair market rents (FMRs). LW4US used the fiscal year 2026 rents (1 October 2025 to 30 September 2026) supplied by EPI. LW4US checked them against HUD's published fiscal year 2026 file: in counties where HUD publishes a county-level rent, EPI's housing figure for the matching unit size equaled HUD's rent.

FMRs are set at the 40th percentile of rental costs.

Counties in more than one FMR area. The county's FMR is a weighted average based on the share of the county's population living in each area.

Within a metropolitan area, every county has the same FMR. To create county-level variation, EPI builds a metropolitan-level population-weighted average of ACS median gross rent (ACS 2024), then applies the ratio of the county's ACS median gross rent to the metropolitan average to the FMR. Nonmetropolitan counties each have their own FMR.

Families with one or two children occupy a two-bedroom unit; EPI's documentation (published 1 March 2026) sets bedroom counts by household composition from a studio for one adult, to one bedroom for two adults, two bedrooms for one or two children and three bedrooms for three or four children. The modeled family uses a two-bedroom unit. The size of the housing follows the size of the household: the reference family of two adults and two children is priced in a two-bedroom unit, and the bedroom count rises with the number of children.

Rent includes shelter plus all tenant-paid utilities, excluding telephone service, cable or satellite service and internet service. Those excluded costs are included in other necessities (section 5.6).

Adequate housing, size and occupancy

The WageMap Living Wage Reference Standard asks whether the housing costed is adequate against the aspects of adequate housing set out by the Office of the High Commissioner for Human Rights and UN-Habitat (Fact Sheet No. 21, Rev. 1). The budget addressed them as follows.

The fact sheet calls housing inadequate if its cost 'threatens or compromises the occupants' enjoyment of other human rights'. The budget pays the full fair market rent, including tenant-paid utilities, and costs food, health care and the other categories separately, so rent does not draw on the money for them.

Services, materials, facilities and infrastructure. HUD's fair market rent is a gross rent that includes the cost of tenant-paid utilities, except telephone (24 CFR 888.113(a)), and the budget pays it.

Fair market rents are set from standard-quality rental units: 'adjustments are made to exclude public housing units and substandard units' (24 CFR 888.113(a)). The unit has two bedrooms for a family of four (see below).

The reference county is the lowest-cost county within a one-hour commute of the job (section 3.1), and the transportation category pays for work trips and for trips to health care (section 5.5).

HUD sets fair market rents at 'the 40th percentile rent, the dollar amount below which the rent for 40 percent of standard quality rental housing units fall within the FMR area' (24 CFR 888.113(a)). HUD estimates it from rents paid by recent movers and, from fiscal year 2026, no longer excludes new construction (HUD, FY2026 Fair Market Rent methodology).

Because the fair market rent is the 40th percentile, 40 percent of standard-quality rental units in the area rent at or below it, and each of those units is affordable to a family earning the living wage, whose budget is built on this rent. HUD measures the rent from units that families recently moved into, so the units that set it were on the market. LW4US relies on this documented measure of supply and has not counted vacant units separately.

LW4US priced a two-bedroom unit for the family of four, two people to a bedroom. HUD sets no single national rule on persons per bedroom: a housing agency must set a subsidy standard that provides 'the smallest number of bedrooms needed to house a family without overcrowding' (24 CFR 982.402(b)(1)), and HUD's Housing Choice Voucher Guidebook states that 'a subsidy standard of one

bedroom for every two persons is acceptable' (Housing Search and Leasing, June 2025). HUD's fair housing policy states that 'an occupancy policy of two persons in a bedroom, as a general rule, is reasonable under the Fair Housing Act' (memorandum of 20 March 1991, reproduced in the Federal Register of 18 December 1998). The housing quality standard for vouchers requires 'at least one bedroom or living/sleeping room for each two persons' (24 CFR 982.401(d)(2)(ii), 2023 text); HUD Notice PIH 2026-18 lets housing agencies keep using it until 1 February 2027, after which the standards in 24 CFR 5.703 apply, which keep the same one-for-two-persons rule for voucher units. UN-Habitat treats living space as sufficient when not more than three people share a room (Monitoring SDG Indicator 11.1.1, 2019). A family of four in a two-bedroom unit has two people to a bedroom, which is within each of these.

In the American Housing Survey 2023 (U.S. Census Bureau, National Public Use File, v1.1), 53% of two-bedroom rental units have less than 1,000 square feet and 91% have less than 1,500. Only 2.9% are smaller than 500 square feet, and 15.5% are smaller than 750. For a family of four, the middle band of 750 to 999 square feet is 188 to 250 square feet per person, and even the 500 to 749 band is 125 to 187 square feet per person. The typical two-bedroom rental that LW4US prices therefore gives a family of four ample floor area. Weighted with the survey weights, for renter households whose unit size was reported (86% of two-bedroom renter households).

5.3 Healthcare

> **The challenge** Health insurance is both a cost and the route to care. The premium tax credit that helps pay for marketplace plans returned to less generous rules in 2026, and both the premium and the taxes depend on income, so the premium could not be fixed before the wage was known. Out-of-pocket costs depend on the plan: a plan that pays more of the bill leaves the family less to pay.

Plans priced

LW4US prices the cheaper of two ways for the family to pay for cover, at the income being tested: (1) the lowest-cost bronze plan in the family's rating area at full price, the plan EPI prices; or (2) the benchmark plan, the second-lowest-cost silver plan in the rating area, after the federal premium tax credit and any state premium help. The family pays the lower of the two.

Every Marketplace plan at the bronze, silver, gold and platinum levels must cover the same ten essential health benefits: ambulatory patient services, emergency services, hospitalization, pregnancy, maternity and newborn care, mental health and substance use disorder services, prescription drugs, rehabilitative and habilitative services and devices, laboratory services, preventive and wellness services, and pediatric services (HealthCare.gov). The levels differ in how much of the cost a family pays when it uses care: silver plans pay about 70% of covered costs on average and bronze plans about 60% (HealthCare.gov). EPI prices the bronze plan as a decent level of cover, and LW4US accepts that. LW4US does not price catastrophic plans, which are open only to people under 30 or to people granted a hardship or affordability exemption, and to which the premium tax credit cannot be applied.

LW4US calculates subsidies from the benchmark silver plan, because that is the plan the premium tax credit is defined from. For a family that qualifies, silver after the credit is usually cheaper than bronze, which is why silver was priced for subsidized families. It was not chosen because bronze was found inadequate. Because bronze and silver cover the same essentials, LW4US uses whichever costs the

family less. LW4US never prices a plan at a lower level than the one EPI prices: the premium is never above EPI's bronze premium. Silver is used only because LW4US, unlike EPI, calculates the public benefits (the premium tax credit and state premium help) that make a higher-level plan cost the family less, so the effect is to move the family to a higher-level plan, not a lower one, and at a lower price. Where silver after subsidies costs less, it is to the worker's benefit, lowers the living wage, and is an honest record of what the worker pays after public payments. Where bronze costs less, as in expensive places where the credit is small or absent, bronze is used.

Workers could choose a plan at a higher level, such as gold, paying a higher premium in exchange for lower out-of-pocket costs. That choice belonged to the worker and is not reflected in the calculation. This is analogous to housing costs: a worker could choose to live in housing that is more expensive than the estimate used in the methodology, but the resulting additional cost arises from personal preference rather than the minimum expenditure required for a decent standard of living. The living wage is intended to provide for a basic but decent livelihood, not all possible spending choices.

This inclusion of subsidized silver plans differs from EPI, whose family budgets price the lowest-cost bronze plan and do not take the premium tax credit into account (EPI documentation, 2026 edition). LW4US uses EPI's bronze premium as the upper limit of the premium and takes the benchmark premium and the subsidies from the Marketplace data, as described below.

What a Marketplace plan must cover

Beyond the ten essential health benefits listed above, which include emergency services, hospitalization, prescription drugs, mental health and substance use services, pregnancy, maternity and newborn care, and preventive and wellness services, Marketplace rules gave every plan at the bronze, silver, gold and platinum levels these protections. Marketplace plans must cover a set of preventive services, such as screening tests, at no cost to the member, generally when the care comes from an in-network provider; HealthCare.gov notes that a $0 cost is not guaranteed in all cases. All Marketplace plans must cover treatment for pre-existing conditions: no plan can reject a person, charge more or refuse to pay for essential health benefits because of a condition that began before coverage, and after enrollment a plan cannot deny coverage or raise rates based only on health. Each plan has an annual limit on what a member pays for covered services: no more than $10,600 for self-only coverage or $21,200 for other than self-only coverage in 2026 (CMS, 2027 payment parameters guidance, 29 January 2026). Silver plans pay about 70% of the cost of covered services on average and bronze plans about 60% (HealthCare.gov).

Adult dental and vision care are not essential health benefits. The cost of dental and vision care is in the out-of-pocket healthcare line (see 'Out-of-pocket costs' below).

Typical coverage of low-wage workers and public provision

A worker whose employer does not provide a health plan buys one on the Marketplace, so the estimate prices that plan. Where an employer does provide a plan, the employer's contribution is credited toward the living wage in a total compensation assessment. This varies with each employer and can't be generalized to a geography, so the estimate shows the cost where the benefit is not provided and the credit can be applied where it is as an employer specific benefit.

Employer coverage was not the typical pattern for the lowest-paid workers. In March 2026, 39% of private industry workers in the lowest wage quartile had access to employer medical care benefits,

19% participated, and 48% of those with access took up coverage, compared with 71%, 46% and 65% of all private industry workers (Bureau of Labor Statistics, Employee Benefits Survey).

Medicaid did not provide coverage to adults at a living wage. In January 2026 the highest income limit for parents and other adults in any state was 138% of the federal poverty level (KFF), which is $45,540 for a family of four on the 2026 guideline of $33,000. In states that had not expanded Medicaid, parents' limits ranged from 15% to 105% of the poverty level. In the final 2027 run, the lowest income needed in any county was $71,422 (Luna County, New Mexico), about 216% of the 2026 guideline.

Children's Medicaid and CHIP limits were higher, from 190% to 405% of the poverty level across states (KFF, January 2026), so children in some counties could qualify. LW4US therefore tested pricing the two children on CHIP in a sample of counties. In every county tested, pricing the children on CHIP gave a living wage equal to or higher than pricing all four on the marketplace plan: equal in the Maryland county, where CHIP has no premium, and higher in the sampled counties of New York, Iowa, Pennsylvania and Missouri, because the premium tax credit already caps the marketplace premium at a share of income. LW4US priced all four family members on the marketplace plan (see 'Children eligible for CHIP' below; sample run of 16 October 2026).

Access to care

The WageMap Living Wage Reference Standard asks whether the services costed allow access to healthcare that meets the key aspects of the right to health set out by the United Nations Office of the High Commissioner for Human Rights (OHCHR): availability, accessibility, acceptability and good quality, together with entitlements such as prevention and treatment of disease, essential medicines, and maternal, child and reproductive health. LW4US costed a private Marketplace plan and typical out-of-pocket spending, and the budget addressed the aspects as follows.

The budget paid the premium, net of subsidies, and the out-of-pocket spending that insured people typically pay, so that coverage was affordable at the living wage.

Marketplace plan issuers must maintain a provider network that is sufficient in number and types of providers, including providers that specialize in mental health and substance use disorder services, and that makes all services accessible without unreasonable delay. Issuers must also keep a provider directory that is up to date, accurate and complete and shows which providers are accepting new patients (45 CFR 156.230). Workers chose their providers from those in the plan's network. The premium pays for the coverage. Travel to care, including to a neighboring county, is paid from the transportation category (section 5.5).

LW4US checked the primary care shortage areas that the Health Resources and Services Administration (HRSA) publishes (Health Professional Shortage Areas, data of 28 October 2026). Only geographic designations, which cover everyone who lives in an area, are counted. Designations for low-income, Medicaid-eligible or farmworker populations and for single facilities such as clinics and prisons are not counted, because the budget does not price Medicaid or include it in a living wage, so those shortages are not shortages for the budget. Of the 3,135 counties other than the nine Connecticut planning regions, 974 (31.1%) have a geographic primary care shortage designation covering all or part of the county, and in 805 (25.7%) the designation covers the whole county. HRSA estimates 10.9 million underserved people across the 1,044 designated geographic areas. Counties with a geographic shortage are found at every level of living wage: their median published living wage is $23.75 an hour, against $23.41 in counties without one, and the share with a lower rate than in 2026

is 79%, against 82%. A family that lives in a shortage area pays for the longer trips to care through the transportation category (section 5.5), and the premium pays for the plan's network, not for the distance to it.

LW4US also looked at how far a family in a shortage county is from a county without a shortage. Of the 807 counties with a geographic primary care shortage covering the whole county, 736 (91%) have a county without a geographic shortage designation within a one-hour drive on the commuting list used for the representative county (section 3). The shortest such drive has a median of 30 minutes and a maximum of 59 minutes; 387 of the counties are within 30 minutes. In the other 71 counties the plan priced is the route to care within the county. A shortage designation measures providers relative to population; it does not mean that care is unavailable. A qualified health plan must keep a provider network that is 'sufficient in number and types of providers' so that enrollees can reach care promptly (45 CFR 156.230(a)(1)), so the plan priced in a shortage county has to provide access within the county.

The essential health benefits cover prevention, treatment of disease, prescription drugs, mental health care, and pregnancy, maternity, newborn and pediatric care, and plans must cover pre-existing conditions (see 'What a Marketplace plan must cover' above).

Article 12 of the International Covenant on Economic, Social and Cultural Rights recognizes the right to the highest attainable standard of health, and the UN Committee on Economic, Social and Cultural Rights, in General Comment No. 14, reads it as requiring health care that is available, accessible, acceptable and of good quality. A bronze or silver Marketplace plan covers the same ten essential health benefits, including preventive and wellness services, limits what a member pays for covered services each year (in 2026, no more than $10,600 for self-only coverage and $21,200 for other than self-only coverage), and must be offered through a network that is sufficient in number and types of providers. LW4US therefore treats either plan as adequate and prices whichever costs the family less.

Premium and the premium tax credit

LW4US took the premium of the second-lowest-cost silver plan in the rating area, which is the benchmark plan, from the data behind the KFF Health Insurance Marketplace Calculator (2026 edition), for the county's rating area. Each county was matched to a ZIP area that lies mostly inside it. Where a county has more than one rating area, LW4US used the premium of the area with the largest population, measured as the ZIP area's population (American Community Survey 2023, five-year estimates) multiplied by the share of the ZIP area's land that lies in the county (Census Bureau 2020 relationship file). Connecticut's planning regions, which have no county, used the premium of the most populous area among their ZIP areas. The family was two adults and two children. As in EPI's family budgets, adults were 40-year-old nonsmokers, and the children were aged 4 and 8.

The bronze premium is EPI's figure for the lowest-cost bronze plan in the rating area for the two-adult, two-child family (EPI file lw4us_2026_output.csv, column prem), priced for adults aged 40 who do not smoke and children aged 16 or younger, with no subsidies applied. EPI's bronze premiums are 2026 plan-year premiums, the same plan year as the silver benchmark.

Why the second-lowest-cost silver plan. The premium tax credit is defined by this plan. Federal law sets the credit at the amount by which the premium of the second-lowest-cost silver plan in the taxpayer's rating area exceeds one-twelfth of the household's income multiplied by the applicable percentage (26 U.S.C. § 36B(b)(2)(B) and (b)(3)(B)). A family that buys the benchmark plan therefore pays, after the credit, the share of its income that the law sets for it. Pricing the benchmark plan lets

the budget follow the policy as written: the premium and the credit refer to the same plan, and the premium changes with income in the way the law provides. The KFF Health Insurance Marketplace Calculator states its result on the same basis: it reports the most a household pays for a silver plan as a share of income "for the second-lowest cost silver plan."

The premium tax credit lowered the premium of the benchmark plan, the second-lowest-cost silver plan in the rating area, by the amount above an expected contribution. The expected contribution was a share of household income that rose with income. Households with income from 100% to 400% of the federal poverty level (FPL) were eligible. Above 400% there was no credit. Under IRS Revenue Procedure 2025-25, the expected contribution was:

Household income (% of FPL)	Expected contribution (share of income)
100%	2.10%
150%	4.19%
200%	6.60%
250%	8.44%
300% to 400%	9.96%
Above 400%	No credit

The credit ended at 400% of FPL, which was $128,600 for a family of four. The poverty line for a tax year is the one in effect when open enrollment for that year begins (26 CFR 1.36B-1(h)), so for 2026 coverage it is the 2025 guideline of $32,150. When the gross income that the budget required rose above that line, the credit fell to zero, silver cost the full benchmark premium, the family paid the lower of that and the bronze premium (bronze, which is almost always the lower), and taxes were recalculated on the new income. This is a benefits cliff, and the calculation applied it as the rules provide: the iteration in the steps below ran with the premium and credit at each income, with no smoothing.

The income lines used the federal poverty guidelines published by the U.S. Department of Health and Human Services in 2025, which apply to 2026 coverage: $32,150 for a family of four in the 48 contiguous states and the District of Columbia, $40,190 in Alaska and $36,980 in Hawaii.

Calculating premium and taxes together

The premium tax credit depends on gross income, and gross income depends on the premium through the family budget and the taxes on it. LW4US therefore repeated the calculation of all income variable elements of the living wage until the answer settled. A program ran these steps automatically for each county:

1. Set the costs that do not depend on income: housing, food, transportation, out-of-pocket health care and other necessities.
2. Ran the tax calculator (section 6), with the local income taxes described there, over a range of gross incomes, with each income split evenly between the two adults, to give the taxes at each income.

3. For each gross income from $60,000 upward in steps of $1, calculated the premium tax credit and any state help from the county's benchmark premium; the family's premium on bronze and on silver after credits, and took the lower; the care cost (EPI's childcare or 10.6% of gross pay if higher, with the New Mexico and Vermont rules in section 5.4); and the margin on the costs before subsidies (section 5.7).
4. Found the lowest gross income at which gross pay covered the costs net of subsidies, the margin and the taxes at that income.
5. Ran the tax calculator at that exact income for every county, compared the exact taxes with those used in step 3, corrected them and repeated until the correction changed by no more than $0.30 (up to six passes).
6. Checked every county at its answer, and where gross pay was short of the costs, margin and taxes by any amount, raised the income and checked again, up to 25 rounds, until none was short. In the 26 October 2026 run, gross annual pay exceeded the costs, margin and taxes by at most $0.72 in any county.

State help with premiums

The KFF calculator applies the federal premium tax credit only. For states that add their own premium help, it shows a notice but does not include the help in the premium. LW4US therefore adds state help in a separate step, kept in its own columns of the rates file so that the premium with federal credits only (the KFF result) and the premium after state help can be compared.

The method used one KFF run for each county. That run returned the benchmark premium before any credit, which does not depend on income. The credits, federal and state, were then calculated by formula at each income reached in the iteration above. State help was applied only where the program was open to a family at that income and the state had funded it for the year. Section 7.1 lists the states and the rule used in each.

Three states (New Mexico, Maryland and Connecticut) designed their help to replace part of the enhanced federal credit that expired at the end of 2025. For these, LW4US calculated the amount of federal credit lost and the share of it that the state replaced:

> Lost credit = [benchmark premium − enhanced contribution × income] − [benchmark premium − original contribution × income]

Each bracket is floored at zero, and the original schedule has no credit above 400% of FPL. The enhanced contribution was 6.0% of income at 300% of FPL, rising to 8.5% at 400% and above, and below 300% it fell to 4.0% at 250%, 2.0% at 200% and 0% at 150%. The original contribution was 9.96% at 300% to 400% of FPL on the 2026 schedule, and the lower 2026 percentages below 300%. New Mexico replaced the lost credit at every income from 150% of FPL, and Maryland from 250%; Connecticut's help applied only from 400% to 500%. The state help was its share of the lost credit, not more than the premium. Colorado's help is a fixed monthly amount (below).

Children eligible for CHIP

The Children's Health Insurance Program (CHIP) covers children in families whose income is above the Medicaid limit. In some states the CHIP income limit is above the living wage income of the reference family, so the two children could be covered by CHIP and not by the marketplace plan. LW4US tested whether this would lower the estimate, and did not apply CHIP. The test was:

1. **Which states.** The states where the CHIP income limit for a family of four is above the living wage income in at least some counties: Alabama, Iowa, Maryland, Missouri, New York, Pennsylvania, Washington and Wisconsin (from KFF's January 2026 table of Medicaid and CHIP limits and the state agencies' own 2026 pages, shown below). CHIP was not tested in New Mexico, where the children aged 4 and 8 stop qualifying at about 240% and 300% of the poverty level, or in New Hampshire and Illinois, where the limits or premiums could not be confirmed.
2. **Two options for each county.** Option A: all four on the benchmark silver plan, as in the KFF calculator. Option B: the two adults on the benchmark silver plan, with the premium tax credit calculated for the adults in a household of four (the KFF calculator run for two adults), plus the state's CHIP premium for two children.
3. **Same calculation for both.** Each option was taken through the full iteration above, with taxes under 2026 law and the 5% margin, and the lowest gross income at which income covered the budget was found, to the dollar.
4. **The sample.** The test was run on counties in New York, Maryland, Iowa, Pennsylvania and Missouri, together with counties in other states without CHIP. In every county Option B gave a living wage equal to or higher than Option A: Maryland (where CHIP has no premium) was equal, and New York, Iowa, Pennsylvania and Missouri were higher by 1.6%, 0.8%, 8.2% and 8.9%.

The reason is how the premium tax credit works. The credit limits what a family pays for the benchmark plan to a fixed share of its income (9.96% at 300% to 400% of the poverty level), however many people are on the plan. Moving the children to CHIP does not lower that share of income. It only helps if the two adults' premium alone is below that limit, and then CHIP's own premium is added. In the sample counties the two adults' benchmark premium was above the limit, so the family paid the same capped amount in marketplace premiums in both options and then paid the CHIP premium on top. LW4US therefore priced all four family members on the marketplace plan in every state. CHIP rules were reviewed in the states listed in the table.

CHIP rules reviewed (2026).

State	Income limit (family of 4)	CHIP premium for two children	Source
New York	Up to 400% of FPL	$15 to $60 per child a month by income band, with a family maximum; no copays or deductibles	NY State of Health, Child Health Plus (Sept 2025)
Maryland	322% of FPL	None: the state describes MCHP as free coverage	Maryland Department of Health (2026)
Iowa	302% of FPL	$20 per child a month from 243% of FPL, family maximum $40	Iowa HHS, Hawki (July 2026)
Pennsylvania	Low-Cost CHIP to 314% of FPL ($103,620 for 4); Full-Cost CHIP above, with no upper limit	Average per child a month: $65 at 208–262% of FPL, $91 at 262–288%, $104 at 288–314%; Full-Cost $281	PA DHS CHIP income guideline chart (premiums effective 1 Jan 2026)
Wisconsin	306% of FPL	Per child a month: $23 at 241–251%, $82 at 291–301%, $97.53 at 301–306%; family maximum 5% of income	Wisconsin DHS, BadgerCare Plus handbook

State	Income limit (family of 4)	CHIP premium for two children	Source
Missouri	300% of FPL	$309 a month for the family at 225–300% of FPL (family of 4)	Missouri DSS premium chart (1 July 2026)
Washington	312% of FPL	$20 a month per child at 210–260% of FPL; $30 at 260–312%; two children at most	WAC 182-505-0225
Alabama	About 317% of FPL ($8,718 a month for 4)	$104 a year per child; family maximum $312	Alabama Department of Public Health, ALL Kids (Feb 2026)

Out-of-pocket costs

LW4US used actual out-of-pocket spending, not deductibles or out-of-pocket maximums. A deductible and a maximum show the most a family could pay. Most households do not reach them, so using them would have overstated what households typically pay.

Out-of-pocket spending in the Medical Expenditure Panel Survey (MEPS) is what people, including people with insurance, pay themselves for the care they receive. It covers prescription medicines, dental care, vision care (glasses and contacts), office-based and hospital outpatient care, emergency care, inpatient care, home health care, and medical equipment and supplies (IPUMS MEPS, expenditure documentation). The out-of-pocket line therefore included dental and vision care, which the essential health benefits do not cover for adults, and the cost-sharing that insured people typically pay.

What MEPS counts as spending. AHRQ defines expenditures in MEPS as the sum of direct payments for care provided during the year, with the source of each payment recorded, and 'out-of-pocket by user or family' is one of the sources (AHRQ, MEPS Summary Data Technical Notes). A premium is not a payment for care, so the premium is not in the out-of-pocket line and the budget pays it separately. MEPS includes pregnancy and childbirth: AHRQ has used it to estimate the expenditures of an uncomplicated pregnancy and in-hospital delivery (AHRQ Research Findings No. 27, 2007), so the average for adults includes those costs for the adults who had them in the year. Prescribed insulin is counted as a prescribed medicine (AHRQ Statistical Brief No. 118, 2006).

How EPI estimates out-of-pocket costs

EPI calculated out-of-pocket costs from the Medical Expenditure Panel Survey (MEPS) Household Component, Full Year Consolidated files, using the restricted-use geocoded version supplied by the Agency for Healthcare Research and Quality (AHRQ). It used three-year averages for 2020, 2021 and 2022, adjusted to 2022 dollars. Newer 2023 data were available, but EPI did not use the 2023 estimates or their regional breakdown, because the 2023 sub-national estimates had a large number of outliers and high standard errors. Instead it raised the 2022 estimates, in every region and metro class, by the national increase shown by the 2023 data (7.8%), and then inflated the result to 2026 dollars.

- EPI assumed everyone had private health insurance (variable PRIV12 in the public-use files).
- A child is 17 or under and an adult is 18 to 64. The mean cost per child covers ages 0 to 17, and the mean cost per adult covers ages 18 to 64 with private insurance (variable TOTSLF12). Means used the population weight (PERWT12F).

- Costs were calculated by region (Northeast, Midwest, South, West) and, within each region, separately for metropolitan areas and nonmetropolitan counties. A county took the figure for its region and metro class.

> Out-of-pocket costs = (number of adults × adult cost) + (number of children × child cost)

- EPI inflated the result to 2026 dollars using the regional Consumer Price Index for medical care (CPI-U-MC, BLS), averaging January to September values in the data year and in 2026.

EPI's figures therefore had eight distinct values for adults and eight for children, four regions times two metro classes. Out-of-pocket costs varied between counties only through region, metro class and the regional price index. EPI supplied LW4US with its final figures on 15 October 2026, in 2026 dollars. LW4US used those figures, with their data years and dollar year.

Checks against silver-plan and bronze-plan spending

EPI's figure is the average for everyone with private insurance, whatever the plan. The WageMap Living Wage Reference Standard asks that out-of-pocket costs align with those typical for workers on the plan level priced. LW4US prices either a bronze plan or a silver plan, whichever costs the family less, so it checked both: whether people on silver plans, and people on bronze plans, spent differently from all privately insured people.

1. Identified people with a silver plan, and separately people with a bronze plan, bought through a state exchange in the MEPS Person Round Plan files for 2021, 2022 and 2023 (HC-232, HC-242 and HC-250; variables PLANMETL and STEXCH), reduced to one person each: 503 silver adults aged 18 to 64 and 66 silver children aged 0 to 17; 307 bronze adults and 56 bronze children.
2. Linked them by person identifier (DUPERSID) to the Full Year Consolidated files for the same years (HC-233, HC-243 and HC-251), which carry total out-of-pocket spending (TOTSLF) and the person weight.
3. Calculated the weighted mean out-of-pocket spending of silver enrollees, of bronze enrollees, and of everyone with private coverage (the any-private coverage indicator, INSCOV), for adults and for children, pooling the three years with each year's weight divided by three. LW4US used means, as EPI does.
4. Divided each plan's mean by the all-private mean, and calculated a 95% confidence interval by a delete-one-sampling-unit jackknife within the MEPS variance strata (VARSTR and VARPSU).

Group	Plan mean ($)	All private mean ($)	Plan ÷ all private	95% confidence interval (people in each group)
Adults, 18 to 64, silver	1,041	1,089	0.96	0.74 to 1.17 (503; 25,393)
Children, 0 to 17, silver	823	666	1.24	0.51 to 1.96 (66; 6,921)
Adults, 18 to 64, bronze	1,562	1,089	1.44	0.48 to 2.40 (307; 25,393)
Children, 0 to 17, bronze	504	666	0.76	0.28 to 1.23 (56; 6,921)

All four confidence intervals included 1. Neither silver nor bronze enrollees' spending was statistically different from that of all privately insured people, and the samples of children were too small to say more. The bronze samples were also small, and the interval for bronze adults (0.48 to 2.40) is wide but the check still shows that an adjustment is not necessary. LW4US therefore used EPI's out-of-pocket

figures unchanged, for two reasons: the check did not support a different figure, and EPI's figures come from the same survey and definitions as the rest of the health care component. The point estimates went in opposite directions for adults and for children in both plans (silver adults 0.96 and children 1.24; bronze adults 1.44 and children 0.76), which also argued against applying them. Restricting enrollees to family incomes above 200% of the poverty line gave, for silver, 0.99 (0.75 to 1.24) for adults and 1.27 (0.57 to 1.98) for children and, for bronze, 1.54 (0.44 to 2.63) for adults and 0.77 (0.25 to 1.29) for children, the same conclusion.

Silver plans carry lower deductibles and copayments for households with income up to 250% of the poverty line (actuarial values of 73% at 200% to 250%, 87% at 150% to 200% and 94% below 150%). The required income of the reference family was at or below 250% of the poverty line ($80,375, or $100,475 in Alaska and $92,450 in Hawaii) in 691 of the 3,144 published estimates (134 distinct counties whose rate is used). LW4US did not model the reductions, for two reasons. First, they are not typically used by the people who are eligible for them. In the federally facilitated marketplace states, 66% of eligible consumers signed up for a silver plan with reductions in 2025 and 45% in 2026 (KFF, 2026), and in 2015 about one third of eligible people chose a bronze plan instead (Commonwealth Fund, 2016). The Standard asks for out-of-pocket costs typical of workers on the plan level priced. Second, the check above did not remove enrollees at or below 250% of the poverty line, and found no significant difference from all privately insured people. LW4US will re-examine the reductions for the next estimates to see if a change warrants adding them.

5.4 Care: childcare, eldercare and retirement

> **The challenge** In the U.S., care is essential for workers to be able to work. Because the model assumes more than one worker per family, the cost of childcare must be counted so that both adults can take part in the workforce. When childcare costs are not present, the budget must also transition to savings for eldercare and retirement.

Life-cycle approach

For 2026, EPI changed how they estimate childcare costs for Living Wage for Us, to align with the WageMap Living Wage Reference Standard. The same three data sources estimate childcare costs in all counties, but the costs are now reviewed across the whole life of a child:

- Care is assumed up to age 12, the lowest age at which children are legally allowed to be left alone in the U.S. state with the highest limit.
- The care years are: 2 years of infant care, 1 year of toddler care, 2 years of pre-school care and 7 years of summer and before- and after-school care.
- The total is multiplied by the number of children in the family and amortized over the years in which care for the children is needed: 16 years for two children, assuming the typical four-year gap between children.

Formula. Annual care cost = number of children × (2 × infant cost + 1 × toddler cost + 2 × preschool cost + 7 × school-age cost) ÷ 16, where each cost is EPI's annual cost for that stage of care in the county.

- Where childcare is provided free by government to all families, as in New Mexico, LW4US credits it, uses no childcare cost, and leaves enough funds only to save for eldercare/retirement (see 'New Mexico' below).

- Childcare costs are set high enough to cover the eldercare/ retirement saving during the working years beyond the 16 in which care money is assumed to be spent on children. That saving is **5% annually**. LW4US checked in every county that the care line still delivers the 5% saving when the 16 childcare years are taken out of the saving years (see 'Checking the care line against the 5% saving' below).

The retirement provision compared with current saving for retirement

The life-cycle approach provides for eldercare and retirement in every county, and LW4US compared that provision with what families currently put toward retirement in the 2024 Consumer Expenditure Survey (CEX, Table 1101, second fifth of income before taxes). The comparison used the same base as the other-necessities ratio, food plus shelter plus utilities less telephone services, $22,163. The CEX line for retirement, pensions and Social Security was $2,407, or 10.9% of that base. It includes Social Security payroll tax, which the taxes in the living wage already cover, so the line overstates saving. LW4US estimated how much of that line was payroll tax. The second fifth's wages were $23,546, and the employee's share of Social Security and Medicare payroll tax (6.2% plus 1.45%, or 7.65%) on them was about $1,801. Removing it from the $2,407 left about $606, or about 2.7% of the $22,163 base.

The retirement saving in the 2027 care line, taken as the care line spread over the 26 working years after childcare and averaged over a working life from age 25 to 67 (42 years), was 25.8% of housing plus food in the median county. The 5% in New Mexico, where there is no childcare cost and the saving runs for all 42 years, was 15.9% of housing plus food in the median county. The provision was well above the 1.8% that families currently save, and LW4US did not raise the 5% rate. The provision is larger than current saving on purpose: it is meant to ensure decency in elder years and not to perpetuate poverty into old age.

Savings guidance, Social Security and the assumed return

LW4US reviewed savings guidance from the Center for Retirement Research (CRR) at Boston College (Munnell, Golub-Sass and Webb, Issue in Brief 11-13). The guidance counts both Social Security and investment returns. It takes an 80% replacement of pre-retirement earnings as the goal. Social Security at age 67 replaces 55.2% of earnings for its low earner, a worker whose career-average earnings are about 45% of the national average wage, so saving has to cover the rest. Social Security does not replace a large share of earnings for a worker earning more: it replaces about 40% of an average retiree's recent earnings (Congressional Budget Office mean of 43% and median of 39% for people born in the 1940s; 40.7% for the Social Security Administration's medium earner born in 1949, as summarized by the Center on Budget and Policy Priorities, 18 February 2016), so the retirement saving in the care line has to supply the rest. It assumes a 4% annual return after inflation, a 4% annual withdrawal from savings, wages that grow 1.2% a year, saving from age 25 to 67, and employer and employee contributions together. On those assumptions the low earner needs to save 8% of earnings; the brief gives 12% for a worker at the average wage, 14% at 160% of it and 16% at the Social Security wage ceiling.

The required saving falls as the assumed return rises. LW4US rebuilt the CRR calculation from the assumptions above and reproduced the low-earner rate (7.99% at a 4% return), then ran it at other returns: 6.3% at 5%, 4.9% at 6% and 4.4% at 6.4%. The scenario needs a saving of exactly 5% of earnings at a real return of about 5.9% ('Care floor' sheet of the rates workbook).

LW4US assumed a real return of 5.9% a year, inside a range of 4% to about 7%. The 5.9% is the return at which the CRR low-earner scenario needs a saving of 5% of earnings, so it is the return that justifies the 5% saving rate used in New Mexico and in the care floor. It is also the return used in the care-floor test described below, so the saving rate and the floor rest on one assumption. The low end of the range is the CRR assumption of 4%. The high end is recent experience. The Vanguard Target Retirement 2045 Fund, a typical retirement fund, returned 11.01% a year over the 10 years to 30 September 2026, net of fees (Vanguard fund fact sheet). Consumer prices rose 3.38% a year over the same ten years, from the September-to-September CPI-U rates of 2.2%, 2.3%, 1.7%, 1.4%, 5.4%, 8.2%, 3.7%, 2.4%, 3.0% and 3.7% for 2017 to 2026 (Bureau of Labor Statistics, as compiled at usinflationcalculator.com), which leaves about 7.4% after inflation. A 60/40 portfolio of stocks and bonds returned 9.95% a year over the same period (PortfoliosLab), about 6.4% after inflation. The real return is (1 + nominal return) ÷ (1 + inflation) − 1. LW4US treated that decade as unusually strong and did not plan on it. Over the long run, US stocks alone returned 6.5% a year after inflation from 1900 to 2023 (UBS Global Investment Returns Yearbook), and a family holding a mix of stocks and bonds would earn less. A 5.9% planning return therefore sits between the CRR assumption and the recent decade, below the long-run return on stocks alone, and well below the last ten years.

LW4US kept the 5% saving rate, as a basic but decent provision for retirement. The CRR scenario would need 8% at its own 4% return, 6.3% at 5%, 5.0% at about 5.9% and 4.9% at 6%. At the 5.9% planning return, a 5% saving rate therefore meets the scenario. Social Security is counted in that scenario, and the care line also pays Social Security tax through the tax step (section 6).

Checking the care line against the 5% saving

LW4US's retirement provision is 5% of earnings saved in every working year. The care line carries it, but the line pays for childcare while children are young and becomes saving only in the other years. If the line is small, the family saves less than 5% of earnings over a working life once the childcare years are taken out. LW4US therefore tested whether the care line gave the same retirement saving at the end of a career as 5% of earnings saved in each of the 42 working years. The test rested on these assumptions:

- **Working life, growth and return.** Saving runs from age 25 to retirement at 67, which is 42 years, at the end of each year. Earnings grow 1.2% a year in real terms (the Center for Retirement Research, CRR, assumption) and savings earn a real return of 5.9%.
- **Childcare years.** A family has two children four years apart, which gives 16 years of childcare (EPI's life-cycle method). During those years the care line pays for childcare and nothing is saved.
- **Age at first birth.** LW4US needed one age at which the first child is born and used 28. The mean age of mothers at first birth was 27.6 in 2024, up from 25.4 in 2010 (National Center for Health Statistics natality data, as published by the National Center for Family and Marriage Research at Bowling Green State University). The age is a representative assumption, not a claim about every family: the mean varies by education, from 21.6 for mothers without a high school diploma to 33.1 for mothers with a doctoral or professional degree. The table below shows the effect of other ages.
- **Resulting saving years.** Childcare ran from age 28 to 43, so the saving years were ages 25 to 27 and age 44 until retirement at 67, 26 years in all.

The calculation. The care line, as a share of gross pay, has to be large enough that saving it in only the 26 saving years gives the same amount at retirement as 5% saved in all 42 years:

> Required care line, share of gross pay = 5% × FV(all 42 years) ÷ FV(the 26 saving years), where FV(years) = sum over the years t of (1.012)^t × (1.059)^(41 − t)

The result was 10.62% of gross pay, which LW4US rounded to 10.6%. A simple scaling of 5% × 42 ÷ 26 gives 8.08%, but it treats a dollar saved at 25 like a dollar saved at 44. Money saved early grows for longer, and the early saving years are the ones lost to childcare, so LW4US did not use the simple scaling. The required rate depends on when childcare falls. It is lower when childcare comes later in a career and higher when it comes earlier, as the table shows at real returns of 4%, 5% and 5.9% (the row for age 28 at 5.9% is the one used):

Childcare starts at age	Childcare years	Care line at 4% return	Care line at 5% return	Care line at 5.9% return (used)
25	25–40	10.39%	11.52%	12.70%
27	27–42	9.83%	10.54%	11.21%
28 (used)	28–43	9.58%	10.13%	10.62%
29	29–44	9.35%	9.77%	10.12%
30	30–45	9.13%	9.45%	9.68%
35	35–50	8.26%	8.22%	8.13%

The care line was the larger of EPI's childcare cost and 10.6% of the gross pay a family needs. It was applied in every state except New Mexico. In Vermont it was the larger of the weekly family share and 10.6%. The extra amount is saving, so it is not counted as a childcare expense in the tax calculation, which takes only EPI's childcare cost into account.

Of the 3,097 counties and planning regions outside New Mexico and Vermont, EPI's line was at or above 10.6% of gross pay in 1,644 and lower in 1,453, where it was raised. The increase was $1,322 a year at the median ($1,610 on average) and $8,053 at most (Maui County, Hawaii). Before the tax effect, the median increase added about $0.36 an hour to the living wage in the raised counties. The 'Care floor' sheet and column BN of the rates workbook show the top-up in every county.

New Mexico: free universal childcare

New Mexico made childcare free for every family, with income limits removed and copayments waived, from 1 November 2025 (New Mexico Early Childhood Education and Care Department, Universal Child Care Fact Sheet). LW4US therefore did not use EPI's childcare costs for the 33 New Mexico counties. In those counties the care line contains only the saving for eldercare and retirement, which is the 5% annual saving stated above, applied to the total cost of living (the gross pay a family needs, including taxes), and no childcare cost. LW4US credited the benefit for these reasons:

- **Free to every family.** Families pay nothing, whatever their income, so the benefit is available to a family earning a living wage and to every other family. The copayment waiver is in place 'until further notice', and the family must be working or in school (New Mexico Early Childhood Education and Care Department, Universal Child Care).

- **Worker choice is not restricted.** Families choose the type of care that fits their needs, preferences and values. The state pays licensed centers and licensed homes, and it pays registered family, friend and neighbor caregivers, so a worker is not tied to one kind of provider. The state pays only licensed or registered providers, so care by an unregistered caregiver is not paid until the caregiver registers.
- **Applies to the whole childcare market.** The benefit is not tied to designated seats or a capped number of places. It pays for care from any licensed or registered provider that a family chooses, so the demand it creates is met by the general childcare market, which responds to demand. Any shortage of childcare places in an area exists for every family whether or not the state pays, and is an issue of the market and its institutions, not of this benefit. LW4US credits a childcare benefit on this basis (section 7.2). Quality is tied to licensing, and the state ties provider payment rates to the cost of high-quality care.

Vermont: subsidized childcare

Vermont's Child Care Financial Assistance Program pays part of the cost of regulated childcare, preschool and afterschool care for children from 6 weeks to 13 years old (19 for children with special needs), which covers every care year in the life-cycle approach. Families with an approved reason for needing care, such as work or training, qualify at incomes up to 575% of the federal poverty level (Vermont Department for Children and Families; 33 V.S.A. § 3512). The family pays a weekly share set by income, from $0 up to $425 a week for a family of four, and the share does not rise when more than one child is enrolled. LW4US credited this subsidy in the 14 Vermont counties, but not as free care:

- **Family share, not zero.** The care line equals the weekly family share for a family of four, taken from the Vermont income table (effective 22 March 2026), times 52 weeks. It replaces both the childcare cost and the eldercare and retirement saving, and the same amount is charged in every working year. In the years after childcare ends, the whole amount is available for eldercare and retirement.
- **Income-dependent.** The family share depends on the family's income, which is the total cost of living, and the total cost depends on the care line, taxes and health insurance. The rates file therefore holds the income used for the family share as a value, and it flags when taxes or insurance change the total cost enough that the value must be solved again.
- **Availability.** The subsidy follows the family to any licensed or registered provider and approved relative caregiver, and is not tied to designated seats, so it applies to the whole childcare market (section 7.2). LW4US also checked whether eligible families wait for the subsidy. The program's page, the Department's news releases and income guidelines, and the statute (33 V.S.A. § 3512) describe no waiting list for the subsidy, and the average number of children receiving it rose 42% between the second quarter of state fiscal year 2023 and the second quarter of 2025 (Department for Children and Families, 25 February 2025).
- **Not included.** Where a provider charges more than the state rate, the family owes the difference; this was not included. The program pays licensed and registered providers and approved relative caregivers, and not other care (Department for Children and Families, information for providers), so worker choice may be narrower than in New Mexico.

With the subsidy and the check described under 'Checking the care line against the 5% saving', the Vermont care line averaged $12,519 a year. In 12 of the 14 Vermont counties the weekly family share

was below 10.6% of gross pay, so the 10.6% set the care line. In the years after childcare ends, the whole amount is available for eldercare and retirement.

Childcare data sources

Costs come from three sources, applied in order of availability:

1. **National Database of Childcare Prices (NDCP), U.S. Department of Labor Women's Bureau.** County-level childcare costs for nearly all states, excluding New Mexico, Indiana and the majority of counties in Alaska and Missouri. Data were collected from state Market Rate Surveys over a 14-year period (2008–2022) and updated to 2026 dollars using the Consumer Price Index for day care and preschool for all urban consumers.
2. **Child Care Aware of America (CCAoA) Child Care Data Center.** For states and counties the NDCP does not cover, county-level data are taken where they exist (six states, including Missouri) and adjusted to 2026 dollars using the CPI for childcare and nursery school for all urban consumers.
3. **CCAoA 'price of care' reports.** For the remaining counties, state-level data for all 50 states and DC. Because quality and recency vary, EPI averages the reported state-level costs across all reports from 2015 to 2025. To bring these to county level, EPI creates a ratio of county-level rents for two-, three- and four-bedroom apartments to the population-weighted state average of the same costs, and adjusts 50 percent of the childcare cost using this ratio. Rents are a significant part of the cost of running a childcare operation, so rent variation is a reasonable proxy for cost-of-living differences within a state. For metropolitan areas in several states, EPI uses a population-weighted average of the counties.

All costs are inflated to 2026 dollars using the CPI for childcare and nursery school for all urban consumers. EPI notes that, empirically, its county-level estimates show a similar range of costs and a high correlation with those in the CCAoA report.

Type of care

- **Center-based care** is used for counties within metropolitan areas, because center-based care is more regulated than family care and its costs fluctuate less.
- **Family childcare** (care offered in a caregiver's own home, which may be licensed or exempt from licensing depending on state rules, as defined by CCAoA) is used for nonmetropolitan counties, on the assumption that it is more accessible than center-based care in rural areas. Home-based care is more common in rural areas than in urban areas (Administration for Children and Families, Office of Planning, Research, and Evaluation, Early Care and Education in Rural Communities, 2020, using the 2012 National Survey of Early Care and Education).
- **School-age care** is assumed to be nine months of before- and after-school care plus two months of full-time summer care. The State Child Care Resource and Referral Network survey covers only before- and after-school care for the school year, and its summer data have many missing values, so EPI sets the cost of a month of full-time summer care at twice the cost of before- and after-school care for one month, for two months of full-day summer care for 8-year-olds.

5.5 Transportation

> **The challenge** Transportation data should reflect actual experience by county. In some places public transport significantly reduces the need for a car and the overall cost of transportation, and that must be included.

Data come from the Center for Neighborhood Technology (CNT) Housing and Transportation Affordability Index (CNT 2023). The index adds three components: auto ownership, auto use and transit use. CNT estimated them from the Consumer Expenditure Survey, the 2019 National Transit Database, CNT's AllTransit database and the Illinois Department of Natural Resources.

For EPI's family budgets, CNT adjusted its costs for the different family sizes and for trip purpose. All adults are assumed to be working and to be commuters. Mileage counts only work and nonsocial trips for the first adult in a household and only work trips for the second adult. Using the 2022 National Highway Transportation Survey, this equals 75% of average total vehicle miles traveled for the first adult and 42% for the second adult. The 2026 update inflates the data to 2026 dollars using the regional transportation CPI (BLS).

Commuting from an outlying county. Where the lowest-cost county is not the county of the job (section 3.1), the worker lives in the chosen county and travels to the job. The transportation cost used is the chosen county's own, which CNT builds from travel in that county. It counts work trips for every working adult, as described above, and includes the longer commutes typical of rural counties. Commuting from an outlying county is therefore inside the cost; LW4US adds no separate commuting amount.

Trips covered. Nonsocial trips are all trips other than social and recreational trips, so they include health care visits. The National Household Travel Survey recorded medical and dental visits as a trip purpose of their own, separate from social and recreational trips and from visits with friends or relatives (Federal Highway Administration, 2017 National Household Travel Survey). The mileage priced for the first adult therefore included trips to medical, dental and therapy appointments, and the cost of travel to health care, including to a neighboring county, was part of the transportation category in every county. The health insurance premium does not pay for this travel (section 5.3).

5.6 Other necessities

> **The challenge** Costing each remaining item would need many value judgements about how much is decent. LW4US therefore follows the Anker methodology, which relies on typical spending on all other items among American families in a living-wage range.

The Anker formula estimates other necessities from a ratio:

> Non-food non-housing (other) cost = (ratio of other costs to food from secondary data) × (living wage model diet cost)

LW4US slightly adapts this by using a ratio of other costs to food and housing, rather than to food alone.

EPI defines other necessities as items outside the other categories that are necessary for a modest yet adequate standard of living. From the Bureau of Labor Statistics Consumer Expenditure Survey (CEX) it sums apparel, personal care, household supplies (furnishings and equipment, household

operations, housekeeping supplies and telephone services), reading materials and school supplies. It divides the total by CEX food and housing costs and applies the resulting percentage to each family budget's food and housing costs. EPI uses families in the second fifth from the bottom of the income distribution (the 20th to 40th percentiles, CEX Table 1101, quintiles of income before taxes), where the ratio is 31.05%. LW4US reproduced that figure from the 2024 table (eight lines, with the whole education line, total $6,881 a year; food plus shelter plus utilities, less telephone services, total $22,163; 6,881 ÷ 22,163 = 31.05%).

LW4US used EPI's own fifth and EPI's own denominator. LW4US applied EPI's definition of the lines, and its denominator, to the second fifth of consumer units (incomes before taxes of $29,932 to $57,451, mean $42,925), the fifth EPI uses, so that the ratio stays tied to an independent source. In the second fifth the eight lines total $6,881 a year (apparel $1,328, personal care $659, housekeeping supplies $681, furnishings and equipment $1,399, household operations $1,128, telephone $1,204, reading $75 and education $407), and food plus shelter plus utilities, less telephone, total $22,163 (food $7,400, shelter $11,902, utilities $4,065, less telephone $1,204). The ratio is 6,881 ÷ 22,163 = 31.05%, the same as EPI's. The denominator uses total CEX food; EPI's delivered ratio reproduces only with total food, and LW4US kept EPI's denominator so that the method stays aligned with EPI's. EPI's county food cost is the USDA Low-Cost Plan prepared at home, and the ratio is applied to it and to housing in each county, as EPI does.

LW4US added two CEX categories that EPI leaves out, 'entertainment' and 'other miscellaneous items', so as to include what workers typically purchase. Including them lets workers take part in some social life and in the everyday spending of working families. LW4US made one change to the amounts, to avoid counting something twice, and did not add meals away from home (explained below). It accepted EPI's other lines as EPI delivered them and used the second fifth's spending for the lines it added, without scaling it to renters:

1. **Childcare and elder care removed.** The 'household operations' line in EPI's list includes a 'personal services' group: babysitting, childcare, day care and preschool, care for the elderly and disabled, and adult day care. The living wage estimate already includes a separate care component for childcare, eldercare and retirement saving (section 5.4), so keeping personal services would count the same spending twice. LW4US removed that group only ($118 a year in the second fifth, reported directly in Table 1101). The rest of household operations stayed in, including internet service, which EPI states is part of its other necessities and which no other part of the budget prices.
2. **The whole of 'other miscellaneous items' added.** The line ($767 a year in the second fifth) covers interest and finance charges on credit cards and loans, legal and accounting fees, funeral and burial costs, bank service charges, occupational expenses and similar items. These are costs working families pay, and LW4US included the line as the survey reports it.
3. **Meals away from home not added.** The food budget prices every meal, including those eaten away from home, as prepared at home, so the food in meals away from home is already paid for in the food line. Adding spending on meals away from home ($2,448 a year in the second fifth) would count the same food twice. The survey does not separate the food in a restaurant meal from the cost of preparing, serving and housing it, and LW4US does not use inputs taken from one person's purchases to make that split. The estimate stays conservative on this point. Other lodging (hotels and similar) stayed out.

EPI's list includes the whole CEX education line, paid housekeeping, and gardening and lawn care, and LW4US left them in. The education line is $407 a year in the second fifth (1.8% of the $22,163 base). It works as an allowance for school costs that families pay, and it is far too small to pay college tuition. Taken together, EPI's lines act as a general allowance for items families commonly buy, and LW4US limited its change to the double counting of care.

Pets, toys and hobbies stayed in entertainment. The American Pet Products Association reported 94 million U.S. households owning a pet in 2025, about seven in ten of the 135.8 million households in the 2024 CEX (LW4US's division, not APPA's figure), so pet costs are typical of household spending. Entertainment is $2,156 a year in the second fifth. The table shows what was applied, with the same denominator as above:

Line (2024 CEX, second fifth, dollars a year)	Dollars	Share of $22,163
EPI's eight lines (EPI's definition, second fifth)	6,881	31.05%
Entertainment (added)	2,156	9.73%
Other miscellaneous items (added)	767	3.46%
Personal services: childcare and elder care (removed)	−118	−0.53%
Total applied to food plus housing	9,686	43.70%

> Other necessities cost = [(EPI's eight lines + entertainment + miscellaneous items − personal services) ÷ (food + shelter + utilities − telephone)] × (EPI food cost + EPI housing cost)

The ratio is (6,881 + 2,156 + 767 − 118) ÷ 22,163 = 9,686 ÷ 22,163 = 43.70%, applied to each county's EPI food plus housing cost. The 2026 estimates applied 43.48%, which is EPI's 31.05% plus 12.44 points for entertainment and miscellaneous items; the 2027 additions are 12.65 points net.

Why the ratio is applied to food plus housing, not food alone. The Anker methodology sets other necessities as a share of the food cost. LW4US applies the ratio to food plus housing, as EPI does, because in the United States housing is the largest cost of living and the one that differs most between places, while food costs vary little. Shelter has a relative importance of 35.5% in the Consumer Price Index and food 13.7% (Bureau of Labor Statistics, Consumer Price Index news release of 13 January 2026, Table 1). In the second fifth of households, shelter spending is $11,902 a year and food $7,400 (2024 CEX). In the EPI data used for 2027, housing ranges from $7,618 to $50,568 a year across counties (the 10th to 90th percentile is $10,524 to $19,770), while food ranges from $8,581 to $21,050 (the 10th to 90th percentile is $11,162 to $13,967). A food-only base would give almost the same allowance for other necessities in a county where rent is $50,000 a year as in one where it is $8,000, although a family in the first county faces the higher prices for the goods and services in this category.

LW4US only adds to EPI's lines, and the only line it removes is personal services (childcare and elder care). Those are counted in the care line (section 5.4), which LW4US raises above EPI's childcare figure to pay for adequate eldercare and retirement saving, so removing them from other necessities only prevents double counting. Both are small parts of the budget: entertainment and other miscellaneous items are about 3.5% of the gross income a family needs (2.7% to 4.5% across counties), and the personal services removed are about 0.14% (0.11% to 0.18%).

Data year. LW4US used the 2024 CEX table, the latest published when the 2027 figures were finalized. The 2025 table is due on 29 October 2026 and was not used.

Stakeholder consultation on the exclusions

The Advisory Council, together with a broader group of unions, companies and civil society organizations, was consulted when the exclusions from the other necessities category were created in the original methodology.

How expenditure survey data are used

The Consumer Expenditure Survey is a national survey run by the Bureau of Labor Statistics, and it records what households actually buy. LW4US uses it for one purpose: to include everything that workers typically purchase beyond the categories priced directly (food at home, housing, health care, transportation and care). Those items are apparel, personal care, household supplies, furnishings and household operations (including paid housekeeping, internet and telephone), reading and school supplies, entertainment and miscellaneous items. Using the survey this way includes the ordinary purchases of working families without a judgement from LW4US about each item, and the tables above show what was included and what was removed.

The survey reports national spending. The ratio of this spending to spending on food and housing is applied to each county's own food and housing cost (formula above). A county with higher food and housing costs therefore receives a larger allowance, and a county with lower costs a smaller one.

The WageMap Living Wage Reference Standard asks that the spending used does not fall beneath what is needed for decency, and that 'typical' spending be assessed at the level of a living wage income, so that the estimate does not copy the spending of families in poverty. LW4US used the second fifth because EPI uses it, so that the estimate stays aligned with an independent source, and checked it against the incomes of the reference family. The Census Bureau's 2024 American Community Survey (1-year microdata, 2024 dollars) gives the family incomes of married couples with four people in the family and two own children under 18 (7.66 million families; 74,285 sample records). Their median is $140,104 and their second fifth runs from $76,144 to $118,784. In the 26 October 2026 run, the median income required for the published estimates is $85,093, and 2,952 of the 3,144 counties and planning regions fall in that second fifth; 99 fall below it, 89 fall in the third fifth ($118,784 to $164,674) and 4 in the fourth. The Consumer Expenditure Survey does not publish spending by income fifth for this family type, so the ratio comes from the second fifth of all consumer units, which are smaller households on average (2.1 people and 0.4 children) with a mean income of $42,925. The ratio is therefore not the spending of married couples with two children, and LW4US does not claim that it is. The lowest fifth had a mean income of $16,658, below the poverty line for a family of four ($32,150 on the 2025 guideline). The survey is not used to price food at home, housing, health care, transportation or care. Those categories are priced by standards and local prices, so what low-income families can afford to spend on them does not set the budget. The survey sets only the allowance for the remaining items, as a share of the normatively priced food and housing.

The food and housing base for the second fifth was $22,163 a year (food, shelter and utilities, less telephone). EPI's food plus housing cost for the 3,144 counties and planning regions had a median of $24,279 a year in the 2027 data (lowest $19,017, highest $67,462), so the allowance for the reference family is built on a base above what the second fifth spent.

What the estimate covers, by COICOP division

LW4US assigned each CEX line to a division of the Classification of Individual Consumption According to Purpose (COICOP 2018) and recorded the assignment in the workbook LW4US_COICOP_Map_Other_Necessities. The following table shows which divisions are in the 2027 estimate and which are left out.

COICOP 2018 division	Treatment	In the estimate
01 Food and non-alcoholic beverages	USDA Low-Cost Food Plan (food at home), priced by EPI	Yes
02 Alcohol and tobacco	Not included, for the same reason. Tobacco provides no health or social benefit. Alcohol is now known to carry health risks at any level of use: the World Health Organization stated in 2023 that no amount of alcohol is safe for health, noting that the International Agency for Research on Cancer classifies it as a Group 1 carcinogen, like tobacco, and the U.S. Surgeon General's 2025 advisory linked alcohol to at least seven cancers. LW4US therefore did not treat either as necessary for societal and cultural participation	No
03 Clothing and footwear	Apparel, in EPI's ratio	Yes
04 Housing, water, electricity, gas	Rent and tenant-paid utilities (EPI, HUD fair market rents). Owner costs (mortgage interest, property tax, upkeep) were left out because the estimate is rent-based	Rent: yes; owner costs: no
05 Furnishings, equipment, routine upkeep	Furnishings and equipment, housekeeping supplies and household operations (including internet, paid housekeeping, and gardening and lawn care), in the ratio. Only personal services (childcare and elder care) removed (see above)	Partly
06 Health	Premiums (LW4US) and out-of-pocket costs (EPI)	Yes
07 Transport	EPI, using Center for Neighborhood Technology data	Yes
08 Information and communication	Telephone services, in EPI's ratio	Telephone: yes
09 Recreation, sport and culture	Reading, in the ratio; entertainment, added by LW4US	Yes
10 Education services	The whole CEX education line, in EPI's ratio ($407 a year in the second fifth), as an allowance for school costs. It does not pay for college tuition; the WageMap Living Wage Reference Standard (section 2.6.4) asks for tertiary education only where local stakeholders have assessed it as essential	Yes, as an allowance

COICOP 2018 division	Treatment	In the estimate
11 Restaurants and accommodation services	Meals away from home are not added ($2,448 a year in the second fifth), because the food budget prices every meal as prepared at home and adding them would count the food twice. Other lodging (hotels and similar) is not part of basic decency from a human rights perspective and was not included	No
12 Insurance and financial services	Life and other personal insurance was not included, because it is not part of basic decency from a human rights perspective. Retirement saving is in the care category, and Social Security is in the tax step	Partly
13 Personal care, social protection, miscellaneous	Personal care, in the ratio; the whole of the other miscellaneous items line, added by LW4US (financing charges, legal, accounting, funeral and similar). Childcare and eldercare are in the care category. Cash contributions were not included, because they are not part of basic decency from a human rights perspective	Yes, except as noted

5.7 Resiliency

> **The challenge** Life is not a series of planned, typical expenses. A shock such as a funeral, or loss of income as in the COVID crisis, can be disastrous for low-wage families, so some buffer for unexpected circumstances is needed in a living wage.

Following the Anker methodology, LW4US includes a 5% margin for unforeseen events. EPI does not include any margin for resiliency in its family budget calculator, so LW4US adds this category to conform to global best practice. LW4US checked with stakeholders during the consultation whether 5% is adequate for the U.S. context and determined that it is sufficient and meets suggested margin rates for resiliency in alignment with the Anker Methodology and WageMap Living Wage Reference Standard.

LW4US also compared the 5% margin with U.S. research on the cost of unexpected events. The margin is 5% of the family's costs before taxes, which is about 0.6 months, or 2.6 weeks, of those costs. In the 2027 estimates, the median annual income a family of four needed across the 3,144 counties was $85,240, and the median margin for unforeseen events was $4,591 a year (middle half of counties: $4,345 to $4,911; range: $3,891 to $7,449). The margin is 5% of costs before taxes and before public benefits help, so it is about 5.4% of the income needed at the median, or about 2.8 weeks of that income. Pew Charitable Trusts' household surveys of 2014 and 2015 found that more than half of households had a financial shock in a year and that the median cost of a household's most expensive shock was about $2,000, which Pew put at roughly half a month of those households' income. At LW4US's median income needed, $2,000 is about 1.2 weeks of income. The dollar figures are in 2014 and 2015 dollars and were not adjusted for inflation. The JPMorgan Chase Institute estimated that a household needs about 2.6 weeks of take-home income in liquid assets to absorb a sudden rise in spending, and 2.8 weeks to absorb a drop in income. Vanguard (2023) advises holding at least half a month to a month of expenses in cash beyond normal monthly spending. The 5% margin, at 0.6 months of costs, is within Vanguard's range, and in dollars it is above the typical single shock found by Pew.

> Resiliency margin = 5% × (housing + food + transportation + out-of-pocket health care + other necessities + premium of the plan chosen, before credits + care, before childcare assistance)

The margin is applied to costs before taxes and before subsidies. The subsidies (the premium tax credit, state premium help, and New Mexico and Vermont childcare assistance) are deducted after the margin, and taxes are added without a margin. The margin is taken before subsidies because unexpected costs do not shrink when a subsidy pays part of a bill, and because a subsidy can be lost if income changes. Taxes are then calculated on the gross pay that covers the costs, net of subsidies, plus the margin. The margin is added before the payroll and income tax calculation, in alignment with the WageMap Living Wage Reference Standard (section 2.7.1 Q5).

6. Statutory deductions from pay

> **The challenge** Payroll and income taxes with different rates greatly affect take-home pay. Employers that offer tax-saving benefits paid for with pre-tax dollars should be able to see how those benefits reduce a worker's tax burden, so they can plan how to ensure workers can cover all their costs of living.

The family budget components, without taxes, sum to the family's post-tax income. To find the tax component, LW4US estimates a pre-tax income from the post-tax income and a tax rate. The living wage is shown with taxes, Social Security and Medicare contributions specifically delineated, so employers can understand both the gross and the net figure. Tax credits that apply to the standard family are included in the tax calculations.

6.1 EPI's tax calculation

EPI calculates taxes with TAXSIM, the microsimulation model of U.S. federal and state income tax systems developed at the National Bureau of Economic Research (NBER 2022), and runs it for each family type in every county and metropolitan area. For the 2027 figures EPI confirmed to LW4US that it uses PolicyEngine TAXSIM, the calculator described in section 6.3, which is the same tool LW4US used. Variables not listed below are set to zero.

TAXSIM input	Value used
State	State of the county
Marital status	Single for one-adult families; married for two-adult families
Dependent exemptions; number of dependents under 17	One for each child
Wage and salary income of the taxpayer	The whole post-tax family budget for one-adult families
Wage and salary income of the spouse	For two-adult families, the post-tax budget split evenly between the two adults
Rent paid	Annual rent for the family budget (used for state property tax rebates in certain states)
Childcare expenses	Annual childcare cost for the family budget

TAXSIM returns federal tax liability, state tax liability and Federal Insurance Contributions Act (FICA) liability for Social Security and Medicare. TAXSIM calculates FICA as the full 15.3 percent, employer and employee sides together. EPI halves it to represent the typical taxpayer's share. Local income taxes are not in TAXSIM. Sales taxes are not in the tax category; they are wrapped into the costs of taxable items in the other categories.

The tax rate has to be based on pre-tax income, but the budgets are post-tax. Entering the post-tax budget as income therefore gives a lower bound for the tax rate, because actual pre-tax incomes will nearly always be higher. EPI sets an upper bound by multiplying the post-tax budget by 1.25 and entering that amount. EPI then finds a weighted rate between the bounds:

1. Run TAXSIM for the lower-bound input (the post-tax budget) and the upper-bound input (post-tax budget × 1.25) to obtain a tax rate for each.
2. Multiply each input by (1 − its tax rate) to obtain the post-tax value of each input.
3. Calculate: the actual post-tax budget minus the lower-bound result; the upper-bound result minus the actual post-tax budget; and the upper-bound result minus the lower-bound result.
4. Weight for the lower bound = (upper-bound result − post-tax budget) ÷ (upper-bound result − lower-bound result).
5. Weight for the upper bound = 1 − weight for the lower bound.
6. Final weighted tax rate = (lower-bound tax rate × lower-bound weight) + (upper-bound tax rate × upper-bound weight).
7. Pre-tax income = post-tax budget × (1 + final weighted tax rate). The difference between pre-tax and post-tax income is the annual tax bill.

Where the post-tax budget exceeds the bounds, the multiplier for the upper bound rises in steps of 0.05 (1.30, 1.35, 1.40, 1.45, 1.50) until the post-tax budget no longer exceeds the upper bound.

6.2 LW4US revisions to the tax calculation

Health insurance and taxes calculated together. Health insurance premiums and taxes both vary with gross living wage. LW4US therefore runs a custom-designed program that repeatedly calculates TAXSIM results alongside health insurance premium costs until the values represent the precise cost of health insurance and taxes at a living wage level of income for the family. The steps are set out in section 5.3. LW4US reran the tax calculation to adjust the tax rates for the cost-of-living changes it made to EPI's figures (the other-necessities addition, the resiliency margin, the care line, the health insurance premium, state health credits and local taxes). Those changes alter the income the family needs, and so the taxes it pays, so the tax rates were recalculated for the final income of each county instead of taking EPI's rates.

Local income taxes. Local income taxes apply in 5,055 taxing jurisdictions, including counties, cities, school districts and special taxing districts, in 16 states (Tax Foundation, Local Income Taxes: A Primer, 2023, which uses 2021 data). EPI does not include them. LW4US added those that are significant, because very small local taxes would add too much complexity. A county was included when the population-weighted average of the resident local income tax rates of its taxing jurisdictions, counting an area with no local tax as 0%, was 2% or more at the family's income. For 2027 the included counties were 79:

- **Maryland, 24 jurisdictions at 2.25% to 3.30%** of Maryland taxable income (Maryland Comptroller 2026 rates). Anne Arundel (2.7% up to $75,000 of taxable income, 2.94% to $480,000 and 3.2% above) and Frederick (2.25%, 2.75%, 2.96% and 3.2% in steps of $25,000, $100,000 and $250,000) use graduated rates, applied by band (Maryland Tax-General Article § 10-106 lets a county apply its tax 'on a bracket basis').
- **Indiana, 45 counties** with county income tax rates of 2% or more of Indiana adjusted gross income: the Indiana Department of Revenue's 2025 county rate chart with the 2026 changes (Carroll, Grant, Greene, Howard, Shelby and Union; Boone from 1 October 2026). The county rates are listed in the rates file.
- **New York City, five counties** (Bronx, Kings, New York, Queens, Richmond): 3.078% to 3.876% of New York taxable income, which is 3.876% above $90,000 for married couples (unchanged since 2017, NYC Comptroller).
- **Philadelphia County:** the resident wage tax of 3.735% of wages from 1 July 2026 (City of Philadelphia).
- **Ohio, four counties** (Cuyahoga, Fairfield, Franklin and Miami; county averages of 2.20% to 2.35% of wages). The rate for each county is the population-weighted average of the municipal income tax rates in the Ohio Department of Taxation table in force on 20 October 2026 (weighted by Census Bureau Vintage 2024 populations of places within the county) plus the school district income tax rates on the Department's 2026 list (weighted by American Community Survey 2023 school district populations, with each district counted wholly in its main county and a cap of 2%). Joint economic development districts were left out and only resident rates were used.

Multnomah County, Oregon, was left out because its Preschool for All and Metro supportive housing taxes begin at $200,001 of taxable income for married couples, above the family's income. In the other states, no county reached 2% on the Tax Foundation's 2021 rates and the Census population weights. The same TAXSIM process, with the local tax added to the family's tax, then calculates the tax liability. The same process lets LW4US estimate savings where employer benefits reduce a worker's taxable income, and take those savings into account in how an employer reaches a living wage.

6.3 Tax year and calculator

Taxes were calculated under 2026 tax law, the same year as the cost data, and are recalculated each year under that year's law. They are not inflated from an earlier year. LW4US used PolicyEngine TAXSIM, an open-source emulator of NBER's TAXSIM built by PolicyEngine under a memorandum of understanding signed with NBER on 5 September 2025. It uses TAXSIM's input variables and output format and covers tax years from 2021 (PolicyEngine 2025). EPI confirmed to LW4US that it uses the same tool, so LW4US's taxes follow EPI's. The calculator returns federal tax after credits, state tax, and the employee half of Social Security and Medicare tax, with the child tax credit, the child and dependent care credit and the earned income credit. PolicyEngine reports that its results have been validated against TAXSIM, and LW4US compared the calculator with TAXSIM for 2024: the federal results matched in 30 of 30 test families, and the state results differed in some states, which are noted in the validation record. PolicyEngine does not include Maryland's county income tax, so LW4US's own local tax step (section 6.2) is applied in all cases.

As in EPI's method, the two adults each receive half of the income, and the children are dependents. The tax step is run inside the iteration in section 5.3.

6.4 Checks on the taxes used

LW4US checked each tax in the 2027 estimates against its legal basis or an independent calculation. The checks and what they found were:

Tax	Check and result	Basis
Federal income tax	The family's income tax before credits was recalculated by hand for all 3,144 counties from the 2026 married-filing-jointly brackets (10% to $24,800, 12% to $100,800, 22% to $211,400, 24% to $403,550) and the $32,200 standard deduction. The difference from the calculator was between $4,400 and $6,500 in every county. $4,400 is the child tax credit for two children ($2,200 each), and the extra, up to $2,100, is the child and dependent care credit on childcare expenses. No county fell outside that range.	IRS Rev. Proc. 2025-32 (IR-2025-103)
Social Security and Medicare (FICA)	The FICA column holds Social Security and Medicare only: 7.65% of wages in every county. The additional Medicare tax of 0.9% applies above $250,000 of joint wages, and it applied in 3 counties.	IRS; Social Security Administration
State payroll programs	The calculator includes state paid family leave, disability and similar payroll programs in its payroll tax figure in 14 states: California 8.95%, Colorado 8.09%, Connecticut 8.15%, Delaware 8.05%, Massachusetts 8.11%, Maine 8.15%, Minnesota 8.09%, New Jersey 8.3%, New York 8.1%, Oregon 8.35%, Pennsylvania 7.72%, Rhode Island 8.75%, Vermont 7.76% and Washington 9.04% of wages. LW4US showed them in a separate column from FICA, as the calculator reports them (see the spot checks below).	NBER TAXSIM and PolicyEngine TAXSIM-compatible calculator
State income tax	LW4US used the state income tax the calculator returns, including every credit it provides for children, such as state childcare credits. At a joint income of $100,000, the calculator's state tax was lower when childcare expenses were entered in 21 states (Arkansas, Delaware, District of Columbia, Georgia, Hawaii, Idaho, Iowa, Kansas, Kentucky, Maine, Maryland, Nebraska, New Jersey, New York, Pennsylvania, Rhode Island, South Carolina, Vermont, Virginia, West Virginia and Wisconsin). LW4US did not depart from the calculator's treatment of these credits. As a check of the calculator itself, Pennsylvania's flat 3.07% tax was reproduced at $100,000 without childcare.	NBER TAXSIM and PolicyEngine TAXSIM-compatible calculator

Tax	Check and result	Basis
Local income taxes	Rates and bases are listed in section 6.2 with their sources; Maryland, Indiana, Ohio, New York City and Philadelphia were applied outside the calculator.	Section 6.2
Tax credits	The earned income credit, child tax credit and child and dependent care credit were applied by the calculator; the federal check above shows no other credit changed the result.	Calculator; IRS

Spot checks of the state payroll programs

The calculator returns one payroll figure, which LW4US split into FICA (7.65% of wages, plus the 0.9% additional Medicare tax above $250,000 of joint wages) and a separate column for state payroll programs, the remainder. For each of the 14 states LW4US divided the remainder by the family's wages to get the rate the calculator applied, and compared that rate with the 2026 employee rates published in two payroll guides (Paylocity, State Paid Family and Medical Leave taxes guide; Homebase, Payroll Taxes by State: 2026 Guide). The rate was the same in every county of a state, except New Jersey and New York, where it varied with wage caps. The spot checks were:

State	Rate the calculator applied (% of wages)	Published 2026 employee rate found	Source
CA	1.30	1.20, state paid family and medical leave	Paylocity
CO	0.44	0.45	Paylocity
CT	0.50	0.50	Paylocity
DE	0.40	0.40, the employee share	Paylocity
MA	0.46	0.46 (0.28 medical, 0.18 family)	Paylocity
ME	0.50	0.50	Paylocity
MN	0.44	0.35 (half of 0.70)	Paylocity
NJ	0.64 to 0.74	0.33, or 0.19 disability plus 0.23 family leave, on the first $171,100	Paylocity; Homebase
NY	0.40 to 0.50	Paid family leave 0.388 to 0.432, plus state disability about 0.5	Paylocity; Homebase
OR	0.70	0.60 paid leave, plus 0.2 statewide transit tax on the first $184,500	Paylocity; Homebase
PA	0.07	No rate found in the two guides	—
RI	1.10	1.1 temporary disability on the first $100,000 (Homebase); 1.30 (Paylocity)	Homebase; Paylocity
VT	0.11	No rate found in the two guides	—
WA	1.387	Paid leave 0.66 to 0.74 for the employee; the guides do not list WA Cares	Paylocity; Homebase

Maryland was also looked up. Its paid leave contributions begin on 1 January 2027 (Paylocity), so none applied for 2026.

7. Public benefits and subsidies

The living wage accounts for public provision where it is actually available to a family earning a living wage:

- **Childcare.** Where government provides childcare free to every family, as in New Mexico since 1 November 2025, LW4US credits it and uses no childcare cost, leaving enough funds only to save for eldercare and retirement. The reasons (free to every family, worker choice not restricted, available to everyone and of acceptable quality) are in section 5.4.
- **State premium help.** Where a state helps pay premiums for families at a living wage income, LW4US credits it wherever the reference family qualifies. In the 26 October 2026 calculation the Massachusetts program was credited in two counties (Hampden and Bristol) and the Vermont program in one (Essex), and New Jersey's help cannot be calculated from published rules. The states are listed in section 7.3.
- **Childcare subsidy in Vermont.** Vermont's subsidy is credited as the family's weekly share, not as free care, because it is available to families at living wage incomes, and it applies to the whole childcare market rather than to designated seats. The care line is the family share for the family's income (section 5.4).
- **Tax credits.** Tax credits that apply to the standard family are applied in the tax calculations (section 6).
- **Health insurance subsidies.** EPI's premium estimates do not take the premium tax credit or the cost-sharing subsidy into account. For 2027 LW4US priced the lower of EPI's bronze plan at full price and the benchmark silver plan after the federal premium tax credit as the law stands and any state premium help. Section 5.3 sets out the rules, and section 7.3 the treatment of each state.
- **Pre-tax employer benefits.** The tax calculation can show how benefits paid with pre-tax dollars reduce taxable income (section 6.2).

7.1 Every benefit considered

LW4US considered each of the public benefits below. A benefit is credited only if the reference family of four would qualify at the income it needs, and only if places or funds exist for everyone who qualifies, the benefit has no hidden costs or administrative barriers, and it is of acceptable quality (WageMap Living Wage Reference Standard, section 1.4.1). The required incomes in the table are the incomes the estimate solves for, which in the 27 October 2026 run ranged from $71,422 to $202,341 across the published estimates. Limits are for a household of four unless stated.

Benefit	Who qualifies	Credited?	Why
Federal premium tax credit (health insurance)	Households from 100% to 400% of the poverty line, as the law stands for 2027 (section 5.3)	Yes	The reference family qualifies where its required income is below 400% of the poverty line; above it there is no credit. The credit is applied to the benchmark silver premium, and the family pays the lower of that and the bronze premium. It is part of the marketplace price, so there is no further application cost.
Child tax credit, child and dependent care credit, earned income credit	Set by tax law; applied by the tax calculator for the reference family (section 6)	Yes, as the calculator returns them	These are tax credits, available to every filer who meets the rules. The calculator applies them to the reference family, so the estimate neither adds nor omits them by hand.
State income tax credits, including state childcare credits	Set by each state's law	Yes, in every state where the reference family qualifies at the required income	LW4US follows the tax calculator and applies every state credit it returns for the reference family. LW4US does not select which credits to apply.
State premium help	State programs (section 7.3)	Where the reference family qualifies and the amount can be calculated	See section 7.3 for the reasons in each state.
Childcare assistance	State programs (sections 5.4 and 7.3)	New Mexico and Vermont only	Credited where it is available to the reference family and applies to the whole childcare market; not credited where designated seats or funds are not an adequate supply, or there is a waitlist (section 7.3).
Supplemental Nutrition Assistance Program (SNAP)	Gross income up to 130% of the poverty line, $3,483 a month or $41,796 a year for four in FY2026 (USDA Food and Nutrition Service). States may raise the limit under broad-based categorical eligibility; the limits listed run from 130% to 200% of the poverty guidelines	No	The highest limit, 200% of the 2026 poverty guideline ($66,000), is below the lowest required income, so the reference family does not qualify.
Women, Infants and Children (WIC)	Income up to 185% of the poverty line, $61,050 for four from 1 July 2026 to 30 June 2027 (USDA)	No	The limit is below the lowest required income.

Benefit	Who qualifies	Credited?	Why
Free and reduced-price school meals	Free up to $42,900; reduced price up to $61,050 for four, 2026–27 (USDA Food and Nutrition Service, Child Nutrition Programs: Income Eligibility Guidelines, 9 April 2026)	No	Both limits are below the lowest required income.
Medicaid and CHIP	Children: upper limits from 190% of the poverty line (Idaho) to 405% (New York) as of January 2026 (KFF). Adults in expansion states: 138% of the poverty line (HealthCare.gov states a 133% limit and gives the effective limit as 138%)	Not applied	Adults' limits are far below required incomes. CHIP reaches some living wage incomes for children; LW4US tested it and found it never cheaper than the marketplace plan, because the premium tax credit already caps the premium (section 5.3).
Rental assistance (housing choice vouchers)	Based on income limits tied to the local area; families generally must be extremely low-income or very low-income to qualify (HUD, Housing Choice Voucher Tenants)	No	Funding reaches only a fraction of eligible households: only one in four eligible households receive federal rental assistance, and the average wait for a voucher is 28 months, from 5 years in Alabama to 9 months in Nebraska and West Virginia (National Low Income Housing Coalition, citing the Center on Budget and Policy Priorities). The supply test is not met.
Low Income Home Energy Assistance Program (LIHEAP)	Income up to the greater of 150% of the poverty guideline or 60% of the state median income (Administration for Children and Families)	No	Energy costs are inside the housing cost. LW4US credits a benefit only where every qualifying family receives it, and found no evidence that LIHEAP reaches all families at these incomes.
Head Start	Income at or below the poverty line; up to 35% of a program's enrolment may be families between 100% and 130% of the poverty line (45 CFR 1302.12)	No	The limits are below the lowest required income.

Benefit	Who qualifies	Credited?	Why
Cash assistance (Temporary Assistance for Needy Families)	State rules; for initial eligibility a family of three could earn from $307 a month in Alabama to $2,935 in Minnesota (Office of Planning, Research, and Evaluation, July 2023)	No	The limits are far below required incomes.
Social Security	Earned through payroll contributions by every covered worker	Yes, as retirement income in the care line (section 5.4) and as a payroll tax (section 6)	Every covered worker earns it. It is counted when testing whether the 5% saving is enough for retirement.

7.2 The availability test

LW4US credits a public benefit only where it is available to every worker earning a living wage who would qualify. The WageMap Living Wage Reference Standard (section 1.4.1) asks that a benefit count only where all workers at a living wage would qualify for it, and that insufficient supply, administrative barriers, hidden costs and poor quality be checked. LW4US applied the supply check to all considered public benefits. A subsidy that applies to the wide market, paying for any eligible provider the family chooses, is credited, because the market responds to the demand the subsidy creates and any shortage of places exists whether or not the state pays. Free childcare in New Mexico and the childcare subsidy in Vermont are of this kind. A benefit that sets aside designated seats or a fixed amount of funds may be credited only if those seats or funds are an adequate supply for every family that qualifies. Where they are not, because qualifying families can be turned away, put on a list or live outside the areas served, the benefit is not credited. Childcare in Maine, where a waitlist for assistance has been in place since 30 November 2025, is not credited. New York City's 2-K seats are not credited: the first 2,000 seats, announced on 2 June 2026, are in four communities (the Governor's announcement), and the earlier pilot for children under 2 offered about 200 seats at 15 providers in neighborhoods with the greatest need (City Limits, 15 January 2026), so the seats do not reach every family at a living wage.

7.3 How each state with a special addition is treated

State	What LW4US adds or credits	Rule used and reason
New Mexico	Free childcare; state help with health premiums	Childcare is free to every family (since 1 November 2025), so no childcare cost is used. The care line is 5% of total cost, for eldercare and retirement saving. The state replaced the enhanced federal premium credit that expired; the amount is calculated as 100% of the lost credit (section 5.3), including above 400% of FPL, to 30 June 2027.
Vermont	Childcare subsidy at the family share	The Child Care Financial Assistance Program is available at living wage incomes, and it applies to the whole childcare market rather than to designated seats. The care line is 52 weeks of the family's weekly share for the family's income, from the CCFAP table. Vermont Premium Assistance (33 V.S.A. § 1812) is open to people eligible for the federal premium tax credit with income at or below 300% of FPL ($96,450 on the 2025 guideline), and lowers the premium contribution by 1.5 percentage points of income below the federal percentage. LW4US applied it wherever the reference family qualified. In the 26 October 2026 calculation one Vermont county, Essex, had a required income ($93,782, 292% of FPL) at or below the limit, and it was credited there.
Colorado	State premium help	Colorado Premium Assistance of up to $80 a month plus $29 a month for each additional household member, for incomes below 400% of FPL. For the family of four the credit is at most $167 a month, and never more than the premium. Colorado extended the program through plan year 2027 at its current levels (Senate Bill 26-178, signed 2 June 2026; Connect for Health Colorado).
Maryland	State premium help; local income taxes in 17 jurisdictions	Maryland Premium Assistance replaces half of the lost federal credit, for incomes up to 400% of FPL (for 2027, 50% of the lost credit at 250% to 400% of FPL, in the Maryland Health Benefit Exchange's final 2027 parameters, Board meeting of 4 August 2026). Local income taxes of 3.03% to 3.30% apply in 17 jurisdictions (section 6.2).
Connecticut	Temporary state premium help at 400% to 500% of FPL; planning regions	Half of the lost federal credit at 400% to 500% of FPL, for 2026 so far and applied for 2027 on the assumption that it continues (to be confirmed). Connecticut is reported by the nine planning regions (section 3.2).

State	What LW4US adds or credits	Rule used and reason
Massachusetts	ConnectorCare	ConnectorCare plans carry a fixed monthly premium per person for incomes up to 400% of FPL (plan type 3C, 300.1% to 400%: $235 a person a month on the Health Connector's 2026 schedule; the 2027 schedule was not published, so the 2026 premium was used). LW4US applied the program wherever the reference family qualified, with a family premium of four members × $235 × 12 months = $11,280. In the 26 October 2026 calculation two Massachusetts counties had a required income at or below the 400% limit of $128,600 (Hampden, $125,621, 391% of the 2025 guideline of $32,150; Bristol, $128,265, 399%), and the program was credited in both.
New Jersey	NJ Health Plan Savings	State help extends to 600% of FPL ($192,900 for a family of four in 2026). GetCoveredNJ publishes no rule for the amount, which a household sees only in the state's Shop and Compare tool, so the amount cannot be calculated and the help is not credited.
New York	New York City income tax	Local income tax is added in the five New York City counties (section 6.2). New York City's 2-K and under-2 seats are not credited because they are designated seats in limited neighborhoods and are not an adequate supply for every family (section 7.2), and the state's childcare vouchers are not credited because they are not available to every family at a living wage.
Pennsylvania	Philadelphia wage tax	The Philadelphia resident wage tax of 3.735% is added (section 6.2).
Oregon	No addition	Multnomah County's taxes begin above the family's income, so none is added (section 6.2).
Maine	Childcare not credited	A waitlist for childcare assistance has been in place since 30 November 2025, so the benefit does not pass the availability test.

State	What LW4US adds or credits	Rule used and reason
CHIP states	CHIP not applied	LW4US tested pricing the two children on CHIP in the states where CHIP reaches living wage incomes. It was never cheaper in the sample counties, because the premium tax credit already caps the premium at a share of income (section 5.3). All four family members are priced on the marketplace plan.
All other states	No state premium help or childcare credit	Federal credits and the federal tax credits apply. State programs whose income limits are below the required incomes are not credited (California's 2027 subsidy reaches 200% of FPL, $66,000 for four, and the lowest required income in the 26 October 2026 run is $106,422, in Imperial County). Two programs reach some required incomes but publish no rule for the amount, and are not credited. Virginia Premium Savings (2027) covers 138% to 250% of FPL, $45,540 to $82,500 for a family of four, and reduces the average monthly net premium by 'as much as 70 percent'; 8 of the 133 Virginia localities need $82,500 or less. Rhode Island's Marketplace Affordability Program (2027) covers households under 200% of FPL and some above 400%; the lowest required income in Rhode Island is $120,485.

7.4 Summary of the treatment

Health insurance is priced at the lower of EPI's bronze plan at full price and the benchmark silver plan after the federal premium tax credit as the law stands and state help where a state provides it (section 5.3). Taxes use 2026 law, with local income taxes added in 79 counties and with the child tax credit, child and dependent care credit and earned income credit applied for the family (section 6). Childcare is credited in New Mexico and Vermont. Credits are applied only where the benefit meets the availability test above.

8. Data sources and annual updates

LW4US publishes updated living wage estimates every November. These annual updates ensure that the data is reviewed frequently, that the release of the estimates is timely and it is available to the public at no cost. Changes to the methodology are published when the new rates are announced, on the LW4US website (livingwageforus.org). Where a data source is surveyed less often than annually, price indices are used to update it to the estimate year. Where full updates to the source data occur on a regular schedule other than annual, price indices estimate the change in the cost of living for that category.

Component	Source	Data period	Dollar-year adjustment
Commute areas	Google Maps Platform Distance Matrix API (2026 commuting list reused); Census 2026 county adjacency file; USDA Economic Research Service 2020 commuting zones; Census County-to-County Commuting Flows, ACS 2009–2013 (Table 1); Google Maps public transport directions and ACS 2024 microdata (public transport check, 27 October 2026)	2026	—
Family size	U.S. Census Bureau, Historical Families Tables, Table FM-3	2023 (latest in the table)	—
Share of single-worker families	U.S. Census Bureau, American Community Survey 2024 public use microdata (variable WIF)	2024	—
Workers per family	BLS labor force participation and part-time rates; FRED unemployment rate	Calendar years 2016–2025 (ten-year average)	—
Food	USDA Low-Cost Food Plan; Feeding America Map the Meal Gap (county multiplier)	June 2026 (USDA); 2024 (Map the Meal Gap)	2026 prices (June 2026 USDA)
Housing	HUD fair market rents; ACS median gross rent (county adjustment)	HUD fiscal year 2026 (1 October 2025 to 30 September 2026); ACS 2024	—
Health premiums	KFF Health Insurance Marketplace Calculator (benchmark premium); EPI bronze premium (2026 plan year); IRS expected-contribution percentages; HHS poverty guidelines; state program rules (section 7.3)	2026 rules and 2026 poverty guidelines, applied to the 2027 estimates (KFF calculator)	—
Out-of-pocket healthcare	EPI figures (from MEPS 2020–2022 averages, with the 2022 estimates raised by the 7.8% national increase in the 2023 data), checked against silver-plan and bronze-plan enrollees in MEPS public-use files (2021–2023); no adjustment applied	EPI final data, 15 October 2026; silver check on MEPS 2021–2023	2026 dollars using regional CPI-U-MC, January to September averages (EPI)
Childcare	NDCP (DOL Women's Bureau); CCAoA Child Care Data Center; CCAoA price of care reports	NDCP 2008–2022; CCAoA reports 2015–2025	2026 dollars using childcare CPIs, January to September averages (EPI)

Component	Source	Data period	Dollar-year adjustment
Transportation	CNT Housing and Transportation Affordability Index	2023 index	2026 dollars using regional transportation CPI, January to September averages (EPI); data fix pending
Other necessities	BLS Consumer Expenditure Survey (second quintile)	2024 table	—
Taxes	PolicyEngine TAXSIM-compatible calculator (section 6.3); Maryland Comptroller, NYC Comptroller and City of Philadelphia (local taxes); Tax Foundation 2021 table and Census 2024 populations (screen)	2026 tax law	—

9. Consultation, quality assurance and transparency

> **The challenge** Users of the living wage estimates need to have confidence that the methodology and the resulting estimates are credible, robust, and well-founded. LW4US addresses this need through extensive stakeholder consultation, rigorous quality assurance procedures, and transparency.

9.1 Stakeholder Consultation and ongoing engagement

The LW4US methodology was developed through consultation with a temporary employer advisory group and a broad range of labor, worker, and civil society organizations. The consultation process was led in partnership with Oxfam America during the development of LW4US and engaged more than 50 U.S.-based stakeholders representing diverse regions, sectors, and perspectives.

- **Employers** The Employer Advisory Group included representatives from Mars, Amalgamated Bank, Accenture, Well-Paid Maids, All-Birds and Chobani. The group met monthly for three-hour sessions over a six-month period to provide input on the development of the methodology.
- **Labor and civil society** Consultation included one-on-one discussions and three large stakeholder consultation sessions. Participants included organizations representing workers, labor unions, nonprofit organizations, researchers, and social impact initiatives: United for Respect, National Employment Law Project (NELP), Jobs with Justice (JWJ), Specialty Coffee Association (SCA), B Lab, Economic Policy Institute (EPI), Business for Social Responsibility (BSR), United Food and Commercial Workers International Union (UFCW), Service Employees International Union (SEIU), Just Capital, Institute for Women's Policy Research (IWPR), A Better Balance, Ashoka, Equitable Food Initiative (EFI), Clinton Foundation, Fight for 15, National Partnership for Women and Families, Roosevelt Institute, Restaurant Opportunities Center (ROC) United, SEIU 32 BJ, American Federation of Labor and Congress of Industrial Organizations (AFL-CIO), and Center for Law and Social Policy (CLASP).

The initial consultation consisted of three large sessions with more than 50 unions, worker groups and pro-worker nonprofits, and, separately, the employer advisory group organized by Oxfam America, with Business for Social Responsibility (BSR) also commenting.

Stakeholder feedback informed a range of methodological decisions during the development of the original methodology. For example, employers, labor organizations, and civil society stakeholders were consulted and provided input on the treatment of expenditures within the other necessities category, including the exclusions described in section 5.6.

Following publication of the initial standard and methodology, LW4US transitioned from the project-based consultation process used during development to an ongoing stakeholder engagement model. Feedback from users of the living wage estimates is considered as part of the annual review process. Proposed methodological changes are shared with the Advisory Council for review and discussion before implementation.

Many subsequent methodological refinements were made to maintain alignment with the WageMap Living Wage Reference Standard, which has itself undergone multiple rounds of multistakeholder consultation. LW4US estimates have also been used by local governments and other organizations, providing an additional source of practical feedback on the methodology and estimates.

9.2 Advisory Council

LW4US maintains a standing Advisory Council made up of representatives from civil society organizations, labor organizations and employers. Examples of current and past members include Workers Defense Project, Well-Paid Maids, Olympia Coffee Roasters, Dr. Bronner's, Business for Social Responsibility, Tompkins County Workers' Center, Barista Guild and Oxfam America.

The Advisory Council serves as the primary forum for reviewing proposed methodological changes as well as providing and considering ongoing stakeholder input. The Council has operated continuously since the launch of LW4US and reflects the organization's commitment to incorporating perspectives from multiple stakeholder groups into the maintenance and improvement of the methodology.

The Council provides advice and recommendations to LW4US leadership and the Board of Directors. Formal decision-making authority remains with LW4US leadership and the Board, who cannot delegate that responsibility. Since its establishment, LW4US has followed all recommendations provided by the Advisory Council. If LW4US were to depart from a recommendation in the future, that decision and its rationale would be documented in this methodology. Unless explicitly stated otherwise, the recommendations of the Advisory Council have been followed and are reflected in the methodological decisions described in this document.

Through its multistakeholder composition and ongoing review role, the Advisory Council helps ensure that methodological developments benefit from diverse perspectives and are subject to independent discussion prior to implementation.

9.3 Quality assurance

LW4US maintains quality assurance procedures throughout the estimate production process, including technical oversight, data collection, data analysis and calculations, validation and discrepancy resolution, and review of the final estimates before publication. These procedures are designed to support the accuracy, consistency, and reliability of the estimates and to ensure that methodological decisions are subject to appropriate review prior to release.

9.3.1 Technical oversight and methodology review

To ensure strong quality control and technical review, LW4US has partnered with the independent research organization EPI. Each year, LW4US informs EPI of any suggested changes to the methodology before estimates are produced, and the organizations review technical issues together to clarify questions and identify opportunities for continued methodological improvement. This process is repeated annually to ensure there are no concerns about the LW4US adjustments to their data and additions. EPI develops its estimates independently and is not directed by LW4US. LW4US is also working toward expanding EPI's role in calculating additional categories that are currently calculated in-house.

The methodology was also assessed against the WageMap Living Wage Reference Standard through WageMap's review process. This review follows the same assessment framework applied to all methodologies reviewed by WageMap. The process includes a documented evaluation of each criterion. An AI system scores each question, and a full record of each score and its rationale is kept. Where disagreements arise regarding a score, an independent review panel resolves the matter according to WageMap's established procedures.

9.3.2 Data collection quality assurance

LW4US collects no primary data. All inputs used in the living wage estimates are drawn from national statistical sources or national nonprofit organizations identified in section 8 and Appendix A. For each source the methodology documents the data year used and the rationale for its selection.

The same data collection process is followed each year: LW4US takes the latest published edition of each data source available at the time the estimates are produced and re-runs the estimates using the updated data. This approach ensures that the estimates are based on current information while maintaining methodological consistency across years.

Before a data source is incorporated into the methodology, LW4US evaluates whether the sources is suitable for the geographic level at which estimates are produced. Where a source is not considered sufficiently reliable at the county level, LW4US does not use it for county-level estimates. For example, EPI did not use more recent Medical Expenditure Panel Survey data to estimate out-of-pocket health costs because of concerns about reliability below the national level. Instead, LW4US tested spending associated with silver-plan coverage against spending for all private coverage using the 2021–2023 survey data, as described in section 5.3.

By relying on established national data sources, applying consistent source-selection procedures, and evaluating the suitability of data for county-level analysis, LW4US seeks to ensure that estimate inputs are reliable, transparent, and appropriate for their intended use.

9.3.3 Data analysis and calculation quality assurance

LW4US reviews its calculations and outputs through a combination of automated checks, independent recalculations, source verification, and year-to-year comparisons. These procedures are intended to identify potential errors, confirm that calculations have been implemented correctly, and ensure that results are consistent with both the methodology and underlying data sources.

1. The first stage of review focuses on completeness and internal consistency. LW4US verifies that estimates are successfully produced for all 3,144 counties and planning regions and that

calculations meet the specified solution tolerance. Relationships between calculated components are also reviewed. For example, the care line is tested against the retirement savings calculation in each county to confirm that the estimates are internally consistent and reflect the methodology as intended (Section 5.4).

2. The second stage of review involves independent recalculation of selected components using source data and methods separate from the tools that produced the estimates. For the 2027 estimates, this included independently reproducing EPI's other-necessities ratio from the Consumer Expenditure Survey, recalculating retirement savings using the Center for Retirement Research scenario, and manually reproducing federal income tax calculations across all counties (Sections 5.4, 5.6 and 6.4). These checks help verify that calculations have been implemented correctly and that results can be independently reproduced.
3. The third stage of review uses spot checks to compare estimate inputs against published source materials. Examples include verifying state payroll program rates and other inputs against official published sources before they are incorporated into the estimates. These comparisons help identify data-entry errors and ensure that estimate inputs remain aligned with the underlying data sources.

LW4US also compares results across years and reviews counties exhibiting unusually large changes from the previous year's estimates. Where substantial differences are identified, the underlying inputs and calculations are examined to determine whether the changes reflect updated data, methodological revisions, or potential errors requiring correction.

The validation checks applied to the 2027 estimates are summarized in Section 9.3.5.

9.3.4 Validation and discrepancy resolution

LW4US validates its estimates by comparing data against alternative sources and reviewing discrepancies identified during estimate production. Where two sources differ, or a source and a calculated result are inconsistent, LW4US records the difference, evaluates the alternatives, determines which approach to use, and records the rationale for the decision.

Cross-checking is conducted throughout the estimation process. This process helps identify errors, validate methodological choices, and improve confidence in the final estimates. One example is the other-necessities ratio described in section 5.6. EPI's ratio of eight Consumer Expenditure Survey categories relative to housing and food expenditures was independently reproduced using the underlying Consumer Expenditure Survey table. LW4US also reconstructed its broader other-necessities ratio from the same source data to confirm that the published values could be replicated and traced to the original data source.

Local validation. Where a discrepancy affects a particular geographic area or requires judgment regarding local conditions, LW4US seeks input from stakeholders with knowledge of the affected location before finalizing the methodology. The development of commuting areas provides one example. Stakeholders from the Seattle, New York City, and San Diego areas each gave input on the proposed approach, concerns raised through the consultation process were reviewed and addressed, and the resulting methodology was subsequently reviewed by the Advisory Council (section 9.2). Every methodological change since the original consultation has been shared with the Advisory Council (section 9.1).

Examples of discrepancies identified during the development and review process, along with the actions taken to address them, are summarized in the table below.

Where data differed	What was done	Where described
Out-of-pocket health costs. EPI did not use newer Medical Expenditure Panel Survey data because of concerns about reliability below the national level.	LW4US kept EPI's figures and tested them against silver-plan and bronze-plan enrollees in the 2021–2023 public-use files of the same survey, for adults and for children. No adjustment was applied.	5.3
Year of the rents. EPI's published documentation of 1 March 2026 said fiscal year 2025 fair market rents.	LW4US confirmed with EPI that the 2027 data use HUD's fiscal year 2026 rents. LW4US used those rents. HUD's fiscal year 2027 rents, published on 1 September 2026, were not used.	5.2
Counties in the run. A count of the counties solved gave 3,143, not 3,144.	LW4US found the missing county (Autauga, Alabama), added it and solved it. All 3,144 counties and planning regions were then solved to a $1 tolerance.	9.3.5
Childcare prices. County data for childcare are complete for only some states, and the reports on state prices differ in quality and age.	EPI uses county data where they exist and otherwise averages the state reports from 2015 to 2025 and adjusts them to the county. EPI reports that its county estimates show a similar range of costs and a high correlation with those in the Child Care Aware of America report.	5.4
Commuting areas. Stakeholders in the Seattle, New York City and San Diego areas raised problems with the USDA commuting zones, which can cover a larger area than a worker would reasonably commute.	LW4US addressed each case with the stakeholders concerned and shared the changes with the Advisory Council for review. The result is the present form of the commuting areas, in which the one-hour drive list is used and the USDA zones are used only to test bordering counties.	3.1, 3.3

9.3.5 Validation Checks applied to the 2027 estimates

As part of the quality assurance process, LW4US conducted a series of validation checks on the 2027 living wage estimates before release. These checks reviewed estimate completeness, consistency, data inputs, calculations, and year-to-year changes. Where issues were identified, they were investigated and resolved prior to publication.

Each check documents the item reviewed, the method used, and the outcome. The validation checks applied to the 2027 estimates are summarized in the table below.

Check	What was done and found	Where described
Completeness	All 3,144 counties and planning regions were solved to a $1 tolerance; none was left unsolved. One county (Autauga, Alabama) was missing from an earlier run, found by this count and added.	5.3, 6
Food plan	Energy and fruit-and-vegetable amounts of the Low-Cost Plan were compared with FAO and WHO guidance.	5.1
Public coverage	A test of children's public coverage (CHIP) showed it would not have changed the family's cost, so it was not applied.	5.3
Out-of-pocket health costs	Silver-plan out-of-pocket spending was compared with all private coverage in the Medical Expenditure Panel Survey, 2021–2023.	5.3

Check	What was done and found	Where described
Retirement assumptions	The 5% saving rate was rebuilt from the Center for Retirement Research scenario at returns of 4%, 5%, 6% and 6.4% (8.0%, 6.3%, 4.9% and 4.4% needed), which gave a 5.9% return for a 5% saving. The return range was tested against the Vanguard Target Retirement 2045 Fund and inflation from the Consumer Price Index.	5.4
Care line against the 5% saving	For every county, care spending was compared with 10.6% of gross pay, the level that funds a 5% saving over 42 years at a 5.9% real return when 16 of the years are spent paying for childcare. Counties below it were topped up by the shortfall only (1,453 of 3,097 counties outside New Mexico and Vermont).	5.4
Other necessities ratio	EPI's 31.05% (second fifth) was reproduced from the 2024 Consumer Expenditure Survey table, and LW4US's ratio at the same second fifth (43.70% in total, with entertainment and miscellaneous items added and childcare and elder care removed) was rebuilt line by line.	5.6
Local taxes	The 2% rule was applied to Maryland, Indiana, New York City, Philadelphia and Ohio; 79 counties carry a local tax.	6.2
Change from 2026	County results were compared with 2026. Large movers were listed for review.	-

9.4 Transparency

Transparency is a core principle of the LW4US methodology. Living wage estimates, methodological documentation, data sources, assumptions, and methodological updates are published to enable review and scrutiny by users and stakeholders.

This document provides a transparent and detailed guide to the methodology, using clearly stated national data sources and accounting for the circumstances of the U.S. Where data collection varies by place (childcare data gaps, free childcare in New Mexico, metropolitan and nonmetropolitan treatment, and local income taxes), the variation is described in the relevant section.

LW4US publishes its living wage figures annually on its website (livingwageforus.org). Estimates are published for every county and county-equivalent area, with each cost category shown separately and presented in a consistent format each year. This methodology documents the sources and methodological choices behind the estimates so that users can trace any published figure to its underlying data and assumptions.

This methodology is published on livingwageforus.org and the WageMap Living Wage Reference Standard is published at wagemap.org. Methodological refinements are documented through updates to this methodology. Where changes are adopted, LW4US seeks to explain the rationale for the change and its effect on the estimates so that users can understand how the methodology evolves over time. All estimates and supporting documentation are available free of charge. Living wage estimates are published in an interactive map, with every cost category for every county publicly available.

Public data and reproducibility. Every input LW4US uses, including microdata, is publicly available accessible. Each input file is linked, or its source is documented, in section 8 and Appendix A. LW4US uses no proprietary data that are unavailable to the public. All calculations and methodological choices are documented either in this publicly available methodology or in the published living wage figures. Anyone with access to the underlying data sources can therefore reproduce the estimates in full.

10. Avoiding conflicts of interest

> **The challenge** LW4US operates a living wage certification system in which employers pay for assessments and certification based on the living wage estimates. This creates a potential conflict of interest if organizations that benefit from the estimates could influence how they are calculated.

To address this risk, LW4US has adopted a number of safeguards designed to ensure that the estimates remain independent, transparent, and open to external review. These safeguards include reliance on independently produced cost estimates, public disclosure of methodology and funding, stakeholder oversight, and publication of the resulting estimates and supporting data.

10.1 Independence of EPI and the cost estimates

Most of the cost categories used in the living wage estimates are calculated by EPI using its Family Budget Calculator methodology. The methodology was developed by EPI before, and independently of, its use in the LW4US living wage estimates, and LW4US does not control EPI's methods, data sources, or calculations.

LW4US provides financial support to EPI so that the Family Budget Calculator can be updated annually rather than every few years as it had been in the past. This support is limited to funding the annual update. It does not give LW4US any authority over EPI's methodology, assumptions, data, or results. The payment is small relative to EPI's overall budget (less than 0.5% of its total expenses) and therefore does not create material dependence on LW4US.

EPI is an independent nonprofit research institute whose work focuses on economic conditions affecting workers. Its funding comes primarily from foundations and labor organizations, with only a small share derived from corporate sources.[1] The cost categories used in the LW4US estimates are therefore produced by an organization that is institutionally independent of both LW4US and the employers that participate in LW4US assessments and certification.

10.2 Transparency of methodological decisions

LW4US publishes its methodology, including all adjustments made to EPI's figures, and explains the rationale for each adjustment elsewhere in this document. Any departures from EPI's methodology are therefore publicly documented and can be independently reviewed.

[1] Information about EPI's support and sources of funding are available at epi.org/about. In 2024, 78% of its funding came from foundations, 12% from labor unions, 4% from individuals, 1% from corporations and other organizations and 5% from other sources.

LW4US also publishes living wage estimates and underlying cost components for every county covered by the methodology. This allows researchers, employers, workers, and other stakeholders to review the estimates, compare them with EPI's published figures, and evaluate the effect of LW4US's adjustments.

Transparency reduces the risk that methodological decisions could be influenced by the interests of any particular stakeholder because those decisions are visible and open to scrutiny.

10.3 Governance and external oversight

LW4US developed this methodology through engagement with a broad range of stakeholders, including labor organizations, civil society organizations, and employers. It also maintains an Advisory Council consisting of representatives from civil society, labor, and business.

LW4US publicly discloses its major funding sources through its Form 990 filings and through information published on its website including its major funders. EPI likewise discloses its funding sources and funding disclosure principles.

The WageMap Living Wage Reference Standard requires living wage methodologies to identify and manage conflicts of interest, disclose sources of funding, make estimates publicly available, and provide for independent review. The safeguards described above are intended to address these requirements by promoting independence, transparency, accountability, and public scrutiny.

11. Alignment with ILO principles

LW4US strives to align with the ILO principles on estimating a living wage in paragraph 8 of the conclusions of the Meeting of Experts on wage policies, including living wages, of which the ILO Governing Body took note in March 2024. The table shows where each principle is addressed.

Principle	How this methodology meets it	Where
1. Estimating needs of workers and families through evidence-based methodologies	Food, housing, healthcare, childcare, transportation, other essential needs, and mandatory deductions are each costed separately from national statistical data, supplemented by national nonprofit data where official data are unavailable.	Sections 2, 5
2. Consultation with representative employers' and workers' organizations, and involvement of social partners throughout development, with a view to national or local ownership	Employer advisory group, labor and civil society consultations with more than 50 U.S. stakeholders, led with Oxfam America, and a standing Advisory Council.	Sections 9.1, 9.2
3. Transparency on data sources and methods, open to scrutiny, comprehensive and replicable	This document sets out each data source and calculation.	This document
4. Robustness of data: representativeness and transparent data collection	County-level data from national surveys; where national data are transformed to the local level (for example food prices by county), the method is stated.	Sections 3, 5, 8
5. Timely public availability of estimates, data and methods	Estimates are published each November at no cost to the user; methodology changes published by January of the year to which they apply.	Sections 8, 9.4
6. Whether estimates are gross or net, and whether items such as social security contributions are included	Taxes, Social Security and Medicare are specifically delineated so gross and net figures are clear; tax credits for the standard family are applied.	Section 6
7. Regular adjustments for changes in cost of living and consumption patterns	Annual updates are performed; price indices are used to update when sources are not refreshed annually.	Section 8
8. Quality control, technical review and periodic review for continuous improvement	Partnership with EPI for independent calculation and annual technical review.	Section 9
9. Promotion of gender equality and non-discrimination	Same estimate for men and women; care is costed as its own category.	Sections 2.1, 5.4
10. Consideration of regional or local context and socio-economic and cultural realities	National data are used at the county level, with metropolitan and nonmetropolitan distinctions and large enough samples for reliable estimates.	Sections 3, 5

Appendix A. Sources named in this document

- Bureau of Labor Statistics (BLS): labor force participation, part-time employment, Consumer Price Indexes (childcare and nursery school; medical care, CPI-U-MC; regional transportation), Consumer Expenditure Survey.
- U.S. Bureau of Labor Statistics, Current Population Survey annual averages 2016–2025: Table 3 (employment status of the civilian noninstitutional population by age, sex and race) and Table 8 (employed and unemployed full- and part-time workers by age, sex, race, and Hispanic or Latino ethnicity), bls.gov/cps/tables.htm.
- U.S. Census Bureau: family household composition; American Community Survey (ACS) median gross rent and five-year data.
- U.S. Department of Agriculture (USDA): *Official USDA Food Plans: Cost of Food at Home at Four Levels* (2026); Carlson, Lino and Fungwe (2007) on the Low-Cost, Moderate-Cost and Liberal Food Plans.
- Carlson, A., Lino, M. and Fungwe, T. (2007). The Low-Cost, Moderate-Cost, and Liberal Food Plans, 2007. USDA Center for Nutrition Policy and Promotion, CNPP-20. fna.usda.gov/cnpp/low-moderate-liberal-food-plans-2007.
- U.S. Department of Agriculture, Consumer Nutrition Division, Human Nutrition Information Service (1983a), The Thrifty Food Plan, 1983, CND(Adm.) No. 365; (1983b), Measures of Food Used and Food Eaten in U.S. Households, CND(Adm.) No. 369 (both cited in CNPP-20 for the food waste allowance).
- World Health Organization: Healthy diet fact sheet (updated 26 January 2026), who.int/news-room/fact-sheets/detail/healthy-diet. FAO: Human Energy Requirements, Report of a Joint FAO/WHO/UNU Expert Consultation (2001), Tables 5.2 and 5.3, fao.org/4/y5686e/y5686e07.htm. National Center for Health Statistics: Anthropometric Reference Data for Children and Adults: United States, 2015–2018, stacks.cdc.gov/view/cdc/100478.
- Feeding America: Map the Meal Gap (2024).
- U.S. Department of Housing and Urban Development (HUD): fiscal year 2026 fair market rents (Federal Register notice of 22 August 2025, effective 1 October 2025), huduser.gov/portal/datasets/fmr.html.
- World Health Organization, Regional Office for Europe: statement of 4 January 2023, “No level of alcohol consumption is safe for our health”: there is no safe amount of alcohol that does not affect health, and alcohol is classified by the International Agency for Research on Cancer as a Group 1 carcinogen, the same category as tobacco.
- U.S. Surgeon General: 2025 Advisory on Alcohol and Cancer Risk (January 2025), linking alcohol to at least seven cancers (breast, colorectal, esophageal, liver, oral cavity, pharyngeal and laryngeal).
- Munnell, Alicia H., Francesca Golub-Sass and Anthony Webb, “How Much to Save for a Secure Retirement,” Issue in Brief 11-13, Center for Retirement Research at Boston College, November 2011, crr.bc.edu/how-much-to-save-for-a-secure-retirement/ib_11-13-508.
- U.S. Department of Agriculture, Economic Research Service: 2020 Commuting Zones (county to commuting zone file, 2020-commuting-zones.csv), ers.usda.gov/data-products/commuting-zones-and-labor-market-areas, used to test bordering counties.

- U.S. Census Bureau: County-to-County Commuting Flows, Table 1, Residence County to Workplace County Commuting Flows, 5-year American Community Survey 2009–2013, www2.census.gov/programs-surveys/commuting/tables/time-series/commuting-flows/table1.xlsx, used to test bordering counties.
- U.S. Census Bureau: American Community Survey 2024 public use microdata sample (PUMS), person and housing files, for the share of single-worker families and the public transport screen; 2020 Census tract to public use microdata area relationship file; Core Based Statistical Area delineations (July 2023); 2020 county population centers (CenPop2020). Google Maps: public transport directions, 27 October 2026.
- Vermont Department for Children and Families: Child Care Financial Assistance Program (dcf.vermont.gov/benefits/ccfap and dcf.vermont.gov/node/2325); CCFAP income guidelines effective 23 March 2025 (outside.vermont.gov/dept/DCF/Policies Procedures Guidance/CCFAP-Income-Guidelines.pdf); 33 V.S.A. § 1812 (Vermont Premium Assistance) and 33 V.S.A. § 3512 (legislature.vermont.gov/statutes/section/33/035/03512).
- Tax Foundation: Local Income Tax Rates 2021 (spreadsheet appendix to “Local Income Taxes: A Primer,” 2023), taxfoundation.org/wp-content/uploads/2023/07/Local_Income_Tax_Rates_2021_JW-1.xlsx.
- U.S. Census Bureau: Vintage 2024 population estimates for counties and for cities, towns and townships (www2.census.gov/programs-surveys/popest).
- Maryland Comptroller: 2026 Maryland State and Local Withholding Information (local rates and Anne Arundel and Frederick tiers); Maryland Department of Legislative Services, Local Income Tax Rates in Maryland, CY 2022 to CY 2026.
- Office of the New York City Comptroller: The NYC Personal Income Tax Before and After the Pandemic (Fiscal Note 7-2025), for the New York City resident rate schedule.
- City of Philadelphia, Department of Revenue: Earnings tax for employees, resident rate of 3.735% from 1 July 2026 (phila.gov/services/payments-assistance-taxes/income-taxes/earnings-tax-employees).
- Multnomah County: Metro and Multnomah County opt-out form 2026 (Preschool for All and supportive housing services tax thresholds).
- U.S. Social Security Administration: full retirement age is 67 for people born in 1960 or later (ssa.gov/benefits/retirement/planner/1960.html); the increase for delayed retirement stops at age 70 (ssa.gov/benefits/retirement/planner/delayret.html).
- Henry J. Kaiser Family Foundation (KFF): Health Insurance Marketplace Calculator; KFF analysis of marketplace plan selection by metal tier (2026).
- 26 U.S.C. § 36B (premium tax credit; benchmark plan), law.cornell.edu/uscode/text/26/36B. Internal Revenue Service: Revenue Procedure 2025-25 (2026 applicable percentage table). HealthCare.gov: essential health benefits and plan categories. U.S. Department of Health and Human Services: 2026 poverty guidelines.
- U.S. Census Bureau: Health Insurance Coverage in the United States, 2025. U.S. Department of Labor: actuarial value of employer-sponsored plans (2021).
- Office of the High Commissioner for Human Rights and World Health Organization: Fact Sheet No. 31, The Right to Health.

- Agency for Healthcare Research and Quality (AHRQ): Medical Expenditure Panel Survey (MEPS) Household Component, restricted-use geocoded files (EPI's source); public-use files HC-232, HC-242 and HC-250 (person-round-plan files, 2021–2023) and HC-251 (2023 full-year consolidated).
- U.S. Department of Labor Women's Bureau: National Database of Childcare Prices (NDCP) (2020, 2025).
- Child Care Aware of America (CCAoA): Child Care Data Center (2022); annual 'price of care' reports; definition of family childcare (2020).
- Center for Neighborhood Technology (CNT): Housing and Transportation Affordability Index (2023); National Highway Transportation Survey (2022); National Transit Database (2019); AllTransit.
- National Bureau of Economic Research (NBER): TAXSIM version 35 (2022), the reference for federal and state income tax, payroll tax and the credits for children. PolicyEngine TAXSIM, the open-source TAXSIM emulator used for the 2026 tax year, built under a memorandum of understanding with NBER signed 5 September 2025 (policyengine.org/us/taxsim; policyengine.org/us/research/policyengine-nber-mou-taxsim; github.com/PolicyEngine/policyengine-taxsim). Paylocity: State Paid Family and Medical Leave taxes guide (paylocity.com/resources/tax-compliance/state-pfml-tax); Homebase: Payroll Taxes by State, 2026 Guide (joinhomebase.com/blog/payroll-taxes-by-state), both read 21 October 2026. Tax Foundation: local income tax rates.
- Fair Labor Standards Act, 29 U.S.C. § 207(a)(1) (overtime after forty hours in a workweek); 5 U.S.C. § 6101(a)(2)(A) (40-hour basic workweek for full-time federal employees); U.S. Department of Labor, Wage and Hour Division, Overtime (dol.gov/agencies/whd/overtime).
- Economic Policy Institute (EPI): Family Budget Calculator documentation, epi.org/publication/family-budget-calculator-documentation/.
- USDA Economic Research Service: Commuting Zones and Labor Market Areas (ers.usda.gov/data-products/commuting-zones-and-labor-market-areas), updated 9 January 2026; the zones LW4US used before 2026 (section 3.1).
- Google Maps Platform: Distance Matrix API, driving times from home county to job-site county (commuting list reused for 2027).
- Massachusetts Health Connector: 2026 ConnectorCare premiums by plan type (mahealthconnector.org), used for the Hampden County credit (section 7.3).
- KFF: What We Know So Far About 2026 ACA Marketplace Enrollment, Premiums, and Deductibles (kff.org/affordable-care-act/what-we-know-so-far-about-2026-aca-marketplace-enrollment-premiums-and-deductibles/): share of cost-sharing-reduction-eligible consumers in federally facilitated marketplace states who selected a CSR plan, 66% in 2025 and 45% in 2026.
- Commonwealth Fund, Gabel et al.: The ACA's Cost-Sharing Reduction Plans (October 2016): about one third of eligible people chose a bronze plan in 2015, citing Collins et al., Commonwealth Fund (2015).
- Economic Policy Institute: Form 990 financial data for fiscal years 2024 and 2025, as reported by ProPublica Nonprofit Explorer (EIN 52-1368964). Anker Research Institute: The Anker Methodology (ankerresearchinstitute.org/anker-methodology).

- Economic Policy Institute (EPI): Describing EPI (epi.org), including 2024 funding shares; Funder acknowledgments and disclosure principles.
- WageMap Living Wage Reference Standard (published November 2025), sections 1.1.3, 1.1.4, 1.2.2 and 1.4.1.
- KFF Health Insurance Marketplace Calculator, kff.org (benchmark silver premium by county); federal premium tax credit rules for 2026.
- State program sources for premium help and childcare: New Mexico Health Care Authority and beWellnm; Maryland Health Connection; Colorado Connect for Health Colorado; Connecticut Access Health CT; Massachusetts Health Connector; GetCoveredNJ; Vermont CCFAP; Maine Department of Health and Human Services and legislative report on the childcare waitlist; New Hampshire Child Care Scholarship program. Recorded with dates in the State health credits sheet of the rates workbook.
- PolicyEngine: TAXSIM-compatible tax calculator (policyengine.org), validated against NBER TAXSIM for 2024.
- National Center for Family and Marriage Research, Bowling Green State University: Mean Age of Mother at First Birth, 2024 (Family Profile FP-26-12), from National Center for Health Statistics natality data (bgsu.edu/ncfmr/resources/data/family-profiles/mean-age-mother-first-birth-fp-26-12.html).
- Vanguard: Target Retirement 2045 Fund fact sheet, average annual total returns net of expenses as of 30 September 2026 (workplace.vanguard.com/iippdf/pdfs/FS306.pdf). PortfoliosLab: Stocks/Bonds 60/40 Portfolio, 10-year and 5-year compound annual returns as of 20 October 2026 (portfolioslab.com/portfolio/stocks-bonds-60-40). UBS and the University of Cambridge: Global Investment Returns Yearbook (2024), long-run real returns of US equities, 1900 to 2023. U.S. Bureau of Labor Statistics: Consumer Price Index for All Urban Consumers (12-month rates as compiled at usinflationcalculator.com).
- Indiana Department of Revenue: county income tax rates for 2025, with the 2026 rate changes. Ohio Department of Taxation: municipal income tax rate table (in force 20 October 2026), school district income tax rates (2026 list) and joint economic development district rates. U.S. Census Bureau: American Community Survey 2023 school district populations and Vintage 2024 place populations (Ohio).
- HealthCare.gov (Centers for Medicare & Medicaid Services): What Marketplace health insurance plans cover; Marketplace plan categories; Preventive care benefits; Coverage for pre-existing conditions; out-of-pocket maximum.
- KFF: Medicaid income eligibility limits for adults, and Medicaid and CHIP income eligibility limits for children, as a percent of the federal poverty level (January 2026).
- Bureau of Labor Statistics: Employee Benefits in the United States, March 2026, Table 2 (medical care benefits by wage category). 45 CFR 156.230, network adequacy standards for qualified health plan issuers.
- Bureau of Labor Statistics: Consumer Price Index news release, 13 January 2026 (Table 1, relative importance). U.S. Census Bureau: Historical Living Arrangements of Children, Table CH-1 (CPS ASEC 2025). Pew Research Center: The Demographics of Multigenerational Households (24 March 2022). United Nations: International Covenant on Economic, Social and Cultural Rights, Article 12 (1966). UN Committee on Economic, Social and Cultural Rights: General

Comment No. 14, The right to the highest attainable standard of health (2000). United Nations Office of the High Commissioner for Human Rights: The right to health, key aspects and common misconceptions. Federal Highway Administration: Trends in Discretionary Travel, 2017 National Household Travel Survey. IPUMS MEPS: Expenditures user notes (Medical Expenditure Panel Survey).

- WageMap Living Wage Reference Standard (WageMap; wagemap.org). International Labour Organization: conclusions of the Meeting of Experts on wage policies, including living wages (2024), paragraph 8.
- U.S. Census Bureau: United States Commuting at a Glance, ACS 1-year (revised 22 September 2025). International Labour Organization: living wages page (ilo.org/living-wages); decision of the Governing Body, 13 March 2024.
- U.S. Department of Agriculture, Economic Research Service: Economic Information Bulletin 138 (March 2015); Amber Waves, “Most U.S. households do their main grocery shopping at supermarkets and supercenters, regardless of income” (August 2015). USDA Food and Nutrition Service: USDA Food Plans. Feeding America: Map the Meal Gap 2026 Technical Brief. FAO: Human Energy Requirements (2001), Chapter 4, fao.org/4/y5686e/y5686e06.htm.
- Office of the High Commissioner for Human Rights and UN-Habitat: Fact Sheet No. 21, Rev. 1, The Right to Adequate Housing. UN-Habitat: Monitoring SDG Indicator 11.1.1 (2019). 24 CFR 888.113 (fair market rents); 24 CFR 982.401, 982.402 and 5.703; HUD Housing Choice Voucher Guidebook, Housing Search and Leasing (June 2025); HUD Notice PIH 2026-18; Federal Register of 18 December 1998 (fair housing occupancy standards). HUD: FY2026 Fair Market Rent methodology.
- Agency for Healthcare Research and Quality: MEPS Summary Data Technical Notes (October 2013); Research Findings No. 27 (2007); Statistical Brief No. 118 (2006). Centers for Medicare and Medicaid Services: 2027 payment parameters guidance (29 January 2026). Federal Register: Annual Update of the HHS Poverty Guidelines, 90 FR 5917 (17 January 2025) and 15 January 2026.
- Tax Foundation: Local Income Taxes: A Primer (2023). Indiana Department of Revenue: Income Tax Information Bulletin 32 (December 2024). Ohio Department of Taxation: Guide to Ohio’s School District Income Tax (January 2026). Maryland Tax-General Article § 10-106; Maryland Comptroller 2026 withholding memo.
- Maryland Health Benefit Exchange: 2027 Final State Subsidy and Reinsurance Parameters (4 August 2026). Colorado General Assembly: Senate Bill 26-178; Connect for Health Colorado. Virginia Marketplace: Virginia Premium Savings; Virginia Acts of Assembly, HB30, Item 478. HealthSource RI: RIMAP parameters. GetCoveredNJ: NJ Health Plan Savings. Covered California: 2027 state subsidy program design.
- New Mexico Early Childhood Education and Care Department: Universal Child Care fact sheet and Q&A; Legislative Finance Committee childcare brief (9 December 2025). Vermont Department for Children and Families: CCFAP income guidelines effective 22 March 2026; provider information; presentation of 25 February 2025. Administration for Children and Families, OPRE: Early Care and Education in Rural Communities (2020). The Pew Charitable Trusts: Are American Families Becoming More Financially Resilient? (issue brief, April 2017), pewtrusts.org/es/research-and-analysis/issue-briefs/2017/04/are-american-families-becoming-

more-financially-resilient; household financial shocks in 2014 and 2015, the median cost of the most expensive shock ($2,000) and its size relative to income.

- JPMorgan Chase Institute: report on income and spending volatility and the cash buffer households need (jpmorganchase.com/content/dam/jpmc/jpmorgan-chase-and-co/institute/pdf/institute-volatility-cash-buffer-report.pdf); liquid assets, in weeks of take-home income, needed to absorb a rise in spending or a drop in income.
- Vanguard: In Case of Emergency, Break Glass (May 2023), corporate.vanguard.com/content/dam/corp/research/pdf/in_case_of_emergency_break_glass.pdf; the advice to hold at least half a month to a month of expenses in cash beyond typical monthly spending.
- World Health Organization and Food and Agriculture Organization: Diet, Nutrition and the Prevention of Chronic Diseases, report of a joint WHO/FAO expert consultation, WHO Technical Report Series 916 (2003), Table 6; population nutrient intake goals for total fat, saturated fat, carbohydrate, protein and free sugars.
- U.S. Department of Agriculture, Agricultural Research Service: What We Eat in America, NHANES August 2021–August 2023, Table 5, Energy intakes: percentages of energy from protein, carbohydrate, fat, and alcohol, by male/female and age, ars.usda.gov/ARSUserFiles/80400530/pdf/2123/Table_5_EIN_MaleFemale_2123.pdf.