
ON THE ROAD

EXPLORING ECONOMIC SECURITY PATHWAYS IN NORTH CAROLINA

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Prepared for United Way, their partners and local communities in North Carolina



United Way
of North Carolina

UNITED WAY OF NORTH CAROLINA

United Way of North Carolina (UWNC) supports a network of 53 local, independent United Way organizations working to: provide educational opportunities; build services and supports that increase financial stability for families and individuals; and improve the health of their communities. The Economic Security Pathways Report (ESP), a companion tool to the Self-Sufficiency Standard, will allow United Ways to analyze their work and partner with community stakeholders to create and implement strategies that enable individuals and households to make informed choices about the economic security pathway that is appropriate for their situation and family.

The data reveals the cost of education opportunities by county; offers cost analysis of homeownership; and builds a case for saving for the future. Exploring the cost of different pathways to improve economic security will help families chart realistic paths to achieve and maintain financial stability. United Way continues to provide information and insight to aid families in their efforts to access resources that make getting on the road to economic security possible.

ACKNOWLEDGMENTS

The Self-Sufficiency Standard was originally developed by Dr. Diana Pearce, while serving as Director of the Women and Poverty Project at Wider Opportunities for Women. The Ford Foundation provided funding for the Standard's original development. In North Carolina, calculations of the Standard have been coordinated by The United Way of North Carolina.

The Self-Sufficiency Standard for North Carolina 2017 and the calculations for this report have been prepared by Lisa Manzer, Lisa Mikesell, and Karen Segar at the University of Washington, Center for Women's Welfare.

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

INTRODUCTION

This report is the second of two complementary reports that address the issue of economic security for North Carolina households using the Self-Sufficiency Standard. This approach to economic security consists of the following three elements:

1. securing the costs of daily basic needs,
2. creating an emergency savings fund, and
3. choosing the appropriate asset-building Economic Security Pathway(s).

The Self-Sufficiency Standard for North Carolina 2017, covers the first two elements, while this report focuses on the third element of asset-building. Below we briefly summarize the three elements.

#1 SECURE BASIC NEEDS

Many researchers and policy analysts have concluded that the official poverty measure (OPM), developed half a century ago, is not only methodologically out of date, but also no longer accurately measures poverty.¹ Even the Census Bureau characterizes the official poverty measure as a “statistical yardstick rather than a complete description of what people and families need to live.”²

Designed with a real-world approach, the Self-Sufficiency Standard provides an accurate, nuanced, and up-to-date measure of income adequate for basic needs.³

The first step to achieving economic security is meeting household basic needs at a minimally adequate level. The Self-Sufficiency Standard defines how much income families of various sizes and composition need to make ends meet without public or private assistance in each county of North Carolina. The Standard calculates a family-sustaining wage that accounts for basic necessities such as nutritious food, adequate housing, and child care.

#2 CREATE AN EMERGENCY SAVINGS FUND

As shown in the *The Self-Sufficiency Standard for North Carolina 2017*, the Standard is a conservative measure. It is a “bare bones” budget with costs set at minimally adequate levels with no extras. For example, the food budget has no take-out or restaurant food, not even a pizza or a cup of coffee. Realistically, achieving incomes at the Self-Sufficiency level should not be assumed to mean the achievement of economic security, but is instead the first and necessary step. All families need additional resources in order to be able to weather any unexpected income loss.

In short, after having secured the cost of basic needs (as measured by the Standard)—**the next step toward increased economic security is emergency savings.** *The Self-Sufficiency Standard for North Carolina 2017* includes a separate emergency savings calculation that estimates how much each household needs to save on a monthly basis to have a “rainy day” fund that would cover basic needs in case of an unforeseen job loss.

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

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

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

The North Carolina Self-Sufficiency Standard report and data for over 700 family types can be viewed or downloaded at:

www.selfsufficiencystandard.org/north-carolina

THE ROAD TO ECONOMIC SECURITY



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

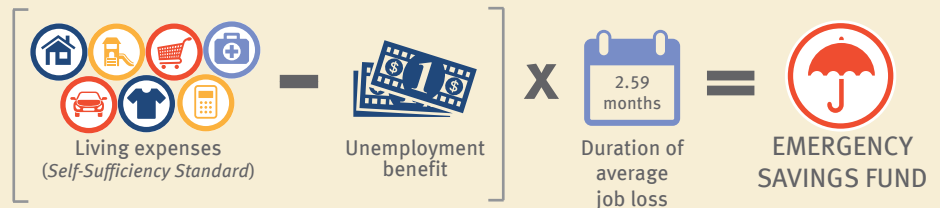
STEP 1: SECURE BASIC NEEDS

The Self-Sufficiency Standard calculates how much income families of various sizes and compositions need to make ends meet without public or private assistance in each county in North Carolina. The Standard measures income adequacy, and is based on the costs of basic needs for working families: housing, child care, food, health care, transportation, and miscellaneous items, plus taxes and tax credits. To download the full report and tables for 700+ family types, by county, visit www.selfsufficiencystandard.org/north-carolina.



STEP 2: CREATE AN EMERGENCY SAVINGS FUND

Beyond meeting basic needs the next step towards economic security is saving for emergencies, particularly job loss, the most common reason for income loss. Emergency savings, together with unemployment insurance, enable families to weather economic crises, and are an essential element on the road to achieving economic security.



STEP 3: CHOOSE AN ECONOMIC SECURITY PATHWAY

Once a family has secured income at the Self-Sufficiency Standard level and instituted their emergency savings fund, the road to long-term economic security will be different for each. While there are many options, depending on family circumstances, this report considers three key pathways that many families can take to move closer to long-term economic security (1) **postsecondary education**, (2) **improved housing and/or homeownership**, and (3) **savings for retirement**.



Postsecondary Education



Improved housing Homeownership



Savings for Retirement



**LONG-TERM
ECONOMIC
SECURITY**

#3 CHOOSE AN ECONOMIC SECURITY PATHWAY

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

Once a family has secured income at the Self-Sufficiency Standard level and instituted their emergency savings fund, the road to long-term economic security will be different for each. For some, this might be additional savings, to meet immediate costs (such as a car breakdown) or to ensure sufficient resources for the long-term costs of retirement. For others, paying off debts may be the first priority. For still others, income beyond that needed for the essentials may be devoted to moving to alternative housing, enabling the family to leave an abusive partner or a problematic neighborhood.

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

Considered here are three key pathways that adults can take to move closer to long-term economic security:

1. **postsecondary education**
2. **improved housing or homeownership**
3. **savings for retirement**

For each of these pathways varying alternatives are presented, so that users of this report can explore a range of potential options and compare the costs of each one. The numbers provided are meant to give the user estimates of what and how much the costs might be for each security pathway. Of course, the actual costs for an individual family or householder will be determined by their unique situation and choices.

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

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THIS REPORT ENABLES INDIVIDUALS AND HOUSEHOLDS TO MAKE INFORMED CHOICES AS TO WHICH ESPS MAKE THE MOST SENSE FOR THEIR SITUATION AND FAMILY.

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ECONOMIC SECURITY PATHWAY #1: POSTSECONDARY EDUCATION

Education, which economists call “human capital” is a key asset and pathway to economic security. Moreover, it is one asset that cannot be taken away or foreclosed upon. True long-term self-sufficiency increasingly requires human capital investments that enhance skills as well as improve access to jobs with career potential. In today’s economy, one cannot easily maintain and move beyond the basic Self-Sufficiency level without a technologically advanced and broad-based education. A high-school diploma no longer has the same value it once did in the job market, as businesses increasingly require higher skill levels from potential employees.¹ Advanced education provides the flexibility to move into new, innovative, or nontraditional jobs and careers.

Postsecondary education not only leads to wages well above the self-sufficiency level, but these jobs also provide benefits, increased stability, and have promotion and salary increase potential. Moreover, the higher earnings that result can enable the achievement of other economic security goals, such as buying a house or saving for retirement.

There are a range of choices for postsecondary education: vocational training in specialized institutions, community college which provides

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ADVANCED EDUCATION PROVIDES THE FLEXIBILITY TO MOVE INTO NEW, INNOVATIVE, OR NONTRADITIONAL JOBS AND CAREERS.

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¹ Harry Holzer & Robert Lerman, “America’s Forgotten Middle Skill Jobs: Education and Training Requirements in the Next Decade and Beyond,” The Workforce Alliance (2007), Washington, D.C., http://www.urban.org/UploadedPDF/411633_forgottenjobs.pdf (accessed June 1, 2015).

TABLE 1. Estimated Cost of Selected Certificate and Diploma Programs, North Carolina 2015-2016

CERTIFICATE OR DIPOMA PROGRAM NAME*	ANNUAL MEDIAN WAGES (2015)**	TOTAL CREDITS	ESTIMATED TOTAL (Tuition, Fees, Books, & Supplies)
Automotive Restoration Technology	\$47,010	46	\$7,501
Basic Law Enforcement Training	\$41,260	19	\$3,098
Boat Manufacture and Service	\$35,530	38	\$6,197
Carpentry	\$34,390	37	\$6,033
Dental Assisting	\$37,750	45	\$7,338
Facility Maintenance Worker	\$36,710	42	\$6,849
Heavy Equipment Operator	\$35,100	39	\$6,360
Ophthalmic Medical Assistant	\$33,950	42	\$6,849
Plumbing	\$39,600	44	\$7,175
Practical Nursing	\$42,160	45	\$7,338
Real Estate Licensing	\$39,440	13	\$2,120
Truck Driver Training	\$38,390	12	\$1,957

* Programs included in the sample were selected if the expected median wage is above \$15.00 per hour and if the outlook for the job category has average or faster projected growth.

** Median wages and job growth projections come from the National Center for O*NET Development, *O*NET OnLine*, Retrieved October 20, 2016 from <http://www.onetonline.org/>.

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

two-year associate degrees or certificates in specialized fields, or a four-year college or university. Almost all postsecondary education or training requires resources for tuition, thus requiring monetary investment, as well as addressing decreased wages if attendance cannot be combined with full-time work.

THE COST OF POSTSECONDARY EDUCATION

Among the many options for postsecondary education, three types of postsecondary education are presented here:

1. post-high school certificates or diplomas
2. two-year associate’s degrees
3. and four-year bachelor’s degrees

POST-HIGH SCHOOL CERTIFICATE. The median earnings of certificate holders is 20% more than workers with a high school degree as their highest educational attainment.² There are dozens of different options for post-high school certificates or diplomas in North Carolina across many different fields. For example, the Basic Law Enforcement Training certificate offered by many colleges provides training to prepare workers to become Police and Sheriff’s Patrol Officers. Cape Fear Community College offers a Real Estate Licensing certificate that trains workers for the Real Estate Brokerage exam.

These programs vary in terms of the amount of academic credits required to earn the certificate or diploma, from just 12 credits (about one semester) to a year and a half, with most certificate programs falling in between. As a result, the costs vary considerably by the

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

type of certificate and how many credits are needed to complete it.

To illustrate costs, we show in **Table 1** a specific certificate or diploma program that is found at state-supported local community colleges. For each program, the total program-specific costs are estimated, including tuition, fees, books, and supplies.³ Total costs range from about \$2,000 to about \$7,500, with the least expensive certificate program shown being the Truck Driver Training program offered at a number of colleges for about \$2,000 for a 12-credit program.⁴ The diploma programs require more credits and time for completion, and are in the \$5,000 to \$7,000 cost range. For example, the Dental Assisting diploma trains students to be Dental Assistants, has an estimated cost of \$7,338, and is a 45 credit program.

TECHNICAL COLLEGE TWO-YEAR DEGREE. **Table 2** shows the cost of attaining an associate’s degree from a public two-year community or technical college in North Carolina. Tuition rates are set system-wide by the State Board of the North Carolina Community Colleges, with the only variation between institutions being minor differences in technology and student activity fees, so we only model two scenarios: full-time and part-time attendance. On average, community college students spend \$1,246 annually on books and supplies when attending full time, and \$623 when attending part time. In total, the average cost of a two-year community college degree (not including living expenses), is \$7,560 if attending full time (two years), and \$7,932 if attending part time (four years). Note that these tuition rates assume a 60-credit associate’s degree. However,

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

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

TABLE 2. Estimated Annual and Total Cost of Associate’s Degree, Full-Time and Part-Time, Public 2-Year Institutions, North Carolina 2016-2020

NORTH CAROLINA COMMUNITY COLLEGES	ANNUAL EXPENSES			TOTAL COST OF DEGREE
	Tuition & Fees	Books & Supplies	2016-2017 Yearly Total	
Full-Time Attendance	\$2,446	\$1,246	\$3,692	\$7,560
Part-Time Attendance	\$1,223	\$623	\$1,846	\$7,932

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

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POSTSECONDARY EDUCATION NOT ONLY LEADS TO WAGES WELL ABOVE THE SELF-SUFFICIENCY LEVEL, BUT THESE JOBS ALSO PROVIDE BENEFITS, INCREASED STABILITY, AND HAVE PROMOTION AND SALARY INCREASE POTENTIAL.

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credit requirements vary by program and often require more than 60 credits. Additionally, course prerequisites not covered in a degree program or remedial course requirements can also increase the total number of credit hours and resulting cost.

If a student attends part time, they are available to work full time while attending school, but must consider that educational costs continue to rise each year. Although going part time reduces the *annual* cost of attending college to only \$1,846 for the first year, the *total* cost of attending part time over four years is slightly higher than for two years due to the anticipated inflation in tuition and other costs over the longer time period.

BACHELOR'S DEGREE. Table 3 shows the cost of attaining a bachelor's degree from a public four-year college or university in North Carolina. The costs assume full-time attendance (30 credits per year) for four years. Included in the total cost are tuition, fees, books and supplies, as well as room and board. Costs are inflated for the three future years of attendance, using the average increases over the last decade. The estimated total cost of attaining a bachelor's degree from a public institution in North Carolina is \$74,248 on average. The least expensive is North Carolina A&T State University, where the cost of a bachelor's degree is \$63,414, while the most expensive is the University of North Carolina at Chapel Hill, where the cost of a bachelor's degree is \$90,723.

MEETING THE COSTS OF EDUCATION

As shown above, postsecondary education can be expensive, particularly for a four-year degree. An approach utilized by many students is to use a combination of grants (most commonly, Pell grants), scholarships, and loans. Among full-time students in public community colleges, 56% of students have federal grants averaging \$4,431 and 21% have student loans averaging \$4,763. Among full-time students in public 4-year institutions, 38% of students have federal grants averaging \$4,596 and 50% have student loans averaging \$6,652.⁵

A second approach to financing education is to reduce costs. One way to reduce costs is to spread it out over time, so that one can continue full-time employment while in school. For four-year degrees, another way to reduce costs is to commute from home rather than pay room and board. Note that on average in North Carolina the cost of room and board is half of the cost of a four-year degree (51%), so this strategy could significantly cut the cost of this degree. Finally, a third approach is to combine work and private and public assistance of various kinds.

The intent of the calculations and detailed scenarios presented here is not to be prescriptive, but rather to make clear that this education pathway to greater economic security is realistic and doable.

5 U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), Spring 2002 through Spring 2013, "Table 331.20, Full-time, first-time degree/certificate-seeking undergraduate students enrolled in degree-granting postsecondary institutions, by participation and average amount awarded in financial aid programs, and control and level of institution: 2000-01 through 2013-14," https://nces.ed.gov/programs/digest/d15/tables/dt15_331.20.asp (accessed December 16, 2016).

TABLE 3. Estimated Annual and Total Cost of Bachelor’s Degree, Full-Time, Public 4-Year Institutions, North Carolina 2016-2020

NAME OF PUBLIC COLLEGE OR UNIVERSITY	1ST YEAR				TOTAL COST FOR A FULL-TIME STUDENT OVER FOUR YEARS
	Tuition & Fees	Books & Supplies	Room & Board	Total	
Appalachian State University	\$7,416	\$1,203	\$8,100	\$16,719	\$71,423
East Carolina University	\$6,946	\$1,203	\$9,241	\$17,390	\$74,153
Elizabeth City State University	\$7,473	\$1,203	\$7,682	\$16,358	\$69,917
Fayetteville State University	\$7,677	\$1,203	\$7,149	\$16,029	\$68,573
North Carolina A&T State University	\$6,372	\$1,203	\$7,281	\$14,857	\$63,414
North Carolina Central University	\$6,132	\$1,203	\$10,602	\$17,938	\$76,301
North Carolina State University	\$8,880	\$1,203	\$10,635	\$20,718	\$88,478
University of North Carolina Asheville	\$6,977	\$1,203	\$8,746	\$16,926	\$72,211
University of North Carolina Chapel Hill	\$8,834	\$1,203	\$11,218	\$21,255	\$90,723
University of North Carolina Charlotte	\$6,763	\$1,203	\$10,470	\$18,436	\$78,510
University of North Carolina Greensboro	\$7,029	\$1,203	\$8,315	\$16,547	\$70,630
University of North Carolina Pembroke	\$5,816	\$1,203	\$8,573	\$15,592	\$66,398
University of North Carolina Wilmington	\$6,951	\$1,203	\$7,479	\$15,633	\$66,778
University of North Carolina School of the Arts	\$8,844	\$1,203	\$8,779	\$18,826	\$80,529
Western Carolina University	\$9,249	\$1,203	\$8,864	\$19,316	\$82,660
Winston-Salem State University	\$5,804	\$1,203	\$8,792	\$15,800	\$67,266
4-YEAR AVERAGE	\$7,323	\$1,203	\$8,870	\$17,396	\$74,248

Note: The 2016-17 rates for tuition and fees and room and board are inflated to future years based on the 10-year average change in costs for 4-year public colleges among Southern states. Books and supplies are inflated using the average change in costs between 2009-2013 for 4-year public colleges.



The first scenario presented here is that of a woman we will call Elizabeth Jones. Ms. Jones is a 25-year-old single mother with a 4-year-old preschooler, living in Guilford County. She has a high school degree and works as an office clerk earning \$13.36 per hour (\$2,315 per month), the median wage among office clerks in North Carolina.¹ She also receives \$197 per month in child support, the average amount received by families participating in the Child Support Program in North Carolina.² Her total resources are thus \$2,512 per month. However, according to the Self-Sufficiency Standard, a family of her type living in Guilford County requires \$18.60 per hour or \$3,273 per month, just to meet her basic needs. Since her wages alone plus child support cannot meet the cost of basic needs for her family, Ms. Jones combines help from her mother and state assistance programs:

- Ms. Jones lives with her mother and pays reduced housing costs, only two-thirds of what she would pay if living on her own.
- She is eligible for child care assistance through the state and pays \$232 per month for her preschooler instead of the full market rate child care cost of \$719.
- Although her income is too high to be eligible for SNAP (food stamps), she is eligible for food assistance through the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC); this program adds the equivalent of \$43 per month to her food budget.
- In addition, because her child is eligible for the North Carolina's CHIP program, her health care costs are \$157, instead of the \$434 cost of employer-sponsored health insurance family coverage assumed in the Self-Sufficiency Standard.

Overall, Ms. Jones' resources cover her family's basic needs with just enough extra to consider attending her local community college. She has decided to seek an Associate Degree in Applied Science from Guilford Technical Community College, in Computer Programming. Although getting this degree will cost about \$8,000, she expects to be employed afterwards as a programmer, which will enable her to have earnings above her Self-Sufficiency Wage, allowing her to support her family without assistance.³ Below we explore two options for how she can achieve the goal of attaining her Associate Degree.

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

* Center on Budget and Policy Priorities (2008), “What is Public Housing?,” <http://www.cbpp.org/files/policybasics-housing.pdf>.

1 U.S. Department of Labor, “May 2015 State Occupational Employment and Wage Estimates,” Databases and Tables, Occupational Employment Statistics, <http://www.bls.gov/oes/data.htm> (accessed October 11, 2016).

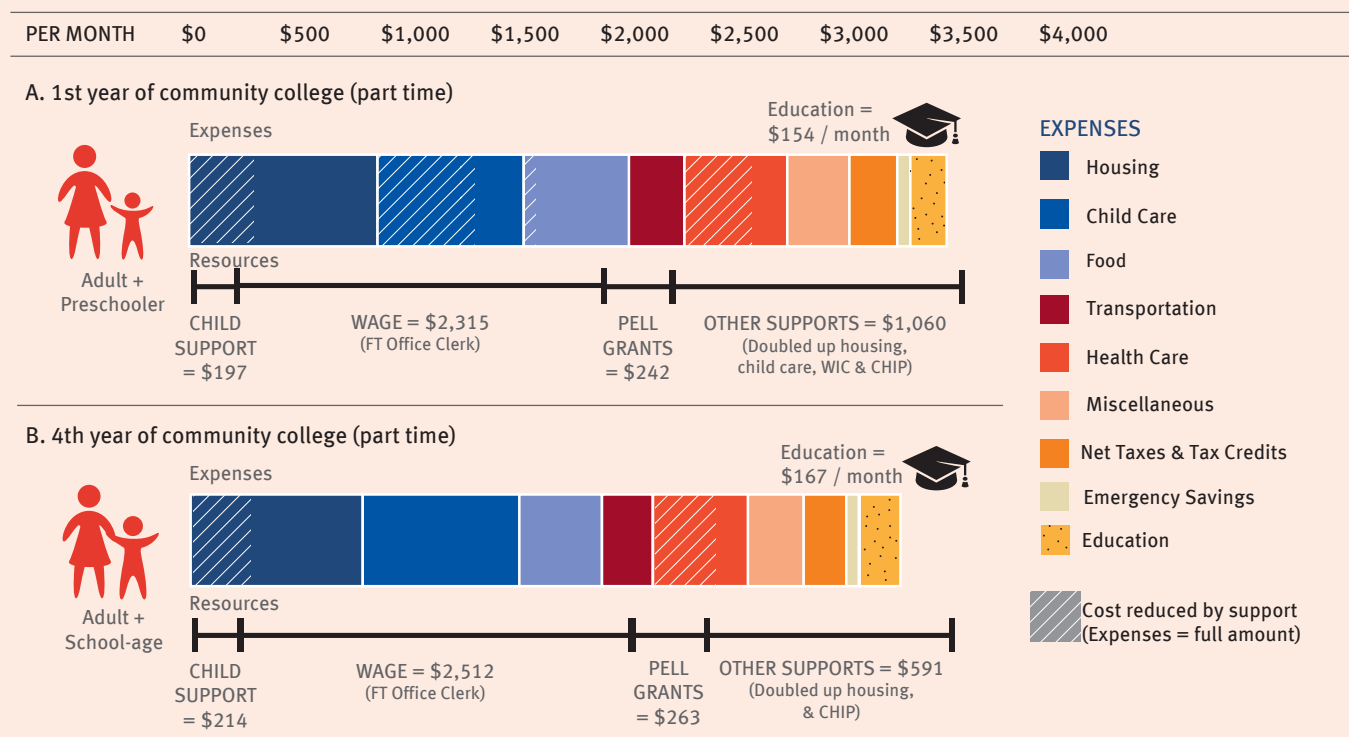
2 U.S. Department of Health and Human Services, Administration for Children & Families, Office of Child Support Enforcement, “FY 2015 Annual statistical report to Congress,” Tables 4, 14, 15 and 75, <http://www.acf.hhs.gov/programs/css/resource/fy-2014-preliminary-report> (accessed August 22, 2016). Data has been inflated using the Bureau of Labor Statistics Consumer Price Index. U.S. Department of Labor, Bureau of Labor Statistics, “South Region All Items, 1982-84=100 - CUURA101SA0,” Consumer Price Index, <http://data.bls.gov/cgi-bin/surveymost?cu> (accessed October 11, 2016).

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

OPTION 1. This option is “pay as you go,” which means that Ms. Jones attends school part time over a period of four years, while continuing to work full time (see **Figure A**). The monthly cost of attending school part time is affordable on her tight budget both because the per month education costs are less (on average over four years it is only \$165 per month for tuition, fees, books, and supplies) and because she is receiving supports that reduce her living costs. The first bar shows her expenses according to the Self-Sufficiency Standard plus the cost of education. The resource line illustrates how private and public assistance helps her close the gap between her wage income and her family’s needs. Her income and expenses are assumed to increase slightly each year with inflation. Overall, public and private supports cover \$1,060 of her monthly expenses. As her young child ages from a preschooler to a school-age child over the four years, her costs change somewhat as well (she is no longer eligible for child care subsidies once her child starts school and food costs increase).

Note that she has a monthly surplus of about \$600 per month when her child is in preschool, which decreases to about \$100 once they are school-aged and no longer eligible for child care assistance at her income level. She will also be receiving refundable tax credits totaling about \$2,000 annually. Those funds may provide her with some reserves to add further to her emergency savings fund, or be used to secure other ESPs, such as alternative housing, a needed vehicle, etc. These funds may also be used to meet some of her basic needs if she was unable to obtain all of the work supports modeled here.

FIGURE A. Public and private supports close the gap between wages and expenses to allow a working single mother to attend community college, over four years
Expenses and resources shown per month for Guilford County, NC in 2017



RESOURCE ASSUMPTIONS: Income is based on employment as an office clerk (\$13.36 per hour) and an average child support award (\$197 per month). Public and private supports include living with her mother, child care assistance and WIC for preschooler, and the Children’s Health Insurance Program. Grants assumes half the maximum Pell grant award at Guilford Technical Community College.

EXPENSE ASSUMPTIONS: Living expenses are based on costs included in the 2017 Self-Sufficiency Standard. The monthly Standard for Guilford County is \$3,273 for one adult and one preschooler and \$3,224 for one adult and one school-age child. Education expenses are based on attendance at Guilford Technical College and includes the monthly cost of tuition, fees, books, and supplies. While education expenses are not typically paid on a monthly basis, they are shown as such to illustrate how they can fit into a monthly budget.

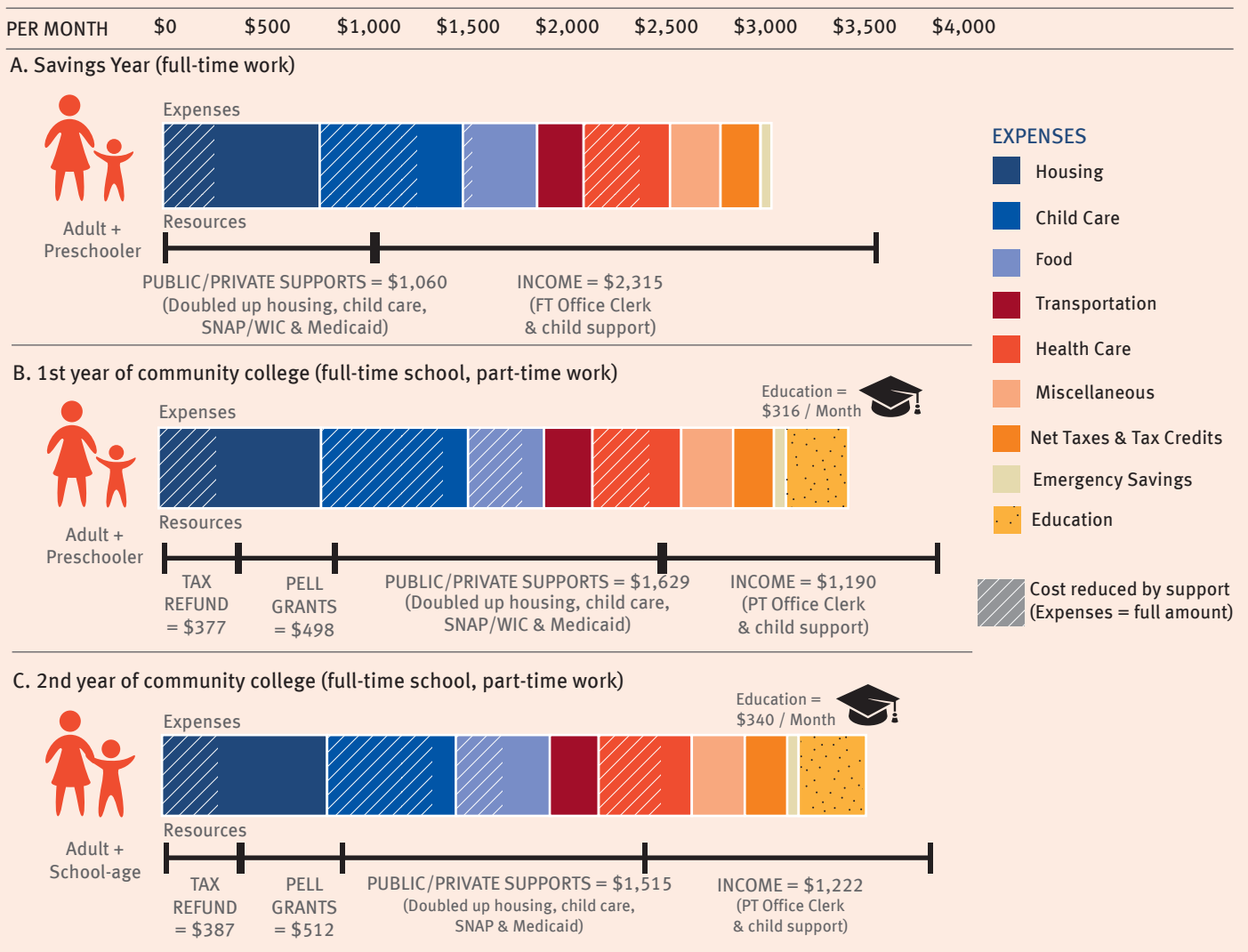
INFLATION ASSUMPTIONS: Expenses change with each year to reflect the child aging plus resources and expenses are updated with inflation. For illustration purposes, it is expected that expenses, wages, and income eligibility levels will increase at the same rate with each year modeled.

OPTION 2. A second approach is that of “saving first, then school” (see **Figure B**). In this scenario, Ms. Jones continues to work full time as an office clerk for one year before beginning school in order to build her savings. When she is working full time and saving for school during this year, she receives around \$2,700 total in an annual tax credits refund. These are saved and shown as monthly income in **Figure B**. Over the next two years, she attends school full time while working part time. With her lower earnings, her annual tax credit refund increases to almost \$4,000.

Each academic year, her resources to cover her expenses consist of a combination of her (saved) tax credit refunds, federal grants, and continuing private and public assistance (living with her mother, child care assistance, food assistance, and the Children’s Health Insurance Program). If Ms. Jones receives the maximum Pell Grant of a full-time community college student, about \$5,800 annually, her educational costs will be fully covered (shown as monthly grants of \$485/month).

FIGURE B. Public and private supports close the gap between wages and expenses to allow a working single mother to attend community college

Expenses and resources shown per month for Guilford County, NC in 2017



RESOURCE ASSUMPTIONS: Income is based on employment as an office clerk (\$13.36 per hour) and an average child support award (\$197 per month). Public and private supports include living with her mother, child care assistance, food assistance (SNAP and WIC for preschooler), and the Children’s Health Insurance Program. The tax refund includes the annual refundable EITC & CTC. Grants assumes the maximum Pell grant award at Guilford Technical Community College..

EXPENSE ASSUMPTIONS: Living expenses are based on costs included in the 2017 Self-Sufficiency Standard. The monthly Standard for Guilford County is \$3,273 for one adult and one preschooler and \$3,224 for one adult and one school-age child. Education expenses are based on attendance at Guilford Technical College and includes the monthly cost of tuition, fees, books, and supplies. While education expenses are not typically paid on a monthly basis, they are shown as such to illustrate how they can fit into a monthly budget.

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



ECONOMIC SECURITY PATHWAY #2 HOUSING

Whether it involves moving to more stable rental housing, or becoming a homeowner, achieving improved housing stability is an important step towards economic security. Families may need to move for a variety of reasons:

- seeking better schools or job opportunities
- relocating to a specific community
- moving out of “doubled up” housing, shelter or transitional housing
- leaving an unsafe situation (such as domestic violence)
- escaping a rental market with rapidly rising rents

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

ALTERNATIVE RENTAL HOUSING

This option presumes that the household is now living in housing that is, for example, “doubled up,” with no security deposits or other savings. Thus securing alternative rental housing requires savings to cover the costs of moving into rental housing, including the cost of the first month’s rent, a security (damage) deposit, and moving expenses. These costs are calculated as follows:

TABLE 4. Estimated Cost to Relocate to Alternative Rental Housing, NC in 2017

SIZE	MINIMUM	AVERAGE COST, STATEWIDE	MAXIMUM
1 Bedroom	\$1,266	\$1,491	\$2,072
2 Bedroom	\$1,784	\$1,966	\$2,543
3 Bedroom	\$2,356	\$2,722	\$3,461
4 Bedroom	\$2,645	\$3,214	\$4,445

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

- The monthly rental cost is based on the housing cost calculated in the Self-Sufficiency Standard for North Carolina, which uses the most recent Fiscal Year Fair Market Rents (FMRs). FMRs are calculated annually by the U.S. Department of Housing and Urban Development for each state’s metropolitan and non-metropolitan areas. FMRs include utilities (except telephone and cable) and are intended to reflect the cost of housing in the current market that meets minimum standards of decency.¹ FMRs are typically set at the 40th percentile meaning 40% of the housing in a given area is less expensive than the FMR.
- The security deposit is equal to one month of rent.
- Moving costs are quoted costs for a full service (movers and a truck) move by bedroom size and by county for licensed and insured moving companies.²

Costs vary by both the size of the housing unit, and the housing costs in a region. **Table 4** shows that on average across North Carolina, a family requiring two bedrooms needs about \$2,000 in savings to move to alternative housing. A family requiring a three-bedroom housing unit needs to save about \$2,700 on average. Across the state, this ranges from more than \$2,000 to nearly \$4,500 to move to alternative rental housing, depending on the county (see appendix for county tables). In Orange County, where three bedroom units are the most expensive, a family requiring three bedrooms needs \$3,461 to secure alternative housing. In contrast, a household with no children, requiring only a one-bedroom unit, needs to save a minimum of about \$1,400 in most North Carolina counties but around \$2,000 in the more costly counties in order to obtain more secure housing. See a complete list of values by county in appendix (**Table A-2**).

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

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



SCENARIO

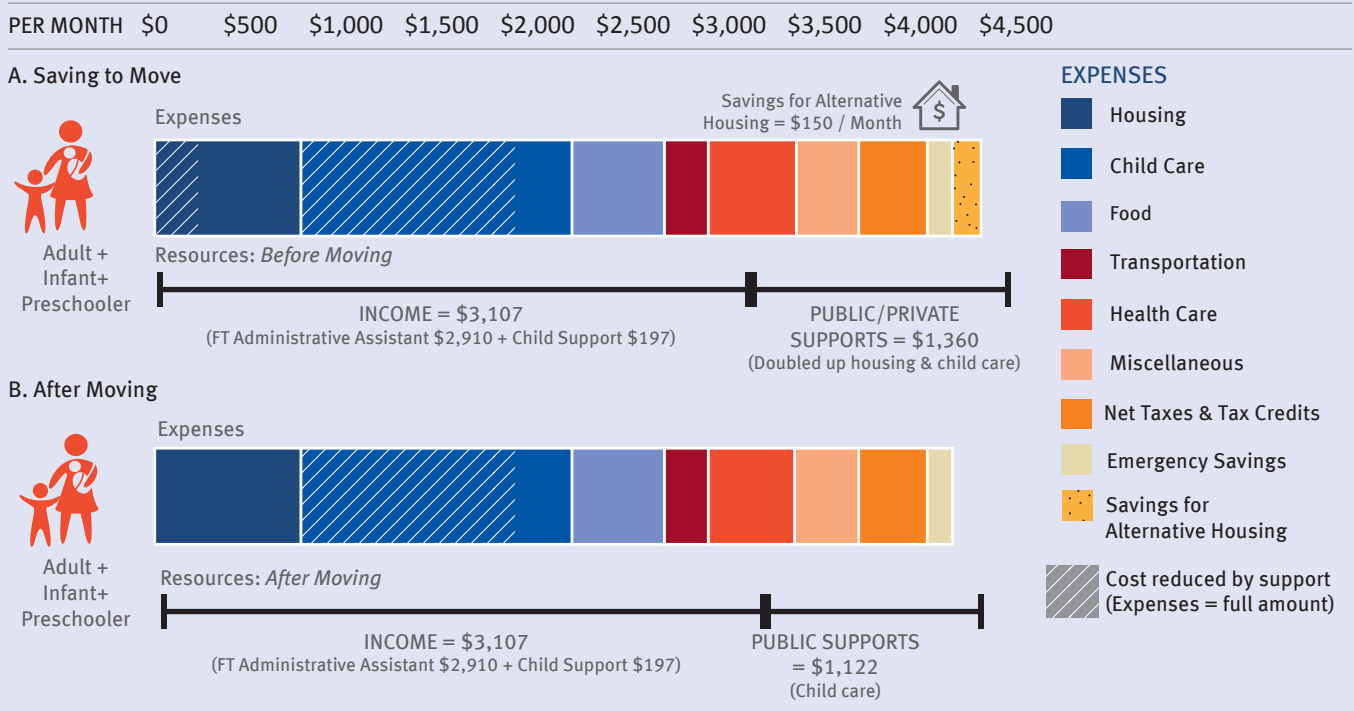
MEETING THE COST OF ALTERNATIVE HOUSING



The Miller family includes a mother with two young children (one infant and one preschooler) living in Forsyth County. Ms. Miller works as an administrative assistant and earns about \$34,000 annually (\$2,910 per month), the median earnings of administrative assistants in North Carolina (see **Figure C**). She also receives a monthly child support payment of \$197 per month. If her children were older, this income would be adequate, but with the higher child care costs of younger children her wages only cover about two-thirds of her Self-Sufficiency Standard (\$4,267 per month). However, she is able to meet her family's needs with the additional help of her parents, with whom she lives and who share the cost of housing. Additionally, at her income level she is eligible for child care assistance for her children. By getting support with housing and child care, Ms. Miller earns enough to meet her basic needs, build her emergency savings fund, and has a surplus of \$299 per month. She has decided that she needs to secure alternative rental housing.

To live independently and move into her own apartment, she will need to save \$768 for a security deposit, another \$768 for first month's rent, and \$500 for moving costs, for a total of \$2,037, to secure a two-bedroom apartment in Forsyth County. If she saves half of her monthly surplus (\$150 per month), in fourteen months she will save enough to move into her own apartment. With the continued aid of child care and health care assistance, her monthly earnings are enough to cover the full cost of a two-bedroom rental but she will have a smaller surplus per month. This scenario requires the continued help of child care assistance plus child support, otherwise she cannot afford the increased housing costs on her current salary.

FIGURE C. Public and private supports close the gap between wages and expenses to allow a working single mother to secure alternative housing
Expenses and resources shown per month for Forsyth County, NC in 2017



RESOURCE ASSUMPTIONS: Income is based on employment as a Secretary/Administrative Assistant (median wage is \$16.54 in North Carolina) and an average child support award (\$197 per month). Public and private supports include living with her parents, child care assistance, and CHIP.
 EXPENSE ASSUMPTIONS: Living expenses are based on costs in the Self-Sufficiency Standard. The 2017 Standard for one adult, one infant, and one preschooler living in Forsyth County is \$4,267 per month (\$24.24 per hour).

HOMEOWNERSHIP

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

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

The costs of becoming a first-time homeowner are calculated for “starter” homes, those at the 25th percentile. Costs for purchasing a starter home include: down payment, closing costs, and moving costs. The ability to afford the ongoing costs of homeownership, including the mortgage payment, insurance, taxes, utilities, repairs and upkeep, will vary depending on household income.

The most important determinant of the cost of becoming a homeowner is the price of the house, as both down payment and closing costs vary by the price of the home. There is considerable variation in home values between North Carolina counties, from a low of \$34,600 in Robeson County to a high value of \$189,700 in Dare County (see Appendix Table 5).

TABLE 5. Estimated Savings Required to Purchase a Starter Home, NC, 2017

	STARTER HOME VALUE (25th Percentile)	Total Savings Needed (Includes Down Payment, Closing Costs, & Moving Costs)	
		10% Down	20% Down
Robeson County	\$34,600	\$4,585	\$8,003
Statewide Average	\$84,047	\$10,066	\$18,369
Dare County	\$189,700	\$21,776	\$40,518

As noted above, the amount of down payment is calculated as a percentage of the sales price. Unless you qualify for a VHA or FHA loan or other special program, normally at least 10% is required, and more typically, 20%. With the average price of a starter home in North Carolina of \$84,047, the average down payment would be \$8,405 (10%) or \$16,809 (20%). However, there is much variation in the down payment amounts, reflecting house price variation across counties. Likewise, closing costs also vary across counties, reflecting variation in the house price.¹

Unlike down payment and closing costs, moving costs are not determined by the home value. Moving cost estimates for a three-bedroom home are estimated to be approximately \$750.

Altogether, the costs of purchasing a starter home, including down payment, closing costs, and moving costs, can vary substantially by county, as shown in Appendix Table A-3. For example, purchasing a home in Robeson, where houses are the least expensive in the state, with the lower down payment of 10%, would cost a family about \$4,585. Purchasing a starter home in Dare County, the region with the highest cost housing, would be about \$21,776 with a 10% down payment and over \$40,000 with a 20% down payment.

Note that lower down payments typically result in higher interest rates and/or other increased costs, such as mortgage insurance (PMI), that increases the monthly mortgage payment.² For example, with a 20% downpayment, a 30 year loan with a 4% interest rate will result in a mortgage payment of roughly \$500 per month for the average price starter home in North Carolina (\$84,047). However, the mortgage payment will increase to about \$550 per month if a 10% downpayment is made.³ Note that these mortgage payment totals include taxes and home insurance plus PMI with the 10% down payment, but not repairs or utilities.

¹ Note the costs of initial homeownership do not include any monthly mortgage payments. Closing costs are assumed to be 1.205% of the loan amount (the average in North Carolina for a \$200,000 loan).

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

³ Calculations based on results from <http://www.zillow.com/mortgage-calculator/>



SCENARIO

MEETING THE COST OF BECOMING A HOMEOWNER

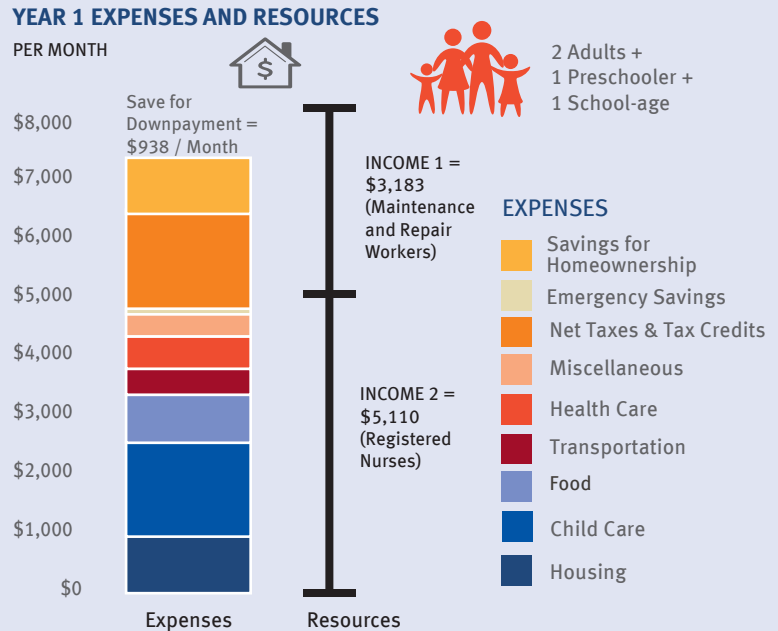


These scenarios, shown in **Figure D**, models Mr. and Mrs. Baker who live in Mecklenburg County with their preschooler and school-age child. Mr. and Mrs. Baker work as a registered nurse and a maintenance & repair worker, and earn the median wages for their occupations in North Carolina. In total they bring home about \$8,293 per month which is 130% of their Self-Sufficiency Standard. The Bakers are considering homeownership as their next step in reaching economic security.

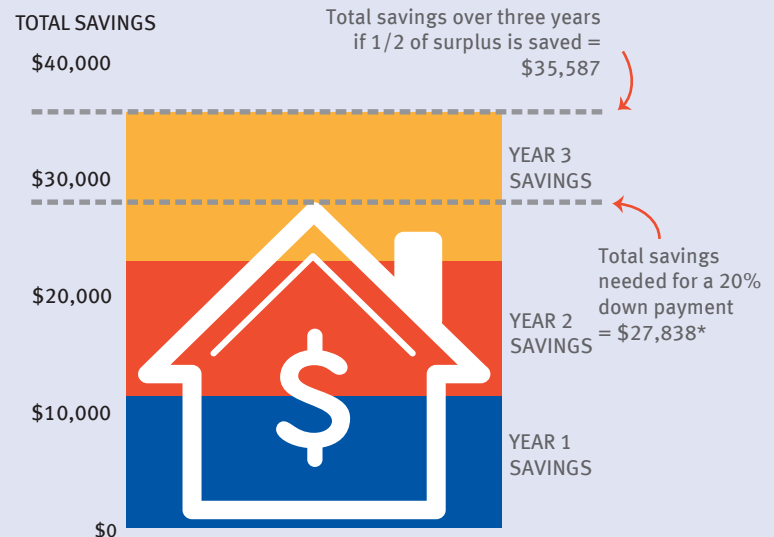
The Bakers hope to find a starter home for around \$120,000 (the 25th percentile of home values in Mecklenburg County). To become homeowners, the Bakers would need to save for a 20% down payment, closing costs, and moving costs, for a total of \$26,368 before inflation.

If they save half of their surplus earnings each month, which is \$11,000 in year one, by midway in the third year they will have saved enough to cover a 20% down payment, closing costs, and moving costs of a starter home in Mecklenburg County. However, note that this scenario, unlike the alternative housing scenario described above, does not calculate whether the family is able to afford the ongoing costs of homeownership, including the mortgage payment, insurance, taxes, utilities, repairs and upkeep, which may total more or less than their current housing costs.

FIGURE D. Saving monthly for the goal of homeownership pays off over time. Expenses and resources shown per month for Mecklenburg County, NC in 2017



THREE YEAR SAVINGS GOAL



EXPENSE ASSUMPTIONS: Living expenses are based on costs in the Self-Sufficiency Standard. The 2017 Standard for two adults, one preschooler, and one school-age child living in Mecklenburg County is \$5,597 per month (\$15.90 per hour, per adult).
 INFLATION ASSUMPTIONS: Expenses change with each year to reflect children aging plus resources and expenses increasing with inflation. For illustration purposes, it is expected that expenses, wages, and down payment goal will increase at the same rate with each year modeled.
 * Down payment goal for a starter home in Mecklenburg County is \$26,368 before inflation.



ECONOMIC SECURITY PATHWAY #3 SAVING FOR RETIREMENT

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

In addition, although Medicare was originally intended to meet elders’ medical needs once they were no longer covered by employer-provided health benefits, Medicare no longer does so. In fact, elders even with Medicare are spending an increasingly higher proportion of their income on health care costs, often as much if not more than before Medicare.³ Indeed, recent research using the Supplemental Poverty Measure, which takes into account the impact of “necessary expenditures,” (which includes health care) finds that health expenditures push many elderly below the poverty level, substantially increasing the proportion of the elderly deemed “poor” by this alternative version of the official poverty measure.⁴ Given the limitations

of Social Security, and rising health care costs not covered by Medicare, saving for retirement is crucial for achieving economic security beyond the working years.

Once a family or individual is able to meet their basic needs, the sooner they are able to begin saving for retirement, the better, as early savings will compound much more than later savings. Because the amount that must be saved monthly varies substantially depending upon the age at which retirement savings begins, calculations for the Retirement Economic Security Pathway are presented for three different ages at which savings for retirement are begun: 25, 40, and 55 years, for one- and two-adult households.

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

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

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

One more factor affects how much needs to be saved for retirement, and that is when savings are begun, as the sooner they are able to begin saving for retirement, the better. Beginning retirement savings at a younger age means that there are more years in which to save, plus the more time there is for those savings to grow. For this reason, calculations for the Retirement Economic Security Pathway are presented for three different ages at which savings begins: 25, 40, and 55 years.

1 See <http://www.dol.gov/ebsa/pdf/savingsfitness.pdf> or <http://www.dol.gov/ebsa/pdf/NewEntrants.pdf>.

2 Philip Issa and Sheila R. Zedlewski, Urban Institute, “Poverty among Older Americans, 2009,” <http://www.urban.org/sites/default/files/alfresco/publication-pdfs/412296-Poverty-Among-Older-Americans-.PDF> (accessed April 21, 2015).

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

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

HOW IS THE RETIREMENT SAVINGS FUND CALCULATED?

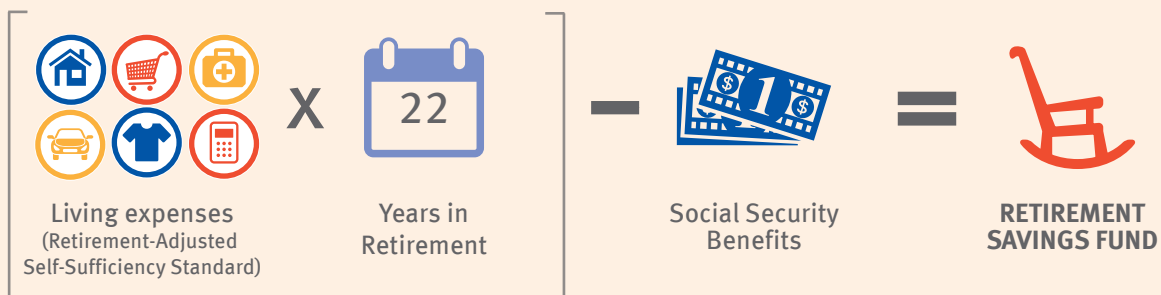


TABLE 6. The Retirement-Adjusted (RA) Self-Sufficiency Standard, Social Security Benefit, and Needed Retirement Savings, Catawba County and Wake County, NC in 2017
By Age at Which Savings Begin for 1 and 2 Adults

	CATAWBA COUNTY (LOW COST)		WAKE COUNTY (HIGH COST)	
	1 Adult	2 Adults	1 Adult	2 Adults
Monthly Expenses: Retirement-Adjusted (RA) Self-Sufficiency Standard (Current Dollars)	\$1,657	\$2,468	\$2,003	\$2,840
Monthly Social Security Benefit (Current Dollars)	\$1,012	\$2,024	\$1,170	\$2,340
RETIREMENT SAVINGS CALCULATION STARTING TO SAVE AT AGE 25				
Total Expenses Over Retirement	\$880,000	\$1,280,000	\$1,060,000	\$1,470,000
Total Social Security Benefit Over Retirement	\$480,000	\$930,000	\$550,000	\$1,070,000
Total Net Savings Required at Retirement (Expenses less Social Security benefits)	\$400,000	\$350,000	\$510,000	\$400,000
Amount Needed to Save Monthly	\$192	\$166	\$244	\$189
RETIREMENT SAVINGS CALCULATION STARTING TO SAVE AT AGE 40				
Total Expenses Over Retirement	\$560,000	\$810,000	\$670,000	\$930,000
Total Social Security Benefit Over Retirement	\$310,000	\$610,000	\$360,000	\$710,000
Total Net Savings Required at Retirement (Expenses less Social Security benefits)	\$240,000	\$200,000	\$310,000	\$220,000
Amount Needed to Save Monthly	\$317	\$255	\$405	\$290
RETIREMENT SAVINGS CALCULATION STARTING TO SAVE AT AGE 55				
Total Expenses Over Retirement	\$350,000	\$510,000	\$420,000	\$580,000
Total Social Security Benefit Over Retirement	\$210,000	\$400,000	\$240,000	\$460,000
Total Net Savings Required at Retirement (Expenses less Social Security benefits)	\$140,000	\$110,000	\$180,000	\$120,000
Amount Needed to Save Monthly	\$710	\$520	\$912	\$589

Totals are rounded to the nearest thousand.

STEP 1. CALCULATE EXPENSES IN RETIREMENT

The total expenses needed in retirement are calculated based on *The Self-Sufficiency Standard for North Carolina 2017* for one and two adults, by county. The Standard is modified for the cost of living in retirement by making several adjustments:

- All income is assumed to be unearned (so payroll taxes are eliminated), and with the larger deduction for those over 65, generally very little federal and no state income tax is owed.
- Health care costs are adjusted to account for higher health care expenses in retirement (net of Medicare).⁵

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

- Food costs are adjusted for retirement age.
- Transportation costs assume only one car per household and are based on the average daily miles driven by adults 66-88 years old.
- Housing costs assume the expenses of renting as in the Standard.

The resulting Retirement-Adjusted (RA) Self-Sufficiency Standard averages just about \$32 more per month than the normal Standard for single adults but it varies depending on county. For example, the 2017 Standard per month for one adult in Catawba County is \$1,614 but after adjusting for retirement it increases to \$1,657. In Wake County, the 2017 Standard per month is \$2,107 and decreases to \$2,003 when adjusted for retirement (see Table 6).

the U.S. Department of Health and Human Services, Agency for Healthcare Research and Quality Medical Expenditure Panel Survey.

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

The RA Standard is inflated annually and aggregated to obtain the total expenses expected over the course of the retirement years, shown as “Total Expenses over Retirement” in **Table 6**. For example, in Catawba County, the total needed to cover expenses during retirement for one adult who was 25 in 2017 and plans to retire at age 67 is \$880,000, but is \$560,000 if the adult is 40 now, and \$350,000 if the adult is 55 now. In more expensive places, the numbers are even higher. For example, in Wake County the amount needed for expenses over retirement is over \$1 million for one adult who is 25, \$670,000 if they are 40, and \$420,000 if they are 55. Two-adult households need between 142%-149% more than single adults to cover their total expenses in retirement; that is, while some expenses double, such as food, others such as housing are the same for one and two adult households. For example, for two adults age 25 now, the total amount of expenses expected over retirement is \$1.28 million in Catawba County and nearly \$1.47 million in Wake County (see **Table 6**).

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

7 Estimates for one adult assume life expectancy for females and ranges from 20.6 years for the 55 year old to 22.1 years for the 25 year old. For two adults, life expectancy is the average of female and male ranging from 18.4 years for the 55 year old to 20.1 for the 25 year old.

STEP 2. CALCULATE SOCIAL SECURITY INCOME

Social Security benefits provide the largest source of income for both men and women 65 and older.⁸ The total Social Security benefit amount in retirement is calculated for the same amount of time as costs (about 22 years). The Social Security benefit is estimated using a Social Security Administration calculator with earnings based on the Self-Sufficiency Standard for one adult in each North Carolina county, assumes 42 years of employment, and includes Social Security Administration estimates of Cost of Living (COLA) increases. For example, the monthly Social Security benefit is estimated to be \$1,012 in Catawba County and \$1,170 in Wake County (in current dollars).

- The total Social Security benefit over retirement for a 25-year-old worker is estimated at \$480,000 in Catawba County and \$550,000 in Wake County.
- The total Social Security benefit over retirement for a 40-year-old worker is estimated at \$310,000 in Catawba County and \$360,000 in Wake County.
- The total Social Security benefit over retirement for a 55-year-old worker is estimated at \$210,000 in Catawba County and \$240,000 in Wake County.

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

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

9 Consistent with the Self-Sufficiency Standard assumption that all adults work, two-adult households are considered to be two retired workers with both adults receiving a Social Security benefit. Some women, even though they worked, may find that the 50% spousal benefit is more than the benefit to

EMPLOYER-SPONSORED RETIREMENT PLANS

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

1 U.S. Department of Labor, Bureau of Labor Statistics, Employee Benefits Survey, “Table 1. Retirement benefits: Access, participation, and take-up rates, civilian workers, National Compensation Survey, March 2015,” <http://www.bls.gov/news.release/pdf/eps2.pdf> (accessed September 30, 2015).

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

3 Ibid.

STEP 3: CALCULATE SAVINGS NEEDED FOR RETIREMENT

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

- In Catawba County, a 25-year-old adult needs a net savings of \$400,000 at retirement and must start saving \$192 per month to reach that goal.
- In Wake County, the 25-year-old adult will need a net savings of \$510,000 at retirement and must start saving \$244 per month to reach that goal.

Among two-adult households, the net savings needed at retirement are less because it assumes that they will receive two Social Security benefits as income but that the expenses for two people to maintain a home are not double, but only about one and a half times on average the costs than for one adult. Therefore, a two-adult household of 25-year-olds in Catawba County needs to

which they are entitled in their own right. However, with increased workforce participation and a decline in the wage gap, in the future it is expected that most women as well as men will receive their own benefit, rather than a spousal benefit. The SSA estimates that by 2025, about 8% of women will receive benefits only on their spouses earnings and only 6% will do so by 2040 (see Social Security Administration, Office of Retirement Planning, "Current Law Projections," <http://www.socialsecurity.gov/retirementpolicy/projections/women-dual-2025-alt.html#chart1>)
 10 Retirement savings plan calculators tend to use higher estimated rates of return, in the 8% to 9% range. However, to be more conservative considering rate of return volatility, our calculations use 6%.

start saving \$166 per month to reach their retirement goal of \$350,000 and in Wake County the two adults need to save \$189 per month to reach the goal of \$400,000.

Each of these amounts increase as the age at which saving for retirement begins rises. The longer one waits to begin, the more one has to save, to play catch up, as well as the lost time for savings to accumulate with interest. Thus in Catawba County, if savings do not start until age 40, then the one adult household would need to save \$317, and the two adult household \$255 per month; if savings do not start until age 55, then these numbers increase to \$710 and \$520, respectively. This increase occurs because even though the total savings required is less for the older start dates, there is less time for savings to earn interest and grow. That is, starting savings early allows for more time to accumulate and more time for savings to grow.

Table 7 provides the average estimate across North Carolina of the amount one would need to save on a monthly basis to meet total expenses in retirement years, net of Social Security benefits, by age at which savings begin, and for one- and two-adult households. See **Table A-4** in the appendix for data by county. This data presumes that once started, the savings would continue at the same amount until retirement. However, some savings in the early years is better than no savings at all. With this in mind, as an example, the following calculations were made that anticipated less saving at the beginning, and more towards the end of the employment period.

1. The average retirement savings needed for one adult in North Carolina is \$192 per month if savings start at age 25. If the adult saves only half this amount at age 25, about \$96 per month, they would have saved about \$28,000 with compounded interest by age 40. If the adult then began saving the full amount needed for retirement, they will need to save \$281 a month, compared to \$192 per month if they had saved the full amount of \$192 from age 25. But starting with something is better than nothing:

TABLE 7. Estimated Monthly Retirement Savings, NC in 2017
By Age at Which Savings Begin, for 1 & 2 Adults

	1 Adult			2 Adults		
	Minimum (Robeson County)	North Carolina Average	Maximum (Wake County)	Minimum (Robeson County)	North Carolina Average	Maximum (Orange County)
25 years old	\$169	\$192	\$244	\$150	\$168	\$201
40 years old	\$278	\$318	\$405	\$229	\$258	\$309
55 years old	\$619	\$712	\$912	\$462	\$526	\$635

if they had not saved anything from age 25 on, and only started saving at age 40, the adult would have to start saving \$318 per month at that point to meet their retirement savings goal.

2. If the adult only increased savings at age 40 to \$192 per month, doubling what they had been saving since age 25, they will fall short of the savings goal, so that at age 55, they would have to begin saving \$784 per month to reach the savings goal by retirement age.

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

Three conclusions can be drawn from the calculations shown in Tables 6 and 7, and the scenario in Figure E.

1. **NUMBER OF ADULTS:** While it is not quite true that “two can live as cheaply as one,” when it comes to retirement savings, two adult households do have two advantages. First, living costs are not double, but rather range from 142% to 154% of the costs of just one adult, depending on the county. Second, pre-retirement, there are assumed to be two incomes from which savings are drawn for retirement. Thus the cost of retirement savings per individual is less per adult than a single adult needs to save for retirement. For example, a 40-year-old single adult in Buncombe County needs to save \$353 per month for retirement, while a 40-year-old couple in Buncombe County needs to save \$263 per month or \$132 per person. Third, there will be two Social Security payments to offset expenses, on the presumption that both adults will be workers. In short, a couple has two incomes pre-retirement, and two Social Security benefit incomes in retirement, but expenses are only roughly one and a half times that of a single adult.

2. **GEOGRAPHIC LOCATION:** Because the cost of living varies considerably, the amount needed to save for retirement varies considerably by place. However, unlike during working age, some retirees have some flexibility regarding location, so that while they may have earned more, and therefore earned higher benefits from living in a relatively expensive place, in retirement they can move to less expensive places to live. For example, the cost of housing in Durham County is about \$350 more per month than the cost of housing in Robeson County. Thus at retirement, retirees can reduce their cost of living by choosing less expensive places to live.

3. **AGE:** The data presented here demonstrate the tremendous advantages of starting to save for retirement at younger ages. In brief, starting younger pays off later, considerably. For example, a 25-year-old single adult in Buncombe County needs to save \$213 per month for retirement. If this single adult waits until she is 40 years old, she would have to save \$353 per month and if she waited until she was 55 years old, to start saving, she would need to save \$792 per month. If a couple in Buncombe County starts saving at age 25, they would need a combined savings of \$172 per month, but if they waited until they were 40 the amount would increase to \$263, and at 55 years, it would be \$533 per month.

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



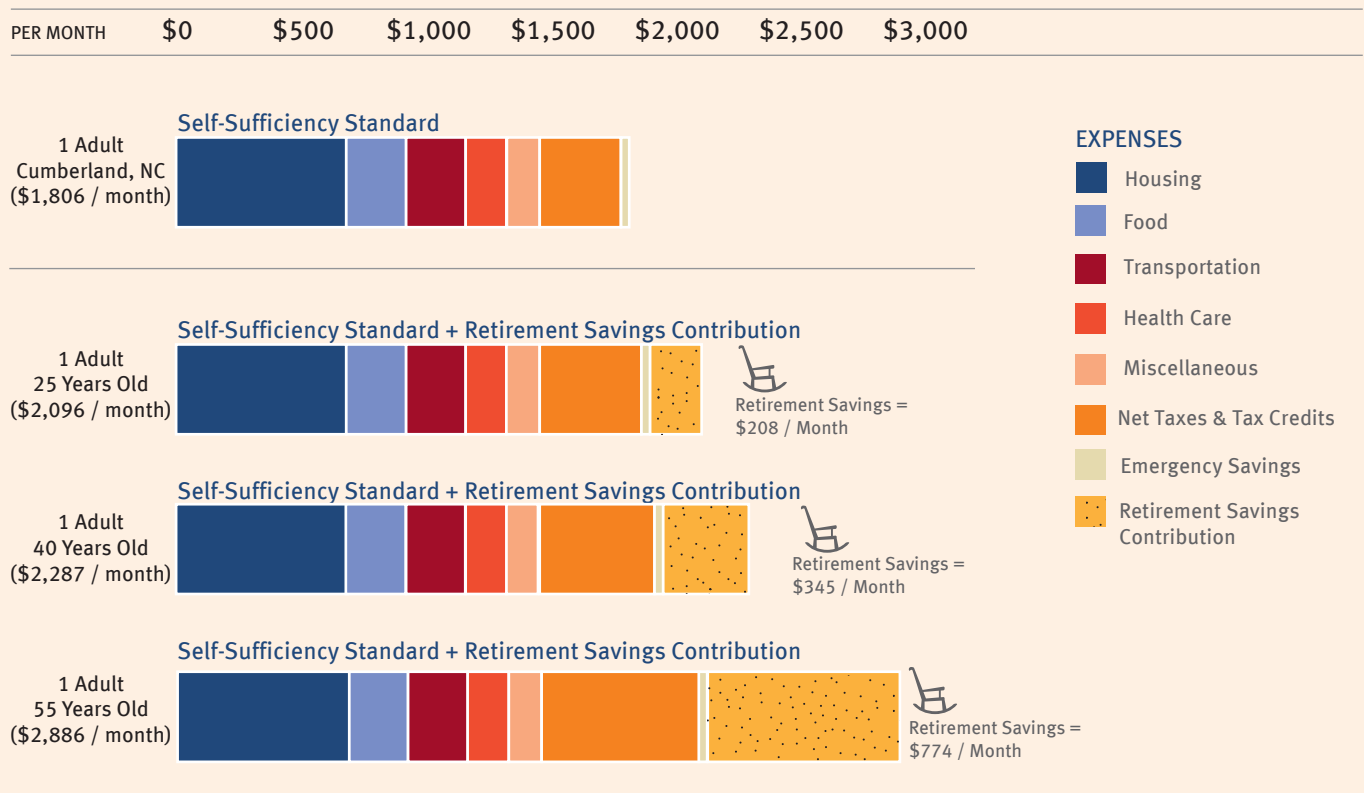
SCENARIO

MEETING THE COST OF RETIREMENT



The following model illustrates how much additional income is needed to meet net retirement needs for a single adult in Cumberland County, based on the different retirement contribution amounts by age at which retirement savings begin. The Self-Sufficiency Standard for a single adult, Sarah Smith, living in Cumberland County is \$1,806 per month (see the first bar of **Figure E**). If Ms. Smith has decided to start saving at 25 years old, and saves the suggested minimum of \$208 per month, the amount she needs to earn to maintain her basic needs AND save for retirement increases to \$2,096 per month. However, if Ms. Smith is 40 years old and just starting to save for retirement now she would need to earn \$2,287 per month to both meet her basic needs AND save for retirement. Note that, as the amount she needs to earn increases with the higher retirement contribution, her taxes also increase. Finally, if Ms. Smith has not saved anything for retirement, and is 55 years old, she needs to earn \$2,886 per month to meet her basic needs AND save enough for retirement, almost four times as much as if she started saving at age 25 (\$774 vs. \$208).

FIGURE E. Minimum necessary to meet basic needs AND save for retirement, by the starting age of saving for retirement
Expenses shown per month for Cumberland County, NC 2017



Expense Assumptions: Current living expenses are based on costs in the Self-Sufficiency Standard. The 2017 Standard for one adult living in Cumberland County is \$1,770 month (\$10.26 per hour) plus \$25 emergency savings. Hourly wage assumes full-time, year-round employment.

CONCLUSION

This report used *The Self-Sufficiency Standard for North Carolina 2017* calculations to explore the costs of several Economic Security Pathways householders may take to increase their economic security. Understanding more about the extra costs associated with saving for an Economic Security Pathway will help families chart realistic paths to achieve and maintain economic security over the long term.

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

- Relaxed restrictions on assets and savings for low-income program participants.¹ These include allowing benefit recipients to save towards education or housing security; in some cases these savings are matched by private funds, such as IDA (Individual Development Account) programs.
- At the federal level, expanded health care coverage through the Affordable Care Act has increased economic security by decreasing the number of people experiencing or at risk of incurring uncovered health care costs.² For example, in North Carolina the uninsured rate dropped from 17.5% in 2010 to 13.6% in 2014.³ Such coverage helps prevent bankruptcy and impoverishment due to uncovered medical

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

- States have begun to mandate minimum amounts of paid sick leave and/or family leave.⁵
- Additionally, reforms included in the 2009 American Recovery and Reinvestment Act extended unemployment insurance to more workers in many states, partly by broadening eligibility for part-time workers and increasing the number of weeks of unemployment benefits for workers who need training to improve their job skills.⁶

At the same time, there has been a troubling counter trend that is reducing economic security for many American households. A primary source of this trend is the shifting of risk from corporations and government to individuals over the past several decades. For example, an increasing number of employers have cut or eliminated health insurance coverage, and reduced or eliminated pensions. Others have structured jobs as temporary or contract work, where they

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

5 Seattle City Council, 2011. "Paid Sick Time and Safe Time Ordinance." Seattle Municipal Code (SMC) 14.16, <http://www.seattle.gov/Documents/Departments/CivilRights/psst-faq.pdf>.

6 Reforms included in the 2009 American Recovery and Reinvestment Act provided funding to states to modernize their unemployment insurance programs. Fourteen states broadened eligibility for part-time workers, and 15 expanded benefits for workers participating in approved training programs. U.S. Congress, House, 2009, "American Recovery and Reinvestment Act of 2009," HR 1, 111th Congress, 1st Session, www.gpo.gov/fdsys/pkg/BILLS-111hr1enr/pdf/BILLS-111hr1enr.pdf (accessed September 29, 2015). National Employment Law Project, "Modernizing Unemployment Insurance: Federal Incentives Pave the Way for State Reforms," Briefing Paper, May 2012, http://nelp.3cdn.net/a77bc3b5988571ee4b_dfm6btygh.pdf (accessed September 29, 2015).

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

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

3 U.S. Census Bureau, 2010 and 2014 American Community Survey 1-Year Estimates, "Table S2701: Health Insurance Coverage Status," North Carolina, <http://factfinder.census.gov> (accessed September 29, 2015).

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

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lack paid holiday or sick/family leave, limiting their contributions to employees' Social Security, eligibility for unemployment insurance, and other benefits.⁷ Other workers, such as those in the “gig” economy, have virtually no access to benefits such as Social Security, unemployment insurance, workmen’s compensation and disability coverage, much less paid sick leave.

Furthermore, although home ownership opportunities for low-income households expanded prior to the Great Recession,⁸ this trend was partially fueled by predatory lending and subprime mortgages, resulting in increased rates of default and foreclosures during the downturn.⁹ As a result, homeownership rates have fallen from 67% in 2009 to 63% in 2015, and especially so for people of color, whose home ownership rates have fallen even more, from 46% to 43% for African Americans, and from 49% to 45% for Hispanics.¹⁰ Tightening of underwriting standards was a prudent and necessary move, but this has increased the barriers faced by low-income households seeking the economic security of home ownership.¹¹

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

As this brief summary suggests, achieving economic security is not only challenging, but is an effort that faces rapidly changing circumstances, reflecting economic cycles, changing business practices, increasing costs (such as health care for both workers and retirees), and changing public policies and priorities. Nevertheless, as demonstrated in this report, achieving economic security is possible and doable, although different for each individual and family. It is hoped that this report, through providing information and insight, will aid families in their efforts to access the information and resources that make getting on the road to economic security possible.

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

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

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

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

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

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

TABLE 8. Methodology Assumptions and Data Sources for Economic Security Pathways, NC 2017

ASSUMPTIONS	DATA SOURCES
POSTSECONDARY EDUCATION	
<p>Full time is defined as 30 credit hours annually; part time is 15 credits annually.</p> <p>The 2016-2017 rates are inflated to future years based on the average change in tuition and fees for public colleges in the South over the previous 10 years.</p>	<p>Tuition & Fees: North Carolina Community Colleges, “Education Catalog.” http://www.nccommunitycolleges.edu/sites/default/files/basic-pages/academic-programs/attachments/education_catalog_02june2016.pdf (Accessed June 22, 2016).</p> <p>Books & Supplies: College Board, Annual Survey of Colleges, “Average Student Expenses by College Board Region, 2014-15 (Enrollment-Weighted),” Accessed October 14, 2016 from personal communication with College Board.</p> <p>Tuition & Fees Inflation: College Board, “Average Tuition and Fees and Room and Board by College Board Region, 1986-87 to 2014-15 (Enrollment-Weighted),” http://trends.collegeboard.org/sites/default/files/2014-trends-college-pricing-source-data-final.xlsx (accessed October 14, 2016).</p> <p>Books & Supplies Inflation: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), Spring 2010 through Spring 2013, Student Financial Aid component; and Fall 2009 through Fall 2012, Institutional Characteristics component, “Table 330.40. Average total cost of attendance for first-time, full-time undergraduate students in degree-granting postsecondary institutions, by control and level of institution, living arrangement, and component of student costs: 2009–10 through 2012-13,” http://nces.ed.gov/programs/digest/d13/tables/xls/tabn330.40.xls (accessed October 14, 2016).</p>
ALTERNATIVE HOUSING	
<p>Alternative housing costs include the cost of first month’s rent, security deposit, and moving costs. Security Deposit is equal to one month’s rent.</p> <p>Moving costs assume \$100/hr for first 2 movers and trucks plus \$25/hr each additional mover. Number of moving hours varies by bedroom size.</p>	<p>Rent and Security Deposit: Housing costs from <i>The Self-Sufficiency Standard for North Carolina 2017</i>, based on Fair Market Rents.</p> <p>Moving Costs: “How Many Movers and Hours do I Need?” http://www.moverscorp.com/ (accessed February 3, 2015). “How Much Does A Local Move Cost?” http://www.kudzu.com (accessed July 15, 2015). Budgeting for Muscle: How to Estimate the Cost of a Pro Move.” http://blog.movingcompanyreviews.com/estimate-cost-pro-move/ (accessed July 15, 2015). “How Much Does it Cost to Hire Movers?” http://www.mymovingreviews.com/move/how-much-does-it-cost-to-hire-movers (accessed July 15, 2015).</p>
HOUSING PURCHASE	
<p>Closing costs are assumed to be 1.205% of the loan amount (the average in North Carolina for \$200,000 loan in June 2016). Closing costs include lender fees, third-party fees for services, and title insurance. Moving costs are based on a 3-bedroom home.</p>	<p>Home Values: U.S. Census Bureau, “B25076: Lower Value Quartile (Dollars),” 2009-2013 5-Year American Community Survey, Detailed Tables, http://factfinder.census.gov/ (accessed August 4, 2016).</p> <p>Closing Costs: Bankrate.com, “North Carolina Closing Costs,” Mortgage, Closing Costs, United States, North Carolina Closing Costs, http://www.bankrate.com/finance/mortgages/closing-costs/north-carolina.aspx (accessed August 10, 2016).</p> <p>Moving Costs: See above.</p>
RETIREMENT	
<p>All numbers shown for two adults are the total for both adults in the family.</p> <p>Life expectancy is assumed to be 22.1 at 67 for the 25 year old, 21.4 at 67 for the 40 year old, and 20.6 at 67 for the 55 year old.</p> <p>Cost of living is calculated using the 2016 North Carolina Self-Sufficiency Standard adjusted for retirement, by county.</p> <p>Retirement adjustments include: Original Medicare for health costs, one car for two adults and an adjusted mileage rate, food costs weighted by age (over 65) and average life expectancy of males and females.</p> <p>Expenses are assumed to inflate at a rate of 3%.</p> <p>Savings assume a 6% return on investment.</p>	<p>Life expectancy: U.S. Social Security Administration, Office of the Chief Actuary, “Retirement & Survivors Benefits: Life Expectancy Calculator,” http://www.socialsecurity.gov/OACT/population/longevity.html (accessed August 18, 2016).</p> <p>Retirement Age: Social Security Administration, “Full Retirement Age,” http://www.ssa.gov/retire2/retirechart.htm (accessed August 18, 2016).</p> <p>Social Security Benefit: U.S. Social Security Administration, “Calculators: Online Calculator,” http://www.ssa.gov/retire2/AnypliaApplet.html (accessed October 6, 2016).</p> <p>Cost of Living: <i>The Self-Sufficiency Standard for North Carolina 2017</i>, Adjusted for Retirement; Centers for Medicare & Medicaid Services, “Medicare 2016 costs at a glance,” https://www.medicare.gov/your-medicare-costs/costs-at-a-glance/costs-at-a-glance.html; Centers for Medicare & Medicaid Services, “Medicare Plan Finder,” https://www.medicare.gov/find-a-plan/questions/home.aspx (accessed August 16, 2016); AARP, “Medicare Supplement Insurance Plans” https://www.aarpmedicareplans.com/health-plans/medicare-supplement-plans.html (accessed August 16, 2016); U.S. Department of Health and Human Services, Agency for Healthcare Research and Quality, Center for Financing, Access, and Cost Trends, Medical Expenditure Panel Survey-Household Component Analytical Tool, “Total Amount Paid by Self/Family, all Types of Service, 2012” MEPSnetHC, http://www.meps.ahrq.gov/mepsweb/data_stats/MEPSnetHC.jsp (accessed August 16, 2016); U.S. Department of Transportation, 2009 National Household Transportation Survey, “Average Annual Vehicle Miles of Travel Per Driver,” Online Analysis Tools, http://www.nhts.ornl.gov (accessed July 24, 2015).</p> <p>Social Security Benefit Inflation: U.S. Social Security Administration, Office of the Chief Actuary, “COLAs & AWI increases under the intermediate assumptions of the 2014 Trustees Report,” http://www.socialsecurity.gov/OACT/TR/TRassum.html (accessed March 12, 2015).</p>

APPENDIX TABLES

TABLE A-1. List of Public 2-Year Institutions, North Carolina 2017

Alamance Community College	Cleveland Community College	Haywood Community College	Piedmont Community College	Southeastern Community College
Asheville-Buncombe Technical Community College	Coastal Carolina Community College	Isothermal Community College	Pitt Community College	Southwestern Community College
Beaufort County Community College	College of The Albemarle	James Sprunt Community College	Randolph Community College	Stanly Community College
Bladen Community College	Craven Community College	Johnston Community College	Richmond Community College	Surry Community College
Blue Ridge Community College	Davidson County Community College	Lenoir Community College	Roanoke-Chowan Community College	Tri-County Community College
Brunswick Community College	Durham Technical Community College	Martin Community College	Robeson Community College	Vance-Granville Community College
Caldwell Community College and Technical Institute	Edgecombe Community College	Mayland Community College	Rockingham Community College	Wake Technical Community College
Cape Fear Community College	Fayetteville Technical Community College	McDowell Technical Community College	Rowan-Cabarrus Community College	Wayne Community College
Carteret Community College	Forsyth Technical Community College	Mitchell Community College	Sampson Community College	Western Piedmont Community College
Catawba Valley Community College	Gaston College	Montgomery Community College	Sandhills Community College	Wilkes Community College
Central Carolina Community College	Guilford Technical Community College	Nash Community College	South Piedmont Community College	Wilson Community College
Central Piedmont Community College	Halifax Community College	Pamlico Community College		

TABLE A-2. Estimated Cost to Relocate to Alternative Rental Housing, NC in 2017

	BEDROOM SIZE					BEDROOM SIZE			
	1	2	3	4		1	2	3	4
Alamance	\$1,636	\$2,176	\$3,036	\$3,351	Johnston	\$1,883	\$2,330	\$3,138	\$3,814
Alexander	\$1,367	\$1,784	\$2,398	\$2,813	Jones	\$1,306	\$1,838	\$2,520	\$2,907
Alleghany	\$1,324	\$1,784	\$2,514	\$2,645	Lee	\$1,514	\$1,920	\$2,546	\$2,833
Anson	\$1,412	\$1,784	\$2,544	\$3,137	Lenoir	\$1,344	\$1,846	\$2,506	\$3,053
Ashe	\$1,266	\$1,784	\$2,620	\$2,911	Lincoln	\$1,510	\$1,896	\$2,634	\$3,335
Avery	\$1,420	\$1,988	\$2,668	\$3,221	McDowell	\$1,406	\$1,784	\$2,374	\$2,711
Beaufort	\$1,362	\$1,784	\$2,606	\$2,737	Macon	\$1,394	\$1,954	\$2,692	\$3,053
Bertie	\$1,412	\$1,784	\$2,386	\$2,689	Madison	\$1,587	\$2,104	\$2,902	\$3,668
Bladen	\$1,266	\$1,784	\$2,362	\$2,645	Martin	\$1,344	\$1,784	\$2,478	\$2,645
Brunswick	\$1,826	\$2,165	\$2,823	\$3,097	Mecklenburg	\$1,949	\$2,408	\$3,337	\$4,157
Buncombe	\$1,771	\$2,340	\$3,216	\$4,081	Mitchell	\$1,344	\$1,784	\$2,454	\$2,899
Burke	\$1,392	\$1,812	\$2,432	\$2,843	Montgomery	\$1,354	\$1,784	\$2,514	\$2,887
Cabarrus	\$1,805	\$2,240	\$3,110	\$3,872	Moore	\$1,468	\$1,848	\$2,610	\$3,017
Caldwell	\$1,370	\$1,789	\$2,403	\$2,805	Nash	\$1,523	\$2,041	\$2,859	\$3,238
Camden	\$1,948	\$2,526	\$3,410	\$4,445	New Hanover	\$1,722	\$2,386	\$3,447	\$4,296
Carteret	\$1,626	\$2,138	\$2,970	\$3,761	Northampton	\$1,266	\$1,784	\$2,546	\$3,137
Caswell	\$1,344	\$1,784	\$2,602	\$3,137	Onslow	\$1,632	\$2,124	\$3,114	\$3,737
Catawba	\$1,500	\$1,944	\$2,603	\$3,055	Orange	\$1,995	\$2,492	\$3,461	\$3,888
Chatham	\$1,846	\$2,346	\$3,269	\$3,678	Pamlico	\$1,352	\$1,784	\$2,620	\$3,137
Cherokee	\$1,412	\$1,784	\$2,608	\$2,899	Pasquotank	\$1,542	\$2,152	\$3,056	\$3,653
Chowan	\$1,436	\$1,810	\$2,656	\$2,941	Pender	\$1,542	\$1,934	\$2,646	\$3,401
Clay	\$1,518	\$1,906	\$2,508	\$2,917	Perquimans	\$1,486	\$2,076	\$2,854	\$3,047
Cleveland	\$1,406	\$1,792	\$2,490	\$3,081	Person	\$1,350	\$1,852	\$2,514	\$2,783
Columbus	\$1,314	\$1,784	\$2,416	\$2,789	Pitt	\$1,552	\$2,080	\$2,980	\$3,505
Craven	\$1,546	\$2,156	\$3,090	\$3,549	Polk	\$1,462	\$2,044	\$2,682	\$3,029
Cumberland	\$1,658	\$2,166	\$3,052	\$3,729	Randolph	\$1,469	\$1,864	\$2,584	\$3,070
Currituck	\$1,894	\$2,423	\$3,436	\$4,222	Richmond	\$1,352	\$1,784	\$2,478	\$2,803
Dare	\$1,644	\$2,286	\$3,334	\$3,869	Robeson	\$1,266	\$1,784	\$2,374	\$2,767
Davidson	\$1,400	\$1,792	\$2,594	\$2,743	Rockingham	\$1,266	\$1,784	\$2,424	\$2,645

TABLE A-2. Estimated Cost to Relocate to Alternative Rental Housing, NC in 2017

	BEDROOM SIZE					BEDROOM SIZE			
	1	2	3	4		1	2	3	4
Davie	\$1,540	\$2,025	\$2,850	\$3,365	Rowan	\$1,408	\$1,898	\$2,576	\$2,847
Duplin	\$1,368	\$1,784	\$2,486	\$3,043	Rutherford	\$1,388	\$1,784	\$2,456	\$2,939
Durham	\$1,983	\$2,464	\$3,425	\$3,849	Sampson	\$1,354	\$1,784	\$2,506	\$2,779
Edgecombe	\$1,402	\$1,893	\$2,662	\$3,009	Scotland	\$1,270	\$1,788	\$2,410	\$2,771
Forsyth	\$1,547	\$2,037	\$2,869	\$3,385	Stanly	\$1,292	\$1,784	\$2,496	\$3,137
Franklin	\$1,662	\$2,072	\$2,794	\$3,397	Stokes	\$1,410	\$1,869	\$2,636	\$3,105
Gaston	\$1,580	\$1,984	\$2,762	\$3,423	Surry	\$1,354	\$1,784	\$2,550	\$3,137
Gates	\$1,366	\$1,784	\$2,620	\$3,091	Swain	\$1,336	\$1,784	\$2,356	\$3,137
Graham	\$1,266	\$1,784	\$2,374	\$3,137	Transylvania	\$1,434	\$1,808	\$2,538	\$2,937
Granville	\$1,482	\$2,072	\$2,716	\$3,149	Tyrrell	\$1,344	\$1,784	\$2,620	\$2,899
Greene	\$1,266	\$1,784	\$2,356	\$2,645	Union	\$1,947	\$2,405	\$3,339	\$4,155
Guilford	\$1,651	\$2,073	\$2,863	\$3,407	Vance	\$1,328	\$1,784	\$2,432	\$2,793
Halifax	\$1,436	\$1,824	\$2,472	\$2,927	Wake	\$2,072	\$2,543	\$3,412	\$4,149
Harnett	\$1,354	\$1,902	\$2,650	\$3,345	Warren	\$1,266	\$1,784	\$2,614	\$3,055
Haywood	\$1,492	\$1,992	\$2,624	\$3,503	Washington	\$1,472	\$1,940	\$2,552	\$3,253
Henderson	\$1,652	\$2,188	\$3,010	\$3,819	Watauga	\$1,644	\$2,274	\$3,206	\$3,363
Hertford	\$1,302	\$1,832	\$2,500	\$2,975	Wayne	\$1,310	\$1,842	\$2,550	\$3,031
Hoke	\$1,324	\$1,860	\$2,730	\$3,271	Wilkes	\$1,398	\$1,784	\$2,446	\$2,997
Hyde	\$1,714	\$2,238	\$2,924	\$3,615	Wilson	\$1,572	\$2,040	\$2,866	\$2,997
Iredell	\$1,730	\$2,150	\$2,860	\$3,783	Yadkin	\$1,414	\$1,873	\$2,638	\$3,108
Jackson	\$1,366	\$1,784	\$2,356	\$2,877	Yancey	\$1,316	\$1,850	\$2,640	\$3,005

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

TABLE A-3. Estimated Savings Required to Purchase a Starter Home, NC in 2017
Percentage of Down Payment

COUNTY	STARTER HOME VALUE	Total Savings Needed (Includes Down Payment, Closing Costs, & Moving Costs)		COUNTY	STARTER HOME VALUE	Total Savings Needed (Includes Down Payment, Closing Costs, & Moving Costs)	
	(25th Percentile)	10% Down	20% Down		(25th Percentile)	10% Down	20% Down
Alamance	\$89,100	\$10,626	\$19,429	Johnston	\$99,000	\$11,723	\$21,504
Alexander	\$77,500	\$9,340	\$16,997	Jones	\$61,200	\$7,533	\$13,580
Alleghany	\$84,400	\$10,105	\$18,443	Lee	\$85,300	\$10,205	\$18,632
Anson	\$50,000	\$6,292	\$11,232	Lenoir	\$55,400	\$6,891	\$12,364
Ashe	\$79,000	\$9,506	\$17,311	Lincoln	\$92,400	\$10,992	\$20,120
Avery	\$80,000	\$9,617	\$17,521	McDowell	\$60,500	\$7,456	\$13,433
Beaufort	\$68,300	\$8,320	\$15,068	Macon	\$97,300	\$11,535	\$21,148
Bertie	\$49,500	\$6,237	\$11,127	Madison	\$85,300	\$10,205	\$18,632
Bladen	\$52,500	\$6,569	\$11,756	Martin	\$57,000	\$7,068	\$12,699
Brunswick	\$109,400	\$12,876	\$23,684	Mecklenburg	\$122,200	\$14,295	\$26,368
Buncombe	\$118,600	\$13,896	\$25,613	Mitchell	\$79,800	\$9,595	\$17,479
Burke	\$71,400	\$8,664	\$15,718	Montgomery	\$52,400	\$6,558	\$11,735
Cabarrus	\$115,200	\$13,519	\$24,900	Moore	\$109,700	\$12,909	\$23,747
Caldwell	\$70,600	\$8,575	\$15,550	Nash	\$75,900	\$9,163	\$16,661
Camden	\$128,500	\$14,993	\$27,688	New Hanover	\$150,200	\$17,398	\$32,237
Carteret	\$117,200	\$13,741	\$25,319	Northampton	\$45,800	\$5,826	\$10,351
Caswell	\$65,300	\$7,988	\$14,439	Onslow	\$111,000	\$13,053	\$24,020
Catawba	\$86,700	\$10,360	\$18,925	Orange	\$162,900	\$18,806	\$34,900
Chatham	\$118,600	\$13,896	\$25,613	Pamlico	\$72,100	\$8,742	\$15,865
Cherokee	\$77,700	\$9,362	\$17,039	Pasquotank	\$97,400	\$11,546	\$21,169
Chowan	\$84,700	\$10,138	\$18,506	Pender	\$81,500	\$9,784	\$17,835
Clay	\$79,400	\$9,551	\$17,395	Perquimans	\$82,500	\$9,894	\$18,045
Cleveland	\$70,800	\$8,598	\$15,592	Person	\$77,300	\$9,318	\$16,955
Columbus	\$48,800	\$6,159	\$10,980	Pitt	\$80,300	\$9,650	\$17,584
Craven	\$87,200	\$10,415	\$19,030	Polk	\$92,500	\$11,003	\$20,141
Cumberland	\$87,400	\$10,437	\$19,072	Randolph	\$80,000	\$9,617	\$17,521
Currituck	\$140,000	\$16,268	\$30,099	Richmond	\$51,600	\$6,469	\$11,567
Dare	\$189,700	\$21,776	\$40,518	Robeson	\$34,600	\$4,585	\$8,003
Davidson	\$86,200	\$10,304	\$18,821	Rockingham	\$70,900	\$8,609	\$15,613

TABLE A-3. Estimated Savings Required to Purchase a Starter Home, NC in 2017
Percentage of Down Payment

COUNTY	STARTER HOME VALUE (25th Percentile)	Total Savings Needed (Includes Down Payment, Closing Costs, & Moving Costs)		COUNTY	STARTER HOME VALUE (25th Percentile)	Total Savings Needed (Includes Down Payment, Closing Costs, & Moving Costs)	
		10% Down	20% Down			10% Down	20% Down
Davie	\$95,800	\$11,369	\$20,833	Rowan	\$84,700	\$10,138	\$18,506
Duplin	\$44,300	\$5,660	\$10,037	Rutherford	\$67,100	\$8,187	\$14,817
Durham	\$133,500	\$15,547	\$28,736	Sampson	\$51,100	\$6,414	\$11,462
Edgecombe	\$54,600	\$6,802	\$12,196	Scotland	\$47,700	\$6,037	\$10,750
Forsyth	\$105,400	\$12,433	\$22,846	Stanly	\$80,200	\$9,639	\$17,563
Franklin	\$82,100	\$9,850	\$17,961	Stokes	\$78,300	\$9,429	\$17,164
Gaston	\$82,400	\$9,883	\$18,024	Surry	\$72,800	\$8,819	\$16,012
Gates	\$75,000	\$9,063	\$16,473	Swain	\$73,000	\$8,841	\$16,053
Graham	\$60,100	\$7,412	\$13,349	Transylvania	\$110,700	\$13,020	\$23,957
Granville	\$84,700	\$10,138	\$18,506	Tyrrell	\$61,900	\$7,611	\$13,726
Greene	\$60,300	\$7,434	\$13,391	Union	\$136,200	\$15,846	\$29,302
Guilford	\$104,200	\$12,300	\$22,594	Vance	\$61,800	\$7,600	\$13,706
Halifax	\$51,300	\$6,436	\$11,504	Wake	\$157,100	\$18,163	\$33,684
Harnett	\$81,200	\$9,750	\$17,772	Warren	\$55,100	\$6,857	\$12,301
Haywood	\$95,400	\$11,324	\$20,749	Washington	\$49,900	\$6,281	\$11,211
Henderson	\$112,900	\$13,264	\$24,418	Watauga	\$138,700	\$16,124	\$29,827
Hertford	\$54,900	\$6,835	\$12,259	Wayne	\$65,500	\$8,010	\$14,481
Hoke	\$83,300	\$9,983	\$18,213	Wilkes	\$60,600	\$7,467	\$13,454
Hyde	\$48,100	\$6,081	\$10,833	Wilson	\$74,600	\$9,019	\$16,389
Iredell	\$99,100	\$11,734	\$21,525	Yadkin	\$75,900	\$9,163	\$16,661
Jackson	\$104,500	\$12,333	\$22,657	Yancey	\$81,000	\$9,728	\$17,731

TABLE A-4. Estimated Monthly Retirement Savings, NC in 2017
By Age at Which Savings Begin, and County, for One and Two Adults

COUNTY	25 YEARS OLD		40 YEARS OLD		55 YEARS OLD	
	1 Adult	2 Adults	1 Adult	2 Adults	1 Adult	2 Adults
NORTH CAROLINA AVERAGE	\$192	\$168	\$318	\$258	\$712	\$526
Alamance County	\$205	\$174	\$340	\$268	\$762	\$547
Alexander County	\$181	\$164	\$299	\$253	\$669	\$516
Alleghany County	\$176	\$161	\$291	\$247	\$649	\$503
Anson County	\$183	\$161	\$303	\$246	\$677	\$501
Ashe County	\$171	\$158	\$282	\$243	\$629	\$495
Avery County	\$185	\$165	\$306	\$253	\$684	\$517
Beaufort County	\$183	\$166	\$302	\$255	\$675	\$522
Bertie County	\$184	\$162	\$303	\$248	\$678	\$503
Bladen County	\$175	\$161	\$288	\$248	\$642	\$507
Brunswick County	\$226	\$188	\$376	\$290	\$845	\$593
Buncombe County	\$213	\$172	\$353	\$263	\$792	\$533
Burke County	\$179	\$157	\$296	\$240	\$660	\$486
Cabarrus County	\$218	\$176	\$362	\$270	\$813	\$548
Caldwell County	\$178	\$157	\$293	\$241	\$656	\$489
Camden County	\$233	\$186	\$387	\$285	\$871	\$580
Carteret County	\$210	\$184	\$348	\$284	\$781	\$584
Caswell County	\$176	\$157	\$291	\$240	\$649	\$487
Catawba County	\$192	\$166	\$317	\$255	\$710	\$520
Chatham County	\$226	\$186	\$374	\$286	\$842	\$583
Cherokee County	\$186	\$168	\$307	\$259	\$688	\$530
Chowan County	\$188	\$166	\$310	\$255	\$694	\$519
Clay County	\$196	\$172	\$323	\$265	\$725	\$542
Cleveland County	\$181	\$158	\$299	\$242	\$668	\$492
Columbus County	\$177	\$160	\$292	\$246	\$653	\$502
Craven County	\$200	\$176	\$331	\$270	\$741	\$553
Cumberland County	\$208	\$173	\$345	\$265	\$774	\$538
Currituck County	\$233	\$194	\$388	\$299	\$873	\$613
Dare County	\$215	\$190	\$355	\$295	\$798	\$607
Davidson County	\$179	\$157	\$296	\$240	\$661	\$486
Davie County	\$197	\$172	\$326	\$264	\$730	\$541
Duplin County	\$182	\$163	\$300	\$251	\$671	\$512
Durham County	\$235	\$183	\$389	\$280	\$876	\$568
Edgecombe County	\$183	\$160	\$301	\$245	\$673	\$497

TABLE A-4. Estimated Monthly Retirement Savings, NC in 2017
By Age at Which Savings Begin, and County, for One and Two Adults

COUNTY	25 YEARS OLD		40 YEARS OLD		55 YEARS OLD	
	1 Adult	2 Adults	1 Adult	2 Adults	1 Adult	2 Adults
Forsyth County	\$196	\$169	\$324	\$259	\$725	\$528
Franklin County	\$205	\$169	\$339	\$258	\$761	\$523
Gaston County	\$199	\$168	\$329	\$258	\$739	\$525
Gates County	\$183	\$166	\$302	\$255	\$675	\$522
Graham County	\$174	\$164	\$286	\$252	\$639	\$516
Granville County	\$192	\$167	\$317	\$257	\$710	\$523
Greene County	\$170	\$155	\$280	\$237	\$625	\$481
Guilford County	\$206	\$174	\$342	\$267	\$767	\$545
Halifax County	\$186	\$163	\$308	\$250	\$688	\$508
Harnett County	\$181	\$163	\$298	\$251	\$666	\$510
Haywood County	\$194	\$172	\$320	\$264	\$717	\$541
Henderson County	\$205	\$172	\$339	\$264	\$760	\$537
Hertford County	\$175	\$159	\$288	\$244	\$643	\$496
Hoke County	\$180	\$163	\$297	\$250	\$663	\$510
Hyde County	\$215	\$181	\$356	\$278	\$800	\$569
Iredell County	\$213	\$177	\$353	\$272	\$794	\$554
Jackson County	\$182	\$166	\$300	\$255	\$670	\$522
Johnston County	\$227	\$182	\$377	\$279	\$847	\$566
Jones County	\$178	\$164	\$293	\$253	\$655	\$517
Lee County	\$197	\$174	\$326	\$268	\$731	\$549
Lenoir County	\$174	\$152	\$287	\$232	\$640	\$469
Lincoln County	\$192	\$165	\$317	\$252	\$709	\$513
McDowell County	\$184	\$165	\$304	\$254	\$680	\$517
Macon County	\$186	\$169	\$306	\$261	\$685	\$535
Madison County	\$200	\$172	\$331	\$264	\$743	\$539
Martin County	\$179	\$161	\$295	\$247	\$660	\$504
Mecklenburg County	\$234	\$186	\$389	\$285	\$875	\$580
Mitchell County	\$180	\$165	\$297	\$253	\$663	\$518
Montgomery County	\$177	\$158	\$292	\$242	\$651	\$490
Moore County	\$193	\$173	\$319	\$267	\$714	\$547
Nash County	\$192	\$162	\$317	\$247	\$709	\$500
New Hanover County	\$215	\$182	\$357	\$280	\$803	\$573
Northampton County	\$174	\$162	\$287	\$250	\$641	\$511
Onslow County	\$208	\$176	\$344	\$270	\$772	\$551
Orange County	\$244	\$201	\$405	\$309	\$912	\$635

TABLE A-4. Estimated Monthly Retirement Savings, NC in 2017
By Age at Which Savings Begin, and County, for One and Two Adults

COUNTY	25 YEARS OLD		40 YEARS OLD		55 YEARS OLD	
	1 Adult	2 Adults	1 Adult	2 Adults	1 Adult	2 Adults
Pamlico County	\$184	\$171	\$304	\$264	\$680	\$541
Pasquotank County	\$197	\$171	\$326	\$262	\$729	\$535
Pender County	\$203	\$182	\$336	\$281	\$755	\$577
Perquimans County	\$193	\$168	\$318	\$259	\$713	\$527
Person County	\$179	\$160	\$294	\$245	\$658	\$497
Pitt County	\$198	\$169	\$327	\$260	\$733	\$528
Polk County	\$192	\$171	\$317	\$264	\$709	\$540
Randolph County	\$188	\$164	\$311	\$252	\$696	\$512
Richmond County	\$175	\$153	\$288	\$233	\$644	\$471
Robeson County	\$169	\$150	\$278	\$229	\$619	\$462
Rockingham County	\$172	\$161	\$284	\$247	\$634	\$506
Rowan County	\$181	\$158	\$299	\$242	\$668	\$490
Rutherford County	\$177	\$154	\$292	\$235	\$653	\$476
Sampson County	\$178	\$159	\$294	\$244	\$658	\$495
Scotland County	\$173	\$159	\$285	\$245	\$636	\$500
Stanly County	\$171	\$155	\$282	\$238	\$630	\$484
Stokes County	\$187	\$170	\$309	\$262	\$691	\$536
Surry County	\$180	\$163	\$296	\$250	\$662	\$510
Swain County	\$178	\$163	\$294	\$251	\$656	\$512
Transylvania County	\$190	\$173	\$314	\$266	\$703	\$546
Tyrrell County	\$184	\$171	\$304	\$264	\$680	\$542
Union County	\$232	\$184	\$385	\$281	\$867	\$571
Vance County	\$177	\$159	\$291	\$244	\$650	\$495
Wake County	\$244	\$189	\$405	\$290	\$912	\$589
Warren County	\$172	\$158	\$283	\$242	\$631	\$493
Washington County	\$191	\$167	\$315	\$256	\$706	\$522
Watauga County	\$213	\$188	\$353	\$290	\$792	\$597
Wayne County	\$174	\$156	\$286	\$239	\$638	\$484
Wilkes County	\$184	\$166	\$304	\$256	\$681	\$522
Wilson County	\$197	\$165	\$326	\$252	\$730	\$511
Yadkin County	\$186	\$167	\$307	\$256	\$686	\$524
Yancey County	\$175	\$159	\$289	\$245	\$645	\$498

ABOUT THE AUTHOR

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

THE CENTER FOR WOMEN'S WELFARE

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

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

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

