



Living Wage Study 2022 Overview: Key Findings & Recommendations

The **Living Wage Study 2022**, a project of The Institute and The University of Scranton, seeks to understand better what constitutes a living wage in Northeastern Pennsylvania using the MIT Living Wage calculator, other national and regional data, and connecting this data with input from community agencies and insights from Catholic Social Teaching. A living wage, and the broader concept of family economic security, is defined as the wage rate at which a worker, employed on a full-time basis, can reach a standard of living that meets essential basic needs and allows the individual or family to live a modest but dignified life. The 2022 Report outlines the living wage threshold for various family compositions in NEPA and compares it to previous data, details the increases in costs of living, explains some of the major challenges facing those who fall below the living wage threshold, and especially highlights **contributing factors** — in particular, racial disparities and the impact of the COVID-19 pandemic and related policies on economic security.

Key Findings

Gap between minimum wage & living wage: The gap between the Commonwealth of Pennsylvania and federal government's minimum wage and living wage thresholds remains significant; **the minimum wage of \$7.25 per hour does not amount to a living wage.**

Living wage amounts have increased across the board: In 2022, the living wage threshold has increased significantly from 2019 across all family compositions. It takes higher wages and more funds to provide the same basic needs for an individual and families. For instance, the living wage income for a family of two adults (one working) and two children in Lackawanna and Luzerne counties increased from \$42,910 in 2019 to \$59,717 in 2022 — **a significant 39 percent increase.**

Regional median household income lags: For households with children, the regional median household income is below the living wage thresholds which indicates that **our regional wages fall below what is needed for families to thrive.**

Poverty rate high & need for services increased: Overall, the **regional population living in poverty remains disproportionately high** when compared to state averages and community agencies report added efforts and additional families and individuals seeking their services.

Rising costs for basic needs: Due to inflation and other factors, **individuals and families are facing rising costs** for healthy food, transportation and childcare.

Affordable housing crisis: The most recent data also points to **an acute need for affordable housing** that calls for new policies and approaches.

Racial disparities: The report provides a new focus on racial disparities, with **Black and Hispanic/Latino households having lower rates of homeownership** and **lower median incomes** than white populations.

Pandemic effects: The **pandemic has ongoing negative economic effects**; pandemic-related policies such as cash benefits had a positive impact that has now been reversed as the benefits were ended.

Benefit Cliff: **Income eligibility guidelines for many assistance programs are often significantly below the living wage threshold** and this problem also applies to medical care and housing.



Key Recommendations

To achieve greater economic security for families in NEPA, a multi-pronged approach is required that involves public policy changes, economic and workforce development efforts, government programs, and private charitable activities. The following recommendations reflect conclusions drawn from the data in this report and based on principles of Catholic Social Teaching in regard to poverty, just wages, and economic justice.

1. Support Expanded Housing Assistance & Housing Affordability

Expand access to social programs that address issues of housing affordability, including changes to zoning, development of more housing options across income levels, expansion of mixed-income social housing, and homeownership counseling and cash assistance.

2. Foster Equity & Inclusivity

Promote practices by government, non-profit, and other agencies to ensure equitable access to services and benefits, including reviewing local and regional policies and their implementation. This should involve centering the voices and experiences of BIPOC, economically disadvantaged, and formerly incarcerated populations and seeking to better understand causes of and solutions to racial disparities, including discrimination or other barriers.

3. Increase Wages

To foster and maintain more family-sustaining jobs, raise the Pennsylvania and/or federal minimum wage and further increase economic development and workforce activities, including strategic higher education and K-12 collaborations to ensure a match between regional skills and needs.

4. Support Cash Assistance for Low-Income Families

Support expanded tax credits and cash assistance that assist with basic costs for low-income families.

5. Support Expanded Food & Basic Necessities Assistance

To address the rising costs and inconsistent availability of food and basic necessities, we should support expanded assistance in these areas.

6. Expand Access to Existing Social Safety Net Programs

Expand access to existing social safety net programs and ensure that federal, state, and local poverty measures adequately address the realities of low-income Americans.

7. Support Programs & Policies that Help Workers to Obtain & Keep Jobs with Family-Sustaining Wages

Reduce disparities in K-12 and post-secondary education, equip workers with the skills they need to obtain jobs with family-sustaining wages, and provide transportation and childcare support for families to ensure gainful employment.



The 2022 Living Wage Report is a collaboration of The Institute and The University of Scranton (Center for Ethics and Excellence in Public Service, the Ellacuría Initiative, and the Office of Community & Government Relations). The full report and additional resources can be found online at scranton.edu/livingwage.