

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 racial and ethnic factors — in particular, racial disparities and the impact of the COVID-19 pandemic and related policies on economic security.

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; 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.

Aordable 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; 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.

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