

# Methodology & data references

## Budget components and methodology

### Housing

Housing costs are based on the Department of Housing and Urban Development's fair market rents (FMRs). FMRs are based on the 40th percentile rents for "privately owned, decent, [structurally] safe, and sanitary rental housing of a modest (non-luxury) nature with suitable amenities" (Federal Register 1994). FMRs are gross rent estimates. They include the shelter rent plus the cost of all utilities, except telephones. Two-bedroom apartments were used for families with one to two children, and three-bedroom apartments for families with three children, based on HUD guidelines (Department of Housing and Urban Development 1991). Fair market rents are available at [www.huduser.org/datasets/fmr.html](http://www.huduser.org/datasets/fmr.html).

### Food

Food costs are based on the Department of Agriculture's "low-cost food plans." The USDA food plans represent the amount families need to spend to achieve nutritionally adequate diets. The age groups used in this analysis are males and females age 20–50 and children age 3–5, 6–8, and 9–10. Food cost estimates are the same for the whole nation (the Bureau of Labor Statistics found that food costs vary little by region).

### Childcare

Childcare costs are the costs at the 50th percentile reported in the 1999 Oregon Childcare Market Rate Study conducted by Portland State University. This study is a result of the mandate that states conduct a survey of childcare market rates every two years as part of the Personal Responsibility and Work Opportunity Act of 1996. Costs are for 4-year-olds for one-child families, one 4-year-old and one school-age child for two-child families, and a 4-year-old and two school-age children for three-child families.

### Transportation

Transportation costs are based on the costs of owning and operating a car. These costs were derived from the average miles driven per person for the size of the regional area (from the Nationwide Personal Transportation Survey). Thus, transportation costs vary by the size of the metropolitan area (or whether the area is rural). Costs per mile are from the IRS cost-per-mile rate, which includes the cost of gas, insurance, vehicle registration fees, maintenance, and depreciation. The Basic Family Budget included only costs for non-social trips (work, school, church, and errands) for the first adult and costs for work trips for the second adult. According to the National Personal Transportation survey, 28 percent of trips are work related and 41 percent are for other non-social trips.



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The formula for deriving transportation costs is:

**[.69 (non soc trips 1st adult) \* Average Miles/MSA \* .325 (IRS cost/mile)] + [.28 (work trips 2nd adult) \* Average Miles/MSA \* .325 (IRS cost/mile)]**

### Health care

In calculating health care costs, the budget takes into account the fact that 40 percent of families do not receive health insurance through their employers. The Basic Family Budget assumes that any workers who do not have health insurance through their employers or through Medicaid would purchase health insurance through a non-group plan. Thus, health care costs are based on a weighted average of the costs of employer-provided health insurance and the cost of purchasing a nongroup plan. The Basic Family Budget uses the same cost of health insurance for the whole state, as non-group plans do not vary significantly within states. Premium costs for a non-group plan were obtained from two online health insurance quote firms, [www.ehealthinsurance.com](http://www.ehealthinsurance.com) and [www.quotesmith.com](http://www.quotesmith.com). Both of these sites provide quotes from major providers for non-group health plans.

Quotes are based on ages of family members and ZIP codes. We assumed parents were 33 and the children were age 4, 8, and 10. The plan closest to a \$500

deductible and a \$20 co-pay was selected. The Basic Family Budget uses a Zip code from an urban area in the state; using Zip codes for different areas in the state did not change the cost of the plans significantly. For the employee cost for premiums for employer-sponsored insurance, the budget uses average employee cost for premiums for family health insurance plans in the state. These data were obtained from the Medical Expenditure Panel Survey.

Out-of-pocket costs are from “Hidden From View: The Growing Burden of Health Care Costs from Consumer’s Union” (Table 9), inflated to 1999 dollars. To weight for whether families have health insurance through an employer, we use the percentage of families with incomes between \$20,000 and \$30,000 who receive health insurance from an employer, the percentage who have Medicaid, and the percentage that are covered by neither and therefore would have to purchase a non-group plan.

The weighted average formula for two-parent families is:

**0.59 \* employer-sponsored premium + 0.08 \* \$0 (no premium cost for Medicaid) + 0.33 \* non-group premium + out-of-pocket costs.**



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For one-parent families, the formula is:

**0.61 \* employer-sponsored premium + 0.08 \* \$0 (no premium cost for Medicaid) + 0.31 \* non-group premium + out-of-pocket costs.**

### Other necessities

The cost of other necessities includes the cost of telephone, clothing, personal care expenses, household supplies, reading materials, school supplies, union dues, bank fees, television, music, and toys. Bernstein, et al. (2000) derives these costs from the Federal Communications Commission and the Consumer Expenditure Survey, and calculates that these costs are 31 percent of housing and food costs. Thus, the cost of other necessities is derived by taking 31 percent of the housing and food costs for the area and family type.

### Taxes

Taxes were computed for the tax year 1999. Taxes include federal personal income taxes, federal Social Security and Medicare payroll taxes (direct worker payments only) equal to 7.65 percent of pretax wages, and state income taxes. Sales and property taxes are not included in the tax category because sales taxes are included in the cost of other necessities and property taxes are included in the cost of

housing. Taxes were calculated based on the after-tax incomes necessary to meet basic needs (i.e., after-tax family budget levels). It was accomplished by calculating the pretax incomes necessary for families to achieve this after-tax income.

The taxpayer family types are married couples with one, two, or three children, filing jointly for federal income taxes and single parents with one, two, or three children filing as head of household federally. The Basic Family Budget assumes all income is from wages, none of the adults is elderly, all families are renters, and all couples have two wage earners. For the dependent care tax credit, we assume that (1) all families have the maximum amount of dependent care expenses (\$2,400 for one eligible child; \$4,800 for two or more eligible children), and (2) all children are under 13 years old and thus “eligible” for purposes of the dependent care credit. Taxes are based on the standard deduction for both federal and state income tax purposes. No adjustments were taken in computing adjusted gross income for federal income taxes.

### Reference

Jared Bernstein, Chauna Brocht, and Maggie Spade-Aguilar. 2000. *How much is enough? Basic Family Budgets for Working Families*. Washington D.C.: Economic Policy Institute.



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### References/methodology for the final table in the county pages

#### Poverty measures

##### 1. Total County Population. 2003

Population Estimates. US Census Bureau. [www.census.gov/popest/estimates.php](http://www.census.gov/popest/estimates.php)

##### 2. The percent of people who lived below the federal poverty threshold.

US Census Bureau. [www.census.gov/hhes/www/poverty.html](http://www.census.gov/hhes/www/poverty.html)

##### 3. Median income. US Census Bureau.

[www.census.gov/hhes/www/income.html](http://www.census.gov/hhes/www/income.html)

##### 4. Unemployment rate. US Department of Labor, Bureau of Labor Statistics.

[data.bls.gov](http://data.bls.gov)

##### 5. Percent of 8th grade students who reported using illicit drugs in the previous 30 days. Oregon's Progress Report, Report to the Legislative Assembly, Oregon Progress Board.

[www.lcb.state.or.us/DAS/OPB/docs/CoData/03CoData/copages.xls](http://www.lcb.state.or.us/DAS/OPB/docs/CoData/03CoData/copages.xls)

##### 6. High school drop out rate (grades 9-12 for the listed school year). Oregon's Progress Report, Report to the Legislative Assembly, Oregon Progress Board.

[www.lcb.state.or.us/DAS/OPB/docs/CoData/03CoData/copages.xls](http://www.lcb.state.or.us/DAS/OPB/docs/CoData/03CoData/copages.xls)

##### 7. Pregnancy rate per 1,000 females ages 10-17. Oregon's Progress Report, Report to the Legislative Assembly, Oregon Progress Board.

[www.lcb.state.or.us/DAS/OPB/docs/CoData/03CoData/copages.xls](http://www.lcb.state.or.us/DAS/OPB/docs/CoData/03CoData/copages.xls)

##### 8. Number of child-care slots available for children under the age of 13. Oregon's Progress Report, Report to the Legislative Assembly, Oregon Progress Board.

[www.lcb.state.or.us/DAS/OPB/docs/CoData/03CoData/copages.xls](http://www.lcb.state.or.us/DAS/OPB/docs/CoData/03CoData/copages.xls)

##### 9. Percent of babies whose mothers received prenatal care in the first trimester. Oregon's Progress Report, Report to the Legislative Assembly, Oregon Progress Board.

[www.lcb.state.or.us/DAS/OPB/docs/CoData/03CoData/copages.xls](http://www.lcb.state.or.us/DAS/OPB/docs/CoData/03CoData/copages.xls)

##### 10. The percent of households in the given county that owned their home. US Census Bureau.

[www.lcb.state.or.us/DAS/OPB/docs/CoData/03CoData/copages.xls](http://www.lcb.state.or.us/DAS/OPB/docs/CoData/03CoData/copages.xls)

##### 11. The percent of the county population who rented and who reported spending 30 percent or more of their income on rental costs. This is referred to as "rent burden".

US Census Bureau. [www.census.gov/popest/housing.html](http://www.census.gov/popest/housing.html)

#### County services

**1. One Night Shelter Counts.** A one night count of singles and individuals in families seeking emergency shelter or homeless prevention services on the given night of the count. This count includes those receiving shelter



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and services and those who are turned away. This number represents all individuals separately, including each family member such as children. OHCS conducts two counts each year, one in March and one in November. The number represented in this report is from the November counts. The ONSC is a point-in-time snapshot of the homeless and at-risk singles and individuals in families. *Oregon Housing and Community Services, Community Services or Information Services.*

**2. The number of new housing units created with OHCS funds for affordable housing.** This number represents the number of new units supported by funding dollars allocated by OHCS to the county for the specified year. The amounts listed do not represent rolling totals, these units are funded for the specified year only. These could represent units being renovated or under construction. *Oregon Housing and Community Services, Housing Section or Information Services.*

**3. OHCS Funding for Subsidized Housing.** This dollar amount represents funds allocated by OHCS to each county in the specified year for either new construction or renovation

of affordable housing units. This dollar amount represents funding from several programs at OHCS that are implemented to help moderate to low-income families by developing, financing and preserving locally supported affordable housing. Note: if there is a funding amount but no new unit amount for the same year, the funding went toward construction. *Oregon Housing and Community Services, Housing Section or Information Services.*

#### **4. The number of single-family home loans for low-income households.**

This number represents the number of home loans financed through OHCS in conjunction with qualified lenders. These home loans are for persons who earn less than 80 percent of the state median income. These loans give below market rate home loans and/or down payment and closing cost assistance. *Oregon Housing and Community Services, Single-Family Section or Information Services, [www.oregonbond.us](http://www.oregonbond.us)*

**5. Dollar amount given for single-family home loans.** This number represents the dollar amount allocated for single-family home loans for low-income households. *Oregon Housing and Community Services, Single-Family Section or Information Services, [www.oregonbond.us](http://www.oregonbond.us)*



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**6. The number of households receiving energy assistance from OHCS from two programs: Low Income Energy Assistance Program (LIEAP) and Oregon Energy Assistance Program (OEAP).**

These numbers represent households who received assistance for home heating costs from July to June of the specified year. Some households may receive assistance from both LIEAP and OEAP. This chart provides an unduplicated count. [egov.oregon.gov/OHCS/SOS\\_EUMainPage.shtml](http://egov.oregon.gov/OHCS/SOS_EUMainPage.shtml)

**7. The percent of population enrolled in the Oregon Health Plan.** This number is an unduplicated count of the number of Oregon Health Plan enrollees in each county in the specified year. “Integrated Client Database Report, Department of Human Services.”

**8. The number of students eligible for either free- or reduced-price lunch in the county schools per school year.** In order to represent the most recent data, the school years run as follows: 1999 (1999–2000); 2000 (2000–2001); 2001 (2001–2002); 2002 (2002–2003) Department of Education. [ode.state.or.us/sfda](http://ode.state.or.us/sfda)

**9. The percent of students who are eligible for free- or reduced price-lunch in the county schools per school year.** Department of Education. [ode.state.or.us/sfda](http://ode.state.or.us/sfda)

**10. The percent of the county population who received food stamps in the specified year.** These percentages represent an unduplicated client count. *Integrated Client Database, Department of Human Services.*

**11. The percent of county population who received Temporary Assistance to Needy Families in the specified year.** These percentages represent an unduplicated client count. *Integrated Client Database, Department of Human Services.*

**12. The percent of the county population that received services from the Department of Human Services in the specified year.** These percentages represent an unduplicated count. *Integrated Client Database, Department of Human Services.*

