



Quality Information, Informed Choices
Labor Market Information

State of Oregon • Employment Department • 875 Union NE, Salem, OR 97311 • www.QualityInfo.org

Contact Information: Brooke Jackson
Economist
(503) 947-1263
Brooke.D.Jackson@state.or.us

What is a Living or Family Wage?

A living or family wage is a measure of minimum income. A living wage is exactly what it sounds like: income sufficient for a person to live on. For a wage to qualify as a “living wage”, it should provide enough money to at least cover basic expenses like food, housing, and utilities. Earning a “family wage” means that a person has sufficient income for his or her basic necessities and for the basic needs of children and/or a spouse.

While this kind of wage definition is appealing, the task of defining a living or family wage is difficult. There are many factors to consider, such as: What items are “basic necessities”? What is a reasonable average cost for things like housing and utilities? To make matters more complex, the costs for basic necessities, housing, and so forth, vary depending on location. Thus a living or family wage rate must also vary depending on location.

In Oregon, there is no official definition for a family wage, although the phrase is mentioned several times in the Oregon Revised Statutes – specific references include 285.203 (2)(c), 329.905(c), and 329.925 (2)(d).

Business Oregon offers one definition for a family wage: the average pay per worker covered by the state’s unemployment insurance system. This “average covered wage” is calculated down to the county level in Oregon using data from the Oregon Employment Department. By definition, it is the sum of payroll from establishments covered by unemployment insurance law, divided by the total number employed at those establishments. This figure is published through the Covered Employment Tool on the Employment Department Web site, available at:

- <http://olmis.emp.state.or.us/olmisj/CEP>

Note that only annual data should be used to determine family wage levels, and the Business Oregon definition only considers wage income without benefits or public assistance.

In order to guarantee a “living wage” to local workers, some political entities in the U.S. – including cities and counties – have established a minimum level of compensation for their contractors. Such ordinances often apply to total compensation, or wages plus benefits. A considerable number of studies have been published on the impact of enacting a living wage. There are also calculators available online that estimate the living or family wage for different areas of the United States.

Several other sources of information, listed below, may be useful for family wage-type analyses, including minimum wage, poverty thresholds, and average personal income:

Oregon's minimum hourly wage is higher than the U.S. rate and increases annually as the average cost of goods, or inflation, increases. For further information on the minimum wage in Oregon and in other states, see:

- www.oregon.gov/BOLI/WHD/index.shtml
- www.dol.gov/whd/minwage/america.htm

Poverty thresholds are officially defined by the U.S. Census Bureau and the U.S. Department of Health and Human Services. To view the threshold and other poverty related information, see:

- www.census.gov/hhes/www/poverty/definitions.html
- www.census.gov/hhes/www/poverty/threshld.html
- www.census.gov/hhes/www/poverty.html
- aspe.hhs.gov/poverty/index.shtml

Data on personal income are available from the U.S. Bureau of Economic Analysis. Per capita personal income includes wages; employer-paid retirement benefits; interest, dividend, and rental income; and transfer payments such as Food Stamps. To access these and other income data, see:

- www.bea.gov/regional/index.htm