

Just Economics Living Wage Rate 2021

Just Economics calculates the living wage for Buncombe County using the Universal Living Wage Formula. This formula is based on the idea that a person who works full-time (40 hours per week) should be able to afford a one bedroom apartment among their other expenses. According to the US Department of Housing and Urban Development (HUD), no more than 30% of a person's gross income should be spent on housing in order to be housing secure. The Universal Living Wage Formula indexes the wage to the local cost of housing set each year by HUD's Fair Market Rents (FMR). We base our living wage on the needs of a single individual and view the living wage rate as a more just minimum than the minimum wage. We chose this formula because it is straightforward, easy to calculate, and reflects local needs.

JE adjusts our living wage rate based on a four year average of the FMR. We do this because the FMR can be volatile. Using an average smooths out some of these changes while still being responsive to the real costs of living in our area. We adjust our wage rate when there is a 3% or greater change.

Calculations for Buncombe County

Fair Market Rent

Year	FMR
2021	\$1,099
2020	\$1,045
2019	\$799
2018	\$660
4 year average	\$900.75

FMR average / 30% = monthly expenses
\$900.75 / 30% = \$3002.50

Monthly expenses x 12 = annual expenses
\$3002.50 x 12 = \$36,030

40 hours per week x 52 weeks per year = 2080 working hours per year (full-time)

Annual expenses / working hours per year = **HOURLY LIVING WAGE**
\$36,030 / 2080 hours = \$17.30

JE's 2021 Buncombe Co. Living Wage = 17.30
or with employer provided health insurance=15.80