

## Doug Hoffer: Comparison of the basic needs budgets prepared by JFO and MIT.

These four budget categories represent 78% of the single person's entire household budget.

Category	JFO	MIT
<b>Food</b>	JFO uses the <a href="#">USDA Moderate Food Plan</a> , which assumes all meals are prepared at home. For the single person, JFO uses the figures for a 19 – 50-year-old woman. The figures can be adjusted based on the number, gender, and ages of the household members.	MIT uses the <a href="#">USDA Low-Cost Food Plan</a> , which also assumes all meals are prepared at home. For the single person, MIT uses the average for males and females aged 19 - 50.
<b>Housing</b>	JFO assumes all households rent (home ownership has too many variables, especially property tax). JFO uses <a href="#">HUD Fair Market Rent (FMR)</a> figures, which include utilities. HUD FMR surveys are done annually, and report the 40 <sup>th</sup> percentile rents for each county (i.e., lower than the median). The surveys exclude new construction, which makes the FMR even more conservative. JFO's "official" LW for a single person assumes two adults share a <b>one-bedroom unit</b> . Other housing units are sized to reflect the family composition.	MIT also assumes renters and uses <a href="#">HUD FMR</a> . However, MIT assumes a single person lives in an <b>efficiency apartment</b> without a separate bedroom. That may be reasonable in theory, but the VT housing market does not offer many efficiencies.
<b>Health Care</b>	JFO assumes employer assisted health insurance and uses the <a href="#">Medical Expenditure Panel Survey (MEPS)</a> adjusted using Vermont-specific changes in the cost of the policies selected and for the employee share of the premium. JFO uses Vermont-specific <a href="#">VHCURES</a> data (GMCB) for out-of-pocket expenditures.	MIT uses data from the Bureau of Labor Statistics' Consumer Expenditure Survey (CES), specifically <a href="#">Table 1800</a> (Region). CES assumes employer-assisted premiums. Because Table 1800 includes information for <u>all</u> households in the region, it is not representative of income and expenditures for smaller households with modest income. For example, the average income for a Northeast family is more than \$108,000 so the household expenditures are not representative of the basic needs budget for a single person. In addition, the BLS figures (which lag a year or so) are adjusted using the BLS CPI calculator rather than the price data specific to medical services and products.
<b>Transportation</b>	JFO uses mileage data from the National Household Transportation Survey (NHTS). The NHTS provides mileage estimates by urban - rural and by size and make-up of the household. JFO multiplies the miles driven by the <a href="#">IRS mileage rate</a> , which is updated every year and reflects all the costs of owning and operating a car.	MIT uses data from BLS CES <a href="#">Table 1400</a> (size of consumer unit). Because the figures are national, they don't account for mileage differences for urban & rural households. In addition, the CES data includes avg. expenditures for public transportation, which is generally not available for most of Vermont.