

6.5 PROJECT

THE COST OF LIVING IN DIFFERENT PARTS OF THE UNITED STATES

The cost of living can vary considerably across the United States. According to the Missouri Economic Research and Information Center, Mississippi offers the lowest average cost of living while Hawaii tops the list as the most expensive state in the nation. In this activity, you will investigate the cost of living in two metropolitan areas.

The figures in the following table represent a reasonable monthly budget for a family of four with two working adults to attain a modest, yet adequate, standard of living in both the Toledo Metro Area in Ohio and in the Providence Metro area in Rhode Island in 2021.

Expense	Toledo, OH	Providence, RI
Housing	\$726	\$1014
Food	\$701	\$798
Child Care	\$1120	\$1659
Transportation	\$1164	\$1112
Health Care	\$895	\$793
Other Necessities	\$576	\$731
Taxes	\$643	\$901
Monthly Total	\$5825	\$7008

1. The 2022 minimum wage in Ohio is \$9.30 per hour. How many hours must each adult in the family work per month at this pay rate to earn the \$5825 dollars needed to live in Toledo?
2. Repeat your calculation for Providence, knowing that the 2022 minimum wage in Rhode Island is \$12.25 and the necessary income is \$7008?
3. Which city is the one with a true higher cost of living compared to the state's minimum wage.

Now, assume that a regular work week is made of 40 hours and that there are approximately 4.3 weeks in a month.

4. How much money must each adult earn per hour in Toledo to meet their budget assuming they work regular work weeks during a month? How many times more than the minimum wage in Ohio is the hourly rate you calculated? Assume both adults have equal incomes.
5. How much money must each adult earn per hour in Providence in order to meet their budget assuming they work regular work weeks during a month? How many times more than the minimum wage in Rhode Island is the hourly rate you calculated? Assume both adults have equal incomes.
6. Why do you believe there is such a large discrepancy between the minimum wage in each state and the hourly rates you found in parts 4 and 5?