

# Quantitative Methods for Public Policy

MACALESTER COLLEGE

Spring, 2005

## *WHAT DOES IT TAKE TO GET BY?*

### Assignment #2

This spreadsheet exercise is designed to help you think about the financial constraints facing many immigrant households. First, you will be asked to access data on Latino household incomes in St. Paul and examine the distribution of Latino income. Next, you will calculate the anticipated expenses for families with different characteristics. Using the information from these resources will allow you to think more clearly about the choices an immigrant family must make in order to survive financially.

Complete the assignment by following the instructions below. Your answers should go in the yellow spaces. When you are done, you can save this file or simply print the finished workbook.

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## Exercise 1: Analyzing the Distribution of Household Income

### Accessing the Data

In order to access the data you must first go to the Metropolitan Council website ([www.metrocouncil.org](http://www.metrocouncil.org)).

Once there, click on "Census 2000" (under "Community Assistance").

Under "Summary File 3 Data," click on "Metro Area."

Open the data file for "Income – Household."

Find the worksheet for Hispanic Household Income, and by scrolling to the right find the data for St. Paul.

**Use the Met Council data and fill in the worksheet below. A bar chart of the distribution of household incomes for Hispanic residents in St. Paul will be created in the worksheet labeled "Graph 1."**

<b>Income Range</b>	<b>Number of Households</b>
Less than \$10,000	
\$10,000 to \$14,999	
\$15,000 to \$19,999	
\$20,000 to \$24,999	
\$25,000 to \$29,999	
\$30,000 to \$34,999	
\$35,000 to \$39,999	
\$40,000 to \$44,999	
\$45,000 to \$49,999	
\$50,000 to \$59,999	
\$60,000 to \$74,999	
\$75,000 to \$99,999	
\$100,000 to \$124,999	
\$125,000 to \$149,999	
\$150,000 to \$199,999	
\$200,000 or more	

**Use the same data but now instead of using the income ranges supplied by the Met Council, use evenly distributed \$25,000 income ranges on the horizontal axis. This will require you to add up (or divide) the number of households across a number of income ranges. A new graph will be created in the worksheet labeled "Graph 2."**

<b>Income Range</b>	<b>Number of Households</b>
Less than \$25,000	
\$25,000 to \$49,999	
\$50,000 to \$74,999	
\$75,000 to \$99,999	
\$100,000 to \$124,999	
\$125,000 to \$149,999	
\$150,000 to \$174,999	
\$175,000 to \$199,999	
\$200,000 or more	

**What is the difference between these two graphs? Which of the two provides a more meaningful visual representation of the distribution of immigrant incomes? Why?**

**Search the Met Council data and find the median household income for Hispanic / Latino households in St. Paul in 1999 and the median household income for White households in St. Paul in 1999. (Note: This data will not be in the Hispanic Household Income worksheet.)**

Hispanic household median income	
White household median income	

## Exercise 2: Analyzing Household Expenses

### Accessing the Budget Calculator

Go to the "Jobs Now Coalition" website at [www.jobsnowcoalition.org](http://www.jobsnowcoalition.org) and then click on the link to the Wage and Budget Calculator.

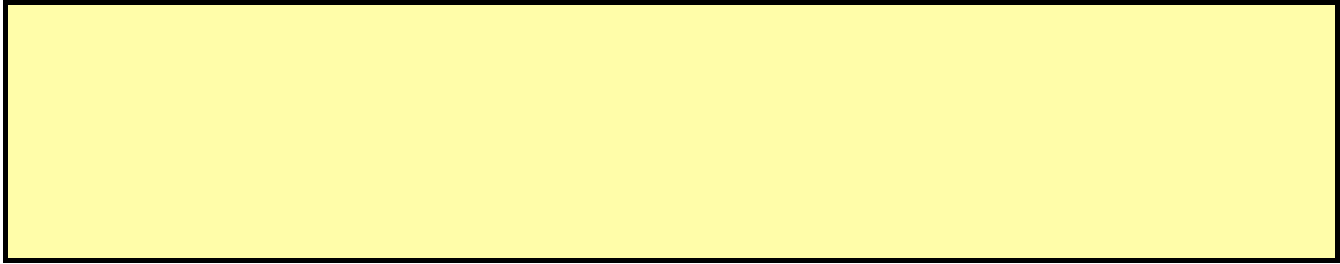
Under "Select a Region" use the drop-down menu to choose Ramsey County.

Put yourself in the position of a single parent who works 40 hours per week and has a 3-year old child. **Use the budget calculator to determine the estimated cost of living for this household and put that information in the left hand column of the following table.**

Category	Expenses	
	<i>Estimated cost of living (JobsNow)</i>	<i>Amount you can budget to meet \$30,000 income</i>
Food		
Housing		
Health Care		
Transportation		
Child Care		
Clothing		
Net Taxes		
Total Monthly Expense	0	0
Total Annual Cost	0	0
Hourly Wage Needed		

Now suppose your household income is \$30,000 per year. Assume you cannot increase your hourly wage or the number of hours worked. What will you do to get by? **Decide how you can reduce your expenses below those estimated by the Jobs Now Coalition and put those new estimates in the right column of the table.**

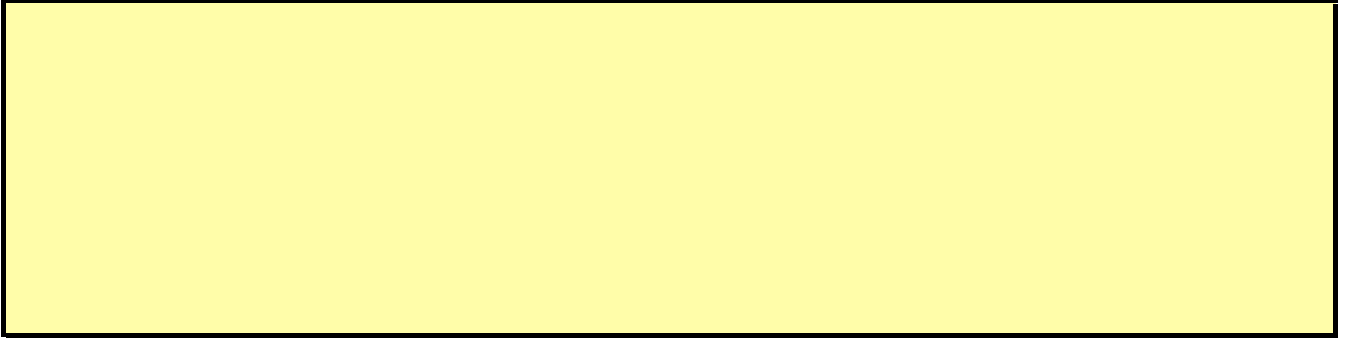
**Briefly explain why you believe it would be possible to meet your new budget.**



Now put yourself in the position of an immigrant family of four. Your household consists of a husband and wife, both of whom are only qualified for unskilled jobs, and two young children. Currently both the husband and wife work 40 hour weeks. **Use the budget calculator to determine the estimated cost of living for this household and put that information in the left hand column of the following table.**

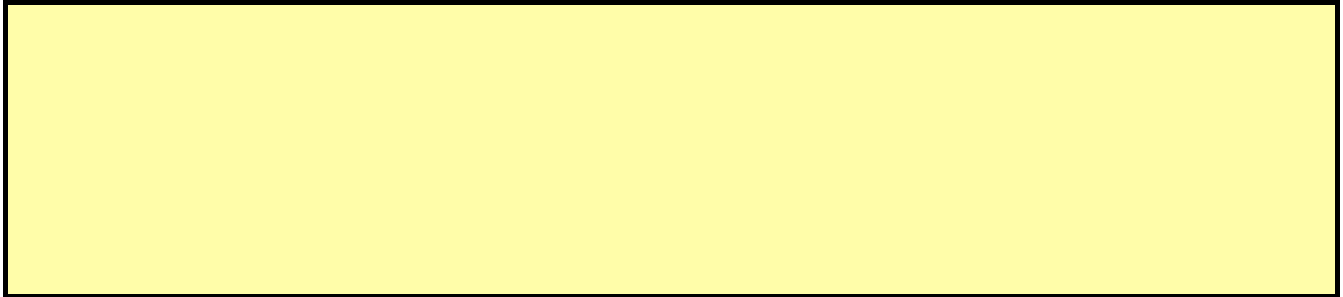
Category	Expenses	
	<i>Estimated cost of living (JobsNow)</i>	<i>Amount you can budget to meet your given income</i>
Food		
Housing		
Health Care		
Transportation		
Child Care		
Clothing		
Net Taxes		
Total Monthly Expense	0	0
Total Annual Cost	0	0
Hourly Wage Needed		

Suppose the husband makes \$31,000 per year in a construction job and the wife makes \$12,000 per year in the hotel industry. What would you do to get by in this situation? **What expenses would you reduce or eliminate (identify the revised expenses in the right column of the table)? How would you alter the hours worked by either or both of the spouses, if at all, to meet your budget? Justify your answer in the space below.**

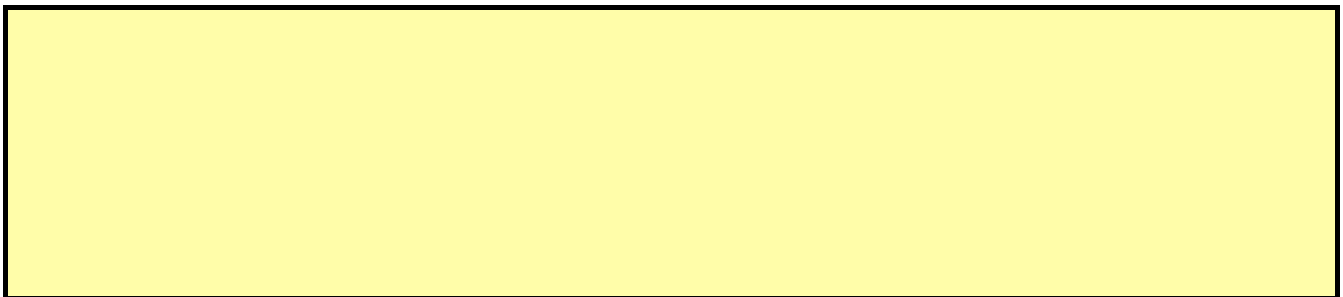


### **Exercise 3: What do the numbers imply?**

*Look at your graphs describing the distribution of Latino household incomes. What percentage of households do you think make enough to meet their estimated needs?*



*Consider an immigrant household that is not making a sufficient income to "get by." Why do you think that family continues to remain in the United States?*



*Are there expenses that Americans might consider necessities that an immigrant would consider a luxury? What are these items? How do the different views of these items affect the incentives to immigrate to the United States?*

