

Budget Examples – *Nickel & Dimed*

	California	Florida
40 hours X 52 weeks X state minimum wage*	\$14,040 (\$6.75/hour)	\$12,792 (\$6.15/hour)
Social Security	- 948	- 831
Federal income tax	- 608	- 483
State tax	- 0 (too low for CA to tax)	- 0 (no income tax in FL)
Sales tax	- 363	- 363
Other state tax	<u>- 152 (SDI)</u>	<u>- 0</u>
After-tax income	\$11,969	\$11,115
Available each month for living	\$ 997	\$ 926

* Federal minimum wage is \$5.15. CA and FL have set higher state minimum wage rates.

The minimum wage in Maine is \$6.35 and in Minnesota, it is \$5.15 (same as federal), but small employers can use \$4.90 (annual receipts of less than \$500,000).

List of state minimum wage rates can be found at
<http://www.dol.gov/esa/minwage/america.htm>.

[Prepared by Professor Nellen, July 2005]