

The Self-Sufficiency Standard

WHAT A DIFFERENCE A MEASURE MAKES

The Self-Sufficiency Standard measures how much income is needed for a family of a certain composition in a given place to adequately meet their basic needs—**without public or private assistance**. The Standard makes it possible to determine if families' incomes are enough to meet basic needs.

The Standard assumes that all adults (whether married or single) work full-time and includes the costs associated with employment—specifically, transportation and taxes, and for families with young children, child care.

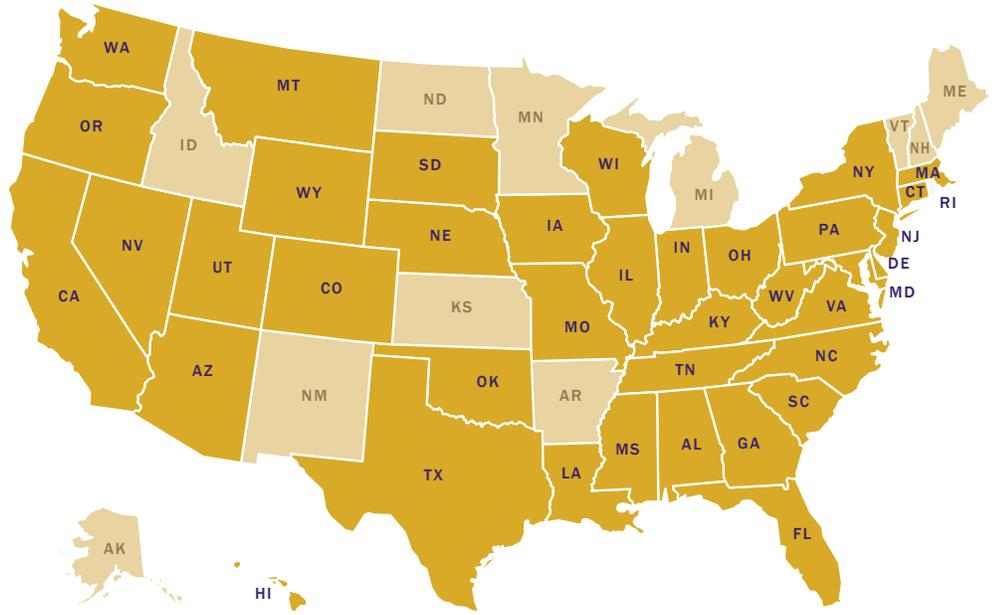
The Standard takes into account that many costs differ not only by family size and composition, but also by the age of children. While food and health care costs are slightly lower for younger children, child care costs are much higher—particularly for children not yet in school—and are a substantial budget item not included in the federal poverty measure.

The Standard accounts for regional variations in cost. This feature is particularly important for housing. Housing in the most expensive areas of the country costs four times as much as in the least expensive areas for equivalent size units.

The Standard includes the net effect of taxes and tax credits. It accounts for state sales taxes, payroll (Social Security) taxes, and federal and state income taxes. Tax credits available to working adults—such as the Child Care Tax Credit, the Child Tax Credit, the Earned Income Tax Credit—are “credited” against income, thus reducing the amount needed to become economically self-sufficient.

The Standard accounts for the fact that various costs increase at different rates over time. For example, food costs, on which the official poverty thresholds are

THE SELF-SUFFICIENCY STANDARD IS IN 38 STATES PLUS THE DISTRICT OF COLUMBIA



THE SELF-SUFFICIENCY STANDARD VARIES BY FAMILY TYPE AND PLACE, 2016*

CITY	One Adult	One Adult, Preschooler	One Adult, Preschooler, School-age	Two Adults, Preschooler, School-age**
Cleveland, OH	\$9.49	\$18.59	\$23.00	\$13.24
Columbia, SC	\$10.26	\$16.87	\$19.82	\$11.71
Denver, CO**	\$10.36	\$22.64	\$27.12	\$14.89
Indianapolis, IN	\$9.77	\$19.34	\$23.15	\$13.23
Los Angeles, CA	\$14.08	\$26.94	\$31.63	\$17.94
New Haven, CT**	\$11.28	\$24.63	\$30.17	\$16.05
New York City (Queens), NY**	\$16.86	\$29.48	\$35.65	\$18.97
Portland, OR**	\$9.62	\$22.64	\$28.89	\$15.65
San Francisco, CA**	\$15.97	\$30.54	\$36.34	\$19.09
Seattle, WA**	\$12.23	\$25.19	\$31.07	\$16.74

*Wages from the most recent Self-Sufficiency Standard data are updated to current dollars using the Consumer Price Index.
 **The hourly wage for families with two adults represents the hourly wage that each adult needs to earn.

based, have not increased as fast as housing costs in most areas. This failure to account for differential inflation rates among other non-food basic needs is one reason that the federal poverty thresholds are no longer an adequate measure of the income required to meet real needs.

The Self-Sufficiency Standard establishes a family sustaining wage specific to most families throughout the United States by

making real-world assumptions, varying data regionally and by family type, and including the net effect of taxes and tax credits. A Self-Sufficiency Wage means the family or individual is on the road to economic independence.

For more information about the Standard contact Dr. Diana Pearce at pearce@uw.edu or (206) 616-2850.

HOW IS THE SELF-SUFFICIENCY STANDARD USED?

The Self-Sufficiency Standard is currently being used to better understand issues of income adequacy, to analyze policy, and to help individuals striving for self-sufficiency. Community organizations, foundations, academic researchers, policy institutes, legal advocates, training providers, community action agencies, and state and local officials, are using the Standard.

POLICY ANALYSIS

The Self-Sufficiency Standard has been used as a tool to evaluate the impact of current and proposed policy changes. The Standard can be used to evaluate the impact of a variety of work supports (such as SNAP/Food Stamp Program or Medicaid) or policy options (such as changes in child care co-payments, tax reform, or tax credits) on family budgets.

BENCHMARK FOR WAGE SETTING

The Self-Sufficiency Standard has been used as a guideline for wage setting. By determining the wages necessary to meet basic needs, the Standard provides information for setting wage standards. The Standard has been used in California, Colorado, Connecticut, Illinois, New York, New Jersey, Hawaii, Nebraska, Oregon, South Dakota, Tennessee, Virginia, and Washington State to advocate for higher wages through living wage ordinances and in negotiating labor union agreements.

COUNSELING TOOL

The Self-Sufficiency Standard has been used as a counseling tool to

help participants in work and training programs access benefits and develop strategies to become self-sufficient. Counseling tools allow users to evaluate possible wages, then compare information on available programs and work supports to their own costs and needs. Clients are empowered with information and tools that allow them to develop and test out their own strategies for achieving self-sufficient incomes.

EVALUATION TOOL

The Self-Sufficiency Standard has been used to evaluate economic development proposals and outcomes for clients and grantees. Using the Standard can help determine whether businesses seeking tax breaks or other government subsidies will create jobs that pay “living wages.” By evaluating wages and outcomes in terms of the Standard, programs are using a measure of true effectiveness. Such evaluations can help redirect resources to approaches that result in improved outcomes for participants and more efficient use of limited foundation and government funding.

TARGETED ALLOCATION OF RESOURCES

The Self-Sufficiency Standard has been used to target job training resources and helps demonstrate the pay off for investing in education and training. Using a targeted jobs strategy, the Standard helps to match job seekers with employment that pays Self-Sufficiency

Wages. Through analysis it is possible to determine the jobs and sectors on which to target training and education resources, including training for occupations that are nontraditional for women and people of color.

POVERTY & INEQUALITY RESEARCH

Because the Self-Sufficiency Standard provides an accurate and specific measure of income adequacy, it is frequently used in research. The Standard provides a means of estimating how poverty differs from place to place and among different family types. The Standard also provides a means to measure the adequacy of various work supports, such as child support or child care assistance, given a family’s income, place of residence, and composition.

COMMUNITY INDICATOR

Community indicators and scorecards help communities to examine the well-being of residents. The Self-Sufficiency Standard provides communities with an indicator of the cost of living at a basic needs level and, in some communities, we have measured how many households are living below the Standard. These are also excellent educational tools for the public and government officials.

THE STANDARD IN PRACTICE

The Self-Sufficiency Standard documents the income required for families to live independently, without public or private assistance. For more descriptions of the ways organizations apply the Self-Sufficiency Standard in their work and links to examples, please visit www.selfsufficiencystandard.org/standard-practice.