

# *The Self-Sufficiency Standard for the City of New York 2004*

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*How much money does it take for families to live and work without public or private assistance or subsidies?*

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## *Introduction*

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An uncertain economy and major changes in welfare and workforce development policy have given new urgency to the question of self-sufficiency. As many parents leave welfare and enter the labor market, they join a growing number of families who are unable to stretch their wages to meet the costs of basic necessities. Even though many of these families are not poor according to the official poverty measure, their incomes are inadequate. But what is adequate income—and how does this amount vary among different family types and different places? To answer this question we have developed a measure of income adequacy: the Self-Sufficiency Standard.

*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.* Below we will explain the origin of the Standard; how it differs from the official poverty standard; how it is calculated; what it looks like for New York City families; and how various public work supports, public policies, child support and other available resources can help families move toward self-sufficiency. We conclude this report with a discussion of the varied ways that the Standard can be used as a tool for policy analysis, counseling, performance evaluation, and research.

### **Measuring Income Adequacy: Problems with the Poverty Measure**

How much is enough for families to meet their needs on their own? Although we may have trouble coming up with an exact dollar figure, most of us know

what adequacy looks like when we see it. As one participant in a training program put it when asked to define her progress towards economic self-sufficiency:

I wouldn't say I'm economically self-sufficient yet. When it comes to a point where I don't have to worry about the health care needs of my family, when I don't have to worry about the light bill, when the light man isn't knocking on the door saying "your bill is due." Not that you have a lot of money, but you're not worried about how your kid is going to get that next pair of shoes... Just the simple things, that may not be all that simple because we don't have them yet.<sup>1</sup>

Obviously, we cannot interview *every* person for his or her own assessment of income or wage adequacy, as quoted above. Thus, there is a need for a standard that is consistent in the assumptions made and as objective as possible. Most often we turn to the federal poverty measure to determine that a family is "poor" if their income is below the appropriate threshold, and "not poor" if it is above that threshold. The poverty measure, however, has become increasingly problematic as a measure of income adequacy. Indeed, the Census Bureau itself states, "the official poverty measure should be interpreted as a statistical yardstick rather than as a complete description of what people and families need to live."<sup>2</sup>

The most significant shortcoming of the federal poverty measure is that for most families, in most places, it is simply not high enough. That is, there are

many families with incomes above the federal poverty level (FPL) who nonetheless lack sufficient resources to adequately meet their basic needs. As a result, many assistance programs use a multiple of the poverty level to measure need. For instance, New York State's Child Health Plus (CHP), available for children under 19 years of age, requires no monthly premium for families whose income is less than 160% of the FPL. The premium amount changes depending upon family income and size until the family's income is more than 250% of the FPL, when the family pays the full monthly premium.<sup>3</sup>

Not only the government, but the general public considers the poverty line to be too low. A number of studies have shown that the public would set a minimum income 17%-47% above the federal poverty level, depending upon the family's composition and where the family lives.<sup>4</sup> However, the official poverty measure has additional problems inherent in its structure. Simply raising the poverty level, or using a multiple of the threshold, cannot solve these problems.

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There are several basic methodological problems with the federal poverty measure. *The first is that the federal poverty measure is based on the cost of a single item, food, not on a market basket of basic needs.* At the time that it was developed, over four decades ago, families spent about one-third of their income on food. The food budget was then multiplied by three. Since the federal poverty measure was first developed and implemented in the early 1960s, it has only been updated to reflect inflation. Also, it has not taken into account the fact that non-food costs, such as housing and health care, have risen much faster than food. Nor has it allowed for "new" or expanded needs such as child care.

*In addition, the implicit demographic model (the two-parent family with a stay-at-home wife) has also changed significantly since the poverty measure's inception.* Particularly for families in which all adults are working—of whom there are many more today than in the 1960s—there are new needs

associated with employment, such as transportation, taxes, and if they have young children, child care.

The federal poverty measure is also the same whether one lives in Mississippi or Manhattan. *That is, the poverty measure does not vary by geographic location.* Although there was some geographical variation in costs three decades ago, differences in the cost of living between areas have increased substantially since then, particularly in the area of housing. Indeed, housing in the most expensive areas of the country costs about five times as much as the same size units in the least expensive areas.<sup>5</sup>

*Finally, the poverty measure does not distinguish between those families in which the adults are employed, and those in which the adults are not employed.* At the time that the poverty measure was first developed, there was probably not a large difference between families in these situations: for example, taxes were very low for low-income families with earned income, and transportation was inexpensive. Most important, because the poverty measure assumed that two-parent families with children had only one worker and that single-parent families had no workers, no child care costs were incorporated. Today, for both one- and two-parent families, child care costs are often a necessary expense and many families do not have unpaid child care available. Also, taxes today even for low-income families are substantial and transportation can be costly.

For these and other reasons, many researchers and analysts have proposed revising the poverty measure. Suggested changes would reflect new needs as well as incorporate geographically-based differences in costs, and would build in more responsiveness to changes over time.<sup>6</sup> Others have gone further, creating new measures of income adequacy, such as Basic Needs Budgets or Living Wages.<sup>7</sup>

Public programs have also recognized the failure of the one-size-fits-all poverty measure to capture differences in need. Thus, instead of using the poverty measure, federal housing programs assess need using local area median income as a way to take into account the significant differences in cost of living between localities. Likewise, the Food Stamps Program takes into account housing and child care costs, and their variations between different localities when calculating benefits.

## The Self-Sufficiency Standard—And How It Differs from the Federal Poverty Measure

While drawing on the critiques and analyses of the federal poverty measure cited above, the Self-Sufficiency Standard takes a somewhat different approach to measuring income adequacy. As one observer put it: “*Ask not where poverty ends, but where economic independence begins.*”<sup>8</sup> That is, at what point does a family have sufficient income and resources (such as health benefits) to meet their needs adequately, without public or private assistance?

As a measure of income adequacy, the Self-Sufficiency Standard defines the amount of income required to meet basic needs (including paying taxes) in the regular “marketplace” without public or private/informal subsidies. By providing a measure that is customized to each family’s circumstances, e.g., taking account of where they live and how old their children are, the Self-Sufficiency Standard makes it possible to determine if families’ incomes are enough to meet their basic needs.

While both the Self-Sufficiency Standard and the official poverty measure assess income adequacy, the Standard differs from the official poverty measure in several important ways:

- The Standard does not try to combine, or average together, the very different circumstances of families in which adults work, compared to those in which they do not. Rather, *the Self-Sufficiency Standard assumes that all adults (whether married or single) work full-time,<sup>9</sup> and therefore, includes costs associated with employment, specifically, transportation, 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 (as does the official poverty measure), but also by the age of children.* While food and health care costs are slightly lower for younger children, child care costs can be much higher—particularly for children not yet in school—and are a substantial budget item not included in the official poverty measure.
- *The Standard incorporates regional and local variations in costs.* This is particularly important for housing, although regional variation can also occur for child care, health care, and transportation. Unlike some approaches suggested for a revised

poverty measure, the Standard does not assume a fixed ratio of urban to rural costs, but uses actual costs. Although rural areas and small towns usually have lower costs than the metropolitan areas in a given state, cost ratios vary and there are exceptions. For example, living costs in rural areas that have become desirable tourist or second-home locations are often as high or higher than in a

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state’s urban areas. Availability of housing in rural and urban areas can also affect costs.

- *The Standard includes the net effect of taxes and tax credits.* It provides for: state sales and use taxes; payroll (Social Security and Medicare) taxes; and federal, state, and city income taxes. Three federal and state credits available to workers and their families are “credited” against the income required to meet basic needs: the Child Care Tax Credit (CCTC); the Earned Income Tax Credit (EITC); and the Child Tax Credit (CTC).
- While the poverty standard is based on the cost of a single item—food—and assumes a fixed ratio between food and nonfood, *the Standard is based on the costs of each basic need, determined independently*, which allows each cost to increase at its own rate. Thus, the Standard does not assume that food is always 33% of a family’s budget or constrain housing to 30%.

As a result, the Self-Sufficiency Standard is set at a level that is, on the one hand, not luxurious or even comfortable, and on the other, not so low that it fails to adequately provide for a family. For example, the Standard includes income sufficient to meet minimum nutrition standards and to obtain housing that would be neither substandard nor overcrowded.

The Standard does not, however, allow for longer-term needs (such as retirement savings or college tuition), purchases of major items (such as a car), emergency expenses, or even items such as school

supplies or birthday gifts, which are hardly luxuries. Self-sufficiency means maintaining a standard of living that does not require choosing between basic necessities—whether to meet one’s need for child care but not for nutrition, or for housing but not health care. Self-Sufficiency Wages are family-sustaining wages.

### **What the Self-Sufficiency Standard Is ... and Is Not**

Using the Self-Sufficiency Standard, a given family’s income is deemed inadequate if it falls below the appropriate threshold based on their family type and location. The Self-Sufficiency Wage is not an absolute measure, but a relative measure of “wage adequacy.” Therefore, if a family’s income falls a dollar above or below the monthly Self-Sufficiency Wage, it should not be interpreted in absolute terms as having, or not having, adequate income.

We urge users of the Standard to think in relative terms of “wage adequacy.” That is, one should ask how close is a given wage to the Standard? For example, if the Standard for a given family is \$10.00 per hour, but the adult supporting the family only earns \$5.15 per hour, then the latter wage has a “wage adequacy” level of only 51.5%. At the same time, a penny above or below \$10.00 is not a meaningful distinction.

The use of income thresholds should not be taken to mean that economic self-sufficiency can be achieved with just wages alone, or even wages combined with benefits. True self-sufficiency involves not just a job with a certain wage and benefits, but rather income security for a family over time. Thus, the Self-Sufficiency Wage represents a larger goal toward which one is striving and a process that one is engaged in, not a one-time achievement. As one person put it, “Self-sufficiency is a road I’m on.”<sup>10</sup>

Central to these efforts is access to education, training, and to jobs that provide real potential for skill development and career advancement over the long-term. For some, this may mean entering jobs that are nontraditional for women, and for others it may mean developing their own small businesses as their sole or an adjunct source of income. Generally, self-sufficiency is not achieved through stop gap measures or short-term solutions. Most individuals moving from welfare to work cannot achieve self-sufficiency in a single step but require assistance, guidance, and transitional work supports to become self-sufficient.

The argument for education and training may not have the same urgency as do basic needs such as food and shelter; however, true long-term self-sufficiency increasingly requires investments that enhance skills and adaptability. Without technologically sophisticated and broad-based education—which provides the flexibility to move into new jobs and careers—self-sufficiency is not likely to be sustainable.

Finally, the Self-Sufficiency Standard does not imply that public work supports are inappropriate for New York City families. Indeed, given the large number of families who have not yet achieved wage adequacy, assistance in meeting the costs of such high-

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price necessities as child care, health care and housing is frequently the only viable means for these families to attain resources that meet their basic needs.

Likewise, it is important to recognize that the concept of self-sufficiency does not imply that *any* family at *any* income should be completely self-reliant and independent of the community at large. Indeed, it is through interdependence among families and community institutions such as schools or religious institutions—as well as informal networks of friends, family, and neighbors—that many families are able to meet both their non-economic and economic needs. Such support and help is essential to our well-being, psychologically as well as materially, and should be encouraged.

Nothing about the Self-Sufficiency Standard should be taken to mean that such efforts to help each other should be discouraged. Nor should the Standard be understood as endorsing an ideal of self-dependence in complete isolation—we are not advocating a “Lone Ranger” model for families. The Standard is a measure of income adequacy, not of family functioning. Likewise, community, societal, and governmental response to families struggling to achieve family sustaining wages should be encouraged as supportive of the goal of self-sufficiency.



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# *How the Self-Sufficiency Standard is Calculated*

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The goal of making the Standard as consistent and accurate as possible, yet varied geographically and by age, requires meeting several different criteria. As much as possible, the figures used here:

- are collected or calculated using standardized or equivalent methodology,
- come from scholarly or credible sources such as the U.S. Bureau of the Census,
- are updated at least annually, and
- are age- and/or geographically-specific (where appropriate).

Thus, costs that rarely have regional variation (such as food) are usually standardized, while costs that vary substantially, such as housing and child care, are calculated at the most geographically specific level available. In addition, as improved or standardized data sources have become available, the methodology used by the Standard has been refined to incorporate these improvements. This results in an improved Standard that is comparable across place as well as time.

The Self-Sufficiency Standard is calculated for 70 different family types for each borough/county in New York City as follows:

- The Bronx (Bronx County)
- Brooklyn (Kings County)
- North Manhattan (New York County)
- South Manhattan (New York County)<sup>11</sup>
- Queens (Queens County)
- Staten Island (Richmond County).

The 70 family types include all one-adult and two-adult families with up to three children. These types range from a single adult with no children, to one adult with one infant, one adult with one preschooler, and so forth, up to two-adult families with three teenagers.<sup>12</sup> We have included the costs of each basic need and the Self-Sufficiency Wages for each family type for each

borough/county in New York City in the Appendix to this report.

The components of the Self-Sufficiency Standard for New York City and the assumptions included in the calculations are described below.

**Housing:** The Standard uses the Fiscal Year 2004 Fair Market Rents, which are calculated annually by the U.S. Department of Housing and Urban Development (HUD) for every metropolitan statistical area (MSA) and non-metropolitan county (totaling over 400 housing market areas). Fair Market Rents (FMRs) are based on data from the decennial census, the annual American Housing Survey, and telephone surveys.<sup>13</sup> The FMRs (which include utilities except telephone and cable) are intended to reflect the cost of housing that meets minimum standards of decency but is not luxurious. In most cases, including New York City, the FMR is set at the 40<sup>th</sup> percentile level. (At the 40<sup>th</sup> percentile level, 40% of the housing in a given area is less expensive than the FMR, while 60% costs more than the FMR.) The FMRs for the New York City Primary Metropolitan Statistical Area (PMSA) are a single housing cost for all New York City boroughs that does not reflect the significant difference in housing costs by borough. Therefore, to vary the housing costs for New York City by borough, we applied a ratio created from National Low Income Housing Coalition (NLIHC) county-specific FMR data to the FMRs for the New York City (PMSA).<sup>14</sup>

The Self-Sufficiency Standard assumes that parents and children do not share the same bedroom and that there are not more than two children per bedroom. Therefore, the Standard assumes that single persons and couples without children have one-bedroom units;<sup>15</sup> families with one or two children require two bedrooms, and families with three children have three bedrooms.

**Child Care:** The Standard uses the most accurate information available that is recent, geographically specific, and age- and setting-specific. Under the Family Support Act (in effect from 1988 until welfare

reform in 1996), states were required to provide child care at “market rate” for those needing it for employment and/or education and training. Regulations defined “market rate” as the 75<sup>th</sup> percentile and required states to conduct cost surveys to determine the 75<sup>th</sup> percentile by setting, age, and geographical location (or use a statewide rate). Many states, including New York, have continued both the surveys and to reimburse child care at this rate.<sup>16</sup> For New York City, the Standard uses data from the New York State Office of Children and Family Services,<sup>17</sup> which is calculated at the 75<sup>th</sup> percentile and is specified by facility type and age.<sup>18</sup>

The Standard defines “infants” as children under 3 years old (which New York City classifies as “infants” and “toddlers”), “preschoolers” as children 3-5 years old, “schoolage children” as 6-12 years old, and “teenagers” as 13 years old and older.

Because it is more common for very young children to be in family day care homes rather than centers,<sup>19</sup> the Standard assumes that infants receive full-time care in day care homes. Preschoolers, in contrast, are assumed to go to day care centers full-time. Schoolage children are assumed to receive part-time care in before- and after-school programs. Teenagers are not assumed to require child care; therefore there are no child care costs. (See Data Sources on page 43.)

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***The Self-Sufficiency Standard is calculated using scholarly or credible sources from data that are collected at least annually, calculated using standardized or equivalent methodology, and are age- and geographically-specific where appropriate.***

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**Food:** Although the Thrifty Food Plan and its successor have been used as the basis of both the poverty threshold and the Food Stamp Program, the Standard uses the Low-Cost Food Plan for food costs.<sup>20</sup> While both of these U.S. Department of Agriculture (USDA) diets meet minimum nutritional standards, the Thrifty Food Plan was meant for emergency use only. The Low-Cost Food Plan is based on more realistic assumptions about food preparation time and consumption patterns, and these costs are about 25% higher than the Thrifty Food Plan.

Even so, it is a conservative estimate of the level of food expenditures required to meet nutritional standards. The Low-Cost Food Plan does not allow for any take-out, fast-food, or restaurant meals, even though, according to the Consumer Expenditure Survey, average American families spend about 42% of their food budget on food prepared away from home.<sup>21</sup> This food budget reflects what it costs to adequately meet nutritional needs, not consumer behavior.

The food costs in the Standard are varied by the number and age of children and the number and gender of adults. Food costs in New York City are consistently higher than elsewhere in New York State or other states. Based on cost-of-living estimates obtained from ACCRA for the first quarter of 2004, food costs in New York City are 36% more than the national average.<sup>22</sup> Therefore, the USDA Low-Cost Food Plan Budget has been increased by 36% to reflect this differential.

**Transportation:** If there is an adequate public transportation system in a given area, it is assumed that workers use public transportation to get to and from work. A public transportation system is considered “adequate” if it is used by a substantial percentage of the population to get to work. According to one study, if about 7% of the total public uses public transportation, that “translates” to about 30% of the low- and moderate-income population.<sup>23</sup> In New York City, 55% of all workers use public transportation,<sup>24</sup> therefore we assume workers living in New York City use public transportation. The unlimited monthly MetroCard (\$70) was used for the transportation costs. (Note that transportation costs would be \$84 per month or higher if family did not purchase the monthly MetroCard, but bought them on a daily, weekly or bi-weekly basis.)<sup>25</sup>

**Health Care:** Employer sponsored health insurance coverage is assumed in the Self-Sufficiency Standard as the norm for full-time workers. In fact, nationally the majority (73%) of non-elderly individuals in households with at least one full-time worker have employer-sponsored health insurance coverage.

In New York State, 72% of individuals in households with a full-time worker have employer-sponsored coverage.<sup>26</sup> According to a United Hospital Fund Report, of 7.2 million New York City residents, 49% have employer-sponsor health insurance coverage, 25% (or 1.8 million people) are uninsured,

and 22% have public health insurance. Over 60% of the uninsured are low-income (200% of the FPL) working adults.<sup>27</sup> While many workers do not have access to affordable health insurance coverage through their employers (and those who do not have it through their employer often do without), families cannot be truly self-sufficient without health insurance.

Health care costs in the Standard include both the employee's share of insurance premiums plus additional out-of-pocket expenses such as co-payments, uncovered expenses like dental care and prescriptions, and insurance deductibles.

The costs of health insurance are based on the average premiums paid by New York State residents, according to the National Medical Expenditure Panel Survey (MEPS), and adjusted for inflation using the Medical Care Services Consumer Price Index. To capture differences in health care insurance rates for New York City (compared to the rest of the state), we obtained HMO premium data by region and created ratios. We then applied the New York City area ratio to the statewide health insurance premium obtained from MEPS.<sup>28</sup>

Data for out-of-pocket health care costs (by age) were obtained from the MEPS, adjusted by region using the MEPS Household Component Analytical Tool and adjusted for inflation using the Medical Care Consumer Price Index.

**Miscellaneous:** This expense category includes all other essentials such as clothing, shoes, paper products, diapers, nonprescription medicines, cleaning products, household items, personal hygiene items, and telephone service. It does not allow for recreation, entertainment, savings, or debt repayment. Miscellaneous expenses are calculated by taking 10% of all other costs. This percentage is a conservative estimate in comparison to estimates in other basic needs budgets, which usually use 15%.<sup>29</sup>

**Taxes:** Taxes include: state sales tax; federal, state and city income taxes; and payroll taxes, where applicable. The combined sales and use tax is 8.65%. There is no tax on staple groceries.<sup>30</sup> Sales taxes are calculated on "miscellaneous" items, as one does not ordinarily pay tax on rent, child care, and so forth. Indirect taxes, e.g., property taxes paid by the landlord are assumed to be included in the price of housing passed on by the landlord to the tenant.

Although the federal income tax rate (15% on most income for the majority of family types) is higher than the payroll tax rate, federal exemptions and deductions are substantial. As a result, while the payroll tax is paid on every dollar earned, families do not pay federal income tax on the first \$10,000 to \$15,000 or more, thus lowering the effective federal tax rate to about 7% for most family types. Payroll taxes for Social Security and Medicare are calculated at 7.65% of each dollar earned. All state and city level taxes and tax credits are also included.<sup>31</sup>

**Earned Income Tax Credit (EITC):** The EITC, or as it is sometimes called, the Earned Income Credit, is a federal tax refund intended to offset the loss of income from payroll taxes owed by low-income working families. The EITC is a "refundable" tax credit; that is, working adults may receive the tax credit whether or not they owe any federal taxes. In New York, a state Earned Income Credit (30% of the federal EITC) is also available to those who qualify for the federal EITC.<sup>32</sup>

**Child Care Tax Credit (CCTC):** The federal CCTC is a tax credit that allows working parents to deduct a percentage of their child care costs from the federal income taxes they owe. Like the EITC, the federal CCTC is deducted from the total amount of money a family needs to be self-sufficient. Unlike the EITC, the federal CCTC is not a "refundable" tax credit. A family may only receive the federal CCTC as a credit against federal income taxes owed. Therefore, families who owe very little or nothing to the federal government in income taxes receive little or no CCTC. In New York State, there is a "refundable" state CCTC called the Child and Dependent Care Credit (CDCC), which ranges from 20% to 110% of the federal CCTC, depending on the adjusted gross income.<sup>33</sup> This credit is included in the calculation of the New York State taxes and is not shown separately in this report.

**Child Tax Credit (CTC):** The CTC is a "refundable" federal tax credit, like the EITC, that provides parents a deduction of up to \$1,000 for each child under 17 years old or 10% of earned income over \$10,500, whichever is less.<sup>34</sup>

**New York State Household Credit:** This credit is available to New York State residents who cannot be claimed as a dependent on another taxpayer's federal income tax return. Residents can claim tax credits of up to \$90, dependent upon income and filing status.<sup>35</sup>

# How Much is Enough in New York City?

Because the amount of money that a family needs to be economically self-sufficient depends upon family size and composition, the age of children, and where they live, the Self-Sufficiency Standard varies by family type and location. In this section we present the cost of living in each of the the five boroughs in New York City: The Bronx, Brooklyn, Manhattan (North and South), Queens, and Staten Island.

As the following six tables indicate, child care and housing costs account for the largest percentage of

budget costs for most New York City families. Families with two children (when one is a preschooler or younger) typically would have to spend over half their incomes on these two expenses alone in every borough in New York City.

Table 1 below shows that in The Bronx, a single adult with no children needs to earn **\$9.74** per hour to be able to meet her/his basic needs. However, an adult with a preschooler (Column 2) needs a two-bedroom

Table 1  
**The Self-Sufficiency Standard for Selected Family Types\***  
**The Bronx - (Bronx County, NY), 2004**  
*Monthly Expenses and Shares of Total Budgets*

<i>Monthly Costs</i>	<i>One Adult</i>		<i>One Adult, One Preschooler</i>		<i>One Adult, One Preschooler, One Schoolage</i>		<i>Two Adults, One Preschooler, One Schoolage</i>	
	<i>Costs</i>	<i>% of total</i>	<i>Costs</i>	<i>% of total</i>	<i>Costs</i>	<i>% of total</i>	<i>Costs</i>	<i>% of total</i>
<i>Housing</i>	\$819	48	\$930	30	\$930	22	\$930	20
<i>Child Care</i>	\$0	0	\$782	25	\$1,412	34	\$1,412	31
<i>Food</i>	\$260	15	\$396	13	\$563	14	\$853	18
<i>Transportation</i>	\$70	4	\$70	2	\$70	2	\$140	3
<i>Health Care</i>	\$98	6	\$217	7	\$236	6	\$284	6
<i>Miscellaneous</i>	\$125	7	\$240	8	\$321	8	\$362	8
<i>Taxes</i>	\$343	20	\$626	20	\$890	21	\$914	20
<i>Earned Income Tax Credit (-)</i>	\$0	0	\$0	0	\$0	0	\$0	0
<i>Child Care Tax Credit (-)</i>	\$0	0	-\$58	-2	-\$100	-2	-\$100	-2
<i>Child Tax Credit (-)</i>	\$0	0	-\$83	-3	-\$167	-4	-\$167	-4
<i>Total Percent Self-Sufficiency Wage - Hourly**</i>	<b>\$9.74</b>		<b>\$17.73</b>		<b>\$23.61</b>		<b>\$13.15 per adult***</b>	
<i>Monthly</i>	<b>\$1,715</b>		<b>\$3,120</b>		<b>\$4,156</b>		<b>\$4,629 combined***</b>	
<i>Annual</i>	<b>\$20,575</b>		<b>\$37,443</b>		<b>\$49,874</b>		<b>\$55,546 combined***</b>	

\* The Standard is calculated by adding expenses and taxes and subtracting tax credits. Taxes include federal, state and city income taxes (including state tax credits except state EITC) and payroll taxes.

\*\* The hourly wage is calculated by dividing the monthly wage by 176 hours (8 hours per day times 22 days per month).

\*\*\* The hourly wage for families with two adults represents the hourly wage that each adult would need to earn, while the monthly and annual wages represent both parents' wages combined.

Note: Totals may not add exactly due to rounding.



housing unit and child care, in addition to other expenses. Therefore, meeting all of her family's basic needs requires a wage of nearly \$8.00 per hour more than the single adult requires.<sup>36</sup> If she has two children, a preschooler and a schoolage child (Column 3), she must earn more than twice as much as the single person with no children, or **\$23.61** per hour to meet her family's needs. In the two adult family with two children (Column 4) expenses such as transportation, food, health care, and miscellaneous costs increase, requiring *each* adult to earn **\$13.15** per hour for this family to be

self-sufficient. Overall, the Self-Sufficiency Wage required in The Bronx is the fifth lowest for the six areas of New York City.

Costs in Brooklyn (Kings County), shown in Table 2 below, are only slightly higher than those found in The Bronx. A single adult's Self-Sufficiency Wage is **\$10.38** per hour. The adult with one preschooler must still earn over \$8.00 more per hour than the adult with no children, or **\$18.46** per hour to be self-sufficient. The single parent with two children in Brooklyn must

Table 2  
**The Self-Sufficiency Standard for Selected Family Types\***  
**Brooklyn - (Kings County, NY), 2004**  
*Monthly Expenses and Shares of Total Budgets*

Monthly Costs	One Adult		One Adult, One Preschooler		One Adult, One Preschooler, One Schoolage		Two Adults, One Preschooler, One Schoolage	
	Costs	% of total	Costs	% of total	Costs	% of total	Costs	% of total
Housing	\$887	49	\$1,008	31	\$1,008	23	\$1,008	21
Child Care	\$0	0	\$782	24	\$1,412	33	\$1,412	30
Food	\$260	14	\$396	12	\$563	13	\$853	18
Transportation	\$70	4	\$70	2	\$70	2	\$140	3
Health Care	\$98	5	\$217	7	\$236	5	\$284	6
Miscellaneous	\$132	7	\$247	8	\$329	8	\$370	8
Taxes	\$379	21	\$668	21	\$946	22	\$969	20
Earned Income Tax Credit (-)	\$0	0	\$0	0	\$0	0	\$0	0
Child Care Tax Credit (-)	\$0	0	-\$58	-2	-\$100	-2	-\$100	-2
Child Tax Credit (-)	\$0	0	-\$83	-3	-\$167	-4	-\$167	-3
Total Percent Self-Sufficiency Wage - Hourly**	—	100	—	100	—	100	—	100
Monthly	<b>\$10.38</b>		<b>\$18.46</b>		<b>\$24.42</b>		<b>\$13.55</b>	<i>per adult***</i>
Annual	<b>\$1,827</b>		<b>\$3,249</b>		<b>\$4,297</b>		<b>\$4,769</b>	<i>combined***</i>
	<b>\$21,920</b>		<b>\$38,983</b>		<b>\$51,567</b>		<b>\$57,234</b>	<i>combined***</i>

\* The Standard is calculated by adding expenses and taxes and subtracting tax credits. Taxes include federal, state and city income taxes (including state tax credits except state EITC) and payroll taxes.

\*\* The hourly wage is calculated by dividing the monthly wage by 176 hours (8 hours per day times 22 days per month).

\*\*\* The hourly wage for families with two adults represents the hourly wage that each adult would need to earn, while the monthly and annual wages represent both parents' wages combined.

Note: Totals may not add exactly due to rounding.

Table 3  
**The Self-Sufficiency Standard for Selected Family Types\***  
**North Manhattan\*\* (New York County, NY), 2004**  
*Monthly Expenses and Shares of Total Budgets*

<b>Monthly Costs</b>	<b>One Adult</b>		<b>One Adult, One Preschooler</b>		<b>One Adult, One Preschooler, One Schoolage</b>		<b>Two Adults, One Preschooler, One Schoolage</b>	
	<b>Costs</b>	<b>% of total</b>	<b>Costs</b>	<b>% of total</b>	<b>Costs</b>	<b>% of total</b>	<b>Costs</b>	<b>% of total</b>
Housing	\$780	48	\$886	29	\$886	22	\$886	19
Child Care	\$0	0	\$782	26	\$1,412	35	\$1,412	31
Food	\$260	16	\$396	13	\$563	14	\$853	19
Transportation	\$70	4	\$70	2	\$70	2	\$140	3
Health Care	\$98	6	\$217	7	\$236	6	\$284	6
Miscellaneous	\$121	7	\$235	8	\$317	8	\$358	8
Taxes	\$288	18	\$597	20	\$866	21	\$883	19
Earned Income Tax Credit (-)	\$0	0	\$0	0	\$0	0	\$0	0
Child Care Tax Credit (-)	\$0	0	-\$60	-2	-\$100	-2	-\$100	-2
Child Tax Credit (-)	\$0	0	-\$83	-3	-\$167	-4	-\$167	-4
<b>Total Percent Self-Sufficiency Wage - Hourly***</b>	<b>—</b>	<b>100</b>	<b>—</b>	<b>100</b>	<b>—</b>	<b>100</b>	<b>—</b>	<b>100</b>
<b>Monthly</b>	<b>\$9.19</b>		<b>\$17.27</b>		<b>\$23.20</b>		<b>\$12.92</b>	<b>per adult****</b>
<b>Annual</b>	<b>\$1,617</b>		<b>\$3,040</b>		<b>\$4,083</b>		<b>\$4,549</b>	<b>combined****</b>
	<b>\$19,406</b>		<b>\$36,481</b>		<b>\$48,995</b>		<b>\$54,590</b>	<b>combined****</b>

\* The Standard is calculated by adding expenses and taxes and subtracting tax credits. Taxes include federal, state and city income taxes (including state tax credits except state EITC) and payroll taxes.

\*\* North Manhattan consists of the Census Tract sub-boroughs: Morningside Heights/Hamilton Heights, Central Harlem, East Harlem, and Washington Heights/Inwood. It is North of 110th St. on the West Side and North of 96th St. on the East Side.

\*\*\* The hourly wage is calculated by dividing the monthly wage by 176 hours (8 hours per day times 22 days per month).

\*\*\*\* The hourly wage for families with two adults represents the hourly wage that each adult would need to earn, while the monthly and annual wages represent both parents' wages combined.

Note: Totals may not add exactly due to rounding.

earn **\$24.42** per hour to meet her family's needs. In the two-parent family, each adult would need to earn a Self-Sufficiency Wage of **\$13.55** per hour, or forty cents more than the same family in The Bronx.

In North Manhattan (New York County) costs are lower than those found in every area in this comparison. A single adult's Self-Sufficiency Wage is **\$9.19** per hour (see Table 3 above). A single parent with one preschooler needs to earn **\$17.27** per hour to meet the basic needs of her family. While this required wage is

the lowest in the borough comparisons presented here, it is still \$8.00 more than the wage required by the single adult in North Manhattan. If she has two children, one preschooler and one schoolage child, she must earn **\$23.20** per hour to meet her family's needs, which is more than two and one half times the amount required of the single person with no children. In the two-parent family, each adult would need to earn a Self-Sufficiency Wage of **\$12.92** per hour.

In Table 4 below, costs in South Manhattan (New York County) are considerably higher than in North Manhattan as well as in each of the other four New York City boroughs. In South Manhattan a single adult's Self-Sufficiency Wage is **\$18.96** per hour, or over \$9.00 more per hour than the single adult in North Manhattan. A single parent with two children in South Manhattan must earn **\$36.91** per hour to meet her family's needs. In the two-parent family in South Manhattan, each adult would need to earn a Self-

Sufficiency Wage of **\$18.64** per hour. Note that South Manhattan has much higher housing costs than anywhere else in New York City, which is why child care is a much smaller percentage of these monthly budgets. (Note also that the Standard uses the same child care costs for all boroughs; see page 6 and Endnote 18.)

The Self-Sufficiency Standard for Queens is found in Table 5 on the following page. On average, costs in

Table 4  
**The Self-Sufficiency Standard for Selected Family Types\***  
**South Manhattan\*\* (New York County, NY), 2004**  
*Monthly Expenses and Shares of Total Budgets*

<b>Monthly Costs</b>	<b>One Adult</b>		<b>One Adult, One Preschooler</b>		<b>One Adult, One Preschooler, One Schoolage</b>		<b>Two Adults, One Preschooler, One Schoolage</b>	
	<b>Costs</b>	<b>% of total</b>	<b>Costs</b>	<b>% of total</b>	<b>Costs</b>	<b>% of total</b>	<b>Costs</b>	<b>% of total</b>
Housing	\$1,761	53	\$2,002	39	\$2,002	31	\$2,002	31
Child Care	\$0	0	\$782	15	\$1,412	22	\$1,412	22
Food	\$260	8	\$396	8	\$563	9	\$853	13
Transportation	\$70	2	\$70	1	\$70	1	\$140	2
Health Care	\$98	3	\$217	4	\$236	4	\$284	4
Miscellaneous	\$219	7	\$347	7	\$428	7	\$469	7
Taxes	\$929	28	\$1,395	27	\$2,052	32	\$1,668	25
Earned Income Tax Credit (-)	\$0	0	\$0	0	\$0	0	\$0	0
Child Care Tax Credit (-)	\$0	0	-\$50	-1	-\$100	-2	-\$100	-2
Child Tax Credit (-)	\$0	0	-\$83	-2	-\$167	-3	-\$167	-3
<b>Total Percent Self-Sufficiency Wage - Hourly***</b>	<b>\$18.96</b>	<b>100</b>	<b>\$28.84</b>	<b>100</b>	<b>\$36.91</b>	<b>100</b>	<b>\$18.64 per adult****</b>	<b>100</b>
<b>Monthly</b>	<b>\$3,337</b>		<b>\$5,075</b>		<b>\$6,496</b>		<b>\$6,562 combined****</b>	
<b>Annual</b>	<b>\$40,048</b>		<b>\$60,902</b>		<b>\$77,957</b>		<b>\$78,741 combined****</b>	

\* The Standard is calculated by adding expenses and taxes and subtracting tax credits. Taxes include federal, state and city income taxes (including state tax credits except state EITC) and payroll taxes.

\*\* South Manhattan consists of Census Tract sub-boroughs: Greenwich Village/Financial District, Lower East Side/Chinatown, Chelsea/Clinton/Midtown, Stuyvesant Town/Turtle Bay, Upper West Side, and Upper East Side. It is South of 110th St. on the West Side and South of 96th St. on the East Side.

\*\*\* The hourly wage is calculated by dividing the monthly wage by 176 hours (8 hours per day times 22 days per month).

\*\*\*\* The hourly wage for families with two adults represents the hourly wage that each adult would need to earn, while the monthly and annual wages represent both parents' wages combined.

Note: Totals may not add exactly due to rounding.

Table 5  
**The Self-Sufficiency Standard for Selected Family Types\***  
**Queens - (Queens County, NY), 2004**  
*Monthly Expenses and Shares of Total Budgets*

Monthly Costs	One Adult		One Adult, One Preschooler		One Adult, One Preschooler, One Schoolage		Two Adults, One Preschooler, One Schoolage	
	Costs	% of total	Costs	% of total	Costs	% of total	Costs	% of total
Housing	\$1,023	50	\$1,163	33	\$1,163	25	\$1,163	23
Child Care	\$0	0	\$782	22	\$1,412	31	\$1,412	28
Food	\$260	13	\$396	11	\$563	12	\$853	17
Transportation	\$70	3	\$70	2	\$70	2	\$140	3
Health Care	\$98	5	\$217	6	\$236	5	\$284	6
Miscellaneous	\$145	7	\$263	7	\$344	8	\$385	8
Taxes	\$452	22	\$756	22	\$1,058	23	\$1,032	21
Earned Income Tax Credit (-)	\$0	0	\$0	0	\$0	0	\$0	0
Child Care Tax Credit (-)	\$0	0	-\$53	-1	-\$100	-2	-\$100	-2
Child Tax Credit (-)	\$0	0	-\$83	-2	-\$167	-4	-\$167	-3
Total Percent Self-Sufficiency Wage - Hourly**	—	100	—	100	—	100	—	100
Monthly	\$11.64		\$19.95		\$26.02		\$14.21	per adult***
Annual	\$2,049		\$3,511		\$4,580		\$5,002	combined***
	\$24,583		\$42,136		\$54,961		\$60,028	combined***

\* The Standard is calculated by adding expenses and taxes and subtracting tax credits. Taxes include federal, state and city income taxes (including state tax credits except state EITC) and payroll taxes.

\*\* The hourly wage is calculated by dividing the monthly wage by 176 hours (8 hours per day times 22 days per month).

\*\*\* The hourly wage for families with two adults represents the hourly wage that each adult would need to earn, while the monthly and annual wages represent both parents' wages combined.

Note: Totals may not add exactly due to rounding.

Queens are slightly higher than in The Bronx, Brooklyn, and North Manhattan, but still significantly lower than costs in South Manhattan. A single adult's Self-Sufficiency Wage is **\$11.64** per hour, while a single parent with one preschooler needs to earn over \$8.00 more per hour, or **\$19.95** per hour, to meet the basic needs of her family. If she has two children, one preschooler and one schoolage child, she must earn **\$26.02** per hour to meet her family's needs, which is more than twice the amount required of the single

person with no children. In the two-parent family, each adult would need to earn a Self-Sufficiency Wage of **\$14.21** per hour.

Therefore, although Queens is the second most expensive area in this comparison, the Self-Sufficiency Wage required for each family type in Queens is closer to the required Self-Sufficiency Wage in the other three New York City boroughs and North Manhattan than it is to the most expensive area, South Manhattan.



Lastly, the Self-Sufficiency Standard for Staten Island (Richmond County) shows that, on average, costs in Staten Island are slightly less but comparable to those found in Queens. As can be seen in Table 6 below, a single adult's Self-Sufficiency Wage in Staten Island is **\$11.24** per hour. A single parent with one preschooler must earn over \$8.00 more per hour—or **\$19.51** per hour—to meet the basic needs of her family. If she has two children (one preschooler and one schoolage child) she must earn **\$25.51** per hour to meet her family's needs. As is the case in the

other boroughs, this amount is more than twice the amount required of the single person with no children. In a two-parent family with two children each adult would need to earn a Self-Sufficiency Wage of **\$13.92** per hour.

In sum, for families with two children, child care costs typically make up a larger part of the family budget than a one child family. Child care costs for a family with one adult, a preschooler, and a schoolage child range from 22% of the family's Self-Sufficiency

Table 6  
**The Self-Sufficiency Standard for Selected Family Types\***  
**Staten Island - (Richmond County, NY), 2004**  
*Monthly Expenses and Shares of Total Budgets*

Monthly Costs	One Adult		One Adult, One Preschooler		One Adult, One Preschooler, One Schoolage		Two Adults, One Preschooler, One Schoolage	
	Costs	% of total	Costs	% of total	Costs	% of total	Costs	% of total
Housing	\$980	50	\$1,114	32	\$1,114	25	\$1,114	23
Child Care	\$0	0	\$782	23	\$1,412	31	\$1,412	29
Food	\$260	13	\$396	12	\$563	13	\$853	17
Transportation	\$70	4	\$70	2	\$70	2	\$140	3
Health Care	\$98	5	\$217	6	\$236	5	\$284	6
Miscellaneous	\$141	7	\$258	8	\$339	8	\$380	8
Taxes	\$429	22	\$733	21	\$1,022	23	\$985	20
Earned Income Tax Credit (-)	\$0	0	\$0	0	\$0	0	\$0	0
Child Care Tax Credit (-)	\$0	0	-\$53	-2	-\$100	-2	-\$100	-2
Child Tax Credit (-)	\$0	0	-\$83	-2	-\$167	-4	-\$167	-3
<b>Total Percent Self-Sufficiency Wage - Hourly**</b>	<b>—</b>	<b>100</b>	<b>—</b>	<b>100</b>	<b>—</b>	<b>100</b>	<b>—</b>	<b>100</b>
<b>Monthly</b>	<b>\$11.24</b>		<b>\$19.51</b>		<b>\$25.51</b>		<b>\$13.92</b>	<i>per adult***</i>
<b>Annual</b>	<b>\$1,978</b>		<b>\$3,434</b>		<b>\$4,489</b>		<b>\$4,901</b>	<i>combined***</i>
	<b>\$23,730</b>		<b>\$41,211</b>		<b>\$53,874</b>		<b>\$58,814</b>	<i>combined***</i>

\* The Standard is calculated by adding expenses and taxes and subtracting tax credits. Taxes include federal, state and city income taxes (including state tax credits except state EITC) and payroll taxes.

\*\* The hourly wage is calculated by dividing the monthly wage by 176 hours (8 hours per day times 22 days per month).

\*\*\* The hourly wage for families with two adults represents the hourly wage that each adult would need to earn, while the monthly and annual wages represent both parents' wages combined.

Note: Totals may not add exactly due to rounding.

budget (in South Manhattan) to 35% of the family budget in North Manhattan. Note that since housing costs are much higher in South Manhattan, and child care costs are consistent across all boroughs, what we see is that child care is a higher percent of total costs in North Manhattan, but not a higher amount. For the family with two adults and two children, child care costs range from 22% of the total family budget in South Manhattan to 31% of the total budget in The Bronx.

Housing costs for the single adult with no children are between 48% to 53% of all costs. The single adult with one preschooler pays between 30% (The Bronx) and 39% (South Manhattan) of her monthly Self-Sufficiency Wage on housing, and between 15% (South Manhattan) and 26% (North Manhattan) of her monthly budget on child care.

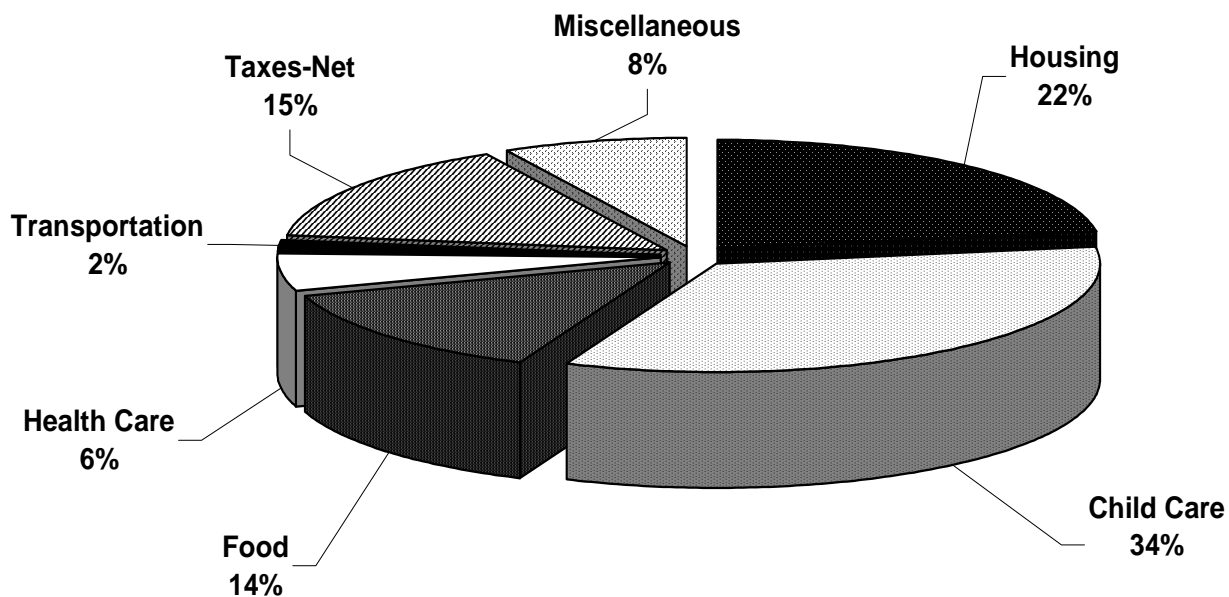
In Figure 1 below, we have shown the proportion of income spent on each basic need for a single parent family with one preschooler and one schoolage child in The Bronx. This family spends 56% of their monthly Self-Sufficiency Wage just on housing and child care.

The next largest expense for this Bronx family is taxes, accounting for 15% of the family's budget. This percentage, however, is a net amount including tax credits, which are generally not received until the next year after taxes are filed. The actual monthly tax burden without the credits amounts to 21% of total costs. Food accounts for 14% of total costs for a family in The Bronx.

Health care is a relatively small share of total costs at 6%, but this calculation assumes that the employer both provides health insurance and pays a portion of the premium. For families in New York City who do not have employer-sponsored health insurance, health care costs would account for far more of the family budget.

Finally, the cost of transportation makes up just 2% of this family's budget because public transportation is assumed. That is, the Standard for this family in The Bronx does not include the cost of owning and using a car to get to and from work, child care, and shopping.

Figure 1  
**Percentage of Income Needed to Meet Basic Needs, 2004**  
 Based on the Self-Sufficiency Standard for a Family with One Adult, One Preschooler and One Schoolage Child in The Bronx (Bronx County, NY)



\* Note: Percentages include the net effect of taxes and tax credits. Thus, the percentage of income needed for taxes is actually 21%, but with tax credits, the amount owed in taxes is reduced to 15%. Also, percentage total may not equal 100% due to rounding.

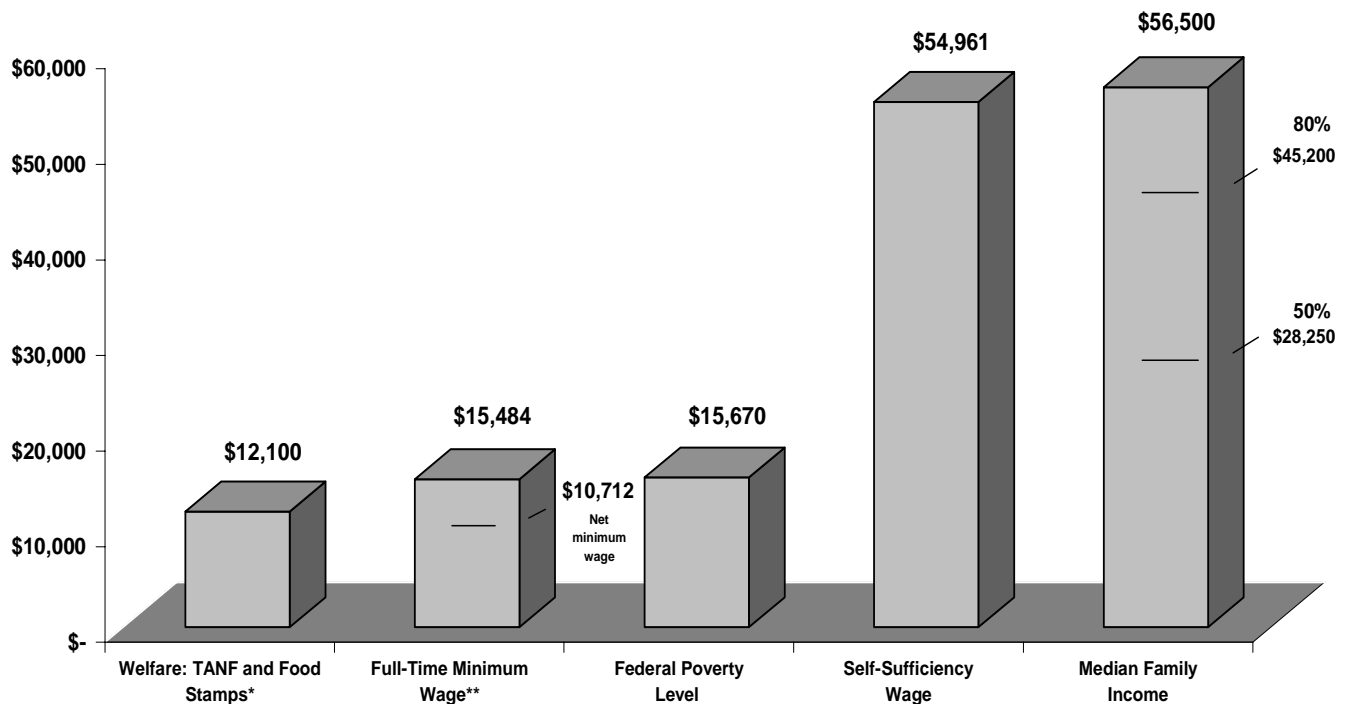
# Comparing the Standard to Other Benchmarks of Income

To put the Standard in context, it is useful to compare it to other commonly used measures of income adequacy. In Figure 2, we have compared the Self-Sufficiency Standard for a family of three living in Queens to four other benchmarks: the welfare grant package (TANF and Food Stamps), the minimum wage in New York State, the federal poverty level, and the median family income. This set of benchmarks is not meant to show *how* a family would move from welfare or poverty to self-sufficiency. Rather, the concept of self-sufficiency assumes a gradual progression, one that takes place over time. (Please see pages 27-30 for a

more detailed discussion of how New York City families can achieve Self-Sufficiency Wages.)

For purposes of comparison, we use the Standard for a three-person family consisting of one adult, one preschooler, and one schoolage child living in Queens. (The other benchmarks presented are also for three-person families, where relevant. However, none is as specific as the Standard in terms of age and number of children and/or geographic location.) The Self-Sufficiency Standard for this family is **\$54,961** per year.

Figure 2  
**The Self-Sufficiency Standard Compared to Other Benchmarks, 2004**  
 Based on the Self-Sufficiency Standard for a Family with One Adult, One Preschooler and One Schoolage Child in Queens (Queens County), NY



\* The TANF benefit is \$8,292 annually (\$691 per month in Queens) and the Food Stamps benefit is \$3,807 annually (\$317 per month for a family of three in Queens).

\*\* Note: Full-time minimum wage in New York City is the current Federal minimum wage of \$5.15 per hour, which is \$10,712 per year. The total yearly income of \$15,484 includes the net effect of the addition of federal and state Earned Income Tax Credit and Child Tax Credit as well as the subtraction of federal, state, and city taxes.

**Welfare—Temporary Assistance for Needy Families (TANF) and Food Stamps:** Including the cash value of Food Stamps as well as the TANF cash grant (assuming no wage or other income), the total basic “cash” assistance package is **\$1,008** per month in Queens or **\$12,100** per year. This amount is just over one-fifth (**22%**) of the Self-Sufficiency Standard for a three-person family in Queens and **77%** of the Federal Poverty Level (FPL).

**Minimum Wage:** A full-time worker at the New York State minimum wage of **\$5.15** per hour earns about **\$893** per month or **\$10,712** per year. Subtracting payroll taxes (Social Security and Medicare), and state and city income taxes, and adding tax credits—the federal Child and Earned Income Tax Credits, and state EITC—this worker would have a net cash income of **\$1,290** per month, or **\$15,484** per year. This amount is more than her earnings alone because the federal and state EITC benefits for which she qualifies are near the maximum, and she also receives a small Child Tax Credit. Together these are more than the taxes she owes. (At this income level, this worker does not pay federal income taxes since her income is below the threshold. Also, because she does not pay federal income taxes, she does not receive the federal Child Care Tax Credit.)

Even with the help of the federal and state EITC, a full-time job at the minimum wage provides only **28%** of the amount needed to be self-sufficient. If we assume that she pays taxes, but does not receive the EITC or the CTC payments on a monthly basis—as is true of most workers—she will only receive **\$9,914** during the year, which is less than one-fifth (**18%**) of the Self-Sufficiency Standard and only about **63%** of the FPL.

**Federal Poverty Level:** Not surprisingly, the Standard is quite a bit higher than the official poverty level for a family of three. A family consisting of one adult and two children would be considered “poor,” according to federal guidelines, if this family had a monthly income of **\$1,306** (**\$15,670** annually) or

less—regardless of where they live, or the age of their children. Thus, the official poverty level for a three-person family is only **29%** of the Self-Sufficiency Wage needed for a three-person family (with one adult, one preschooler, and one schoolage child). Even in the least expensive area in New York City—North Manhattan—the official poverty line is only 32% of the amount necessary to meet family needs according to the Standard.

**Median Family Income:** Median family income (half of an area’s families have incomes above this amount and half have incomes below this amount) is a rough measure of the relative cost of living in an area. The median income for a three-person family in the New York Primary Metropolitan Statistical Area (PMSA) is **\$56,500**. The Self-Sufficiency Standard for a single-parent family with one preschooler and one schoolage child in Queens is thus **97%** of the median family income for the New York PMSA.

The U.S. Department of Housing and Urban Development (HUD) uses area median family income as a standard to assess families’ needs for housing assistance. Those with incomes below 50% of the median area income are considered “Very Low Income,” while those with incomes between 50% and 80% of the median area income are considered “Low Income.” (Almost all assistance is limited to the “Very Low Income” category, and even then, only about one-fourth of those eligible families receive housing assistance.)

In most states and localities, the Self-Sufficiency Standard falls *between* 50% and 80% of area median income. In Queens, however, the median Self-Sufficiency Wage falls just slightly below the median income for the New York City Primary Metropolitan Statistical Area. In other words, this suggests that almost half the residents of Queens have income below the Self-Sufficiency Standard, reflecting the high concentration of residents in New York City with income that is not adequate to meet their basic needs.



# Comparing the Standard for New York City to Other U.S. Cities

The Self-Sufficiency Standard has been completed for 34 states, plus the District of Columbia (Washington, D.C.). Because the Self-Sufficiency Standard uses the same methodology across states, the cost of meeting basic needs for a given family type in different states can be directly compared. However, since the Standards have been completed in different years, all numbers have been updated to 2004 dollars for the purpose of this analysis. While over time costs are likely to increase at varying rates, for our purposes it is acceptable to use the U.S. Bureau of Labor Statistics' Consumer Price Index (CPI) to update the Standards to account for inflation.

In Table 7, we compare the Standard for Brooklyn and South Manhattan to ten other areas/cities: Boston, Chicago, Denver, Los Angeles, Middlesex County (NJ), Philadelphia, Phoenix, San Francisco, Stamford-Norwalk Region (CT), and Washington D.C. We have included two New York City areas because of the significant difference between costs throughout New York City (mainly due to housing costs).

In Brooklyn, a single adult requires a Self-Sufficiency Wage of \$10.38, while the single adult with one preschooler requires a Self-Sufficiency Wage of \$18.46, and the single adult with two children requires \$24.42. For each of these family types this is the fifth highest Self-Sufficiency Wage out of the 12 cities in this comparison. In the two-parent family with a preschooler and a schoolage child in Brooklyn each adult must earn \$13.55 per hour (the fourth highest in this comparison) to be self-sufficient. In South Manhattan, each family type modeled requires the highest wage in this comparison to be self-sufficient.

In conclusion, Brooklyn is relatively more expensive than most other major U.S. cities and regions, although it is considerably less expensive than South Manhattan. A single adult and a single adult with a preschooler both must earn over \$8.00 more per hour in South Manhattan than in Brooklyn. A single adult with a preschooler and a schoolage child in South Manhattan must earn over \$12.00 more per hour than the same family in Brooklyn.

Table 7  
The Self-Sufficiency Standard for New York City (Brooklyn and South Manhattan)  
Compared to Other U.S. Cities, 2004\*

Single Adult		Single Adult, Preschooler		Single Adult, Preschooler, Schoolage		Two Adults, Preschooler, Schoolage**	
Philadelphia, PA***	\$8.14	Philadelphia, PA***	\$14.43	Philadelphia, PA***	\$18.35	Philadelphia, PA***	\$10.23
Denver, CO	\$8.92	Chicago, IL***	\$15.81	Phoenix, AZ	\$19.00	Chicago, IL***	\$10.70
Washington, DC***	\$9.05	Phoenix, AZ	\$15.89	Chicago, IL***	\$19.27	Phoenix, AZ	\$11.32
Middlesex County, NJ***	\$9.07	Denver, CO	\$16.62	Denver, CO	\$19.82	Denver, CO	\$11.44
Chicago, IL***	\$9.11	Middlesex County, NJ***	\$17.12	Los Angeles, CA	\$20.79	Middlesex County, NJ***	\$11.73
Phoenix, AZ	\$9.17	Los Angeles, CA	\$17.64	Middlesex County, NJ***	\$21.77	Los Angeles, CA	\$11.91
Los Angeles, CA	\$10.18	Washington, DC***	\$18.19	Stamford-Norwalk Region, CT	\$23.98	Stamford-Norwalk Region, CT	\$13.26
NYC (Brooklyn), NY***	\$10.38	NYC (Brooklyn), NY***	\$18.46	NYC (Brooklyn), NY***	\$24.42	Boston, MA***	\$13.31
Boston, MA***	\$10.40	Stamford-Norwalk Region, CT	\$20.28	Boston, MA***	\$24.99	NYC (Brooklyn), NY***	\$13.55
Stamford-Norwalk Region, CT	\$11.17	Boston, MA***	\$21.46	Washington, DC***	\$25.69	Washington, DC***	\$14.13
San Francisco, CA***	\$13.51	San Francisco, CA***	\$24.24	San Francisco, CA***	\$28.20	San Francisco, CA***	\$14.54
NYC (South Manhattan), NY***	\$18.96	NYC (South Manhattan), NY***	\$28.84	NYC (South Manhattan), NY***	\$36.91	NYC (South Manhattan), NY***	\$18.64

\*All wages are updated to June 2004 using the Consumer Price Index. \*\*Per adult. \*\*\*Wage calculated assuming family uses public transportation

# The Self-Sufficiency Wage Over Time

How much have Self-Sufficiency Wages changed in the last few years? Because this is the second Self-Sufficiency Standard completed for New York City, we can begin to answer that question.

Since 2000, costs have changed, with most costs rising. Some have increased more than others, with housing costs in New York City increasing an average of about 17% over the last four years, depending on place and unit size. Health care costs have also increased substantially. Child care costs increased somewhat less—on average 10% for families with one child—depending upon age and setting.

Other costs, such as taxes, have decreased. The decrease in taxes is partially due to tax cuts and partially due to an increase in the value of tax credits, such as the Earned Income Tax Credit and the Child Tax Credit.

As previously noted, the Standard’s methodology evolves over time to incorporate improved data, and thus

is not “frozen” at the point it was first developed. At any given point in time, it is the best and most accurate measure of living costs available then. However, that means that individual costs are not always strictly comparable over time, but the overall Self-Sufficiency Standards are.

As can be seen from Table 8 below, the Self-Sufficiency Wage has gone up for all family types, with the largest increases experienced by the single adult in all places, especially in South Manhattan. (Housing is a larger percentage of costs for the single adult, who does not benefit from the increased tax credits.) For families with one child, the Self-Sufficiency Wage increased between 6% and 16%, showing the net effects of the increases and decreases described above. Having two children, and therefore higher child care costs, results in increases from 11% to 20% for single parents and from 10% to 19% for two-parent families.<sup>37</sup>

Table 8  
The New York City Self-Sufficiency Standard for Four Family Types  
by County, by Year, 2000 and 2004

	One Adult	One Adult, One Preschooler	One Adult, One Preschooler, One Schoolage	Two Adults, One Preschooler, One Schoolage
The Bronx (Bronx County)				
-2000	\$16,693	\$33,249	\$43,237	\$47,166
-2004	\$20,575	\$37,443	\$49,874	\$55,546
<b>Change, 2000-2004</b>	<b>+23%</b>	<b>+13%</b>	<b>+15%</b>	<b>+18%</b>
Brooklyn (Kings County)				
-2000	\$17,797	\$34,389	\$43,549	\$48,294
-2004	\$21,920	\$38,983	\$51,567	\$57,234
<b>Change, 2000-2004</b>	<b>+23%</b>	<b>+13%</b>	<b>+18%</b>	<b>+19%</b>
South Manhattan (New York County)				
-2000	\$28,297	\$55,557	\$69,949	\$71,706
-2004	\$40,048	\$60,902	\$77,957	\$78,741
<b>Change, 2000-2004</b>	<b>+42%</b>	<b>+10%</b>	<b>+11%</b>	<b>+10%</b>
North Manhattan (New York County)				
-2000	\$16,981	\$34,365	\$43,753	\$48,234
-2004	\$19,406	\$36,481	\$48,995	\$54,590
<b>Change, 2000-2004</b>	<b>+14%</b>	<b>+6%</b>	<b>+12%</b>	<b>+13%</b>
Queens (Queens County)				
-2000	\$18,925	\$36,453	\$45,841	\$50,334
-2004	\$24,583	\$42,136	\$54,961	\$60,028
<b>Change, 2000-2004</b>	<b>+30%</b>	<b>+16%</b>	<b>+20%</b>	<b>+19%</b>
Staten Island (Richmond County)				
-2000	\$18,421	\$36,117	\$45,717	\$50,022
-2004	\$23,730	\$41,211	\$53,874	\$58,814
<b>Change, 2000-2004</b>	<b>+29%</b>	<b>+14%</b>	<b>+18%</b>	<b>+18%</b>

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# *Modeling the Impact of Supports on Wages Required to Meet Basic Needs*

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## **Modeling the Impact of Supports**

There are a number of ways to reduce the amount of income required to meet family needs, thus helping low-income families achieve self-sufficiency. Below we discuss several of these alternatives. We then model their effects on wages for a single adult with one infant and one preschoolage child in Table 9. Using the Self-Sufficiency Wage as a benchmark, we show the impact of adding work supports and child support on the income required to meet basic needs.

While the Self-Sufficiency Standard provides the amount of income that meets a family's basic needs without public or private assistance, many families cannot achieve self-sufficiency immediately. At the crucial point in their lives of entering employment, such work supports can help a family achieve stability without scrimping on nutrition, living in overcrowded or substandard housing, or leaving children in unsafe and/or unstimulating child care environments. This stability can help a family retain employment, which is a necessary condition for improving wages. When available, work supports or aid—such as Temporary Assistance for Needy Families (TANF) cash assistance, Food Stamps, housing (including Section 8 vouchers and public housing), child care, health care (Medicaid, CHP or Family Health Plus), and/or transportation subsidies—help families as they struggle to become economically self-sufficient.

**Child Support:** Child support payments from absent, non-custodial parents can be a valuable addition to some family budgets. Even in cases where the non-custodial parent's income is relatively low, child support payments may benefit children by easing the custodial parent's financial burden. By providing the support of both parents to meet children's needs, whatever the amount, children are likely to benefit. However, seeking child support may not be an option for all families, especially those for whom there is a history or risk of domestic violence.

**Child Care:** As seen above, child care is one of the major expenses for families with children. Child care

subsidies substantially reduce this expense and are therefore modeled separately as well as in combination with other work supports. The addition of a child care subsidy provides the greatest relief for single parents of any single work support.

**Health Care:** While health care expenses are a relatively small cost item in the budgets for most family types (less than 10%), health care coverage is essential. As stated on pages 6-7, we assume that along with adequate income, self-sufficiency level wages include employer-sponsored health insurance for workers and their families, and the provided coverage is partially financed by the employer. Without health benefits, most people would find it difficult, and sometimes quite costly, to meet their families' health care needs.

However, with the expansions of the federal and state-supported Children's Health Insurance Program—known in New York State as Child Health Plus (CHP)—many low income families now have the option of covering their children's health care needs when their employer does not offer family coverage. Families who enter the workforce from welfare are eligible for continued coverage by Medicaid for themselves and their children for up to 12 months. After that, and for those families not transitioning off welfare, children can be covered by CHP or Medicaid, depending upon family income and household size.

New York families also have the option of Family Health Plus (FHP), a state insurance program that began in 2002 as an expansion of Medicaid to cover low-income, working single adults, childless couples and adults in families with incomes above the regular Medicaid eligibility level (150% of the FPL for families with children and 100% of the FPL for adults without children).

Additionally, New York State offers a statewide health insurance program, called Healthy New York (Healthy NY). Initiated in 2000, Healthy NY created state-sponsored, affordable standardized health

insurance benefit packages through all health maintenance organizations. The program encourages small employers to offer health insurance coverage to their employees, dependents, and other qualified individuals. Uninsured workers whose employers do not provide health insurance and sole proprietors with incomes below 250% of the FPL may also purchase comprehensive coverage directly through Healthy NY. However, we do not model the impact of Healthy NY in this report because, given the income in the Self-Sufficiency model, adults are covered for free under the New York State Family Health Plan.<sup>38</sup>

**Housing:** As well as child care, housing assistance is a major support for families, since housing costs are difficult for families to reduce without assistance. However, despite their importance, housing subsidies are extremely limited due to funding and shortage of available units.

**Tax Credits:** We include the federal and New York State Earned Income Tax Credit (when a family qualifies) in the calculation of the Self-Sufficiency Standard. In this model, however, we want to show only income that is likely to be available to families each month to meet their needs. Although by law a family can receive part of the federal EITC to which they are entitled on a monthly basis (advanced EITC), the great majority (approximately 99%) of families receive the federal EITC as a lump sum payment the following year when they file their tax returns.<sup>39</sup> New York State does not offer advanced (monthly) EITC.<sup>40</sup>

While research shows that the EITC money is frequently used to meet important family needs, such as paying the security deposit for housing, buying a car, settling debts, paying tuition, or starting a savings account, it is not available to meet daily or monthly needs.<sup>41</sup> Also, for many workers, it is difficult to gauge how much the EITC will total with fluctuating hours and wages and job and/or wage changes throughout the year. Therefore, when we model the impact of work supports, we show the federal and state EITC only in terms of the total amount of EITC for which this family would qualify when they file their taxes the following year if they worked at this wage for the entire year (the first two shaded lines at the bottom of Table 9.)

Families that qualify for the refundable Child Tax Credit also receive the amount not used to reduce their federal income taxes as a lump sum payment the next year, as with the EITC. The amount of the annual

*refundable* Child Tax Credit is shown at the third shaded line at bottom of Table 9. In New York State, the refundable CTCC is included in the calculation of state taxes, and is not shown separately.

### **Table 9 - The Impact of Work Supports in Brooklyn (Kings County)**

In Table 9, we examine the impact of adding work supports for a Brooklyn family consisting of a single parent, an infant, and a preschooler and later, in Table 10, the same family in Queens. Costs that have been reduced are noted in bold in the table. The basis for these numbers can be found in the section entitled “How the Self-Sufficiency Standard is Calculated” (see page 5).

**The Self-Sufficiency Standard (Column #1):** In the first column of Table 9, we show the Standard, which provides this family’s expenses, including taxes, without any work or other supports to reduce these costs (except tax credits where applicable). In Brooklyn, where a single-parent family with an infant and a preschooler has monthly child care expenses of \$1,396 and housing costs of \$1,008 per month, it is not surprising that the Self-Sufficiency Wage is **\$23.44** per hour.

**Child Support (Column #2):** In the second column of Table 9, the private “subsidy” of child support is added. The amount of **\$212** shown in this column is the average child support payment per month for families who participated in the New York State Division of Child Support Enforcement program.<sup>42</sup> Unlike additional earned income, child support is not taxable income, and thus it can have a strong impact on helping families meet their needs. Overall, with child support and without monthly EITC and the refundable CTC, the wage needed to meet basic needs is reduced to **\$19.89** per hour.

**Child Care (Column #3):** In Column 3, we begin adding work supports. First we show the effect of the child care work support program available to low-income families in Brooklyn. Receiving child care assistance reduces child care costs from \$1,396 per month to \$342. Thus, child care assistance reduces the income the parent needs to earn from \$23.44 without any work supports, to **\$15.50** per hour.

**“Welfare to Work”:** **Child Care, Food Stamps & Medicaid (Column #4):** For adults who are moving from welfare to work, there is a set of supports available to help with that transition. In the fourth



column of Table 9, we assume that this single parent family is receiving a typical “package” of benefits available to those making the welfare to work transition. This package usually includes child care, Food Stamps, and Medicaid. We do not include housing because relatively few people receive housing assistance. We assume that Medicaid will cover all of the family’s health care expenses, reducing this cost from \$227 per month to zero. The reduction in health care costs lowers the wage needed to meet basic

needs, therefore reducing the child care co-payment. With the addition of Medicaid, child care costs are decreased from \$342 to \$173 per month. We also modeled transitional Food Stamps, which makes available to the family the maximum Food Stamp benefit for five months after leaving welfare, and reduces food costs to \$174 per month. Altogether, these supports lower the wage required to meet basic needs to **\$11.00** per hour, which is over \$12 less per hour than the Self-Sufficiency Wage.

Table 9  
**Impact of Work Supports on Monthly Costs and the Self-Sufficiency Wage**  
of a Single Parent with One Infant and One Preschooler  
Brooklyn (Kings County, NY), 2004

	#1	#2	WORK SUPPORTS				
			#3	#4	#5	#6	#7
	Self-Sufficiency Standard	Child Support	Child Care	"Welfare to Work": Child Care, Food Stamps & Medicaid*	Child Care & CHP**	Housing, Child Care & CHP**	Housing, Child Care, Food Stamps, CHP & FHP
<b>Monthly Costs:</b>							
Housing	\$1,008	\$1,008	\$1,008	\$1,008	\$1,008	\$575	\$400
Child Care	\$1,396	\$1,396	\$342	\$173	\$320	\$165	\$22
Food	\$491	\$491	\$491	\$174	\$491	\$491	\$397
Transportation	\$70	\$70	\$70	\$70	\$70	\$70	\$70
Health Care	\$227	\$227	\$227	\$0	\$120	\$102	\$0
Miscellaneous	\$319	\$319	\$319	\$319	\$319	\$319	\$319
Taxes	\$880	\$685	\$432	\$248	\$381	\$244	\$142
Earned Income Tax Credit	\$0	#	#	#	#	#	#
Child Care Tax Credit (-)	-\$100	-\$105	-\$89	-\$52	-\$86	-\$51	\$0
Child Tax Credit (-)	-\$167	-\$167	-\$72	-\$5	-\$51	-\$3	\$0
Child Support		-\$212					
<b>Self-Sufficiency Wage:</b>							
Hourly	\$23.44	\$19.89	\$15.50	\$11.00	\$14.61	\$10.87	\$7.67
Monthly	\$4,125	\$3,500	\$2,729	\$1,937	\$2,572	\$1,913	\$1,350
Annual	\$49,498	\$42,005	\$32,742	\$23,239	\$30,865	\$22,952	\$16,199
<b>Total Federal EITC (annual)</b>		\$0	\$361	\$2,363	\$757	\$2,423	\$3,845
<b>Total State EITC (annual)</b>		\$0	\$108	\$709	\$227	\$727	\$1,154
<b>Total Federal CTC (annual) (refundable)</b>		\$0	\$1,133	\$1,218	\$1,385	\$1,209	\$570

\*We modeled transitional food stamps, which makes available to the family up to the maximum Food Stamps benefit by family size, for five months after leaving welfare.

\*\* We attempted to model Food Stamps, but the income required to meet other costs resulted in a wage too high to be eligible for this program.

# In the modeling columns, refundable credits are shown as they are usually received, as an annual lump sum when taxes are filed early the next year. The child tax credit is split, with the part that is a credit against taxes owed received monthly, and the refundable portion shown as received annually. EITC is not received as a credit against taxes, so it is shown only annually.

### *Child Care & Child Health Plus (CHP)*

**(Column #5):** After 12 months transitioning from welfare to work, the parent loses Medicaid coverage for her whole family, as well as transitional Food Stamps. As with families who have never received welfare, this parent is now eligible for just child care and CHP. If her family income remains below 250% of the FPL, her children are eligible for the subsidized CHP health insurance coverage, at \$9 per child per month. The parent must also pay for the costs of her own health care, including her share of the health insurance premium that is available through her employer, as well as out-of-pocket costs for herself. Altogether, this increases her monthly health care expenses to \$120. Because of the increase in the wages needed to cover additional health care costs, plus the loss of Food Stamps, the child care co-payment increases to \$320 per month. If this parent makes enough money to cover the basic needs for her family, she earns too much to qualify for Food Stamps. With just child care assistance and CHP, this parent now requires a wage of **\$14.61** per hour, over three dollars more per hour than when Medicaid covered health care costs for the entire family and Food Stamps partially covered food costs.

### *Housing, Child Care & Child Health Plus*

**(CHP) (Column #6):** For the sixth column, we added housing assistance to the package modeled in the previous column. Housing assistance generally reduces the cost of housing to 30% of income. In this case, housing assistance reduces housing costs from \$1,008 to \$575 per month. The reduction in housing costs decreases the wage needed to meet basic needs, thereby decreasing the child care co-payment to \$165. As in the previous column, with this combination of work supports, this family is not eligible for Food Stamps. Overall, with housing, child care, and health care assistance for the children, this parent needs to earn only **\$10.87** per hour to meet her family's basic needs, or over \$12.00 less per hour than she would need to earn without any work supports.

***Housing, Child Care, Food Stamps, Child Health Plus (CHP) & Family Health Plus (FHP) (Column #7):*** For the seventh and final column of Table 9, we have modeled the combination of housing, child care, Food Stamps, CHP, and FHP. The addition of FHP covers the adult's health care costs, further lowering the child care copayment and the housing assistance copayment. With these decreases in the income needed, this parent's income is now low

enough to qualify for Food Stamps. The addition of the New York State health insurance program for low-income working adults reduces the wage needed to meet the family's basic needs to **\$7.67** per hour, which is just one-third of the full Self-Sufficiency Wage.

### **Table 10 - Modeling the Impact of Work Supports on Wage Adequacy in Queens (Queens County)**

In Table 9, we began with a Self-Sufficiency Wage and modeled how various work supports, alone and in combination, could lower the wage needed for families to meet their basic needs. In Table 10, we *start* with wages, and show how adequately they meet expenses, with and without work supports. In Table 9, we modeled these impacts for a single parent with two children (an infant and a preschooler) in Brooklyn. For Table 10, we use the same family type, but model Queens rather than Brooklyn.

In Table 10, we use the term "Wage Adequacy" to refer to the degree to which a given wage is adequate to meet basic needs, taking into account the availability of various work supports—or lack thereof. If Wage Adequacy is at or above 100%, that means the wage is adequate, or more than adequate, to meet the family's needs. Costs reduced by work supports in Table 10 are noted in bold. Note that as with the modeling done in Table 9, tax credits that are usually received annually are shown in the shaded rows at the bottom of each panel (see page 20).

In Panel A, we show how adequately \$5.15 per hour, full-time—the minimum wage in New York—meets this family's needs, with and without work supports. In panels B, C, and D, we then show Wage Adequacy for the same family in Queens, at \$7.10 (proposed state minimum wage), at \$10.50 (average wage of retail workers in New York City), and at \$12.09 per hour (median wage of all single mothers in New York City).<sup>43</sup>

***Wage Adequacy with No Work Supports (Wages Only) (Column #1):*** In the first column of Panel A, the parent earns \$5.15 per hour and is not receiving any work supports. In this scenario, the family's monthly expenses total \$3,670, while the parent's wages total just \$906. Thus, there is a shortfall of \$2,764 without work supports, and Wage Adequacy is just **25%**. In other words, these wages only provide 25% of the income needed to meet this family's needs. In the first column of Panels B, C, and D, we show the effect of increasing the parent's wages to \$7.10, \$10.50 and

Table 10  
**Impact of Work Supports on Wage Adequacy**  
*Single Parent with One Infant and One Preschooler*  
*Queens County (Queens), NYC, 2004*

**Panel A: Wage Adequacy at \$5.15 per hour**

	#1	WORK SUPPORTS				
		#2	#3	#4	#5	#6
	No Work Supports	Child Care	Child Care, Food Stamps, CHP	Child Care, Food Stamps, CHP & FHP	Housing, Child Care, Food Stamps & CHP	Housing, Child Care, Food Stamps, CHP & FHP
<b>TOTAL INCOME:</b>	\$906	\$906	\$906	\$906	\$906	\$906
<b>Monthly Costs:</b>						
Housing	\$1,163	\$1,163	\$1,163	\$1,163	<b>\$272</b>	<b>\$272</b>
Child Care	\$1,396	<b>\$13</b>	<b>\$13</b>	<b>\$13</b>	<b>\$13</b>	<b>\$13</b>
Food	\$491	\$491	<b>\$180</b>	<b>\$180</b>	<b>\$294</b>	<b>\$294</b>
Transportation	\$70	\$70	\$70	\$70	\$70	\$70
Health Care	\$227	\$227	<b>\$102</b>	<b>\$0</b>	<b>\$102</b>	<b>\$0</b>
Miscellaneous	\$335	\$335	\$335	\$335	\$335	\$335
Taxes	-\$12	\$94	\$94	\$94	\$93	\$93
Earned Income Tax Credit (-)	**	**	**	**	**	**
Child Care Tax Credit (-)	\$0	\$0	\$0	\$0	\$0	\$0
Child Tax Credit (-)	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL LIVING EXPENSES</b>	\$3,670	\$2,393	\$1,958	\$1,856	\$1,179	\$1,077
<b>SHORTFALL (-) or SURPLUS</b>	-\$2,764	-\$1,487	-\$1,051	-\$949	-\$272	-\$170
<b>WAGE ADEQUACY (Total Income/Total Expenses)</b>	<b>25%</b>	<b>38%</b>	<b>46%</b>	<b>49%</b>	<b>77%</b>	<b>84%</b>
<b>Total Federal EITC (annual)</b>	<b>\$4,300</b>	<b>\$4,300</b>	<b>\$4,300</b>	<b>\$4,300</b>	<b>\$4,300</b>	<b>\$4,300</b>
<b>Total State EITC (annual)</b>	<b>\$1,290</b>	<b>\$1,290</b>	<b>\$1,290</b>	<b>\$1,290</b>	<b>\$1,290</b>	<b>\$1,290</b>
<b>Total CTC (annual) (refundable)</b>	<b>\$38</b>	<b>\$38</b>	<b>\$38</b>	<b>\$38</b>	<b>\$38</b>	<b>\$38</b>

**Panel B: Wage Adequacy at \$7.10 per hour**

	#1	WORK SUPPORTS				
		#2	#3	#4	#5	#6
	No Work Supports	Child Care	Child Care, Food Stamps, CHP	Child Care, Food Stamps, CHP & FHP	Housing, Child Care, Food Stamps & CHP	Housing, Child Care, Food Stamps, CHP & FHP
<b>TOTAL INCOME:</b>	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250
<b>Monthly Costs:</b>						
Housing	\$1,163	\$1,163	\$1,163	\$1,163	<b>\$375</b>	<b>\$375</b>
Child Care	\$1,396	<b>\$13</b>	<b>\$13</b>	<b>\$13</b>	<b>\$13</b>	<b>\$13</b>
Food	\$491	\$491	<b>\$263</b>	<b>\$263</b>	<b>\$376</b>	<b>\$376</b>
Transportation	\$70	\$70	\$70	\$70	\$70	\$70
Health Care	\$227	\$227	<b>\$102</b>	<b>\$0</b>	<b>\$102</b>	<b>\$0</b>
Miscellaneous	\$335	\$335	\$335	\$335	\$335	\$335
Taxes	\$29	\$135	\$135	\$135	\$134	\$134
Earned Income Tax Credit (-)	**	**	**	**	**	**
Child Care Tax Credit (-)	\$0	\$0	\$0	\$0	\$0	\$0
Child Tax Credit (-)	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL LIVING EXPENSES</b>	\$3,711	\$2,434	\$2,081	\$1,979	\$1,405	\$1,303
<b>SHORTFALL (-) or SURPLUS</b>	-\$2,461	-\$1,184	-\$831	-\$729	-\$155	-\$53
<b>WAGE ADEQUACY (Total Income/Total Expenses)</b>	<b>34%</b>	<b>51%</b>	<b>60%</b>	<b>63%</b>	<b>89%</b>	<b>96%</b>
<b>Total Federal EITC (annual)</b>	<b>\$4,099</b>	<b>\$4,099</b>	<b>\$4,099</b>	<b>\$4,099</b>	<b>\$4,099</b>	<b>\$4,099</b>
<b>Total State EITC (annual)</b>	<b>\$1,230</b>	<b>\$1,230</b>	<b>\$1,230</b>	<b>\$1,230</b>	<b>\$1,230</b>	<b>\$1,230</b>
<b>Total CTC (annual) (refundable)</b>	<b>\$450</b>	<b>\$450</b>	<b>\$450</b>	<b>\$450</b>	<b>\$450</b>	<b>\$450</b>

Note: Families' costs are reduced by work supports shown in column headings and the cost amount is shown in bold. If they are not income eligible, the work support is shown in brackets [ ] .

\*\* Refundable credits are shown as they are usually received, as an annual lump sum when taxes are filed early the next year. The child tax credit is split, with the part that is a credit against taxes owed received monthly, and the refundable portion shown as received annually. EITC is not received as a credit against taxes, so it is shown only annually. (See text for explanation of this treatment of tax credits).

Table 10 -- Continued  
**Impact of Work Supports on Wage Adequacy**  
*Single Parent with One Infant and One Preschooler*  
*Queens County (Queens), NYC, 2004*

**Panel C: Wage Adequacy at \$10.50 per hour**

	#1	WORK SUPPORTS				
		#2	#3	#4	#5	#6
	No Work Supports	Child Care	Child Care, [Food Stamps], CHP	Child Care, [Food Stamps], CHP & FHP	Housing, Child Care, [Food Stamps] & CHP	Housing, Child Care, [Food Stamps], CHP & FHP
<b>TOTAL INCOME:</b>	\$1,848	\$1,848	\$1,848	\$1,848	\$1,848	\$1,848
<b>Monthly Costs:</b>						
Housing	\$1,163	\$1,163	\$1,163	\$1,163	<b>\$554</b>	<b>\$554</b>
Child Care	\$1,396	<b>\$147</b>	<b>\$147</b>	<b>\$147</b>	<b>\$147</b>	<b>\$147</b>
Food	\$491	\$491	\$491	\$491	\$491	\$491
Transportation	\$70	\$70	<b>\$70</b>	\$70	\$70	\$70
Health Care	\$227	\$227	<b>\$102</b>	<b>\$0</b>	<b>\$102</b>	<b>\$0</b>
Miscellaneous	\$335	\$335	\$335	\$335	\$335	\$335
Taxes	\$164	\$226	\$225	\$225	\$218	\$218
Earned Income Tax Credit (-)	**	**	**	**	**	**
Child Care Tax Credit (-)	(\$48)	(\$46)	(\$46)	(\$46)	(\$46)	(\$46)
Child Tax Credit (-)	\$0	(\$2)	(\$2)	(\$2)	(\$2)	(\$2)
<b>TOTAL LIVING EXPENSES</b>	\$3,798	\$2,612	\$2,485	\$2,383	\$1,870	\$1,768
<b>SHORTFALL (-) or SURPLUS</b>	-\$1,950	-\$764	-\$637	-\$535	-\$22	\$80
<b>WAGE ADEQUACY (Total Income/Total Expenses)</b>	<b>49%</b>	<b>71%</b>	<b>74%</b>	<b>78%</b>	<b>99%</b>	<b>105%</b>
<b>Total Federal EITC (annual)</b>	<b>\$2,587</b>	<b>\$2,587</b>	<b>\$2,587</b>	<b>\$2,587</b>	<b>\$2,587</b>	<b>\$2,587</b>
<b>Total State EITC (annual)</b>	<b>\$776</b>	<b>\$776</b>	<b>\$776</b>	<b>\$776</b>	<b>\$776</b>	<b>\$776</b>
<b>Total CTC (annual) (refundable)</b>	<b>\$1,168</b>	<b>\$1,143</b>	<b>\$1,143</b>	<b>\$1,143</b>	<b>\$1,143</b>	<b>\$1,143</b>

**Panel D: Wage Adequacy at \$12.09 per hour**

	#1	WORK SUPPORTS				
		#2	#3	#4	#5	#6
	No Work Supports	Child Care	Child Care, [Food Stamps], CHP	Child Care, [Food Stamps], CHP & [FHP]	Housing, Child Care, [Food Stamps] & CHP	Housing, Child Care, [Food Stamps], CHP & [FHP]
<b>TOTAL INCOME:</b>	\$2,128	\$2,128	\$2,128	\$2,128	\$2,128	\$2,128
<b>Monthly Costs:</b>						
Housing	\$1,163	\$1,163	\$1,163	\$1,163	\$638	\$638
Child Care	\$1,396	<b>\$221</b>	<b>\$221</b>	<b>\$221</b>	<b>\$221</b>	<b>\$221</b>
Food	\$491	\$491	\$491	\$491	\$491	\$491
Transportation	\$70	\$70	\$70	\$70	\$70	\$70
Health Care	\$227	\$227	<b>\$120</b>	<b>\$120</b>	<b>\$120</b>	<b>\$120</b>
Miscellaneous	\$335	\$335	\$335	\$335	\$335	\$335
Taxes	\$207	\$256	\$256	\$256	\$246	\$246
Earned Income Tax Credit (-)	**	**	**	**	**	**
Child Care Tax Credit (-)	(\$76)	(\$64)	(\$64)	(\$64)	(\$64)	(\$64)
Child Tax Credit (-)	\$0	(\$12)	(\$12)	(\$12)	(\$12)	(\$12)
<b>TOTAL LIVING EXPENSES</b>	\$3,813	\$2,687	\$2,580	\$2,580	\$2,046	\$2,046
<b>SHORTFALL (-) or SURPLUS</b>	-\$1,685	-\$559	-\$452	-\$452	\$82	\$82
<b>WAGE ADEQUACY (Total Income/Total Expenses)</b>	<b>56%</b>	<b>79%</b>	<b>82%</b>	<b>82%</b>	<b>104%</b>	<b>104%</b>
<b>Total Federal EITC (annual)</b>	<b>\$1,879</b>	<b>\$1,879</b>	<b>\$1,879</b>	<b>\$1,879</b>	<b>\$1,879</b>	<b>\$1,879</b>
<b>Total State EITC (annual)</b>	<b>\$564</b>	<b>\$564</b>	<b>\$564</b>	<b>\$564</b>	<b>\$564</b>	<b>\$564</b>
<b>Total CTC (annual) (refundable)</b>	<b>\$1,503</b>	<b>\$1,363</b>	<b>\$1,363</b>	<b>\$1,363</b>	<b>\$1,363</b>	<b>\$1,363</b>

Note: Families' costs are reduced by work supports shown in column headings and the cost amount is shown in bold. If they are not income eligible, the work support is shown in brackets [ ].

\*\* Refundable credits are shown as they are usually received, as an annual lump sum when taxes are filed early the next year. The child tax credit is split, with the part that is a credit against taxes owed received monthly, and the refundable portion shown as received annually. EITC is not received as a credit against taxes, so it is shown only annually. (See text for explanation of this treatment of tax credits).

\$12.09 per hour. This increases Wage Adequacy to **34%**, **49%**, and **56%**, respectively, still far below what is needed. Indeed, even at the highest wage illustrated (\$12.09 per hour), when the family's monthly income is \$2,128, it is still \$1,685 *less than* what is needed to be self-sufficient.

***Wage Adequacy with Child Care (Column #2):*** When the family receives the support of child care assistance, it reduces their expenses and raises Wage Adequacy, as shown in Column #2 of panels A, B, C, and D. At \$5.15 and \$7.10 per hour, child care costs are decreased to \$13, increasing Wage Adequacy from 25% to **38%**, and from 34% to **51%**, respectively. At \$10.50 and \$12.09 per hour, also with child care assistance, the family's Wage Adequacy again increases to **71%** and **79%**, respectively. While this is much higher than with no work supports, it is still below 100% Wage Adequacy.

***Wage Adequacy with Child Care, Food Stamps & Child Health Plus (CHP) (Column #3):*** At earnings of \$5.15 per hour, the addition of the work supports of Food Stamps and CHP to child care assistance, increases Wage Adequacy from 38% to **46%**. At \$7.10 per hour, the Wage Adequacy rises from 51% with child care assistance to **60%** with the work support package modeled. Wages of \$10.50 and \$12.09 per hour are too high for the family to qualify for Food Stamps. However, with the addition of CHP along with child care assistance, Wage Adequacy increases to **74%** and **82%**, respectively.

***Wage Adequacy with Child Care, Food Stamps, CHP & Family Health Plus (FHP) (Column #4):*** The fourth column shows that with the addition of adult health care coverage under FHP, at wages of \$5.15 and \$7.10 per hour Wage Adequacy rises to **49%** and **63%**, respectively. Although no longer eligible for Food Stamps, with child care, CHP, and FHP, at \$10.50 Wage Adequacy rises to **78%**. At \$12.09 per hour, Wage Adequacy remains at **82%** (as in Column #3) because at this wage the family is no longer eligible for Food Stamps *or* Family Health Plus.

***Wage Adequacy with Housing, Child Care, Food Stamps & CHP (Column #5):*** In the fifth column, we add housing, but do not include FHP. With the addition of housing assistance, housing costs decrease substantially, while health care costs increase from zero to \$102 without FHP. The combined effect of this package of work supports is to raise Wage Adequacy to **77%** and **89%** at wages of \$5.15 and

\$7.10, respectively. Although no longer eligible for Food Stamps, with housing, child care, and CHP, at \$10.50 per hour Wage Adequacy rises to **99%**, and at \$12.09 it rises to **104%**.

***Wage Adequacy with Housing, Child Care, Food Stamps, CHP & FHP (Column #6):*** In the final column (Column #6), we add Family Health Plus to the benefits package modeled in Column #5. With the addition of this health benefit for low-income adults, Wage Adequacy increases to **84%** and **96%** at wages of \$5.15 and \$7.10, respectively. Finally, although no longer eligible for Food Stamps, with housing, child care, CHP, and FHP, at \$10.50 per hour Wage Adequacy rises to **105%**. At wages of \$12.09 per hour, this family is not eligible for Food Stamps *or* FHP and so Wage Adequacy remains at **104%** (as in Column #5)

When a family's income is not adequate to meet their basic needs, parents must make difficult choices to try to address their most urgent needs. In other words, parents must "juggle" demands on their income to get by. For example, parents may need to alternate paying bills every other month, risking bad credit, utility cutoffs or eviction; forgo needed health care; move to overcrowded living conditions; compromise on the quality of child care; or skip meals so that their children will have adequate food. Having to make these choices is extremely stressful and leaves families without the resources to meet the basics, much less deal with unexpected crises.

Although it is important for families to be able to meet their basic needs at an adequate level, it is also important to remember that these are "bare bones" budgets. For example, whether receiving Food Stamps or not, the food budget does not allow for any take-out or restaurant food. Therefore, families with Wage Adequacy above 100% should not be viewed as having extravagant incomes. Rather, additional income should be seen as a means to meet other essential expenses, such as the purchase of a car or a refrigerator or for deposits to secure housing.

### **Importance and Availability of Work Supports Modeled in Table 9 and Table 10**

By temporarily aiding families with work supports until they are able to earn Self-Sufficiency Wages, families are able to meet their needs as they enter or re-enter the workforce. Meeting basic needs means that they are more likely to achieve stability in housing,



child care, diet, and health care, which in turn helps support the achievement of stable employment. Thus, carefully targeted programs and tax policies can play an important role in helping families become self-sufficient.

Unfortunately, the various work supports modeled here are not available to all who need them:

- **Housing:** Nationwide, only about 12% of eligible families receive housing aid or live in public housing.<sup>44</sup> A recent report by the National Low Income Housing Coalition finds that nearly 65 million low income people—24% of the entire U.S. population—are experiencing housing problems, including cost burdens, substandard conditions, overcrowding, or homelessness.<sup>45</sup> Subsidized housing is effectively unavailable to new applicants in New York City. As of March 31, 2004, Section 8 and public housing both had waiting lists of well over 100,000 families (142,514 families on Conventional Public Housing list; 129,551 families on the New York City Housing Authority Section 8 list; 28,582 applicants on both lists). Currently, Section 8's primary waitlist is closed to all applicants except victims of domestic violence and participants in witness protection programs.<sup>46</sup>
- **Food:** Between December 1997 and December 2000, the number of people receiving Food Stamps dropped by 3.5 million, following 1996 welfare reforms. Since 2000, however, with a weakened economy and improved access in some states, Food Stamps enrollment has increased by 6.6 million people to almost 24 million recipients in May 2004.<sup>47</sup> Nevertheless, the Urban Institute reported that about two-thirds of those who left the Food Stamps program as they left welfare still remained eligible for Food Stamps, although only four out of ten eligible households were receiving benefits in 1997.<sup>48</sup> By September 2001, participation rates for all eligible persons rose to just over 60%.<sup>49</sup> Only half of eligible New York City residents are receiving food stamps; 800,000 additional residents are income eligible but are not receiving benefits.<sup>50</sup>
- **Child Care:** In 1999, 1.8 million, or only 12%, of about 15 million eligible children were receiving child care assistance nationwide.<sup>51</sup> The following year that number dropped by half a million children.<sup>52</sup> In New York City, as of August 2003 there were 40,779 children (birth to 12 years old) receiving vouchers from Human Resources Administration and 61,448 children receiving child care through the Administration for Children's Services (ACS). At least 23,005 additional children were on the waitlist for ACS child care.<sup>53</sup>
- **Health Insurance:** According to the National Center for Health Statistics, the rate of uninsured children nationwide has steadily fallen from 13.9% in 1997 to 9.4% in 2003.<sup>54</sup> However, Families USA reported that SCHP enrollment is estimated to drop by 900,000 between fiscal years 2003 and 2006.<sup>55</sup> As of 2002, over 500,000 children were enrolled statewide in New York State's CHP (Child Health Plus).<sup>56</sup> Of the approximately 1.7 million New York City residents who were uninsured in 2002, nearly 900,000 were eligible for but not enrolled in Medicaid, Child Health Plus, or Family Health Plus.<sup>57</sup> Currently in New York City, 500,000 adults are eligible for but not receiving Medicaid and Family Health Plus.<sup>58</sup>
- **Child Support:** Although 59% of custodial parents in the United States had child support awards nationally, only 45% received the full amount owed to them. Of the remaining 55%, only 29% received a portion of the child support payment awarded, leaving 26% with no support at all.<sup>59</sup> Of families who receive payments with the assistance of the state child support enforcement agencies, the national average amount received is \$192; in New York State, the average is \$212 (the ninth highest in the 50 states).<sup>60</sup>
- **Tax Credits:** For tax year 2002, over 768,000 New York City residents received the Earned Income Tax Credit.<sup>61</sup> However, one out of six tax payers eligible for the EITC are not claiming it.<sup>62</sup>

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# *Closing the Gap Between Incomes and the Self-Sufficiency Standard*

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Of course, many families do not earn Self-Sufficiency Wages, particularly if they have recently entered (or re-entered) the workforce, live in high-cost areas, or live in low wage areas. They therefore cannot afford their housing *and* food *and* child care, much less their other basic needs. They must choose between needs or accept substandard or inadequate child care, insufficient food, or substandard housing.

This wage disparity presents states and localities with the challenge of how to aid families who are striving for self-sufficiency, especially families whose incomes may be above the “poverty” level and/or assistance eligibility levels yet fall below what is needed for self-sufficiency. While many areas of New York City benefited from the opportunities produced by an expanding economy during the late 1990s, helping families achieve self-sufficiency is an even greater challenge during economic downturns.

The two basic approaches for individuals to close this income gap are to reduce costs (through supports that may be public or private, in cash or “in kind”) or raise incomes. The first approach, that of reducing costs, can be accomplished through various subsidies and supports, such as child support, Food Stamps, and child care assistance, as discussed in the previous section.

The other approach, raising incomes, can be done at either the “micro” or individual level, or at the “macro” or systemic level. “Micro” strategies that raise individuals’ incomes include training and education, context literacy, nontraditional employment for women, microenterprise, and individual development accounts. “Macro” strategies address labor market structures and include labor market reforms, removing artificial barriers to employment for women and/or persons of color, and sectoral employment initiatives. Below we will discuss in more detail both types of “raising income” strategies.

These two approaches—reducing costs and raising incomes—are not mutually exclusive, but in fact can

and should be used as appropriate, sequentially or in tandem. Thus, some parents may receive education and training followed by jobs that are supplemented by supports until their wages reach the self-sufficiency level. Alternatively, individual parents may combine work and study from the outset. Whatever choices they make, parents should be able to choose the path to self-sufficiency that best safeguards their family’s well-being and allows them to balance work, education, and family responsibilities.

## **Raising Incomes: Micro Approaches**

*Increasing Access to Higher Education:* Adults with language difficulties, inadequate education, or insufficient job skills or experience usually cannot achieve Self-Sufficiency Wages without addressing access to training and education. Training and education are often key to entering occupations and workplaces that will eventually, if not immediately, pay Self-Sufficiency Wages (see Figure 3 on page 29). For some, this may mean skills training, GED (General Educational Development), ABE (Adult Basic Education), and /or ESL (English as a Second Language) programs. For others, this may mean two- or four-year college degrees.

Education has always been a key to economic independence. Yet by promoting rapid attachment to employment or “work first,” the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 restricted low-income women’s access to higher education. Thus, few welfare recipients are able to enroll in college programs or long-term training. Effectively increasing access to higher education requires a relaxing of such restrictions, as well as providing supports for low-income parents in college or training, including child care, tuition waivers, transportation, etc.

The development of an educated workforce is necessary for many employers to remain competitive. Indeed, businesses have long invested heavily in education and training for their skilled workers in order

to take advantage of new technology. Expanding incumbent worker training results in increased productivity and increased efficiency benefiting the employer as well as the employee by increasing wages.

**Functional Context Education:** Functional Context Education (FCE) is an instructional strategy that integrates the teaching of literacy skills and job content to move learners more successfully and quickly toward their educational and employment goals. Programs that use the FCE model are more effective than traditional programs that teach basic skills and job skills in sequence because this innovative approach teaches literacy and basic skills in the context in which the learner will use them. Clients see clearly the role literacy skills play in moving them toward their goals. For adults who have already experienced school failure, enrollment in programs that use traditional approaches to teaching often reproduce that failure. Functional Context Education programs address this problem by using content related to adult goals to teach basic skills. This strategy promotes better retention, encourages lifelong learning and supports the intergenerational transfer of knowledge.

In addition, most adults do not have time to spend years in basic education programs learning skills that may seem, at best, distantly related to their economic goals. Given welfare time limits and restrictions on education and training, it is more important than ever that individuals master basic and job-specific skills as quickly and efficiently through FCE as possible.

**Nontraditional Employment for Women:** For many women, nontraditional jobs (such as construction, copy machine repair, X-ray technician, or computer-aided drafting) require relatively little post-secondary training, yet provide wages at self-sufficiency levels. Nontraditional employment for women is one high-wage option that can enable families to move out of poverty. Nontraditional Occupations (NTOs) are jobs that are often thought of as “men’s jobs.” According to the U.S. Department of Labor, they include any occupation in which less than 25% of the workforce is female.

Increasing women’s access to nontraditional jobs is a compelling strategy for family economic self-sufficiency for several reasons. Most importantly, compared to jobs that are traditional for women, nontraditional jobs can provide better wages and benefits than the traditionally female jobs. Enhancing women’s access to these jobs—or training leading to

these jobs—requires addressing a range of economic, political and social barriers that prevent women from entering and remaining in nontraditional occupations. Unfortunately, most female job training participants and welfare clients are steered towards traditionally female occupations. The additional earnings associated with NTOs significantly improve the ability of women to take care of their families. Nontraditional jobs also frequently have greater career and training opportunities, and many women find greater job satisfaction that can result in longer-term employment. In addition, hiring women in nontraditional jobs is good for business because it opens up a new pool of skilled workers to employers, and creates a more diverse workforce that is reflective of the community.

Recognizing the significant benefits of nontraditional employment for low-income women and their families, many women’s community-based organizations began to offer nontraditional training 20 years ago. Their efforts were assisted by affirmative action guidelines for employers and apprenticeship programs that opened the construction trades, in particular, to women. While most community-based nontraditional employment programs were successful, few of the strategies used to train and place women in higher-wage, nontraditional jobs were institutionalized into the mainstream job training and vocational education systems. Institutionalizing nontraditional employment in the workforce development and welfare systems is key to this becoming a successful strategy for moving families out of poverty.

**Microenterprise Training and Development:** Microenterprise development is an income-generating strategy that helps low-income people start or expand very small businesses. Generally, the business is owned and operated by one person or family, has fewer than five employees and can start up with a loan of less than \$25,000. Microenterprise is an attractive option for low-income women who may have skills in a particular craft or service. The lack of quality employment options, especially for low-income, low-skilled women, makes microenterprise development a critical strategy for moving families out of poverty. Low-income women entrepreneurs, especially those living in rural or inner-city communities isolated from the economic mainstream, often lack the contacts and networks needed for business success. Peer networks (such as lending circles and program alumnae groups) help women learn to earn from each other, build self-esteem, and organize around policy advocacy. Linkages

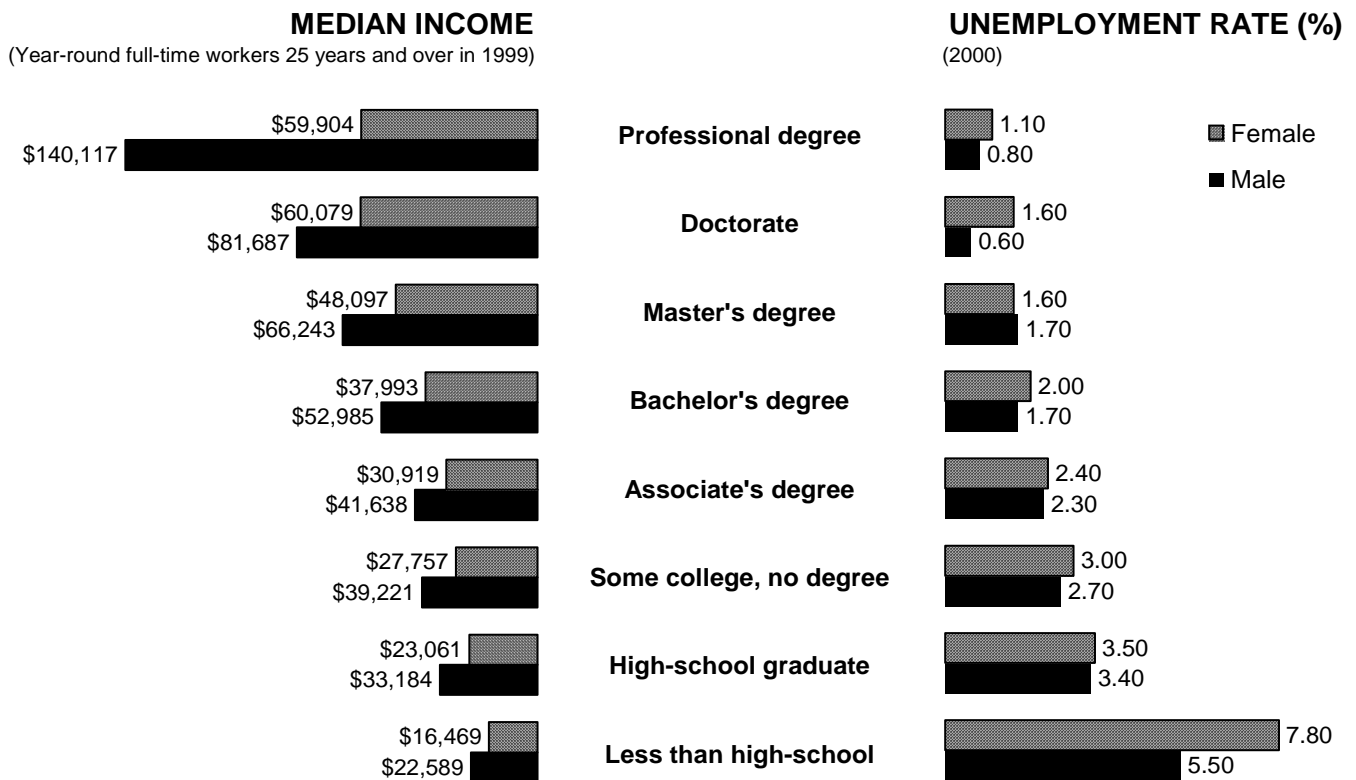
between microentrepreneurs and more established women business owners provide program participants with role models, facilitate an ongoing transfer of skills, and expand networks. Microenterprise is also a local economic development strategy, since microbusinesses have the potential to grow into small businesses that respond to local demand, create jobs and add to the local tax base.

**Individual Development Accounts:** For many low-income families, the barriers to self-sufficiency are accentuated by a near or total absence of savings. According to one report, the average family with a household income between \$10,000 and \$25,000, had net financial assets of \$1,000, while the average family with a household income of less than \$10,000 had net financial assets of \$10.<sup>63</sup> For these families with no savings, the slightest setback—a car needing repairs, an unexpected hospital bill, a reduction in work hours—can trigger a major financial crisis. These families can be forced to take out small loans at exorbitant interest rates, like payday loans, just to make it to the next paycheck, often resulting in spiraling debt. Too often,

public policies work against the promotion of savings by actively penalizing families that manage to put some money aside. For example, in New York City, a parent (whose household does not have a member over 65 or a disabled person) with more than \$2,000 in countable assets is ineligible for TANF cash assistance.<sup>64</sup>

Nonetheless, some recent policy changes have begun to promote and encourage asset development for low-income workers. One major development has been the Individual Development Account (IDA). Individual Development Accounts (IDAs) are dedicated savings accounts earmarked for purchasing a first home, for education and job training expenses or for capitalizing a small business. Contributions from eligible low-income participants are matched, using both private and public sources. IDAs are managed by community-based organizations and are held at local financial institutions. In this program, a public or private entity provides a matching contribution towards regular savings made by a family. The match can be withdrawn if it is used for a specified objective, such as the down payment of a house, payment for higher

Figure 3  
**Impacts of Education on Unemployment and Earnings by Gender in the United States**



Source: Bureau of Labor Statistics, Current Population Survey, unpublished data & Bureau of the Census



education, or start-up costs for a small business. While less common than income supports, these “wealth supports” can be an important tool in helping families move towards self-sufficiency.

### **Raising Incomes: Macro Approaches**

**Labor Market Reforms:** As demonstrated in the previous section, even two parents working full-time must earn well above the federal minimum wage to meet their family’s basic needs. Raising the minimum wage, particularly in high cost areas, is essential because it raises the “floor” for wages, and therefore affects many workers’ earnings. Twelve states, for example, have a minimum wage that is above the federal minimum wage, with the highest being Washington State at \$7.16 per hour, then Alaska at \$7.15 per hour.<sup>65</sup> In all, over 20% of the U.S. residents live in states and localities with a minimum wage higher than the federal minimum wage. Higher wages also have a positive impact on both workers and their employers by reducing turnover, increasing work experience, and saving on training and recruitment costs for both workers and employers.

Another approach to raising wages of workers are the Living Wage laws that mandate that city contractors and employers receiving public subsidies pay a “living wage.” These policies would impact private sector workers’ wages as well as public sector workers. Union representation of workers also leads to higher wages<sup>66</sup> as well as better benefits,<sup>67</sup> moving workers closer to the Self-Sufficiency Standard.

**Reducing Gender- and Race-Based Wage Disparities:** It is important to recognize that not all barriers to self-sufficiency lie in the individual persons and/or families seeking self-sufficiency. Women and/or people of color all too often face artificial barriers to employment not addressed by public policy or training/

education strategies. For some, discrimination on the basis of gender and/or race is a key issue. At the same time, this does not necessarily mean that individuals or institutions are engaging in deliberate racism and sexism. Addressing the more subtle, yet substantial, barriers effectively requires all stakeholders—employers, unions, advocates, training providers and educators, welfare officials and program participants—to partner in order to address the various difficulties, myths and misunderstandings that arise as more and more people seek to enter a workforce environment that is not always welcoming. Pay Equity laws raise the wages of women and people of color who are subject to race- and gender-based discrimination.<sup>68</sup>

**Sectoral Employment Intervention:** A strategy that targets high-wage jobs, Sectoral Employment Intervention, determines the wage needed by a worker to sustain her/his family (using the Self-Sufficiency Standard), identifies well-paying jobs in growth sectors that lack trained workers, and analyzes the job training and support services infrastructure necessary to move individuals into these jobs. Key components include engaging industry representatives and workforce development boards, establishing occupational information systems based on local and regional labor-market-specific data, targeting training for specific jobs, and developing sensible outcome standards. Because this approach looks at labor market issues from both supply and demand perspectives, it helps communities strengthen their local economies while reinvesting in families and neighborhoods. Targeted training is necessary to help low-income clients access high-demand, high-wage jobs. By responding to business’ specific labor needs, a high-wage job targeting strategy improves a region’s ability to attract and keep industries and to support a healthier business climate.



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# *How the Self-Sufficiency Standard Can Be Used*

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The Self-Sufficiency Standard is relevant to a range of issues and arenas, providing crucial information about wage adequacy to help design strategies for self-sufficiency. The Standard can be used in a variety of settings: from welfare recipients choosing the best route out of poverty for themselves and their families; to organizations weighing investment in various education and training opportunities; to state-level policymakers facing critical policy choices on TANF implementation, tax policy, work supports, child care co-payment scales, welfare to work programs, economic development plans, and education and training.

At a time when many policy and programmatic decisions are being made at the state and local levels, the Self-Sufficiency Standard provides a tool and a means to evaluate many different options. The discussion below illustrates ways the Standard can be used, followed by specific examples of such uses in bullets. This should be seen as a partial list of options, as new uses and applications of the Standard continue to emerge.

## **The Self-Sufficiency Standard as a Tool to Evaluate Policy**

The Standard has been used to *evaluate the impact of current and/or proposed policy changes*. As shown in this report (see Tables 9 and 10), the Standard can be used to evaluate the impact of work support programs as well as other policy options such as child care co-payment schedules or tax reforms of various kinds. With the Standard it is possible not only to show the direct impact on family incomes, but to model the effects of the interaction of taxes, tax credits, and, where applicable, work supports.

- In Pennsylvania, PathWaysPA (formerly Women’s Association for Women’s Alternatives or W.A.W.A.) commissioned the University of Washington’s Center for Women’s Welfare to use the Standard to analyze the impact of a proposal to raise child care co-payments and to show the impact on the ability of low-income working parents to meet their basic needs. The resulting report,

*When Wages Aren’t Enough*, was instrumental in preventing the proposed increase in child care co-payments and is available at <http://www.womensassoc.org/programs/tools.html>.

- When the Oklahoma Department of Human Services proposed large increases in the child care co-payments, the Oklahoma Community Action Project of Tulsa County (CAP) incorporated analysis based on the Standard by the University of Washington in the report *Increased Child Care Co-Payments Threaten Access to Care for Low-Income Families*.
- A proposal to restrict Oklahoma Medicaid eligibility was withdrawn after the release of the CAP report *Cost-Sharing in Medicaid: Fostering Responsibility or Hindering Access?* The report used the Standard to show why free health coverage is vital for low-income families. Both of the above Oklahoma reports can be found at <http://www.captc.org>.

## **The Self-Sufficiency Standard as a Tool to Evaluate Economic Development**

The Standard has also been used to *evaluate economic development proposals*. By using the Standard to determine if the wages paid by new businesses seeking tax breaks and other government subsidies are at or above self-sufficiency, it can be determined if these proposed enterprises will require supports to the workers as well, which is essentially a “double subsidy.” Thus, such proposals can be evaluated as to their net positive or negative effect on the local economy as well as on the well-being of the potential workers and their families. States such as Nebraska, South Dakota, and West Virginia have used the Standard to evaluate economic development proposals, including the development of job quality standards and in testimony before state legislatures.

In addition, the Standard can be used to ensure that economic development proposals have positive impacts on the local economy, including not only family-

sustaining wages, but also affordable and accessible housing, on-site affordable child care, and so forth.

### **The Self-Sufficiency Standard as a Tool to Target Job Training and Education Resources**

The Self-Sufficiency Standard has a number of uses related to the development and evaluation of job training and education policy. The Standard is a key component, for example, in the *Targeted Jobs Strategy*. This strategy uses the Standard to target resources to better match job seekers with jobs paying Self-Sufficiency Wages. First, the Standard is used to determine which jobs in the local market pay Self-Sufficiency Wages. Second, it examines local labor market supply and demand (to find the jobs which have expanding but unfilled openings). Next, it makes an assessment of the available job training and education infrastructure, and finally, it makes an evaluation of the skills and location of current/potential workers. Through such an analysis, it is possible to determine the jobs and sectors on which to target training and counseling resources.

- In the District of Columbia, the Self-Sufficiency Standard was used in formatting the FY 2000 Workforce Investment Act. This law requires that the Workforce Investment Board not only look at “high growth” occupations to target job training dollars, but also at the quality of the jobs in terms of their ability to meet the wage and supportive service needs of job seekers.

The Standard can be used to *target education and job training investments*. Given the Self-Sufficiency Wages for most family types, the Standard can help demonstrate the “pay off” for investing in various types of post-secondary education and training, including training for occupations that are nontraditional for women and people of color. Such training and education provide access to a wide range of jobs paying Self-Sufficiency Wages.

- In California’s Santa Clara County, the Self-Sufficiency Standard was used in a sectoral employment intervention analysis that focused on the availability of nontraditional jobs, the geographical spread of those jobs, the availability of training resources, and wage rates. The analysis led to a curriculum and counselor training package that targets transportation jobs and provides \$140,000 to the community college system to explore how to strengthen preparation for transportation jobs.

- The Self-Sufficiency Standard was also used in Pennsylvania’s Delaware County to design and implement a sector employment intervention strategy that will identify, recruit, hire, train, retain and provide upward mobility to low-income residents.
- In Texas, the Standard was instrumental in the passage of the Self-Sufficiency Fund legislation. The fund provides resources for employers and training providers to deliver job training, education and supportive services for TANF recipients making the transition to work.

### **The Self-Sufficiency Standard as a Guideline for Determining Eligibility and Need for Services**

The Standard can and has been used to determine which individuals are most in need of services, including career counseling, job training and various support services.

- The Connecticut Legislature enacted a state statute that identified “the under-employed worker” as an individual without the skills necessary to earn a wage equal to the Self-Sufficiency Standard. The statute directed statewide workforce planning boards to recommend funding to assist such workers.

### **The Self-Sufficiency Standard as a Counseling Tool**

The Standard can and has been used as a counseling tool to help participants in work and training programs make choices among various occupations and jobs. The Standard has also been used to develop the Self-Sufficiency Standard Budget Worksheet, which is a tool that counselors and clients can use to “test” the ability of various wages to meet a family’s self-sufficiency needs. By using the Standard, clients can make informed decisions about what kinds of training would most likely lead to Self-Sufficiency Wages and/or which jobs would best provide the resources they need. Alternatively, the Standard can help participants determine in what ways micro-enterprise or Individual Development Account strategies may, along with paid employment, provide a path to self-sufficiency.

- The Standard has been used as a career counseling tool in South Dakota by Women Work!
- The Houston READ Commission, the Women’s Center of Tarrant County and Project Quest in San

Antonio in Texas, use the Standard with low-income individuals enrolled in job training programs.

- In Connecticut, the Self-Sufficiency Standard has been adopted at the state level. It has been used in planning state-supported job training, placement and employment retention programs, and has been distributed to all state agencies that counsel individuals who are seeking education, training or employment, to be used in the initial assessment of client job training and employment needs.

### **The Self-Sufficiency Standard and Online Calculators**

Web-based self-sufficiency budget calculators, for use by counselors and clients, have been developed for Pennsylvania, New York City, Illinois, and Washington State. Two additional calculators are in progress for California and Colorado. These computer-based tools allow users to evaluate possible wages and compare information on available programs and work supports to their own costs and needs. They integrate a wide range of data not usually brought together—even though clients often must coordinate these various programs, supports, costs and wages in their own lives.

- The Pennsylvania Self-Sufficiency Budget Worksheet can be found at <http://www.pathwayspa.org/worksheet/worksheet.htm>.
- The Self-Sufficiency Calculator for the City of New York can be accessed at <http://www.wceca.org/>.
- The Illinois Department of Employment Security hosts the Illinois Self-Sufficiency Calculator at <http://www.ides.state.il.us/calculator>.
- The Workforce Development Council of Seattle King County Self-Sufficiency Calculator can be viewed at <http://www.seakingwdc.org>.

### **The Self-Sufficiency Standard as a Benchmark for Evaluation and Program Improvement**

The Standard can be used to evaluate outcomes for a wide range of programs that result in employment, from short-term job search and placement programs, to programs providing extensive education or job training. By evaluating outcomes in terms of self-sufficiency, programs are using a measure of true effectiveness. That is, for each participant, the question asked is how close the wages achieved are to the family's Self-Sufficiency Wage and thus how the program impacts on the ability of adults to meet their families' needs. Such evaluations

can help redirect resources to approaches that result in improved outcomes for participants.

- Sonoma County, California was the first county in the country to adopt the Standard as its formal measure of self-sufficiency and benchmark for measuring success of welfare to work programs.
- Under its Workforce Investment Act, the Chicago Workforce Investment Board adopted the Self-Sufficiency Standard as its self-sufficiency benchmark. In addition, the Illinois Department of Human Services uses the Standard as a tool for setting goals in their local offices statewide.
- The California Department of Social Services issued a copy of the Self-Sufficiency Standard in a statewide notice to all county welfare departments.
- The San Francisco Workforce Investment Board adopted the Self-Sufficiency Standard, and uses it as an eligibility criteria for job training, which allows people who are working at low-wage jobs to access training that can help move them up the wage scale.
- The Philadelphia Workforce Investment Board adopted the Standard as its local benchmark for economic self-sufficiency as it relates to the city's workforce investment system.
- The Seattle-King County Workforce Development Council has adopted the Self-Sufficiency Standard as its official measure of self-sufficiency and uses the Standard as a program evaluation benchmark. The online calculator also includes an evaluation tool for tracking progress of clients and permitting data analysis for systemic program improvement (while preserving client confidentiality).

### **The Self-Sufficiency Standard as a Public Education Tool**

The Standard is an important public education tool. Each year, the Self-Sufficiency Standard is presented in hundreds of workshops across the country. It is also being used in classrooms across the country. It helps the public at large understand what is involved in making the transition to self-sufficiency. For employers, it shows the importance of providing benefits, especially health care, that help families meet their needs and protect against health crises becoming economic crises. For service providers, both public and private, such as child care providers, community organizations, and education and training organizations,

it demonstrates how the various components fit together, thus helping to facilitate the coordination of various services and supports.

- In Seattle, bookmarks were distributed during the run of a play based on Barbara Ehrenrich's book *Nickel and Dimed*, which explores the struggles confronted by low-wage workers. A computer with a mock-website allowed participants to enter their incomes and compare them to the Standard and begin to understand the plight of working families.
- MassFESS developed an Economic Self-Sufficiency Standard Curriculum that can be used by organizations to support their work in career development, education/training, economic literacy, living wage campaigns, and other types of community organizing, policymaking and advocacy efforts. Download the curriculum at [http://www.weiu.org/pdf\\_files/MassFESSCurriculum.pdf](http://www.weiu.org/pdf_files/MassFESSCurriculum.pdf).
- In an initiative started at the University of Washington, School of Social Work, policymakers would "Walk-A-Mile" in the shoes of welfare recipients by living on a Food Stamp budget for one month. The Standard was then used to further educate on all the areas of a minimal budget.

### **The Self-Sufficiency Standard as a Guideline for Wage-Setting and Living Wage Campaigns**

By determining the wages necessary to meet basic needs, the Standard provides information for setting minimum wage standards.

- At the request of the state of California, the Center for the Child Care Workforce used the Self-Sufficiency Standard to develop specific salary guidelines by county.
- In Washington State, the Standard was used successfully in legislative hearings and meetings with the Governor against a proposal to eliminate the indexing of the minimum wage for specific groups of workers, such as farm workers.

The Standard can and has been used in California, Illinois, New York, Nebraska, South Dakota, Tennessee, Virginia, and Washington State to advocate for higher wages through Living Wage ordinances and in negotiating labor union agreements.

- At Vanderbilt University in Tennessee, the Standard has been used to educate the employees

and administration about the need to increase the take-home pay of service staff.

### **The Self-Sufficiency Standard in Research**

Because the Self-Sufficiency Standard provides an accurate and specific (both geographically and in terms of the age of children) measure of income adequacy, it is finding increasing use in research. The Standard provides a means of estimating how poverty differs from place to place, and among different family types. In addition, the Standard 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.

- In Pennsylvania, the Standard was used to create a report, *The Road to Self-Sufficiency*, which used individual vignettes to explore the impact of public subsidies on full- and part-time low-wage workers and assessed wage adequacy in Philadelphia. (Available at <http://www.womensassoc.org>.)
- Also in Pennsylvania, PathWaysPA (formerly Women's Association for Women's Alternatives or W.A.W.A.) teamed with the University of Washington to demonstrate how works supports impact family budgets as wages increase. The resulting report, *Making Wages Work: The Impact of Work Supports on Wage Adequacy for Pennsylvania Families* is available at <http://www.womensassoc.org>.
- The Self-Sufficiency Standard has been used to examine the cost of health insurance in Washington and Massachusetts. *Income Adequacy and the Affordability of Health Insurance in Washington State* and the *Health Economic Sufficiency Standard for Massachusetts* use the Standard to examine the cost of health insurance for different family types, with varying health statuses and health care coverage, in different locations. (See <http://www.ofm.wa.gov/accesshealth/research/33affordability.pdf> and [http://www.weiu.org/HESS/HESS\\_11-11.pdf](http://www.weiu.org/HESS/HESS_11-11.pdf).)
- The Self-Sufficiency Standard has been used along with data from the U.S. Census Bureau Current Population Survey to measure the number of families above and below the Self-Sufficiency Standard in California, as well as their characteristics (race/ethnicity, family type, education, employment, and so forth). The report

*Overlooked and Undercounted: A New Perspective on the Struggle to Make Ends Meet in California*, can be downloaded from the National Economic Development and Law Center website at <http://www.nedlc.org>.

More detailed information about these various applications and uses of the Standard can be found at the website: <http://www.sixstrategies.org>, or by contacting the specific state lead organization, Wider Opportunities for Women, or the University of Washington's Center for Women's Welfare.



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# Conclusion

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With the current debate on the reauthorization of the federal TANF welfare reform legislation, particularly the possible introduction of increased work requirements without increased resources for child care, job training or education, the challenge continues to present itself: how to help low-income households become self-sufficient. The uncertain economy, the lack of available jobs paying sufficient wages, and time limits becoming an issue for some, add further to the problems faced by many parents seeking self-sufficiency.

The Self-Sufficiency Standard strives to inform this debate by documenting the cost of living that families must meet to live independently, without public or private assistance. The Self-Sufficiency Standard shows that for most parents earnings that are well above the official poverty level are nevertheless far below what they need to meet their families' basic needs.

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, academic researchers, policy institutes, legal advocates, training providers, community action agencies, and state and local officials, among others, are using the Standard.

In addition to New York City, the Standard has been calculated for Alabama, Arizona, California, Colorado,

Connecticut, Delaware, Florida, Georgia, Hawaii, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maryland, Massachusetts, Mississippi, Missouri, Montana, Nebraska, Nevada, New Jersey, New York State, North Carolina, Oklahoma, Pennsylvania, South Dakota, Tennessee, Texas, Utah, Virginia, West Virginia, Wisconsin, Washington State, and the Washington, D.C. metropolitan area.

For further information about the Standard, how it is calculated, or the findings reported here, contact Dr. Diana Pearce at [pearce@u.washington.edu](mailto:pearce@u.washington.edu) or (206) 616-2850. To learn more about developing the Standard for your community or state, contact Maureen Golga at Wider Opportunities for Women at (202) 464-1596 or go to <http://www.sixstrategies.org>.

For further information about *The Self-Sufficiency Standard for the City of New York*, to order this publication, or to find out more about the Women's Center for Education and Career Advancement in New York City, contact Merble Reagon, Executive Director, or Melanie Lavelle, Manager, Self-Sufficiency Program at (212) 964-8934, or go to <http://www.wceca.org>.

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# Endnotes

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<sup>1</sup> Gowdy, E. A. & Pearlmutter, S. R. (1994). Economic self-sufficiency is a road I'm on: The results of focus group research with low-income women. In L. V. Davis (Ed.), *Building on women's strengths: A social work agenda for the twenty-first century* (p. 93). New York: The Haworth Press.

<sup>2</sup> Proctor, B. & Dalaker, J. (2003). Poverty in the United States: 2002. *U.S. Census Bureau, Current Population Reports, Series P60-222*, 5. Retrieved October 5, 2004, from <http://census.gov/prod/2003pubs/p60-222.pdf>

<sup>3</sup> New York State Department of Health. Retrieved June 28, 2004, from [http://www.health.state.ny.us/nysdoh/chplus/what\\_is\\_chp.htm](http://www.health.state.ny.us/nysdoh/chplus/what_is_chp.htm) and <http://www.health.state.ny.us/nysdoh/mainmedicaid/.htm>. As of December 2003, 187,137 children were enrolled in Child Health Plus in New York City. The number of children on Medicaid in New York City is 721,543, as of June 2004. [Written correspondence, Deputy Commissioner, City of New York, Department of Health and Mental Hygiene, August 9, 2004.]

<sup>4</sup> NPR Online. NPR/Kaiser/Kennedy School Poll. (n.d.). *Poverty in America*. Retrieved February 11, 2003, from <http://www.npr.org/programs/specials/poll/poverty>

<sup>5</sup> Using the 2005 Fair Market Rents for two-bedroom units, which is the cost of housing including utilities at the 40<sup>th</sup> percentile, housing in the most expensive place, Marin County, CA, part of the San Francisco metropolitan area, cost \$1,539. This is more than five times as much as the least expensive housing, found in Starr County, Texas, where a two-bedroom unit costs \$323 per month. United States Housing and Urban Development Department. (2005). *Fair Market Rents*. Retrieved October 6, 2004, from <http://www.huduser.org/datasets/FMR/FMR2005F/index.html>

<sup>6</sup> One of the first was Patricia Ruggles, author of *Drawing the Line*. Ruggles' work and the analyses of many others are summarized in Citro and Michael (1995). [Citro, C. & Michael, R. Eds. (1995). *Measuring poverty: A new approach*. Washington, DC: National Academy Press.]

<sup>7</sup> Living Wage campaigns exist in many states and cities, with many of them developing an estimate of the minimum wage for several family types in their area/state. The Basic Needs Budget was developed by Trudi Renwick and Barbara Bergmann. [Bergmann, B. & Renwick, T. (1993). A budget-based definition of poverty: With an application to single-parent families. *The Journal of Human Resources*, 28 (1), 1-24.]

<sup>8</sup> New light on the cost of living. (September, 25, 1998). *Boston Globe*.

<sup>9</sup> While many employed women with children under 18 years of age work full-time (47% of married mothers, and 58% of single mothers), working part-time is clearly the desirable option under many circumstances—such as when the children are very young, or in need of special care, or affordable/appropriate child care is not available. For many low-income mothers it is equally clear that economic necessity, as well as the new requirements under TANF, preclude this option. [United States Department of Labor. (2003). *Employment characteristics of families in 2002*. Retrieved July 9, 2003, from <http://www.bls.gov/news.release/pdf/famee.pdf>]

<sup>10</sup> Quoted in Gowdy & Pearlmutter. (1994), *op.cit.*, p. 91.

<sup>11</sup> For this report Manhattan is divided into North and South Manhattan using 10 sub-borough census tract groupings. South Manhattan consists of sub-boroughs #1-6: Greenwich Village/Financial District, Lower East Side/Chinatown, Chelsea/Clinton/Midtown, Stuyvesant Town/Turtle Bay, Upper West Side, and Upper East Side to 96th. North Manhattan begins at 110th on the west side and consists of sub-boroughs #7-10: Morningside Heights/Hamilton Heights, Central Harlem, East Harlem, and Washington Heights/Inwood. [Phone correspondence, New York City Housing and Vacancy Survey, August 11, 2004.]

<sup>12</sup> These 70 family types cover about 90% of households. The Self-Sufficiency Standard can also be calculated for a wider range of family types, including larger and multi-generational families.

<sup>13</sup> These costs are based on a survey of renters who have rented their unit within the last two years, excluding new housing (two years old or less), substandard housing, and public housing.

<sup>14</sup> Also, because the available data from the National Low Income Housing Coalition provides a single housing cost for Manhattan, we developed a ratio using data from the 2003 New York City Housing and Vacancy Survey in order to vary the housing costs between North and South Manhattan.

<sup>15</sup> Because of the lack of availability of efficiencies (studio apartments) in some areas, and their very uneven quality, the Self-Sufficiency Standard uses one-bedroom units for the single adult and childless couple.

<sup>16</sup> Most states conducted surveys of costs or commissioned child care referral networks or researchers to do these studies.

<sup>17</sup> New York State Office of Children and Family Services. Retrieved June 28, 2004 from, [http://www.ocfs.state.ny.us/main/beccs/daycare\\_regs.asp](http://www.ocfs.state.ny.us/main/beccs/daycare_regs.asp) and <http://www.ocfs.state.ny.us/main/beccs/ccregs.pdf>

<sup>18</sup> Child care costs were not varied by borough because it is assumed that the differential in cost for child care in centers is based more on their size, the types of subsidies they receive, and the type of building they are located in (private or government), rather than their location. Also, although the unregulated providers (legally-exempt family child care and in-home child care) do differ widely in cost, this variation is based on market rates within neighborhoods in boroughs. [Phone correspondence, Andrea Anthony, Day Care Council of New York, July 1, 2004.]

<sup>19</sup> Child care centers are more frequently used for older children (two to four years old) than for infants, according to Veum and Gleason (1991). [Veum, J. R. & Gleason, P. M. (1991). Child care arrangements and costs. *Monthly Labor Review*, 114(10), 10-17.] However, particularly for younger children and lower-income parents, relative care (other than the parent) accounts for significant amounts of child care for children under three (27% compared to 17% in family day care and 22% in child care centers). It should be noted that relative day care is usually, but not always, in the relative's home, and is usually, though not always, paid; thus it more closely resembles (and may actually be) day care homes rather than day care centers. For children three years and older, the predominant child care arrangement is the child care center, accounting for 45% of the care (compared to 14% in family child care, and 17% in relative care). [Capizzano, J., Adams, G. & Sonenstein, F. (2000). Child care arrangements for children under five: Variation across states. *New federalism: National survey of America's families*, Series B, No. B-7. Washington, DC: The Urban Institute.]

<sup>20</sup> Although the Standard does not follow the Food Stamp Program in using the Thrifty Food Plan, the Standard and the Food Stamp Program use the costs for June 2004 as an annual average because the USDA does not produce annual averages for food costs. Retrieved August 1, 2004, from <http://www.usda.gov/cnpp/FoodPlans/Updates/foodjun04.pdf>

<sup>21</sup> United States Department of Labor, Bureau of Labor Statistics. *Consumer Expenditure Survey, 2002 Standard, Table 4. Size of consumer unit: Average annual expenditures and characteristics*. Retrieved April 28, 2004, from <http://www.bls.gov/cex/2002/Standard/cusize.pdf>

<sup>22</sup> Adirondack Regional Chambers of Commerce. *ACCRA Cost of Living Index*. American Chamber of Commerce Research Association. (2004, Second Quarter). Retrieved July 14, 2004, from <http://www.adirondackchamber.org/economic-cost-index.htm>. [ACCRA Web site is <http://www.accra.org/>]

<sup>23</sup> Porter, C. & Deakin, E. (1995). *Socioeconomic and journey-to-work data: A compendium for the 35 largest U.S. metropolitan areas*. Berkeley, CA: Institute of Urban and Regional Development, University of California at Berkeley.

<sup>24</sup> United States Census Bureau. (2004). *Nearly one-third of nation's public transportation commuters live in New York City*. Retrieved June 17, 2004, from [http://www.census.gov/Press-Release/www/releases/archives/american\\_community\\_survey\\_acs/001701.html](http://www.census.gov/Press-Release/www/releases/archives/american_community_survey_acs/001701.html)

<sup>25</sup> Metropolitan Transportation Authority, State of New York. Retrieved September 14, 2004, from <http://www.mta.nyc.ny.us/mta/news/public/fares/>

<sup>26</sup> In New York State employees pay 16% of the insurance premium for coverage for themselves only, or 19% of the premium for family coverage, slightly less than national average shares (17% of employee-only coverage and 23% of family coverage). Kaiser Family Foundation. (2003). *New York: Rate of nonelderly with employer coverage by employment status, state data 2001-2002, U.S. 2002; New York: Average annual cost of employment-based health insurance - single coverage, 2001; and New York: Average annual cost of employment-based health insurance - family coverage, 2001*. Retrieved June 30, 2004, from <http://www.statehealthfacts.kff.org/cgi-bin/healthfacts.cgi?action=profile&area=New+York>

<sup>27</sup> United Hospital Fund Report. (2002). *Health insurance coverage in New York*. Retrieved September 16, 2004, from [http://www.uhfnyc.org/usr\\_doc/chartbook2004.pdf](http://www.uhfnyc.org/usr_doc/chartbook2004.pdf)

<sup>28</sup> New York Department of Health and New York Department of Insurance. (2003, June). *New York Consumer Guide to Health Insurers*. Retrieved August 24, 2004, from <http://www.ins.state.ny.us/acrobat/hg2003.pdf>. This guide calculates high and low premium rates for individuals and families for nine New York State areas (Albany, Buffalo, Hudson Valley, Long Island, New York City, Rochester, Syracuse, Utica/Watertown, and Westchester). Ratios were created for each area, which indicated New York City's insurance premiums are 3% higher for individuals and 8% higher for families.

<sup>29</sup> Citro & Michael, (1995), *op. cit.*

<sup>30</sup> The combined sales and use tax includes New York State tax at 4.25%, New York City tax at 4.125%, and Metropolitan Commuter Transportation District tax at .25%. The New York

State tax of 4.25% became effective June 1, 2003 and is scheduled to be reduced by .25% on May 31, 2005. City tax of 4.125% was effective June 4, 2003 and is scheduled to be reduced by .125% on May 31, 2005. New York State Department of Taxation and Finance. (2004). *Publication 718-A. Enactment and effective dates of sales and use tax rates*. Retrieved June 15, 2004, from [http://www.tax.state.ny.us/pdf/publications/Sales/pub718a\\_604.pdf](http://www.tax.state.ny.us/pdf/publications/Sales/pub718a_604.pdf)

<sup>31</sup> State income tax ranges from 4% to 7.7%. The New York City income tax adds an additional 2.9% to 4.45% to the income tax burden placed on working people. Retrieved October 12, 2004 from, [http://www.nyfiscalwatch.com/html/fwm\\_2003-07.html](http://www.nyfiscalwatch.com/html/fwm_2003-07.html)

<sup>32</sup> New York State Department of Taxation and Finance. (2003). Claim for Earned Income Credit, IT-215. Retrieved September 16, 2004, [http://www.tax.state.ny.us/pdf/2003/inc/it215\\_2003.pdf](http://www.tax.state.ny.us/pdf/2003/inc/it215_2003.pdf). Note that as of September 2004, the New York City Council has passed a resolution that would enact a 5% Citywide EITC, but it has not yet been passed by the State Legislature. Retrieved September 16, 2004, from [http://www.nycouncil.info/pdf\\_files/reports/nyc-eitc.pdf](http://www.nycouncil.info/pdf_files/reports/nyc-eitc.pdf)

<sup>33</sup> New York State Department of Taxation and Finance. (2003). *Publication 99. General information on New York State and New York City income tax credits*. Retrieved July 7, 2004, from [http://www.tax.state.ny.us/pdf/publications/Income/pub99\\_1203.pdf](http://www.tax.state.ny.us/pdf/publications/Income/pub99_1203.pdf)

<sup>34</sup> Internal Revenue Service, Chapter 36, Child Tax Credit. (2003). [Retrieved September 9, 2004, from <http://www.irs.gov/publications/p17/ch36.html>.] Also, IRS Form 8812, Additional Child Tax Credit. (2003). [Retrieved September 9, 2004, from <http://www.irs.gov/pub/irs-pdf/f8812.pdf>]

<sup>35</sup> New York State Department of Taxation and Finance. (2003). *Publication 99, op. cit.*

<sup>36</sup> In this report, single parents are referred to as “she” because 83% of one parent families are headed by females. Casper, L. & M. Fields, J. (2001). *America’s families and living arrangements: 2000*. (U.S. Bureau of the Census, Current Population Reports, Series P20-537). Washington DC: U.S. Government Printing Office.

<sup>37</sup> As previously noted, the Standard’s methodology evolves over time to incorporate improved data. To make the over time comparison for New York City more valid, we re-estimated the Standards for 2000 using the same data source for health care costs used in 2004 (although unfortunately the same re-estimations could not be made for the 2000 housing and food costs). In 2000, premium costs for health care coverage were obtained from the State of New York Office of Health, using median premium costs for each borough. The Standard now uses statewide health insurance

costs from the national Medical Expenditure Panel Survey (MEPS) for all states, adjusted for regional variation within New York City. For the *City of New York Self-Sufficiency Standard 2000*, the costs of out-of-pocket healthcare were calculated using the National Medical Expenditure Survey (NMES), which is methodologically different from the MEPS currently used. While NMES derives out-of-pocket expense from amounts billed to clients, MEPS records amounts actually received by providers.

<sup>38</sup> Additional information about New York’s Family Health Plus is available at [http://www.health.state.ny.us/nysdoh/flplus/who\\_can\\_join.htm](http://www.health.state.ny.us/nysdoh/flplus/who_can_join.htm). More information about Healthy New York is available at <http://www.ins.state.ny.us/healthny.htm>

<sup>39</sup> Of federal returns filed in 2001, only 137,685 taxpayers reported having received advanced EITC payments out of more than 16 million families with children receiving the EITC. [Numbers cited by John Wancheck of the Center on Budget and Policy Priorities, based on data reported in the IRS Income Tax Section, *Monthly Operational Review of Earned Income Credit*.]

<sup>40</sup> Children’s Defense Fund - New York. (n.d.). Retrieved September 9, 2004, from [http://www.cdfny.org/Issues/CDFIssues\\_Income.htm](http://www.cdfny.org/Issues/CDFIssues_Income.htm)

<sup>41</sup> Some workers may be unaware of the advanced payment option, and others have employers who do not participate. Also, research has shown families make financial decisions based on its receipt (together with tax refunds) when they file their taxes early in the following year. [Romich, J. L. & Weisner, T. (2000). *How families view and use the EITC: The case for lump-sum delivery*. Paper delivered at Northwestern University, Joint Center for Poverty Research Conference.]

<sup>42</sup> United States Department of Health and Human Services, *2001 Annual Statistical Report* (Tables 4, 10, 11 and 52). Retrieved February 24, 2004, from [http://www.acf.dhhs.gov/programs/cse/pubs/2003/reports/annual\\_statistical\\_report/tables.html](http://www.acf.dhhs.gov/programs/cse/pubs/2003/reports/annual_statistical_report/tables.html)

<sup>43</sup> The wage of \$10.50 is modeled because it is the average wage of New York City retail trade workers (the largest industry employing low-wage workers in New York City). Moshe Adler, Public Interest Economics, *Unionization and poverty: The case of New York City retail workers*. (2003, December). [Available at <http://www.epinet.org/workingpapers/wp127.pdf>.] We model the wage of \$12.09 because the Community Service Society, New York, indicates it is the median wage of all single mothers in New York City. [Available at <http://www.cssny.org/index.html>]

<sup>44</sup> United States Department of Housing and Urban Development. (1999). *Assisted Housing*.



- <sup>45</sup> National Low Income Housing Coalition. (2004). *America's neighbors: The affordable housing crisis and the people it affects*. Retrieved April 28, 2004, from <http://www.nlihc.org/research/lalihd/neighbors.pdf>
- <sup>46</sup> The New York City Housing Authority. (2004). *Fact Sheet*. Retrieved June 25, 2004, from <http://www.nyc.gov/html/nycha/html/factsheet.html>
- <sup>47</sup> Food Research and Action Center (2004). *Food stamp participation increases in May 2004 to 24 million persons*. Current News and Analyses. Retrieved September 9, 2004, from [http://www.frac.org/html/news/fsp/Latest\\_FSP.html](http://www.frac.org/html/news/fsp/Latest_FSP.html)
- <sup>48</sup> Zedlewski, S. R. & Brauner, S.(1999). *Are the steep declines in food stamp participation linked to falling welfare caseloads?* New Federalism: National Survey of America's Families, Policy Brief #B-3. Retrieved September 2, 2004, from <http://www.urban.org/url.cfm?ID=310311>
- <sup>49</sup> United States Department of Agriculture, Food and Nutrition Service. (2003). *Trends in food stamp program participation rates: 1999 to 2001*. (Summary Report). Retrieved September 2, 2004, from <http://www.fns.usda.gov/OANE/MENU/Published/FSP/FILES/Participation/trends1999-2001sum.htm>
- <sup>50</sup> New York City Coalition Against Hunger. (2003, November 24). *Testimony*. General Welfare Committee of the New York City Council Hearing on Hunger. Retrieved September 2, 2004, from <http://www.nyccah.org/media/Testimony1124final.doc>
- <sup>51</sup> United States Department of Health and Human Services. (2000, December 6). *New statistics show only small percentage of eligible families receive child care help*. (Press Release). Retrieved September 9, 2004, from <http://www.hhs.gov/news/press/2000pres/20001206.html>
- <sup>52</sup> United States Department of Health and Human Services. (2003). *Child Care and Development Fund (CCDF) Report to Congress – Fiscal Year 2001*. Retrieved September 9, 2004, from <http://www.acf.hhs.gov/programs/ccb/policy1/congressreport/index.htm>
- <sup>53</sup> New York City Administration for Children's Services (ACS) Child Care Profile Snapshot. (2003, September). Website for ACS is <http://www.nyc.gov/html/acs/home.html>. Note that the ACS waitlist is considered a low estimate because many families never put their names on the list once they hear how long it is.
- <sup>54</sup> Center for Disease Control, National Center for Health Statistics. (2003). *Early release of selected estimates based on data from the January-June 2003 National Health Interview Survey*. Retrieved March 23, 2004, from [http://www.cdc.gov/nchs/data/nhis/earlyrelease/200312\\_01.pdf](http://www.cdc.gov/nchs/data/nhis/earlyrelease/200312_01.pdf)
- <sup>55</sup> Families USA. (2002, September 19). *Children losing health coverage*. (Special Report, Publication No. 02-106). Retrieved September 9, 2004, from <http://www.familiesusa.org/site/DocServer/SCHIPreport.pdf?docID=161>
- <sup>56</sup> New York State Department of Health Commissioner. (2002, March 28). *Governor urges New Yorkers to enroll in Family Health Plus*. (Press Release). Retrieved August 10, 2004, from [http://www.health.state.ny.us/nysdoh/fhplus/03-28-2002\\_press\\_release.htm](http://www.health.state.ny.us/nysdoh/fhplus/03-28-2002_press_release.htm)
- <sup>57</sup> New York City Independent Budget Office. (2003, June). *As Medicaid enrollment has surged, composition of the caseload has changed*. (Background Paper). [Retrieved June 27, 2004, from <http://www.ibo.nyc.ny.us/iboreports/medicaid.pdf>.] Also, City of New York, Office of the Comptroller, *Cut the red tape*. (2002, October 1). Retrieved July 6, 2004, from <http://www.comptroller.nyc.gov/bureaus/opm/reports/streamingmedicaid10-02.pdf>
- <sup>58</sup> United Hospital Fund Report. (2004). *Estimating the cost of enrolling New York City's eligible but uninsured adults in Medicaid*. Retrieved August 29, 2004, from [http://uhfnyc.org/usr\\_doc/estimating\\_medicaid.pdf](http://uhfnyc.org/usr_doc/estimating_medicaid.pdf)
- <sup>59</sup> Grall, T. (2002). *Custodial mothers and fathers and their child support: 1999* (U.S. Bureau of the Census, Current Population Reports, Series P60-217). Washington, DC: U.S. Government Printing Office.
- <sup>60</sup> This amount is the average of those who participate in child support enforcement. Note that the average child support figure excludes families on assistance, as any child support collected on their behalf goes directly to the state. Also note that because the monthly child support average excludes those currently receiving TANF, it disproportionately represents those who have received cash assistance. United States Department of Health and Human Services, Administration for Children and Families, Office of Child Support Enforcement, *2001 Statistical Report* (Tables 4, 10, 11, and 52). Retrieved February 24, 2004, from [http://www.acf.dhhs.gov/programs/cse/pubs/2003/reports/annual\\_statistical\\_report/tables.html](http://www.acf.dhhs.gov/programs/cse/pubs/2003/reports/annual_statistical_report/tables.html)
- <sup>61</sup> The Brookings Institution. *Metropolitan Policy Series: EITC Series*. Retrieved October 14, 2004, from <http://www.brookings.edu/es/urban/eitc.htm>
- <sup>62</sup> Children's Defense Fund, Press Release. (2004, March 18). *New York City losing over \$727 billion dollars in federal tax credits and food stamp benefits*.
- <sup>63</sup> Montalto, C. P. (2001, February). *Wealth of American households: Evidence from the survey of consumer finances*. Report to the Consumer Federation of America.



<sup>64</sup> New York State Office of Temporary and Disability Assistance. [Personal communication, Policy Team, July 1, 2004. Also see: <http://www.otda.state.ny.us/otda/ta/default.htm>]

<sup>65</sup> Those states are Washington, Oregon, California, Hawaii, Alaska, Delaware, Rhode Island, Connecticut, Illinois, Massachusetts, Vermont, and Maine. United States Department of Labor. Employment Standards Administration, Wage and Hour Division. Retrieved September 29, 2004, from <http://www.dol.gov/esa/minwage/america.htm>

<sup>66</sup> In 2003, union workers averaged \$21.45 per hour, compared to \$16.96 for nonunion workers. United States Department of Labor, Bureau of Labor Statistics. (2004, August). *National compensation survey: Occupational wages in the United States, July 2003*. (Summary 04-03). Retrieved September 29, 2004, from <http://www.bls.gov/ncs/ocs/sp/ncbl0635.pdf>

<sup>67</sup> On average, in 2003, a union employees' share of employer-provided health insurance was 12% of the medical care premium for single coverage and 19% for family coverage, compared with a nonunion employee share of 19% and 31% for single and family premiums, respectively. United States Department of Labor, Bureau of Labor Statistics. (2004, April). *National compensation survey: Employee benefits in private industry in the United States, March 2003*. (Summary 04-02). Retrieved September 29, 2004, from <http://www.bls.gov/ncs/ebs/sp/ebsm0001.pdf>

<sup>68</sup> State Action.Org. State Issues. (n.d.). *Equal Pay*. Retrieved September 29, 2004, from <http://www.stateaction.org/issues/issue.cfm?issue=EqualPay.xml>



# Data Sources

Data Type	Source	
<b>Child Care</b>	New York State Office of Children and Family Service Day Care Regulations (Section 415.9 Rates). Group E consists of the five New York City counties: Bronx, Kings, New York, Queens, and Richmond. Available at <a href="http://www.ocfs.state.ny.us/main/beccs/ccregs.pdf">http://www.ocfs.state.ny.us/main/beccs/ccregs.pdf</a>	<b>Infant:</b> Under 3 years old. Registered Family Day Care and Group Family Day Care. <b>Preschooler:</b> 3 - 5 years old. Day Care Center. <b>Schoolage:</b> 6 -12 years old. School Age Child Care. Part time. <b>Teenagers:</b> 13+ No care.
<b>Food</b>	U.S. Department of Agriculture, <i>Low-Cost Food Plan</i> , June 2004. Available at <a href="http://www.usda.gov/cnpp/FoodPlans/Updates/foodjun04.pdf">http://www.usda.gov/cnpp/FoodPlans/Updates/foodjun04.pdf</a>  ACCRA Cost of Living Index. (2004, Second Quarter). Available at <a href="http://www.accra.org/">http://www.accra.org/</a>	USDA plan used for all counties. Assumed single adult families headed by female.
<b>Health Insurance</b>	<b>Premiums:</b> The Kaiser Family Foundation (2003). <i>New York: Rate of nonelderly with employer coverage by employment status, state data 2001-2002, U.S. 2002, New York: Average annual cost of employment-based health insurance - single coverage, 2001, and New York: Average annual cost of employment-based health insurance - family coverage, 2001.</i> Available at <a href="http://www.statehealthfacts.kff.org/cgi-bin/healthfacts.cgi?action=profile&amp;area=New+York">http://www.statehealthfacts.kff.org/cgi-bin/healthfacts.cgi?action=profile&amp;area=New+York</a>  <b>Regional Ratios:</b> New York State Department of Insurance. <i>Premium Rates for Standard Individual Health Plans.</i> June 2004. Available at <a href="http://www.ins.state.ny.us">http://www.ins.state.ny.us</a> <i>New York Consumer Guide to Health Insurers.</i> June 2003. Available at <a href="http://www.ins.state.ny.us/acrobat/hg2003.pdf">http://www.ins.state.ny.us/acrobat/hg2003.pdf</a>  <b>Out of Pocket Costs:</b> Agency for Healthcare Research and Quality. <i>Household Component Analytical Tool (MEPSnet/HC.</i> August 2003. Rockville, MD. Available at <a href="http://www.meps.ahrq.gov/mepsnet/HC/MEPSnetHC.asp">http://www.meps.ahrq.gov/mepsnet/HC/MEPSnetHC.asp</a>	There is no variation in health insurance premium by borough. A ratio was calculated for New York City and then applied to the premium for families and individuals from Kaiser's calculation of MEPS statewide average for both single and family coverage in 2001. In addition to health insurance premiums, health costs include regional out-of-pocket costs calculated for adults, infants, preschoolers, schoolage children, and teenagers.  All data is updated with the Medical CPI.  Employer-sponsored health coverage is assumed.
<b>Housing</b>	Department of Housing and Urban Development; <i>Fair Market Rents for the Section 8 Housing Assistance Payments Program - Fiscal Year 2004.</i> Available at <a href="http://www.huduser.org">http://www.huduser.org</a>  National Low Income Housing Coalition, <i>Median Gross Rent by County, 2000.</i> Available at <a href="http://www.nlihc.org/research/lalhd/renterreport.pdf">http://www.nlihc.org/research/lalhd/renterreport.pdf</a>  <i>New York City Housing and Vacancy Survey 2002.</i> (U.S. Census Bureau). Available at <a href="http://www.census.gov/hhes/www/housing/nychvs/2002/nychvs02.html">http://www.census.gov/hhes/www/housing/nychvs/2002/nychvs02.html</a>	To vary the housing costs for New York City by borough, a ratio created from National Low Income Housing Coalition (NLIHC) county-specific Fair Market Rates (FMR) data was applied to the FMR for the New York City Primary Metropolitan Statistical Area (NYC PMSA). To vary the housing costs between North and South Manhattan, a ratio using data from the 2002 New York City Housing and Vacancy Survey was applied to the NLIHC housing cost for all Manhattan (which was also applied to the FMR for the NYC PMSA).

## Data Sources (continued)

Data Type	Source	Assumptions
Taxes	<p><b>Federal Income Tax:</b> Internal Revenue Service 1040 Instructions. 2003. Available at <a href="http://www.irs.gov/instructions/i1040gi/index.html">http://www.irs.gov/instructions/i1040gi/index.html</a></p> <p><b>State and City Income Tax:</b> New York State Department of Taxation and Finance. Resident Income Tax Return, IT-201. 2003. Available at <a href="http://www.tax.state.ny.us/pdf/2003/inc/it201_2003.pdf">http://www.tax.state.ny.us/pdf/2003/inc/it201_2003.pdf</a> <a href="http://www.nyfiscalwatch.com/html/fwm_2003-07.html">http://www.nyfiscalwatch.com/html/fwm_2003-07.html</a></p> <p><b>Sales and Use Tax:</b> New York State Department of Taxation and Finance, New York State Sales and Use Tax Rates by Jurisdiction, June 1, 2004. Publication 718-A. Enactment and effective dates of sales and use tax rates. Available at <a href="http://www.tax.state.ny.us/pdf/publications/Sales/pub718a_604.pdf">http://www.tax.state.ny.us/pdf/publications/Sales/pub718a_604.pdf</a></p>	Sales taxes in New York City totals 8.625% (New York State - 4.25%, New York City - 4.125%, Metropolitan Commuter Transportation District - .25%).
Tax Credits	<p><b>Federal Earned Income Tax Credit and Child Tax Credit:</b> Internal Revenue Service, 1040 Instructions. 2003. Available at <a href="http://www.irs.gov/instructions/i1040gi/index.html">http://www.irs.gov/instructions/i1040gi/index.html</a></p> <p><b>State Earned Income Tax Credit:</b> New York State Department of Taxation and Finance, Claim for Earned Income Credit, IT-215. Available at <a href="http://www.tax.state.ny.us/pdf/2003/inc/it215_2003.pdf">http://www.tax.state.ny.us/pdf/2003/inc/it215_2003.pdf</a></p> <p><b>State Child and Dependent Care Credit and State Household Credit:</b> General information on New York State and New York City income tax credits. New York State Department of Taxation and Finance. (2003). Publication 99. Available at <a href="http://www.tax.state.ny.us/pdf/publications/Income/pub99_1203.pdf">http://www.tax.state.ny.us/pdf/publications/Income/pub99_1203.pdf</a></p>	<p>New York State EITC is 30% of the federal EITC.</p> <p>New York's Child and Dependent Care Credit ranges from 20% to 110% of the federal Child Care Tax Credit, depending upon gross income.</p> <p>New York residents can claim a Household Credit of up to \$90, depending upon income and filing status.</p>
Transportation	<b>Public:</b> Metropolitan Transportation Authority. Available at <a href="http://www.mta.nyc.ny.us">http://www.mta.nyc.ny.us</a>	Public transportation (using a monthly MetroCard) assumed for all New York City counties/boroughs.
Miscellaneous	Miscellaneous expenses are 10% of all other costs.	Includes all other essentials: clothing, shoes, paper products, diapers, nonprescription medicines, cleaning products, household items, personal hygiene items and telephone.

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## *About the Author*

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**Diana M. Pearce**, Ph.D. teaches at the School of Social Work, University of Washington in Seattle, Washington, and is Director of the Center for Women's Welfare. Recognized for coining the phrase "the feminization of poverty," Dr. Pearce founded and directed the Women and Poverty Project at Wider Opportunities for Women. She has written and spoken widely on women's poverty and economic inequality, including testimony before Congress and the President's Working Group on Welfare Reform. While at WOW, Dr. Pearce conceived and developed the methodology for the Self-Sufficiency Standard and first published results in 1996 for Iowa and California. Her areas of expertise include low-wage and part-time employment, unemployment insurance, homelessness, and welfare reform as they impact on women. Dr. Pearce has helped found and lead several coalitions, including the Women, Work and Welfare Coalition and the Women and Job Training Coalition. She received her Ph.D. degree in Sociology and Social Work from the University of Michigan.

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## *About the Project*

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Wider Opportunities for Women (WOW) established the national Family Economic Self-Sufficiency (FESS) Project in 1996. In partnership with the Ms. Foundation for Women, the Corporation for Enterprise Development, and the National Economic Development and Law Center, WOW designed the Project to put tools and resources in the hands of state-level policymakers, business leaders, advocates and service providers to help move low-income, working families forward on the path to economic self-sufficiency. The Self-Sufficiency Standard was developed by Dr. Diana Pearce, who at that time was the Director of the Women and Poverty Project at WOW. Through a partnership between WOW and the Center for Women's Welfare at the University of Washington, the Self-Sufficiency Standard has now been calculated in 34 states and the District of Columbia. Over 2,500 community- and state-based organizations and agencies, representing a broad range of sectors, are connected through the FESS Project network. In eight years, the Project has revolutionized the way policies and programs for low-income workers are structured and what it means to be in need in the United States. For more information about the Project, visit the website: <http://www.sixstrategies.org>.

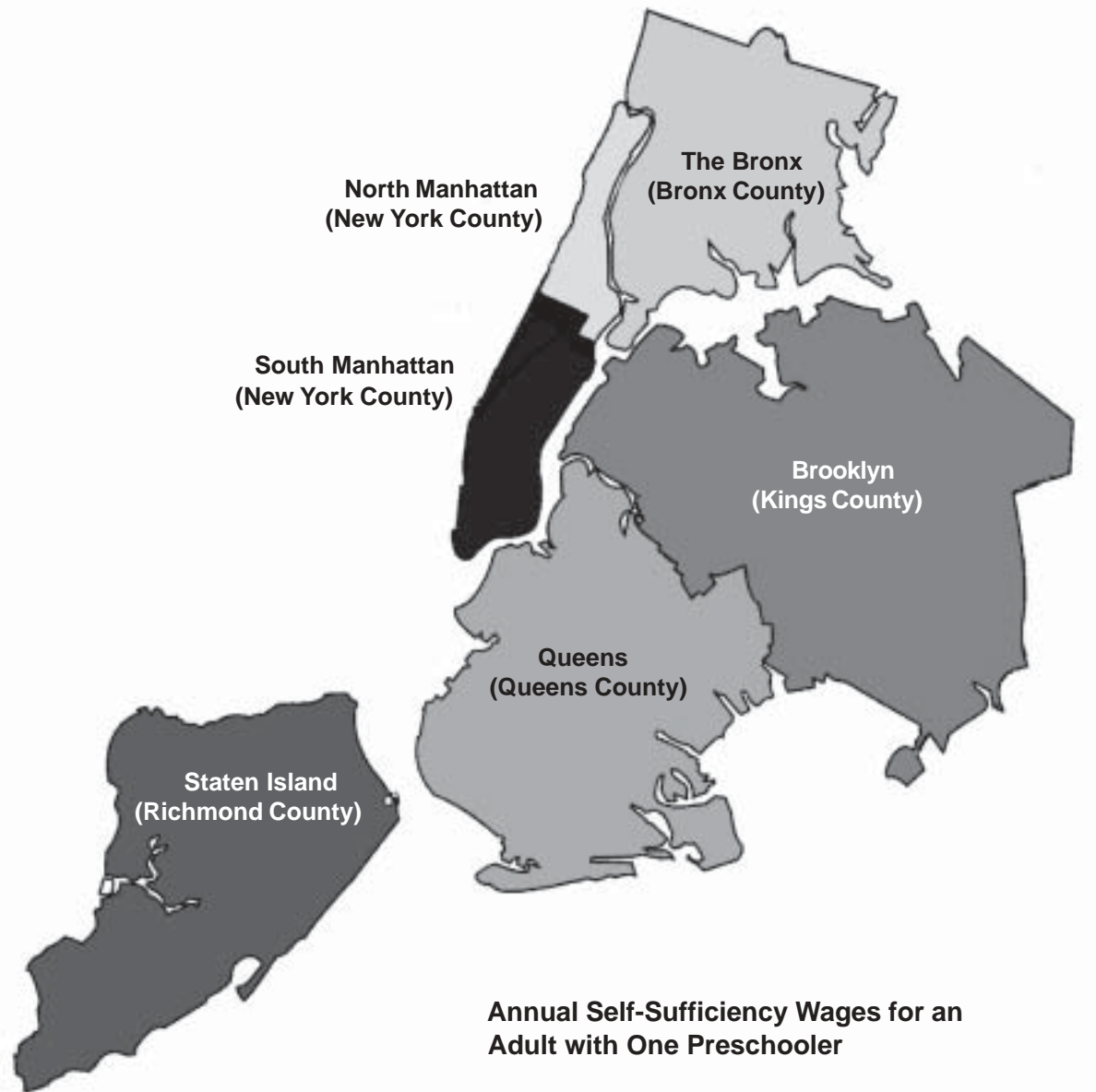




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# *Map of New York City Boroughs (Counties)*

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**Annual Self-Sufficiency Wages for an Adult with One Preschooler**

	North Manhattan: (New York County): \$36,481
	The Bronx (Bronx County): \$37,443
	Brooklyn (Kings County): \$38,983
	Staten Island (Richmond County) : \$41,211
	Queens (Queens County): \$42,136
	South Manhattan (New York County): \$60,902



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***Appendix:***  
***The Self-Sufficiency Standard for All  
Family Types by Borough***

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