

**The Self-Sufficiency Standard for Illinois:  
How Much Money Does it Take for Families to Survive?**

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# The Self-Sufficiency Standard for Illinois: How Much Money Does it Take for Families to Survive?

## The Self-Sufficiency Standard

The Self-Sufficiency Standard is a calculation of the level at which families have enough money to cover the cost of their basic needs that is, have adequate earnings to be self-sufficient. The Standard uses an original methodology to determine the level of earnings working adults need to pay for basic necessities (such as housing, child care, food) without the assistance of public or private subsidies such as housing vouchers, food stamps, or free babysitting by relatives.

When families do not have adequate income to meet their basic needs, something must be sacrificed. For example, in order to pay child care costs, a family may have to skimp on groceries, or rent does not get paid because a family member has to go to the emergency room. The Self-Sufficiency Standard calculates a modest income level sufficient to cover the costs of basic goods and services. The Standard provides enough income to meet minimum nutrition guidelines and obtain housing that is neither substandard nor overcrowded.

## The Self-Sufficiency Standard Compared to the Federal Poverty Measure

The Self-Sufficiency Standard provides a more accurate and realistic cost of living level than the federal poverty measure. The federal measure was conceived in the mid-1950's and assumes that most poor households consist of two-parent families with a stay-at-home parent. Since that time, more women have joined the labor force and more families are headed by single-parents. In addition, today's low-income families pay more taxes and pay more for certain goods (such as housing) than in previous years. The Self-Sufficiency Standard takes these important changes into account and differs from the federal poverty measure in that the Standard:

- includes *the expenses of working adults* (e.g., transportation, child care, taxes);
- captures the *real costs to families* as they vary by *geographic location*; and
- takes into account *children's ages*, as well as *family size* and *family composition*.

The Standard is based on the real cost of living for working adults and uses numbers from reliable data sources. Data sources include: the U.S. Census Bureau, the U.S. Department of Housing and Urban Development, the U.S. Department of Agriculture, and national consumer price indices.

## What Basic Needs are Included in the Standard?

The following are the basic needs included in the calculation of the Standard. Although taxes are not a basic need, they are an expense paid by low-income families. The Standard also takes into account miscellaneous basic expenses, such as non-prescription medications, diapers, and telephone service. Basic needs include:

Housing      Food      Transportation      Child care      Medical      Taxes

Miscellaneous  
household essential

## How Much Money Does it Take for Families to Survive?

Since expenses vary depending on family size and geographic location, the Standard calculates self-sufficiency levels for 70 different family types for each of the 101 counties in Illinois. This is important because costs like housing and transportation differ depending on where families live. For example, housing costs are generally more expensive in urban areas compared to mid-size or rural towns, and transportation costs can vary depending on whether the city or town has a public transit system. In addition to family size, the Standard also takes into account family composition. This includes costs that vary due to the age of a family member, i.e., child care costs are more expensive for an infant than for a preschooler. Below are the self-sufficiency levels for Cook County for selected family types.

Table 1  
The Self-Sufficiency Standard for Cook County, 1996\*  
Selected Family Types

Monthly Costs	Single Adult	Adult + Infant	Adult + Infant+ Preschooler	2 Adults + Infant+ Preschooler	Adult + Schoolage+ Teenager
Housing	\$591	\$704	\$704	\$704	\$704
Child Care	NA	\$432	\$861	\$861	\$202
Food	\$153	\$225	\$303	\$435	\$400
Transportation	\$ 96	\$ 96	\$ 96	\$192	\$ 96
Medical Care	\$ 80	\$164	\$183	\$233	\$188
Miscellaneous	\$ 92	\$162	\$215	\$242	\$159
Taxes	\$246	\$383	\$491	\$621	\$337
Earned Income Tax Credit (-)	\$ 0	\$ 0	\$ 0	\$ 0	(\$89)
Child Care Tax Credit (-)	\$ 0	(\$44)	(\$80)	(\$80)	(\$46)
<b>Monthly Self-Sufficiency Wage</b>	<b>\$1,258</b>	<b>\$2,166</b>	<b>\$2,853</b>	<b>\$3,208</b>	<b>\$1,950</b>
<b>Hourly Self-Sufficiency Wage</b>	<b>\$7.15</b>	<b>\$12.31</b>	<b>\$16.21</b>	<b>\$9.11 per adult</b>	<b>\$11.08</b>

\* The Standard is calculated by adding expenses and taxes and subtracting tax credits. The hourly wage is calculated by dividing the monthly wage by 176 hours (8 hours per day times 22 days per month). Totals may not add exactly due to rounding.

In comparison, families living in Springfield, IL (Sangamon County) require less to be self-sufficient: a single adult would require a monthly self-sufficiency wage of \$939; an adult with an infant: \$1,541; an adult with an infant and preschooler: \$2,129; 2 adults plus an infant and preschooler: \$2,585; and an adult with a schoolage child and teenager: \$1,592. That is, it takes approximately 23 percent less to meet the monthly self-sufficiency levels in Springfield (Sangamon County) than in Chicago (Cook County).

## Why It's Important to Determine a Realistic Standard of Need

How do we know when working adults are successful in their transition from welfare to self-sufficiency if we do not know how much income it takes for families to be self-sufficient? The Self-Sufficiency Standard for Illinois provides this information. The Standard calculates real income levels for families of a given size and composition in a given community in Illinois. If the ultimate goal of welfare reform and other workforce development initiatives is to enable people to achieve self-sufficiency through employment, then determining the real income necessary for families to be self-sufficient is critical information for individuals, service providers, and policymakers.

The Standard shows how much money (in terms of wages) a family needs to be self-sufficient and suggests the wages needed and impact of temporary subsidies (such as foodstamps and housing vouchers) that can help families achieve self-sufficiency. Achievement of self-sufficiency generally does not occur in a single step; it often requires some time for a person to acquire the necessary work experience, education and/or training. This is often the case for people moving from welfare to work. In addition to personal barriers, local labor market conditions and the lack of available and/or accessible jobs paying adequate wages are additional obstacles facing adults trying to attain self-sufficiency.

Although individual and regional circumstances may vary, the Standard illustrates how low wages must be supplemented if families are to meet their basic needs. The use of temporary subsidies or transitional income supports (such as child care and earned income tax credit) can allow adults to support their families while they are working in an entry-level position or in a job that pays below a self-sufficiency wage. Targeted policies and programs could play an important role in helping families achieve self-sufficiency. This support is crucial so families do not have to sacrifice nutrition, child care, or adequate housing while working toward independence. At the same time, meeting these basic needs helps a person to secure and maintain a steady position in the labor force.

## How Other States are Using the Self-Sufficiency Standard

To date, the Self-Sufficiency Standard has been calculated and is being used in a variety of ways by six states and the District of Columbia. These efforts are a part of the State Organizing Project for Family Economic Self-Sufficiency led by Wider Opportunities for Women (WOW) and two other national partners. Below are examples of strategies other states are implementing to help families achieve self-sufficiency.

- ⇒ *Iowa* is using the Standard as a statewide counseling tool in welfare offices to educate individuals on employment/job training opportunities that would lead to self-sufficiency wages.
- ⇒ *California* is using the Standard as a planning guide for job training initiatives in Mendocino County, as an evaluation tool for Sonoma County's initiatives, and as a tool for career and job training counseling by service providers in various parts of the state.

- ⇒ *Texas* is using the Standard to develop education and training programs that target high-wage jobs and develop employer connections.
- ⇒ *In Pennsylvania*, the State Organizing Project has had success in affecting how the state conceptualizes and implements its welfare and job training system. Uses of the Standard include training case managers and counselors on how to use the Standard with their clients and inclusion of self-sufficiency language in the welfare reform implementation plan for Pennsylvania.
- ⇒ *The District of Columbia* is using the Standard as a performance measure for job-training and employment programs.

## **The Self-Sufficiency Standard for Illinois**

Other states have provided practical and creative examples of how the Standard can be used to support low-income families in their pursuit of self-sufficiency. Potential ways the Standard could be used in Illinois include:

- ⇒ assessing the impact of subsidies for families with earnings below self-sufficiency;
- ⇒ targeting high-wage jobs for entry by low-income people;
- ⇒ educating employers on the importance of benefits for entry-level workers; and
- ⇒ determining the education and training needs of welfare recipients on time-limited cash assistance.

The Self-Sufficiency Standard provides an important framework that can be used to inform and direct workforce development efforts. The Women Employed Institute in collaboration with Wider Opportunities for Women will continue to encourage dialogue among policymakers, service providers, individuals, funders, and legislators to improve the economic and employment futures of Illinois' families.

If you are interesting in receiving the report, *The Self-Sufficiency Standard for Illinois*, which provides the Standard for seven family types in all the 101 counties, single copies are available for \$10.00 prepaid to cover postage and handling from Women Employed, 22 W. Monroe, Ste. 1400, Chicago, IL 60603. If you are interested in more information on the Self-Sufficiency Standard for Illinois, contact Women Employed at (312) 782-3902. For more information on the State Organizing Project for Family Economic Self-Sufficiency, contact Wider Opportunities for Women at (202) 638-3143.