

SELF-SUFFICIENCY GUIDE

For North Central Indiana

2005 update

A Guide for Policy Makers and Practitioners

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Preface: *Why Self-Sufficiency is Important*

In 2003 we released the first *Self-Sufficiency Guide for North Central Indiana*, based on data released by included in the 2002 Self-Sufficiency Standard for Indiana released by the Indiana Coalition on Housing and Homeless Issues (ICHHI) in collaboration with the University of Washington and Wider Opportunities for Women. The report highlighted data that demonstrated the actual living expenses of various family units for each county and Metropolitan Statistical Areas (MSA) across Indiana. What did the data reveal? Our poverty measurements are outdated. According to an article in the Fall 2005 Indiana Business Review, “the poverty threshold does not come close to providing a minimally decent standard of living.”¹ In addition, the federal minimum wage does not go far in meeting expenses for families in the real world. Our measurements for assistance programs like TANF and food stamps do not accurately assess who is in need. Since the 2003 release of the Standard, some interesting statistics have been noted.

- Indiana was one of just seven states across the country in 2004 that experienced an increase in its poverty rate, from 6.7 percent in 1999 to 11.6 percent in 2004 (U.S. Census Bureau statistics)
- Indiana’s median household incomes have declined significantly, falling from \$46,136 in 1999 to \$42,946 in 2004. (Indiana Coalition on Housing and Homeless Issues) In addition, the North Central Indiana region’s median household income was \$41, 814 in 2004, well below the state average.
- Indiana’s job growth in the last three years has been “anemic” and has been mostly in low-wage job sectors. Though unemployment in Indiana has been lower than neighboring states, average wages have remained stagnant while other states saw increases during the same time period. (ICCHI)

What does this mean? It means that if these trends of poverty and low-wages continue, we will have an ever-increasing population sitting above the poverty line yet well below self-sufficiency. This gap affects everyone, especially our children, and the time to address this gap is now!

In 2005, an updated Self-Sufficiency Standard report was release by ICHHI². We have used this new data to update our report. What is different this time around? We have added eight additional counties in this report, for a total of 14 Indiana counties. Our hope is that you will find this information useful and that it will spur continuing dialogue between policy makers and service providers and anyone involved in providing assistance to those who need it most.

¹ Bingham, M.A., John, and Faulk, Ph.D., Dagney. Fall 2005. “Economic Self-Sufficiency: The Minimum Cost of Family Support in Indiana’s Metropolitan Areas.” *Indiana Business Review*.

² See www.ichhi.org to download the 2005 Self-Sufficiency Standard for Indiana: Where Economic Independence Begins.

Section I: The Self-Sufficiency Standard

WHAT IS IT?

The Self-Sufficiency Standard is a set of research-based, geographically-specific indicators that were created to address inadequacies in the Federal poverty measure created in 1963. It was developed by Dr. Diana Pearce, then with Wider Opportunities for Women (WOW), a Washington, D.C. based advocacy group. ICHHI has released and promoted the use of the Self-Sufficiency Standard for Indiana since 1999. The Self-Sufficiency Standard is intended to be an objective measure of what it costs for families to meet their basic needs without relying on public or private assistance of any kind. The Self Sufficiency Standard:

- Includes the costs of housing, food, transportation, medical care, child care, miscellaneous costs, taxes, and the benefits of tax credits.
- Is a basic family survival budget, with no frills – no take-out pizza, no movies, no budget for emergencies, car repair or long-term savings.
- Is calculated at the county or Metropolitan Statistical Area (MSA) level for 34 states and the District of Columbia, and allows for comparison across communities and regions.
- Incorporates regional and local variations in costs
- Is calculated for 70 different family types – describing costs for every family composition from a single adult with no children to a two-parent family with three teenagers.

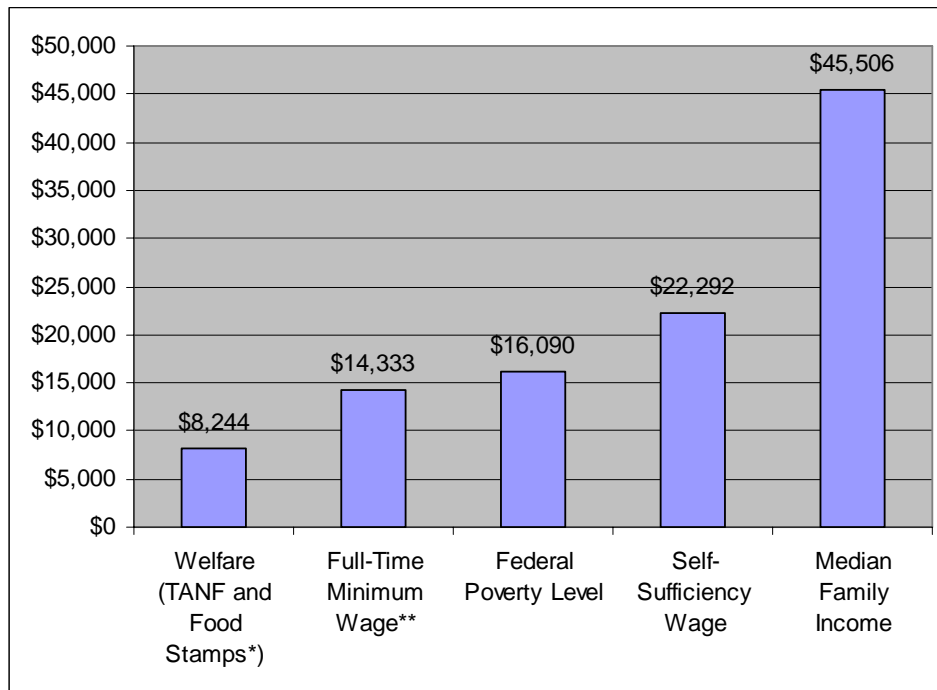
By contrast, the Federal Poverty Threshold used by the U.S. Census Bureau:

- Is based on the cost of a single item – food.
- Assumes a fixed ratio between food costs and all other family costs.
- Is universal for all states and does not provide for state or local variations
- Assumes a stay-at-home mom and working dad family model.
- Does not reflect changes in consumption patterns among low-income families over the past 30 years.

HOW DOES IT COMPARE WITH OTHER BENCHMARKS?

Figure 1 below compares the Self-Sufficiency Standard, 2005, for Cass County with other benchmarks of public assistance and income standards. The Self-Sufficiency Standard for this family is \$22,292, while the Federal Poverty Level is nearly 30% less, just \$16,090. A parent working full-time at the minimum wage would earn almost \$8,000 less than the no-frills, basic necessities measurement of self-sufficiency. And the maximum benefit received under TANF would still total only about one third of the Self-Sufficiency Standard, and that amount would decrease as the parent began working and earnings increased.

Figure 1: The Self-Sufficiency Standard Compared to Other Benchmarks, 2005
(Based on a Family with One Adult, Preschooler and School-Age Child in Cass County)



*The TANF benefit is \$3,456 annually (\$288 per month) and the Food Stamp benefit is \$4,788 annually (\$399 per month) for a family of three in Cass County in 2005.

**Indiana's full-time minimum wage is \$5.15 per hour. Calculated before taxes and tax credits this amounts to \$10,712 per year. The amount in the second bar includes the net effect of the addition of the EITC and the subtraction of federal, state, and county taxes.



“Self-Sufficiency means maintaining a decent standard of living and not having to choose 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.”

-- The Self-Sufficiency Standard for Indiana: Where Economic Independence Begins, 2005 Edition, ICHHI



HOW CAN IT BE USED?

Used effectively, the Self-Sufficiency Standard can help policy makers and practitioners to determine what amount families and households in different regions of the country need to earn to meet their basic needs. For example, it can help to answer such important questions as:

- How much money does it take for North Central Indiana families to be self-sufficient, without public or private assistance?
- How much do adult family members need to earn to pay for basic necessities?
- Which expenses make self-sufficiency difficult to attain?
- How much do costs vary between various North Central Indiana communities?

More importantly, workforce and family service agencies, advocacy groups, schools, colleges, policy makers, and state and local elected officials can use the Self-Sufficiency Standard as a basis for design, evaluation and improvement of programs and policies. For example:

- Identifying job paths for clients of welfare and Work First programs.
- Evaluating whether or not education and training investments lead to greater economic self-sufficiency.
- Assessing the potential impact of economic development efforts in terms of jobs and assets.
- Determining tax or fiscal policies that address the needs of working poor individuals and families.

Table 1 below highlights some of the many ways in which the Standard is currently being used in Indiana and across the nation.

Table 1: The Self-Sufficiency Standard Put into Practice

State	Ways Being Used
Indiana	<p>The Indiana Coalition on Housing and Homeless Issues (ICHHI) is educating state legislators and other elected officials about how much it takes to make ends meet in Indiana. The Standard has been disseminated to members of the General Assembly and other local and state elected officials, to local Workforce Investment Boards, and to service providers and advocates around the state. The Standard has also been used in the WorkOne as a counseling tool with dislocated, unemployed, and underemployed workers.</p> <p>The United Way of La Porte County, in collaboration with other partners, has used the Standard to spearhead an innovative childcare initiative that addresses the gap between where eligibility for the childcare voucher program for low-income families ends and where the Self-Sufficiency Standard begins. Parents can receive a subsidy for childcare if they fall into this gap.</p> <p>In 2006 ICHHI plans to advocate that the state formally integrate use of the Self-Sufficiency Standard into the Workforce Development System. This could mean using the Standard to define low-wage workers, and then intensive and training services can be directed toward those workers. The state could also utilize the Standard in determining funding priorities for education and training grants it awards.</p>

State	Ways Being Used
California	<p>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.</p> <p>The San Francisco Workforce Investment Board uses the Self-Sufficiency Standard as eligibility criteria for job training, thereby allowing low-wage workers to access training that can help them move up the wage scale.</p>
Connecticut	<p>The Connecticut Legislature enacted a state statute that identified “the underemployed worker” as an individual without the skills necessary to earn a wage equal to the Self-Sufficiency Standard, and directed workforce investment boards across the state to recommend funding to assist such workers.</p>
District of Columbia	<p>The District of Columbia used the Self-Sufficiency Standard to format their Fiscal Year 2000 Workforce Investment Act. This statute requires the Workforce Investment Board to target job training dollars in “high growth” occupations and assess the quality of the jobs in order to meet the wage and supportive service needs of job seekers.</p>
Pennsylvania	<p>PathWays PA commissioned the Center for Women's Welfare to use the Standard to analyze a proposal to raise child care co-payments and its impact on low-income working parents. The resulting report, <i>When Wages Aren't Enough</i>, was instrumental in preventing the proposed increase. (Available at http://www.womensassoc.org/programs/whenwages.pdf.)</p>
Multi-States	<p>Nebraska, South Dakota, and West Virginia have all used the Standard to evaluate economic development proposals.</p> <p>California, Illinois, New York, Nebraska, South Dakota, Tennessee, Virginia, and Washington State have all used the Standard to advocate for higher wages through Living Wage ordinances and in negotiating labor union agreements.</p>



“The one-size-fits-all approach to poverty measurement does not accurately assess the income needs of working families today...yet this measure is used to determine eligibility for numerous programs for low-income Americans, including TANF, food stamps, child care, and Medicaid.

The Self-Sufficiency Standard provides an alternative to the Federal Poverty Measure, assessing a family’s real cost of living, state by state.”

-- Center for Policy Alternatives,
www.stateaction.org





HOW IS IT CALCULATED?

The Self-Sufficiency Standard is based on ten indicators of basic needs and earnings, described in Table 2 below. According to WOW, while each state’s actual data may differ slightly, the uniform methodology used allows for state-to-state comparisons. It also allows for a nationwide analysis.

Table 2: The Basis for Calculation of the Self-Sufficiency Standard

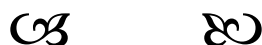
Indicator	Basis for Calculation	Indiana Adjustments
Housing	<ul style="list-style-type: none"> • FY 2005 Fair Market Rents (FMR) from U.S. Dept. of Housing and Urban Development. • Includes utilities but not telephone or cable. • Assumes parents and children do not share same bedroom, no more than 2 children per bedroom. 	Ratios for FMRs Metropolitan Statistical Areas (Kokomo) were created using the NLIHC median gross rent of each county.
Child Care	<ul style="list-style-type: none"> • Survey of child care costs mandated by the Family Support Act. • Assumes infants receive full-time care in day care homes; pre-schoolers go to day care centers full-time; and school age children receive part-time care in before- and after-school programs. 	Market rates from Indiana Family and Social Services Administration, Division of Family and Children, Bureau of Child Development.
Food	<ul style="list-style-type: none"> • U.S. Department of Agriculture’s Low-Cost Food Plan (25% higher costs than Thrifty Food Plan which federal poverty measure uses to determine Food Stamp benefits). • Estimates of food-level expenditures required to meet nutritional standards. • Does not allow for take-out, fast-food or restaurant meals. • Costs vary according to number and age of children, gender of adults. 	
Transportation	<ul style="list-style-type: none"> • National Association of Insurance Commissioners; Allstate Insurance Company’s web site; <i>AAA Your Driving Costs 2000</i> survey; and National Personal Transportation Survey. • Private transportation costs based on costs of owning and operating an average car, including fixed costs (insurance, license, registration, taxes, repairs, and finance charges) and variable costs (gas, oil, tires, maintenance). • Does not include initial purchase cost. • Assumes 5-day per week commute to/from work plus one trip per week for shopping and errands; one parent per household assumed to have longer weekday trip to account for drop off/pick up from day care. 	
Health Care	<ul style="list-style-type: none"> • Assume health care made available through employers. • Costs include employee’s share of insurance plus out-of-pocket expenses (co-payments, uncovered expenses, deductibles, etc.). • Premiums: Kaiser Family Foundation. Average Annual Costs of Employment-Based Health Insurance—Single & Family Coverage, 2002. (http://www.statehealthfacts.kff.org/) 	

Indicator	Basis for Calculation	Indiana Adjustments
Health Care Continued	<ul style="list-style-type: none"> • Out-of-Pocket Costs: Agency for Healthcare Research and Quality. <i>Household Component Analytical Tool (MEPSnet/HC)</i>. August 2003. Rockville, MD. (http://www.meps.ahrq.gov/mepsnet/HC/MEPSnetHC.asp) • All data is updated with the Medical Consumer Price Index. 	
Miscellaneous Costs	<ul style="list-style-type: none"> • 10% of all other costs. • Includes clothing, paper products, diapers, cleaning products, household items, personal hygiene items, telephone, and non-prescription drugs. • Does not include recreation, entertainment or savings. 	
Taxes	<ul style="list-style-type: none"> • State sales tax. • State and federal income taxes. • Payroll taxes (Social Security and Medicare). 	<p>Indiana sales tax is 6% as of December 1, 2002.</p> <p>State taxes calculated using tax forms and instructions from Indiana Department of Revenue.</p>
Earned Income Tax Credits	<ul style="list-style-type: none"> • Refundable Federal credit helps to offset loss of income from payroll taxes owed by working poor families. 	<p>State EITC available to families with one or more dependent children at 6% of a family's federal EITC.</p>
Child Care Tax Credits	<ul style="list-style-type: none"> • Federal tax credit allows federal income tax deductions for percentage of child care costs. 	
Child Tax Credits	<ul style="list-style-type: none"> • Partially refundable federal tax credit provides up to \$1000 deduction (for children less than 17 years old) or 15% of earned income over \$10,750, whichever is less. 	



“Part of the self-sufficiency challenge is that job acquisition and retention is related to changes in the region’s economy. There are workers with many years of work experience who haven’t earned a high school diploma or GED. Then their plant closes or they are dislocated and they find that getting another job with a good wage means obtaining new skills that they don’t currently have. That takes time and can be extremely scary.”

-- Dave Miller, Landmark Adult Education

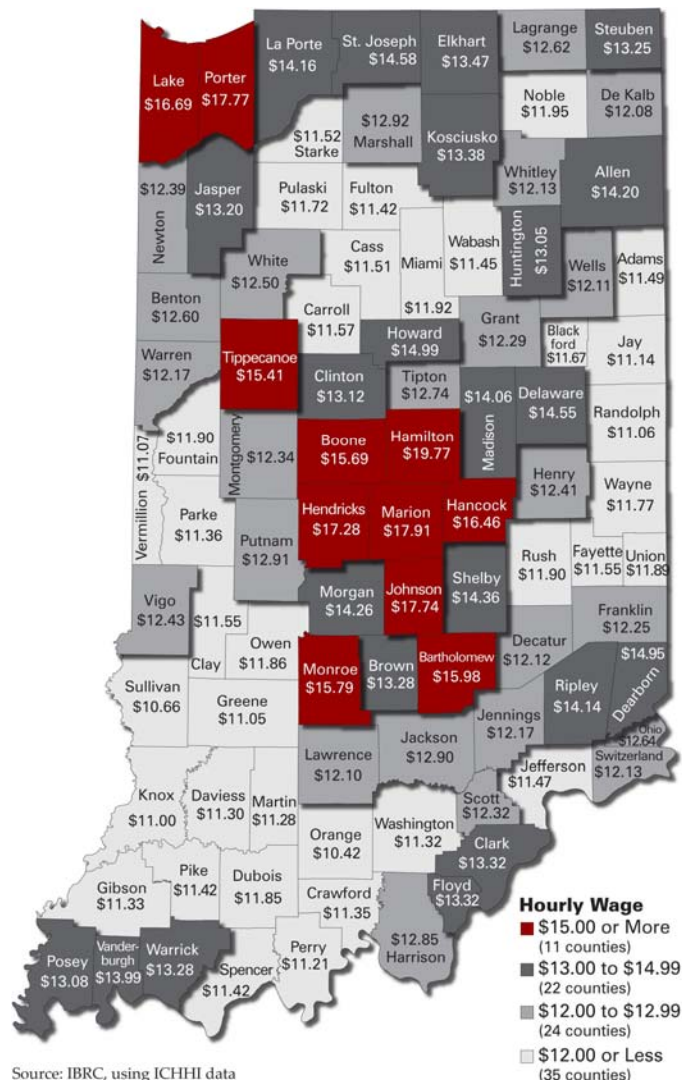


Section II: North Central Indiana Snapshot

Figure 2 below gives a statewide view by county of the hourly wage needed for a single parent with one infant and one preschooler in individual counties. Tables 3-16 on the following pages illustrate the Self Sufficiency Standard for the 14 North Central Indiana counties. The charts are excerpts from the full data available from WOW and ICHHI. Data is available for more than 70 different family models, of which eight are shown for illustration purposes.

You will notice that the income needed for self-sufficiency varies by county and by family. The reason for these differences in county self-sufficiency standards has mainly to do with variances in costs of factors such taxes, housing, and child care. Even within the same county, family composition will make a big difference in the income level required for self-sufficiency. For example, child care costs of parents of an infant will be higher than child care costs of parents with a school-age child.

Figure 2: Hourly Self-Sufficiency Wages Needed for a Single Parent with One Infant and One Preschooler



Source: IBRC, using ICHHI data

Table 3: The Self-Sufficiency Standard for Benton County, IN, 2005

Monthly Costs	Adult	Adult + infant	Adult + preschooler	Adult + infant preschooler	Adult + schoolage teenager	Adult + infant preschooler schoolage	2 Adults + infant preschooler	2 Adults + preschooler schoolage
Housing	431	540	540	540	540	664	540	540
Child Care	0	336	412	749	230	979	749	642
Food	182	268	276	343	453	509	543	595
Transportation	215	220	220	220	220	220	422	422
Health Care	103	196	195	204	243	223	252	261
Miscellaneous	93	156	164	206	169	259	251	246
Taxes	211	265	294	353	224	515	463	446
Earned Income Tax Credit (-)	0	-140	-118	-146	-269	0	-4	-21
Child Care Tax Credit (-)	0	-59	-72	-85	-29	-120	-110	-102
Child Tax Credit (-)	0	-83	-83	-167	-115	-250	-167	-167
Self-Sufficiency Wage								
- Hourly	\$ 7.01	\$ 9.66	\$ 10.39	\$ 12.60	\$ 9.46	\$ 17.04	\$ 8.35	\$ 8.13
- Monthly	\$1,234	\$1,699	\$1,829	\$2,217	\$1,665	\$2,999	\$2,939	\$2,862
- Annual	\$14,812	\$20,392	\$21,942	\$26,605	\$19,984	\$35,990	\$35,268	\$34,349
							<i>combined</i>	<i>combined</i>

Table 4: The Self-Sufficiency Standard for Carroll County, IN, 2005

Monthly Costs	Adult	Adult + infant	Adult + preschooler	Adult + infant preschooler	Adult + schoolage teenager	Adult + infant preschooler schoolage	2 Adults + infant preschooler	2 Adults + preschooler schoolage
Housing	408	535	535	535	535	704	535	535
Child Care	0	326	326	651	230	881	651	556
Food	182	268	276	343	453	509	543	595
Transportation	215	220	220	220	220	220	422	422
Health Care	103	196	195	204	243	223	252	261
Miscellaneous	91	154	155	195	168	254	240	237
Taxes	201	256	259	307	220	484	418	405
Earned Income Tax Credit (-)	0	-145	-143	-186	-271	0	-44	-57
Child Care Tax Credit (-)	0	-56	-57	-67	-29	-125	-92	-86
Child Tax Credit (-)	0	-83	-83	-167	-114	-250	-167	-167
Self-Sufficiency Wage								
- Hourly	\$ 6.81	\$ 9.49	\$ 9.56	\$ 11.57	\$ 9.41	\$ 16.47	\$ 7.84	\$ 7.67
- Monthly	\$1,199	\$1,671	\$1,683	\$2,036	\$1,656	\$2,899	\$2,759	\$2,701
- Annual	\$14,389	\$20,052	\$20,193	\$24,434	\$19,875	\$34,793	\$33,107	\$32,410
							<i>combined</i>	<i>combined</i>

Table 5: The Self-Sufficiency Standard for Cass County, IN, 2005

Monthly Costs	Adult	Adult + infant	Adult + preschooler	Adult + infant preschooler	Adult + schoolage teenager	Adult + infant preschooler schoolage	2 Adults + infant preschooler	2 Adults + preschooler schoolage
Housing	386	507	507	507	507	646	507	507
Child Care	0	326	339	664	148	812	664	486
Food	182	268	276	343	453	509	543	595
Transportation	215	220	220	220	220	220	422	422
Health Care	103	196	195	204	243	223	252	261
Miscellaneous	89	152	154	194	157	241	239	227
Taxes	200	253	261	317	191	427	424	374
Earned Income Tax Credit (-)	0	-151	-146	-189	-304	-45	-46	-92
Child Care Tax Credit (-)	0	-52	-55	-65	-14	-113	-91	-70
Child Tax Credit (-)	0	-83	-83	-167	-92	-250	-167	-167
Self-Sufficiency Wage								
- Hourly	\$ 6.67	\$ 9.29	\$ 9.47	\$ 11.51	\$ 8.57	\$ 15.17	\$ 7.80	\$ 7.23
- Monthly	\$1,173	\$1,635	\$1,667	\$2,025	\$1,509	\$2,669	\$2,747	\$2,544
- Annual	\$14,082	\$19,617	\$20,005	\$24,301	\$18,108	\$32,029	\$32,962	\$30,523
							<i>combined</i>	<i>combined</i>

**Table 6: The Self-Sufficiency Standard for Clinton County, IN, 2005
Lafayette MSA**

Monthly Costs	Adult	Adult + infant	Adult + preschooler	Adult + infant preschooler	Adult + schoolage teenager	Adult + infant preschooler schoolage	2 Adults + infant preschooler	2 Adults + preschooler schoolage
Housing	478	590	590	590	590	756	590	590
Child Care	0	393	382	775	265	1039	775	647
Food	174	256	265	328	434	487	520	570
Transportation	211	217	217	217	217	217	414	414
Health Care	103	196	195	204	243	223	252	261
Miscellaneous	97	165	165	211	175	272	255	248
Taxes	226	298	297	375	244	574	476	459
Earned Income Tax Credit (-)	0	-116	-117	-125	-250	0	0	-11
Child Care Tax Credit (-)	0	-73	-72	-98	-38	-115	-116	-106
Child Tax Credit (-)	0	-83	-83	-167	-128	-250	-167	-167
Self-Sufficiency Wage								
- Hourly	\$ 7.32	\$ 10.47	\$ 10.43	\$ 13.12	\$ 9.94	\$ 18.21	\$ 8.52	\$ 8.25
- Monthly	\$1,289	\$1,842	\$1,836	\$2,310	\$1,750	\$3,204	\$2,999	\$2,905
- Annual	\$15,464	\$22,106	\$22,038	\$27,715	\$21,003	\$38,449	\$35,986	\$34,855
							<i>combined</i>	<i>combined</i>

Table 7: The Self-Sufficiency Standard for Fountain County, IN, 2005

Monthly Costs	Adult	Adult + infant	Adult + preschooler	Adult + infant preschooler	Adult + schoolage teenager	Adult + infant preschooler schoolage	2 Adults + infant preschooler	2 Adults + preschooler schoolage
Housing	416	471	471	471	471	630	471	471
Child Care	0	386	362	749	230	979	749	592
Food	182	268	276	343	453	509	543	595
Transportation	215	220	220	220	220	220	422	422
Health Care	103	196	195	204	243	223	252	261
Miscellaneous	92	154	152	199	162	256	244	234
Taxes	203	254	248	320	202	494	430	393
Earned Income Tax Credit (-)	0	-146	-151	-174	-291	0	-31	-67
Child Care Tax Credit (-)	0	-55	-53	-72	-20	-120	-97	-81
Child Tax Credit (-)	0	-83	-83	-167	-101	-250	-167	-167
Self-Sufficiency Wage								
- Hourly	\$ 6.87	\$ 9.46	\$ 9.31	\$ 11.90	\$ 8.92	\$ 16.71	\$ 8.00	\$ 7.54
- Monthly	\$1,210	\$1,665	\$1,639	\$2,094	\$1,570	\$2,941	\$2,814	\$2,653
- Annual	\$14,517	\$19,980	\$19,671	\$25,125	\$18,838	\$35,288	\$33,772	\$31,836
							<i>combined</i>	<i>combined</i>

Table 8: The Self-Sufficiency Standard for Fulton County, IN, 2005

Monthly Costs	Adult	Adult + infant	Adult + preschooler	Adult + infant preschooler	Adult + schoolage teenager	Adult + infant preschooler schoolage	2 Adults + infant preschooler	2 Adults + preschooler schoolage
Housing	437	507	507	507	507	716	507	507
Child Care	0	312	347	660	230	890	660	577
Food	182	268	276	343	453	509	543	595
Transportation	214	219	219	219	219	219	420	540
Health Care	103	196	195	204	243	223	252	261
Miscellaneous	94	150	154	193	165	256	238	236
Taxes	215	247	263	306	217	504	420	411
Earned Income Tax Credit (-)	0	-155	-144	-192	-297	0	-49	-57
Child Care Tax Credit (-)	0	-50	-57	-64	-25	-120	-89	-86
Child Tax Credit (-)	0	-83	-83	-167	-109	-250	-167	-167
Self-Sufficiency Wage								
- Hourly	\$ 7.07	\$ 9.15	\$ 9.53	\$ 11.42	\$ 9.21	\$ 16.74	\$ 7.77	\$ 7.66
- Monthly	\$1,244	\$1,611	\$1,678	\$2,010	\$1,621	\$2,946	\$2,733	\$2,697
- Annual	\$14,925	\$19,334	\$20,133	\$24,122	\$19,457	\$35,355	\$32,801	\$32,368
							<i>combined</i>	<i>combined</i>

Table 9: The Self-Sufficiency Standard for Howard County, IN, 2005

Kokomo MSA

Monthly Costs	Adult	Adult + infant	Adult + preschooler	Adult + infant preschooler	Adult + schoolage teenager	Adult + infant preschooler schoolage	2 Adults + infant preschooler	2 Adults + preschooler schoolage
Housing	467	592	592	592	592	755	592	592
Child Care	0	469	473	942	460	1402	942	933
Food	182	268	276	343	453	509	543	595
Transportation	215	220	220	220	220	220	422	422
Health Care	103	196	195	204	243	223	252	261
Miscellaneous	97	175	176	230	197	311	275	280
Taxes	218	327	334	455	303	724	543	565
Earned Income Tax Credit (-)	0	-90	-86	-52	-183	0	0	0
Child Care Tax Credit (-)	0	-75	-75	-130	-68	-100	-110	-110
Child Tax Credit (-)	0	-83	-83	-167	-167	-250	-167	-167
Self-Sufficiency Wage								
- Hourly	\$ 7.28	\$ 11.36	\$ 11.49	\$ 14.99	\$ 11.66	\$ 21.56	\$ 9.35	\$ 9.58
- Monthly	\$1,281	\$1,999	\$2,022	\$2,639	\$2,052	\$3,794	\$3,292	\$3,372
- Annual	\$15,371	\$23,990	\$24,269	\$31,666	\$24,619	\$45,529	\$39,503	\$40,460
							<i>per adult</i>	<i>per adult</i>
							<i>combined</i>	<i>combined</i>
							<i>combined</i>	<i>combined</i>

Table 10: The Self-Sufficiency Standard for Miami County, IN, 2005

Monthly Costs	Adult	Adult + infant	Adult + preschooler	Adult + infant preschooler	Adult + schoolage teenager	Adult + infant preschooler schoolage	2 Adults + infant preschooler	2 Adults + preschooler schoolage
Housing	376	493	493	493	493	718	493	493
Child Care	0	336	397	733	265	998	733	662
Food	182	268	276	343	453	509	543	595
Transportation	215	220	220	220	220	220	422	422
Health Care	103	196	195	204	243	223	252	261
Miscellaneous	88	151	158	199	167	267	244	243
Taxes	190	244	269	317	214	540	432	428
Earned Income Tax Credit (-)	0	-154	-135	-173	-274	0	-29	-33
Child Care Tax Credit (-)	0	-51	-62	-73	-27	-115	-98	-97
Child Tax Credit (-)	0	-83	-83	-167	-122	-250	-167	-167
Self-Sufficiency Wage								
- Hourly	\$ 6.55	\$ 9.21	\$ 9.82	\$ 11.92	\$ 9.33	\$ 17.67	\$ 8.03	\$ 7.98
- Monthly	\$1,153	\$1,621	\$1,728	\$2,098	\$1,643	\$3,110	\$2,825	\$2,808
- Annual	\$13,834	\$19,452	\$20,737	\$25,182	\$29,711	\$37,324	\$33,905	\$33,699
							<i>per adult</i>	<i>per adult</i>
							<i>combined</i>	<i>combined</i>
							<i>combined</i>	<i>combined</i>

Table 11: The Self-Sufficiency Standard for Montgomery County, IN, 2005

Monthly Costs	Adult	Adult + infant	Adult + preschooler	Adult + infant preschooler	Adult + schoolage teenager	Adult + infant preschooler schoolage	2 Adults + infant preschooler	2 Adults + preschooler schoolage
Housing	429	546	546	546	546	743	546	546
Child Care	0	349	382	731	130	861	731	512
Food	182	268	276	343	453	509	543	595
Transportation	211	217	217	217	217	217	414	414
Health Care	100	189	188	197	236	215	245	253
Miscellaneous	92	157	161	203	158	255	248	232
Taxes	204	263	278	337	182	484	447	384
Earned Income Tax Credit (-)	0	-139	-129	-156	-303	0	-15	-75
Child Care Tax Credit (-)	0	-59	-66	-80	-14	-125	-105	-78
Child Tax Credit (-)	0	-83	-83	-167	-92	-250	-167	-167
Self-Sufficiency Wage								
- Hourly	\$ 6.92	\$ 9.70	\$ 10.05	\$ 12.34	\$ 8.59	\$ 16.53	\$ 8.20	\$ 7.44
- Monthly	\$1,218	\$1,707	\$1,769	\$2,172	\$1,512	\$2,909	\$2,888	\$2,618
- Annual	\$14,618	\$20,479	\$21,232	\$26,059	\$18,145	\$34,912	\$34,657	\$31,410
							<i>per adult combined</i>	<i>per adult combined</i>
							<i>combined</i>	<i>combined</i>

**Table 12: The Self-Sufficiency Standard for Tippecanoe County, IN, 2005
Lafayette MSA**

Monthly Costs	Adult	Adult + infant	Adult + preschooler	Adult + infant preschooler	Adult + schoolage teenager	Adult + infant preschooler schoolage	2 Adults + infant preschooler	2 Adults + preschooler schoolage
Housing	546	673	673	673	673	863	673	673
Child Care	0	412	499	911	330	1241	911	829
Food	174	256	265	328	434	487	520	570
Transportation	211	217	217	217	217	217	414	414
Health Care	103	196	195	204	243	223	252	261
Miscellaneous	103	175	185	233	190	303	277	275
Taxes	248	335	387	478	275	696	555	545
Earned Income Tax Credit (-)	0	-86	-54	-35	-208	0	0	0
Child Care Tax Credit (-)	0	-75	-73	-130	-57	-100	-110	-110
Child Tax Credit (-)	0	-83	-83	-167	-157	-250	-167	-167
Self-Sufficiency Wage								
- Hourly	\$ 7.87	\$ 11.48	\$ 12.56	\$ 15.41	\$ 11.02	\$ 20.91	\$ 9.45	\$ 9.35
- Monthly	\$1,385	\$2,020	\$2,210	\$2,713	\$1,939	\$3,680	\$3,325	\$3,290
- Annual	\$16,620	\$24,239	\$26,517	\$32,550	\$23,272	\$44,159	\$39,904	\$39,480
							<i>per adult combined</i>	<i>per adult combined</i>
							<i>combined</i>	<i>combined</i>

Table 13: The Self-Sufficiency Standard for Tipton County, IN, 2005

Kokomo MSA

Monthly Costs	Adult	Adult + infant	Adult + preschooler	Adult + infant preschooler	Adult + schoolage teenager	Adult + infant preschooler schoolage	2 Adults + infant preschooler	2 Adults + preschooler schoolage
Housing	448	569	569	569	569	726	569	569
Child Care	0	347	391	738	130	868	738	521
Food	182	268	276	343	453	509	543	595
Transportation	210	216	216	216	216	216	413	413
Health Care	103	196	195	204	243	223	252	261
Miscellaneous	94	160	165	207	161	254	252	236
Taxes	216	279	295	360	194	491	465	407
Earned Income Tax Credit (-)	0	-131	-118	-141	-294	0	0	-59
Child Care Tax Credit (-)	0	-64	-72	-88	-18	-125	-111	-85
Child Tax Credit (-)	0	-83	-83	-167	-99	-250	-167	-167
Self-Sufficiency Wage								
- Hourly	\$ 7.12	\$ 9.98	\$ 10.42	\$ 12.74	\$ 8.84	\$ 16.55	\$ 8.39	\$ 7.65
- Monthly	\$1,253	\$1,756	\$1,834	\$2,242	\$1,556	\$2,912	\$2,954	\$2,692
- Annual	\$15,041	\$21,075	\$22,008	\$26,904	\$18,669	\$34,945	\$35,447	\$32,303
							<i>per adult combined</i>	<i>per adult combined</i>

Table 14: The Self-Sufficiency Standard for Wabash County, IN, 2005

Monthly Costs	Adult	Adult + infant	Adult + preschooler	Adult + infant preschooler	Adult + schoolage teenager	Adult + infant preschooler schoolage	2 Adults + infant preschooler	2 Adults + preschooler schoolage
Housing	359	472	472	472	472	645	472	472
Child Care	0	304	397	701	265	966	701	662
Food	182	268	276	343	453	509	543	595
Transportation	210	216	216	216	216	216	413	413
Health Care	103	196	195	204	243	223	252	261
Miscellaneous	85	146	156	194	165	256	238	240
Taxes	189	230	268	307	214	507	422	431
Earned Income Tax Credit (-)	0	-168	-141	-191	-280	0	-49	-40
Child Care Tax Credit (-)	0	-43	-59	-64	-24	-120	-89	-93
Child Tax Credit (-)	0	-83	-83	-167	-108	-250	-167	-167
Self-Sufficiency Wage								
- Hourly	\$ 6.41	\$ 8.74	\$ 9.65	\$ 11.45	\$ 9.18	\$ 16.77	\$ 7.77	\$ 7.88
- Monthly	\$1,129	\$1,538	\$1,698	\$2,015	\$1,615	\$2,951	\$2,736	\$2,774
- Annual	\$13,547	\$18,452	\$20,373	\$24,174	\$19,382	\$35,414	\$32,829	\$33,288
							<i>per adult combined</i>	<i>per adult combined</i>

Table 15: The Self-Sufficiency Standard for Warren County, IN, 2005

Monthly Costs	Adult	Adult + infant	Adult + preschooler	Adult + infant preschooler	Adult + schoolage teenager	Adult + infant preschooler schoolage	2 Adults + infant preschooler	2 Adults + preschooler schoolage
Housing	431	540	540	540	540	664	540	540
Child Care	0	347	362	710	230	940	710	592
Food	182	268	276	343	453	509	543	595
Transportation	215	220	220	220	220	220	422	422
Health Care	103	196	195	204	243	223	252	261
Miscellaneous	93	157	159	202	169	256	247	241
Taxes	211	269	277	330	220	498	447	426
Earned Income Tax Credit (-)	0	-138	-131	-163	-270	0	-19	-40
Child Care Tax Credit (-)	0	-60	-64	-77	-29	-120	-103	-94
Child Tax Credit (-)	0	-83	-83	-167	-115	-250	-167	-167
Self-Sufficiency Wage								
- Hourly	\$ 7.01	\$ 9.75	\$ 9.95	\$ 12.17	\$ 9.44	\$ 16.70	\$ 8.16	\$ 7.89
- Monthly	\$1,234	\$1,716	\$1,752	\$2,142	\$1,661	\$2,939	\$2,872	\$2,777
- Annual	\$14,808	\$20,592	\$21,021	\$25,709	\$19,929	\$35,269	\$34,460	\$33,328
							<i>combined</i>	<i>combined</i>

Table 16: The Self-Sufficiency Standard for White County, IN, 2005

Monthly Costs	Adult	Adult + infant	Adult + preschooler	Adult + infant preschooler	Adult + schoolage teenager	Adult + infant preschooler schoolage	2 Adults + infant preschooler	2 Adults + preschooler schoolage
Housing	517	574	574	574	574	686	574	574
Child Care	0	347	362	710	230	940	710	592
Food	182	268	276	343	453	509	543	595
Transportation	215	220	220	220	220	220	422	422
Health Care	103	196	195	204	243	223	252	261
Miscellaneous	102	161	163	205	172	258	250	244
Taxes	245	281	289	343	229	507	461	439
Earned Income Tax Credit (-)	0	-128	-123	-150	-260	0	-5	-27
Child Care Tax Credit (-)	0	-66	-69	-83	-34	-120	-109	-99
Child Tax Credit (-)	0	-83	-83	-167	-122	-250	-167	-167
Self-Sufficiency Wage								
- Hourly	\$ 7.75	\$ 10.05	\$ 10.25	\$ 12.50	\$ 9.69	\$ 16.89	\$ 8.32	\$ 8.05
- Monthly	\$1,363	\$1,770	\$1,805	\$2,200	\$1,706	\$2,973	\$2,930	\$2,835
- Annual	\$16,358	\$21,235	\$21,655	\$26,404	\$20,475	\$35,671	\$35,163	\$34,019
							<i>combined</i>	<i>combined</i>

Section III: Policy & Practice Implications

Reaching economic self-sufficiency is a community-based problem, and the burden of having families make ends meet does not rest on the shoulders of any one group.

The implications described below are divided into two categories: Implications for Policy Makers, and Implications for Service Providers. They are intended as brief idea-generators based on practices from around the country. For more detail on these or other implications, consult the sources and resources listed in the back of this document.

IMPLICATIONS FOR POLICY MAKERS

- **Align workforce and economic development and education efforts.** This is critical. Economic and workforce development and education decision-makers and practitioners must develop a common vision for the region and be in constant communication to ensure the greatest alignment of companies, jobs, skills, and training. For example, the Self-Sufficiency Standard can be used to assess the ability of various jobs, occupations and sectors to provide self-sufficient wages for workers. It can be valuable in evaluating economic development proposals to determine if the wages paid by new businesses seeking tax breaks and other amenities will have a positive or negative affect on the regional economy in terms of jobs and assets added in the region. Some areas are beginning to offer tax breaks to companies that pay self-sufficiency wages, for instance. The Standard can also be used to evaluate the impact that proposed changes in subsidy programs would have on North Central Indiana families and enable service providers to adjust their programs and services accordingly.
- **Define performance and accountability measures for one-stop system partners and other community intermediaries that provide job development and training services.** Some states have begun to use the Self-Sufficiency Standard as an official measure of cost of living. While Indiana is not one of those states, North Central Indiana leaders can push for wider use of the Standard as a key performance benchmarking tool for the one-stop system. For example, in Connecticut, it has been used to expand job training opportunities to low-income and displaced workers, by accurately defining who “underemployed” and “at-risk” workers are. In other states, Workforce Investment Boards are using the Self-Sufficiency Standard to determine who is eligible for intensive training services at one-stops.

- **Focus on higher wage industries and companies, especially advanced manufacturing.** It is clear that certain industries are high-wage and others are low-wage. In North Central Indiana, advanced manufacturing companies may provide some of the best opportunities for improving the average annual wage of residents as well as improving entry-level wages for those seeking employment in new industries. However, many individuals and families in the region do not possess the skills and training required for jobs in these firms. This is both a demand and supply challenge, i.e.: to attract new firms (demand), the region must demonstrate that the population has the requisite skills or they will go to other regions and states. Likewise, workers and job seekers in the region (supply) must achieve significant skills upgrades to be able to obtain high-wage job opportunities at those firms that are here, now, in the region. They are two sides of the same coin.
- **Focus on community-essential industries (health care, education, public services).** Community-essential industries, such as health care, education and public services, often support high wages and high skills or provide good opportunities for labor force entry. In health care, due to the nursing shortage nationally and in the region, hospitals, long-term care facilities and other medical facilities offer good entry-level opportunities for lower-wage workers. The time it takes to complete training to be a Registered Nurse, for example, is relatively short compared with training required for entry-level education jobs or jobs in technical occupations. Other community essential industries may play important roles in the region, such as Child Care, but may not typically offer high wages. In these cases, some communities are beginning to set minimum wage guidelines for child care workers and other essential support service industries using the Self-Sufficiency Standard to inform those guidelines.
- **Balance economic growth with quality of life.** North Central Indiana has a very high quality of life that plays an essential role in attracting new businesses as well as attracting and maintaining a skilled workforce. Creating strategies that focus on issues such as affordable housing and transportation, both significant factors in achieving economic self-sufficiency, will support the advancement of individuals seeking self sufficiency. For example, in some parts of the country, regional planning associations have partnered with employers to provide employer-sponsored housing options. Employer-sponsored housing leverages employer investments with traditional loan vehicles to enable low- and moderate-income employees to buy good homes within close proximity to their jobs. Some of the tangible results are an increase in good, affordable housing stock and a reduction in commuting time. Whatever quality of life strategies are developed, the Self Sufficiency Standard can be used to inform such strategies with a much more accurate measurement of the costs and the impact of those costs to various individuals and families.



IMPLICATIONS FOR SERVICE PROVIDERS

- **Make information available about the minimum wage, Self Sufficiency Standard and income subsidies.** The data provided in the Self Sufficiency Guide helps to determine what amount of public assistance is required to fill the gap between minimum wage and economic self-sufficiency. It can be useful in job placement programs and training programs as a guide for helping clients to determine their monthly resource needs and in identifying job and training opportunities that will help them advance to higher-paying and higher-skilled jobs. Practitioners can also use self-sufficiency information as a basis for advocating for adjustments to the Indiana earned income tax credit (EITC) and other income subsidies based on the practical, field-level experiences of service providers. Other effective uses can be explored as well. For example, the Chicago Mayor's Office of Workforce Development created an online Income and Expense Calculator based on the Self Sufficiency Standard. Job developers and case managers in Chicago's One-Stop system have been trained to use the calculator to help clients determine what types of jobs to apply for. An Internet link to the calculator has also been added to the resource rooms of the One-Stops.
- **Customize support to individual client needs.** Receipt of child care assistance, food stamps, Medicaid and other public assistance benefits can reduce the hourly self-sufficiency wage requirement for various individuals and families depending on their circumstances. The Self-Sufficiency Standard can be used to customize the service and support provided to North Central Indiana public aid recipients rather than using a "one size fits all" approach. Job counselors and case managers can also use the Standard as a counseling tool to help clients make informed decisions about training, resource needs, budgeting, and strategies for the best utilization of Individual Development Accounts.
- **Develop sector initiatives to link clients to good jobs.** Among the most effective workforce development approaches around the country is the sector approach. In a sector approach, community training and service providers attain organizational expertise in one or more key sectors. They make employers primary customers and build organizational skills to become a preferred vendor for employers in their targeted sector. They consult with employers and employer associations about future trends in their industry and the skill and occupational implications of those trends. In this way, they craft their training and job search programs to provide the highest value for both the individual job seekers and the employers who hire them. Sectoral programs around the country are seeing significant success in linking low-income, low-skill individuals – including TANF recipients – to high-skill, high-wage opportunities in health care, construction and architecture, recycling and environmental management, and manufacturing. Examples of organizations that are doing this include

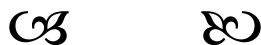
Bethel New Life (Chicago), Focus: HOPE (Detroit), Asian Neighborhood Design (San Francisco), Paraprofessional Healthcare Institute (Philadelphia), and Project Quest (San Antonio).

- **Identify and develop career pathways.** The career pathways or ladders strategy is another that has had yielded some success, often when integrated as part of a targeted sector initiative. Career pathway initiatives can be developed either internally within companies or externally across different companies or even across different sectors or industries. The underlying goal is the same – to provide a clear set of steps and supportive services that enable individuals to advance from lower-paying, lower-skilled jobs to higher-paying, higher-skilled ones. Developing effective career pathways, as with sector initiatives, requires close coordination and strong working partnerships between job placement service providers, community colleges, adult education/GED providers, and, most importantly, employers and/or industry groups. This strategy has been implemented in Pennsylvania, where welfare and workforce development caseworkers use the Self-Sufficiency Standard to educate clients on what jobs pay wages can lead directly toward self-sufficiency.
- **Supplement Indiana’s already good child care options.** The State of Indiana has done much to support the child care needs of Indiana’s working families. Given the tight fiscal years ahead for the State, regional stakeholders will have to find ways to supplement state support. Child care funding ‘pools’ that include co-contributions from employers, foundations, colleges/training providers and the workers/students themselves are just one example of innovative approaches emerging around the country.



“Self-sufficiency is often cited as a goal for low-income families in Indiana. It is important to be very specific about what that goal represents. Continuing debate and research on appropriate measures of self-sufficiency are essential to design effective programs and policies that help families achieve that goal. The Self-Sufficiency Standard provides a solid, research-based context to frame this discussion as well as a tangible goal for the solutions”

-- “Refining Measures of Economic Stability: The 2005 Self-Sufficiency Standard for Indiana,” *Indiana Business Review*, Spring 2006.



Sources & Resources

Sources consulted in the preparation of this guide book include:

- *The Status of Working Families in Indiana: 2005 Update* by the Indiana Coalition on Housing and Homeless Issues by ICHHI.
- *The Self-Sufficiency Standard for Indiana: Where Economic Independence Begins, 2005 Edition* by ICCHI.
- *Poverty Despite Work in Indiana* (2002) by ICHHI.
- *Setting the Standard for American Working Families* (2003) by Wider Opportunities for Women. (<http://www.wowonline.org/>)
- State Action.org website:
<http://www.stateaction.org/issues/issue.cfm/issue/SelfSufficiencyStandard.xml>
- Refining Measures of Economic Stability: The 2005 Self-Sufficiency Standard for Indiana, Spring 2006, *Indiana Business Review*. (<http://www.ibrc.indiana.edu/ibr/2006/spring/article2.html>)
- Economic Self-Sufficiency: The Minimum Cost of Family Support in Indiana's Metropolitan Areas, Fall 2005, *Indiana Business Review*. (<http://www.ibrc.indiana.edu/ibr/2005/fall/article1.html>)
- *Embrace Uncertainty, Create our Future: A State of the Workforce Agenda for Change in North Central Indiana, April 2004* by Workforce Development Strategies, Inc.
- Numerous other web sites were also consulted using the following search words in the Google Internet search engine: "Using the Self Sufficiency Standard."

This guidebook was developed by Workforce Development Strategies, Inc. as an informational tool for service providers, community organizations, and all community members. Policy makers and practitioners in the North Central Indiana region are encouraged to contact Workforce Development Strategies, Inc. for more information about this guidebook and its contents.

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