

The Self-Sufficiency Calculator

The Self-Sufficiency Calculator determines how much income working adults need to meet their basic needs without subsidies of any kind.

Unlike the federal poverty standard, the Self-Sufficiency Calculator accounts for the costs of living and working as they vary by family size and composition and by geographic location.

The Calculator defines the amount of income necessary to meet basic needs (including paying taxes) in the regular “marketplace” without public subsidies—such as public housing, Food Stamps, Medicaid or child care—or private/informal subsidies—such as free babysitting by a relative or friend, food provided by churches or local food banks, or shared housing. The Calculator, therefore, estimates the level of income necessary for a given family type—whether working now or making the transition to work—to be independent of welfare and/or other public and private subsidies.

- The Calculator assumes that all adults (whether married or single) work full-time and includes the costs associated with employment, specifically, transportation and taxes, and for families with young children, child care.
- The Calculator 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 are much higher—particularly for children not yet in school—and are a substantial budget item not included in the official poverty measure.
- The Calculator accounts for regional variations in cost. This feature is particularly important for housing. Housing in the most expensive areas of the country costs four times as much as in the least expensive areas for equivalent size units.
- The Calculator includes the net effect of taxes and tax credits. It provides for state sales taxes, as well as payroll (Social Security) taxes, and federal and state income taxes. Two credits available to working adults, the Child Care Tax Credit (CCTC) and the Earned Income Tax Credit (EITC) are “credited” against the income needed to meet basic needs—thus reducing the income needed to become economically self-sufficient.

How the Calculator Can Be Used

The Self-Sufficiency Calculator is relevant to a range of issues and arenas, providing crucial information about wage adequacy to help design strategies for self-sufficiency. The Calculator can be used in a variety of settings—from the welfare client choosing the best path out of poverty for herself and her family, to organizations weighing investment in various education and training opportunities, to state-level policymakers facing critical policy choices on tax policy, subsidies, welfare-to-work programs, economic development plans, education and training. At a time when many policy and programmatic decisions are being made at the state and local levels, the Calculator provides a tool and a means to evaluate many different options.

The Self-Sufficiency Calculator as a Benchmark for Evaluation

The Calculator 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 and/or job training. Such evaluations can help redirect resources to the types of approaches that result in improved outcomes for participants.

The Self-Sufficiency Calculator as a Counseling Tool

The Calculator can be used as a counseling tool, to help participants in work and training programs make choices among various occupations and jobs. The Pennsylvania Family Economic Self-Sufficiency (PAFESS) Project has worked with over 1,200 case managers and social service administrators across the state to use the Self-Sufficiency Calculator as a counseling tool to demonstrate the real costs of becoming economically independent. Through use of the Calculator, PAFESS has encouraged social service providers to talk about higher-wage and nontraditional jobs and the importance of career ladders with their clients.

The Self-Sufficiency Calculator as a Guideline for Wage-Setting

By determining the wages needed to meet basic needs, the Calculator provides information for setting minimum and living wage standards. It was used precisely this way by the Center for the Child Care Workforce, which developed specific guidelines for each county/school district in California for child care workers' salaries. It has also been used by private agencies, such as community action agencies, to evaluate the adequacy of their own salary schedules.

For more information about the Self-Sufficiency Calculator and how it is being implemented in Southwest Washington, contact Jordana Barclay at the Southwest Washington Workforce Development Council at (360) 567-1076 or jbarclay@swwdc.org.