The Real Cost of Living: The Self-Sufficiency Standard for New Jersey

Summary Report

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Legal Services of New Jersey
Poverty Research Institute

and

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Preface

The Self-Sufficiency Standard was originally developed for Wider Opportunities for Women as part of the State Organizing Project for Family Economic Self-Sufficiency by Dr. Diana Pearce, who was at that time Director of The Women and Poverty Project at Wider Opportunities for Women. Funding for its original development was provided by the Ford Foundation. A number of other people have also contributed to the development of the Standard, its calculation, and/or the writing of state reports. The Standard would not be what is without the contributions of Jennifer Brooks, Laura Henze Russell, Janice Hamilton Outtz, Roberta Spalter-Roth, Antonia Juhasz, Alice Gates, Melanie Lavelle, Seook Jeong, and in New Jersey, Connie Pascale of Legal Services of New Jersey. Nonetheless, any mistakes are the authors' responsibility.

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Legal Services of New Jersey Poverty Research Institute

Legal Services of New Jersey coordinates the statewide Legal Services system in New Jersey, which provides free legal assistance to low-income people in civil matters. Part of LSNJ's mission is to make people more aware of poverty in New Jersey and the serious effects that poverty has on the lives of low-income people. Accurate, state-specific data concerning the nature and extent of poverty, especially how it relates to employment, welfare and other government programs, is essential to sound policymaking concerning the needs and problems of the poor. To this end, Legal Services of New Jersey has initiated the New Jersey Poverty Research Institute (NJPRI) to implement a program of systemic research on the incidence, effects and other aspects of poverty in the state, and the relationships among poverty, work and public policy. The Self-Sufficiency Standard for New Jersey is another in an ongoing series of publications, studies and lectures through which NJPRI will make its findings available to the public.

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The New Jersey Center for Economic Policy and Education

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Table of Contents

The Real Cost of Living: The Self-Sufficiency Standard for New Jersey

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

Introduction

Due to a robust economy combined with recent changes in welfare and workforce development policy, the question of self-sufficiency has taken on new urgency. As many parents leave welfare and enter the labor market, they join a growing number of families who are finding that they 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 that question we have a new measure of income adequacy, the Self-Sufficiency Standard.

The Self-Sufficiency Standard measures how much income is needed, for a family of a given composition in a given place, to adequately meet its 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 Jersey families; and how various public subsidies, child support and other available resources and public policies can help families move towards self-sufficiency. We conclude this report with a discussion of the varied ways the Standard can be used as a tool for policy analysis, counseling, performance evaluation, and research.

Measuring Income Adequacy: Problems with the Poverty Line

How much is enough for a family 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.[1]

Obviously, however, we cannot interview every person for their own assessments of income adequacy, as quoted above. Besides, such assessments would be subjective and inconsistent. The need for an objective standard to assess income adequacy has thus led most of us to the official federal poverty measure. Using the federal poverty measure, we can determine that a family is "poor" if its income is below the appropriate threshold, and "not poor" if it is above that threshold. However, the poverty measure has become increasingly problematic as a measure of income adequacy.

The most significant shortcoming of the federal poverty measure is that it is simply too low: for most families, in most places, it is simply not enough. That is, there are many families with incomes above the federal poverty line who nonetheless lack sufficient resources to adequately meet their basic needs. As a result, many assistance programs use a multiple of the poverty standard to measure need: for example, Medicaid is extended to families with incomes that are 150%, 185%, or 200% of the official poverty thresholds.

Not only government, but the public also considers the poverty line to be too low. A number of studies have shown that the public would set a minimum income 25-50% above the federal poverty standard, depending upon the family's composition and where they live.[2]

True self-sufficiency involves not just a job with a certain wage and benefits, but rather income security over time.

However, the official poverty measure has additional problems inherent in its structure. Simply raising the poverty line, or using a multiple of the threshold cannot solve these problems. Since the official poverty measure was first developed and implemented in the early 1960s, it has only been updated to reflect inflation, and has not and cannot incorporate new needs.

This inability to account for new or different needs results from two methodological problems. The first is that the federal poverty measure is based on the cost of a single item, food. The second is that it assumes a fixed ratio between food and all other needs (housing, clothing, etc). This fixed ratio does not allow for some costs to rise faster than food, nor does it allow for the addition of new needs (such as child care). In fact, there is not even a way to increase the amount allotted for food to take into account new nutritional standards.

Thus, the demographic model (the two-parent family with a stay-at-home wife), the basic needs package, and the nutrition standards on which the poverty measure was based are outdated, having changed significantly since the measure's inception. Particularly for working single parents—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.

Not only are the poverty thresholds too low, they are 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 geographic 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 four times as much as the same size units in the least expensive areas.

Once again, public programs have 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. The Food Stamp program also takes into account variations in costs of housing and child care between different localities.

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 of the inception of the poverty measure, there was probably not a large difference between families in these situations: taxes were very low for low-income families with earned income, transportation was inexpensive, and most important, most workers with children had a non-working spouse who provided child care. Today, taxes even for low-income families are substantial, transportation can be costly, and many families do not have "free" child care available.

For these and other reasons, many researchers and analysts have proposed revising the poverty standard. 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.[3] Others have gone further, creating new measures of income adequacy, such as "Basic Needs Budgets" or Living Wages.[4]

The Concept of the Self-Sufficiency Standard–And How It Differs from the Federal Poverty Measure

While drawing on the critiques and analysis of the poverty measure cited above, the Self-Sufficiency Standard takes a somewhat different approach to measuring income adequacy. As the editors of the Boston Globe put it: "Ask not where poverty ends, but where economic independence begins."[5] 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 standard 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. The Standard, therefore, determines the level of income necessary for a given family—whether working now or making the transition to work—to be independent of welfare and/or other public or private subsidies. By providing a measure that is customized to each family's circumstances, i.e., taking account of where they live, and how old their children are, the Self-Sufficiency Standard makes it possible to determine if a family's income is enough for them 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,*[6] *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 are 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 also occurs for child care, health care and transportation, although to a lesser extent than for housing. Unlike some approaches suggested for a revised poverty standard, however, the Standard does not assume a fixed ratio of urban to rural costs, but uses actual costs. Although, in general, rural areas and small towns 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 destinations are often as high, or higher, than in a state's urban areas.

- *The Standard includes the net effect of taxes and tax credits*. It provides for state sales taxes, as well as payroll (Social Security and Medicare) taxes, and federal and state income taxes. Three credits available to workers and their families are "credited" against the income needed to meet basic needs: the Child Care Tax Credit, the Earned Income Tax Credit, and the Child Tax Credit.

- While the poverty standard is based on the cost of a single item, food, and assumes a fixed ratio between food and non-food, *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, is not so low that it fails to adequately provide for a family. Rather, the Standard provides income sufficient to meet minimum nutrition standards, for example, and to obtain housing that would be neither substandard nor overcrowded.

The Standard does not, however, allow for longer term needs, such as retirement, purchase of major items such as a car, or emergency expenses (except possibly under the "miscellaneous" cost category). 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 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 (family type and location). However, we emphasize that, as with any measure or threshold, the exact amount is essentially arbitrary, i.e., 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. Rather, we would urge users of the Standard to think in relative terms of "wage adequacy," that is, one should ask how adequate is a given wage? How close is it to the Standard?

Thus, for example, if the Standard for a given family is $10.00 per hour, but the adult supporting the family only earns $7.00 per hour, then the latter wage has a "wage adequacy" level of only 70%. At the same time, a penny above or below $10.00 ($9.99 versus $10.01) is not a meaningful distinction.

Second, 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, for many, the Self-Sufficiency Wage represents a larger goal toward which they are striving, and is a process that they are engaged in, not a one-time achievement. As one person put it, "Self-sufficiency is a road I'm on."[7]

Central to these efforts are access to education and training, and access 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. For many, if not most, however, self-sufficiency is not achieved through stopgap measures or short-term solutions. Individuals moving from welfare to work cannot achieve a Self-Sufficiency Wage in a single step, but require strategies that create ladders out of poverty, by providing the needed assistance, guidance and the time necessary for families to become self-sufficient.

Although training and education do not have the same urgency as do basic needs such as food and shelter, true long-term self-sufficiency increasingly necessitates investments that enhance skills and adaptability. Without technologically sophisticated and broad-based education that provides the flexibility to move into new jobs and careers, self-sufficiency is in danger of being at best a fleeting accomplishment.

Finally, it is important to recognize that self-sufficiency does not imply that families should be completely self-reliant and independent of one another, or the community at large. Indeed, it is through interdependence among families and community institutions such as schools and churches, as well as informal networks of friends, family, and neighbors, that many families are able to meet their non-economic needs as well as economic necessities. Such support and help is essential to our well being, psychologically as well as materially, and should be strengthened.

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.

How the Self-Sufficiency Standard is Calculated

The goal of making the Standard as standardized and accurate as possible, yet varied geographically and age-wise, requires meeting several different criteria. As much as possible, given data limitations, 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 have little or no regional variation (such as food) are usually standardized, while costs such as housing and child care, which vary substantially, are calculated at the most geographically specific level available.

In each county in New Jersey, the Self-Sufficiency Standard is calculated for 70 different family types—all one-adult and two-adult families, ranging 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. Data for eight selected family types, for each of the counties in New Jersey, are included in the Appendix to this report. The costs of each basic need and the Self-Sufficiency Wages for all 70 family types for all geographic areas are found in the Full Report, available from Legal Services of New Jersey Poverty Research Insitute or the New Jersey Center for Economic Policy and Education.

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

Housing: The Standard uses the 1999 Fair Market Rents for housing costs, which are calculated annually by the U.S. Department of Housing and Urban Development for every metropolitan housing market and non-metropolitan county (totalling over 400 housing market areas). Fair market rents are based on data from the decennial census, the annual American Housing Survey, and telephone surveys.[8] The Fair Market Rents (which include utilities except telephone service) are intended to reflect the cost of housing that meets minimum standards of decency, but is not luxurious. They reflect the cost of a given size unit at the 40th percentile level. (At the 40th percentile level, 40% of the housing in a given area would be less expensive than the Fair Market Rent, while 60% would cost more than the Fair Market Rent).

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;[9] families with one or two children require two bedrooms, and families with three children, three bedrooms.

Child Care: We use the most accurate information available that is recent, geographically specific, and age- and setting-specific. In most states, this is the survey of child care costs originally mandated by the Family Support Act, which provides the cost of child care at the 75th percentile, by age of child and setting (family day care home, day care center, etc.).[10] Because this survey has not been done recently in New Jersey, data on child care costs were obtained directly from each county's resource and referral agencies.

Because it is more common for very young children to be in day care homes rather than centers, the Standard assumes that children less than three years of age (infants and toddlers, called "infants" here) receive full-time care in day care homes. Preschoolers (three to five years old), in contrast, are assumed to go to day care centers full-time. School-age children (ages six to 12) are assumed to receive part-time care in before- and after-school programs.

Food: While the Thrifty Food Plan of the U.S. Department of Agriculture (USDA) is used as the basis of the federal poverty measure and to determine Food Stamp benefits, the Standard uses the USDA Low-Cost Food Plan, which costs about 25% more on the average than the Thrifty Food Plan. While both diets meet minimum nutritional standards, the Thrifty Food Plan was meant for emergency use only, while the Low-Cost Food Plan is based on more realistic assumptions about food preparation time and consumption patterns.

The Standard uses the Low-Cost Food Plan for June 1998 to calculate food costs. (Because the USDA does not produce annual averages for food costs, we follow the Food Stamp Program and use the estimates for June as an annual average.) The food costs in the Standard are varied according to the number and age of children and the number and gender of adults. Since there is little regional variation in the cost of food overall, the Standard uses the national average.

Although the Low-Cost Food Plan amounts are higher than the amounts used to calculate the official poverty thresholds, they are nevertheless conservative estimates 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 39% of their food budget on food eaten away from home. Again, the choice to use this food budget reflects what it costs to adequately meet nutritional needs, not consumer behavior.

Transportation: Families living in cities with adequate public transportation—which is one that is used by a substantial percentage of the moderate-income population to get to work—are assumed to be able to use public transportation to get to work. (This is usually, but not always, a rail-based system supplemented with buses.) In New Jersey there are six counties that fit this criteria: Essex (including Newark), Hudson (including Jersey City), Bergen, Camden, Union and Middlesex. In all other areas, it is assumed that adults require a car to get to and from work. (Because it is unlikely that two adults with two jobs would be traveling to and from the same place of work, at exactly the same times, families with two adults are assumed to need two cars.)

Public transportation costs are based on the cost of a monthly bus pass which accesses two zones, thus allowing workers to access a substantial proportion of the metropolitan job market, though of course not all jobs.

Private transportation costs are based on the costs of owning and operating an eight-year-old car (or cars, if there are two adults). The costs include the fixed costs of owning a car (e.g., fire and theft insurance, property damage and liability, license, registration and taxes, finance charges).[11] as well as monthly variable costs (e.g., gas, oil, tires, and maintenance). For variable costs, the Standard assumes that the car(s) will be used to commute to and from work five days per week, plus one trip per week per family for shopping for food and other errands.

In addition, one parent in each household with young children is assumed to have a slightly longer weekday trip to allow for "linking" trips to the day care center or home.

Transportation costs are adjusted for regional differences, as well as the length of the commute: in New Jersey, the average commute is about eight miles each way, although it is somewhat longer for some New Jersey cities. Data for private transportation costs are obtained from the American Automobile Manufactures Association and the Consumer Expenditure Survey, and for average commuting distances from the National Transportation Survey.

Health Care: The Self-Sufficiency Standard assumes that the employer provides health insurance coverage.[12] 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 (e.g., dental care and prescriptions), and insurance deductibles. The Standard assumes that employees will pay one-third of the cost of the health insurance premium (which is the average proportion nationally).

Although workers who do not have employer-provided health insurance often "do without," families cannot be truly self-sufficient without health insurance. Data for New Jersey's health costs were obtained from the National Medical Expenditure Survey and the Families USA report, *Skyrocketing Health Inflation: 1980 - 1993 - 2000.*

Miscellaneous: This expense category includes items such as clothing, shoes, paper products, diapers, nonprescription medicines, cleaning products and household items, personal hygiene items, and telephone. 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%.[13]

Taxes: Taxes include state sales tax, federal and state income taxes, and payroll taxes. In 1998, the New Jersey retail sales tax was 6%, with no tax on food, clothing, or shoes. Sales taxes are calculated only on "miscellaneous" items, as one does not ordinarily pay tax on rent, child care, and so forth. (As is the case in many states, New Jersey does not tax services). Indirect taxes, e.g., property taxes paid by the landlord on housing, are assumed to be included in the price of housing passed on by the landlord to the tenant. Also, taxes on gasoline and automobiles are included as a cost of owning and running a car.

The federal income tax is calculated using the federal tax forms and assuming the standard deduction (for the family type) and exemptions.

State taxes are calculated using the 1998 Commerce Clearinghouse State Tax Handbook as well as the tax form and other information from the New Jersey Division of Taxation. The state income tax calculation takes into account the property tax deduction/credit as well as the standard deduction, and adult and child exemptions.

Payroll taxes for Social Security and Medicare are calculated at 7.65% of each dollar earned. Although the federal income tax rate is higher than the payroll tax rate—15% of income for families in this range—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 $12,000 or more, thus lowering the effective tax rate to 7% to 10% for most taxpayers.

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 working-poor and near-poor 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. Because it adds to income, the EITC sometimes makes it possible for even modest earnings to be enough for a family to be self-sufficient.

Child Care Tax Credit (CCTC): The CCTC is a federal 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 CCTC is deducted from the total amount of money a family needs to be self-sufficient. Unlike the EITC, the CCTC is not a “refundable” tax credit. A family may only receive the 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.

Child Tax Credit (CTC): The CTC is a federal tax credit that allows parents to deduct up to $400 per child (for children less than 17 years old) from the federal income taxes they owe. If a family has one or two children, it is calculated like the CCTC, as a credit against federal taxes owed. If the family does not owe federal taxes, or has already taken the CCTC and there is no remaining liability (that is, no federal tax is owed after the CCTC is taken), then the family may not take the CTC.

However, if there are three or more children, then the CTC becomes refundable (as with the EITC). In this case, the family may receive the credit (up to $400 per child), even if they do not owe any federal taxes. However, the amount of CTC they receive is limited to the amount their payroll tax exceeds the EITC that they have or will receive.

In effect, given the high costs of child care, most families with young children who are paying market rate child care offset most or all of the federal tax they owe with their child care tax credit. However, those with older children, or three or more children and higher incomes, are more likely to receive the Child Tax Credit.

How Much Money Is Enough in New Jersey?

Because the Self-Sufficiency Standard varies by family type and location, 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. Thus, in Northern Bergen County, a single person with no children needs to earn **$8.04** per hour (**$1,414** per month) to be able to meet her/his basic needs. In contrast, a single parent with one infant and one school-age child needs to earn more than twice as much, or **$19.18** per hour (**$3,377** per month) to meet the basic needs of her family.

Even in southern New Jersey, in the relatively more rural Atlantic County, a single parent with one infant and one school-age child would need **$14.86** per hour, almost exactly double what a single adult in that county would need, **$7.29** per hour. (Compare costs in Tables l and 2.)

Even though housing costs are generally higher in metropolitan areas compared to rural areas, the pattern is more complex in New Jersey. The most expensive housing is not found in the most urban counties, such as Essex and Hudson, but rather in such counties as Somerset or Hunterdon. Less expensive areas for housing in New Jersey are found in the New Jersey portion of the Philadelphia metropolitan area—including the counties of Burlington, Camden, Goucester and Salem—as well as Atlantic and Cape May Counties.

Child care costs also vary by location. As with housing, child care generally costs less in the more rural and southern part of New Jersey. However, the costs, for example, of preschooler care are lower in the northern county of Sussex ($515 per month) and the urban county of Camden ($546 per month) than in the more rural Atlantic County in southern New Jersey,

Table 1

The Self-Sufficiency Standard for Selected Family Types in Northern Bergen County, 1999*

Monthly Expenses and Shares of Total Budgets

	One Adult		***One Adult, One Infant***		***One Adult, One Infant, One Schoolage***		***Two Adults One Infant, One Schoolage***	
Monthly Expenses:	***Costs***	***% of total***	***Costs***	***% of total***	***Costs***	***% of total***	***Costs***	***% of total***
Housing	*$749*	*53*	*$878*	*30*	*$878*	*26*	*$878*	*19*
Child Care	*NA*	*NA*	*$875*	*30*	*$1135*	*34*	*$1135*	*24*
Food	*$164*	*12*	*$241*	*8*	*$365*	*11*	*$504*	*17*
Transportation	*$54*	*4*	*$54*	*2*	*$54*	*2*	*$108*	*10*
Health Care	*$89*	*6*	*$182*	*6*	*$203*	*6*	*$259*	*9*
Miscellaneous	*$106*	*7*	*$223*	*8*	*$264*	*8*	*$288*	*8*
Taxes	*$253*	*18*	*$569*	*19*	*$641*	*19*	*$670*	*18*
Earned Income Tax Credit (-)	*$0*	*0*	*$0*	*0*	*$0*	*0*	*$0*	*0*
Child Care Tax Credit (-)	*$0*	*0*	*-$40*	*-1*	*-$80*	*-2*	*-$80*	*-3*
Child Tax Credit (-)	*$0*	*0*	*-$42*	*-1*	*-$83*	*-2*	*-$83*	*-2*
Self-Sufficiency Wage— Monthly	***$1,414***	*100*	***$2,941***	*100*	***$3,377***	*100*	***$3,678***	*100*
Hourly*	***$8.04***		***$16.71***		***$19.18***		***$10.45***	***per adult***

**   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). Note: Totals may not add exactly due to rounding.*

where child care for preschoolers costs $578 per month. The highest costs for child care are found in such places as Morris, Somerset, and Northern Bergen Counties (see Appendix tables).

Housing and child care are by far the greatest expenses for working families with children. Single parent families with two children, one of whom is under school-age, generally spend more than half their incomes on these two expenses alone (see Figure 1). Of course, even within a single state, such as New Jersey, the actual costs vary by where one lives.

For families with just one infant or preschool-age child, housing costs average about 20 to 30%, while child care is somewhat less—17 to 25%. For families with two children below school-age, however, child care costs dwarf housing costs, with child care costing from 25 to 30% or more of the family budget, more than the 20 to 25% that goes to housing costs, depending upon the county. (See Tables 1 and 2 and Figure 1.)

Although both housing and child care costs are higher in urban than in rural areas, the differential is somewhat higher for housing. Therefore, the percentage of a family budget that goes to housing—compared

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Table 2

The Self-Sufficiency Standard for Selected Family Types, Atlantic County, 1999*

Monthly Expenses and Shares of Total Budget

	One Adult		One Adult, One Infant		One Adult, One Infant, One Schoolage		Two Adults One Infant, One Schoolage	
Monthly Expenses:	***Costs***	***% of total***	***Costs***	***% of total***	***Costs***	***% of total***	***Costs***	***% of total***
Housing	*$555*	*43*	*$739*	*34*	*$739*	*28*	*$739*	*24*
Child Care	*NA*	*NA*	*$394*	*18*	*$641*	*25*	*$641*	*21*
Food	*$164*	*13*	*$241*	*11*	*$365*	*14*	*$504*	*17*
Transportation	*$157*	*12*	*$167*	*8*	*$167*	*6*	*$318*	*10*
Health Care	*$89*	*7*	*$182*	*8*	*$203*	*8*	*$259*	*9*
Miscellaneous	*$97*	*8*	*$172*	*8*	*$212*	*8*	*$246*	*8*
Taxes	*$221*	*17*	*$381*	*17*	*$453*	*17*	*$517*	*17*
Earned Income Tax Credit (-)	*$0*	*0*	*-$10*	*0*	*$0*	*0*	*$0*	*0*
Child Care Tax Credit (-)	*$0*	*0*	*-$42*	*-2*	*-$80*	*-3*	*-$80*	*-3*
Child Tax Credit (-)	*$0*	*0*	*-$42*	*-2*	*-$83*	*-3*	*-$83*	*-3*
Self-Sufficiency Wage— Monthly	***$1,282***	*100*	***$2,184***	*100*	***$2,616***	*100*	***$3,060***	*100*
Hourly**	***$7.29***		***$12.41***		***$14.86***		***$8.69 per adult***	

**	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).*
Note: Totals may not add exactly due to rounding.

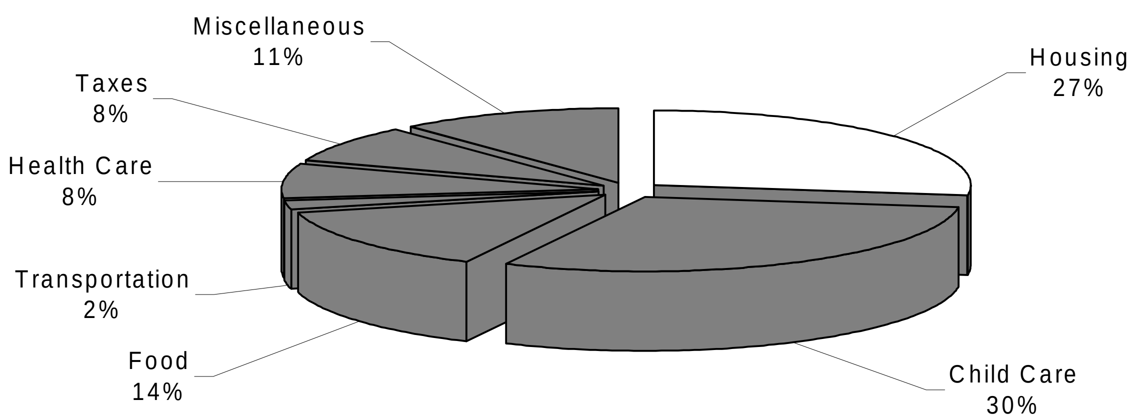
to child care—is generally somewhat higher in urban areas. (See Tables 1 and 2; please note that percentage figures may not add exactly to 100 due to rounding.) Housing and child care costs combined account for a large percentage of a family's total expenses in New Jersey—well over one-half for families with children requiring full-day care. (See Figure 1.)

A family with one parent, one preschool-age child and one school-age child spends more than half of its monthly budget on housing and child care.

Figure 1

Percentage of Income Needed to Meet Basic Needs, 1999

Based on the Self-Sufficiency Standard for a Family with One Parent, One Preschool-age Child and One School-Age Child in Camden County, NJ



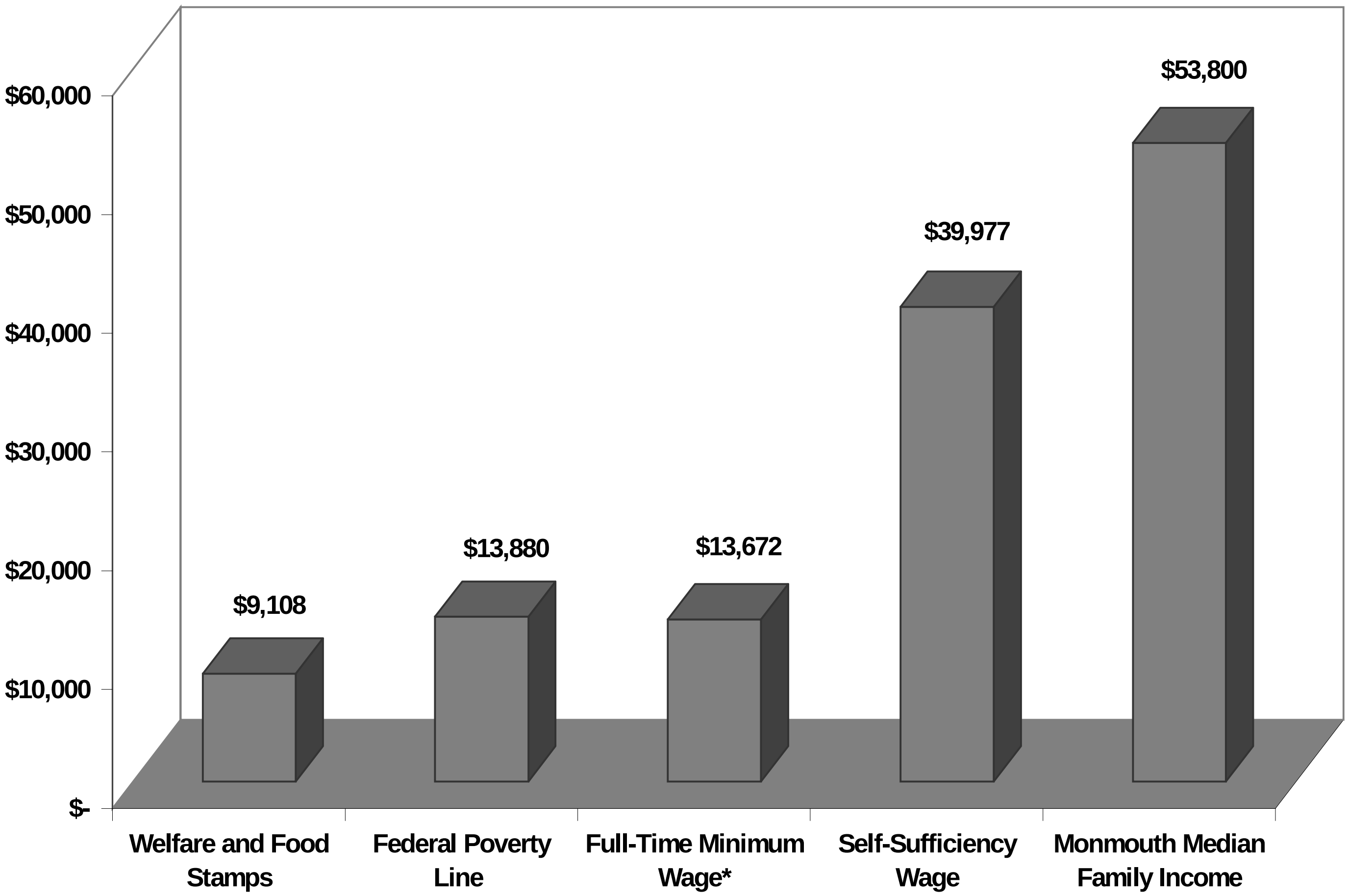
**Note: Percentages include the net effect of taxes and tax credits. Thus, the percentage of income needed for taxes is actually 18%, but with tax credits, the amount owed in taxes is reduced to 7%.*

Totals do not add exactly to 100% due to rounding.

Figure 2

The Self-Sufficiency Standard Compared to Other Benchmarks, 1998

Based on the Self-Sufficiency Standard for a Family with One Parent, One Infant and One School-Age Child in Monmouth, NJ 1999



** The full-time minimum wage figure includes the net effect of taxes and tax credits. Thus, the wages are increased by the three tax credits (EITC, CCTC, and CTC), and reduced by the taxes owed (see text).*

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 Standard to four other benchmarks: the federal poverty measure, the welfare grant package, the minimum wage, and median income.

For purposes of comparison, we use the Standard for a three-person family consisting of one adult, one infant and one school-age child for Monmouth County, which is cost-wise—as well as geographically—in the "middle" in New Jersey. (The other benchmarks presented are also for three-person families, where relevant, although none is as specific as the Standard in terms of age and number of children, and/or geographic location). The standard for this family type, in Monmouth County, New Jersey, is **$39,977**.

Federal Poverty Line: 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 thresholds, if this family had a monthly income of **$1,157** (**$13,880** annually) or less—regardless of where they live, or the age of their children. Thus, the official poverty level for a three person family just over one-third (**35%**) of the amount actually needed for a three-person family (with one adult, one infant and one school-age child) to be self-sufficient in Monmouth. Even in the less expensive rural areas, such as Atlantic County, the official poverty threshold is only about 44% of the amount needed to meet family needs according to the Standard.

The Welfare (TANF) Grant and Food Stamps: Including the cash value of Food Stamps as well as the cash TANF grant, the total welfare grant package is **$759** per month in New Jersey, or **$9,108** per year. This amount is just over one-fifth **(23%)** of the Self-Sufficiency Standard for our three-person family in Monmouth. In more expensive urban areas it would be even less adequate, while in less expensive rural areas it would be slightly more adequate.

Minimum Wage: A full-time worker at the federal minimum wage of $5.15 per hour earns about $892 per month (assuming 40 hours per week and 52 weeks year), or $10,712 per year. Subtracting taxes (payroll (Social Security), and federal and state income taxes), and adding tax credits (the federal Child Care, Child, and Earned Income Tax Credits), this worker would have a cash income of **$1,139** per month, or **$13,672** per year. This is more than her earnings alone because she qualifies for the maximum federal EITC benefit ($3,816), which is more than the taxes she owes. (At this income level, this worker only has to pay sales, payroll, and state income taxes—her income is below the threshold for paying federal income taxes. At the same time, because she does not pay federal income taxes, she does not receive either the Child Care Tax Credit or the Child Tax Credit). Even with the help of the federal EITC, however, a full-time job with minimum wage only provides a little more than one-third (**34%**) of the amount needed to be self-sufficient. If we assume that she pays taxes, but does not receive any EITC payments on a monthly basis, as is true of most workers, she will only receive **$9,856**, which is about one-fourth of the Self-Sufficiency Standard (**25%**).

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 Monmouth is **$53,800**. The Self-Sufficiency Standard for a single-parent family with one infant and one school-age child is **74%** of the median family income for Monmouth.

What is adequate versus what is inadequate, or "low", income, is defined in many ways by various federal and/or state programs. One that is also geographically specific is the U.S. Department of Housing and Urban Development (HUD)'s income standards, which use area median family income as a standard to assess families' needs for housing assistance. Those with incomes below 80% of the median area income are considered "Low Income," those with incomes below 50% of the median are considered "Very Low Income," and those with incomes below 30% of the median are considered "Extremely Low Income". (Almost all assistance is limited to the "Very Low Income" and "Extremely Low Income" categories, and even then, only about one-fourth of eligible families receive housing assistance.) Thus, the Self-Sufficiency Standard for this Monmouth family falls within the HUD definition of "Low Income," but is above the HUD designation of "Very Low Income."

In contrast, in New Jersey, those families with incomes that are 50% or less of area median income are designated as "Low Income", while those with incomes that are between 50% and 80% of the area median are considered to be "Moderate Income". Thus using New Jersey income standards, the Self-Sufficiency Standard for this family is such that they would require a "Moderate Income" to meet their basic needs.

Closing the Gap Between Incomes and the Self-Sufficiency Standard

Of course, many families do not earn Self-Sufficiency Wages, particularly if they have recently entered (or re-entered) the workforce, or live in high-cost areas. They, therefore, cannot afford their housing *and* food *and* child care, much less their other basic needs—forcing them to choose between needs, or to accept substandard or inadequate child care, insufficient food, or substandard housing. This wage gap presents states with a challenge of how to aid families who are striving for self-sufficiency, families whose wages are above the "poverty" level and/or assistance eligibility levels, yet fall below what is needed for self-sufficiency.

The two basic strategies to close this gap in income are to (1) **raise wages** and/or (2) **reduce costs through supports**—public and/or private, in cash or in kind. On the one hand, there are a number of strategies that may be employed to raise the wages earned by an individual. On the other hand, families may be provided with other resources, in cash or in kind, in the form of subsidies or other supports, that help fill the gap between their earnings and their families' needs. These two approaches are not mutually exclusive, but in fact can, and should, be used as appropriate, simultaneously or sequentially. Thus, families may receive some education and training, followed by supports in initially low-wage jobs until wages reach self-sufficiency level. Alternatively, individual parents may combine work and study towards the goal of achieving the education/training necessary to earn a Self Sufficiency Wage.

Raising Wages

Training and Education: Many adults who have language difficulties or inadequate education cannot achieve Self-Sufficiency Wages without first 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. For increasing numbers of workers, this may mean two-year college degrees—as proposed by President Clinton—or four-year degrees.

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 as well as increased efficiency and higher wages. At the same time, education is not a panacea, and many workers who are in essential and valuable low-wage jobs, such as child care workers, already have high average levels of education and training.

Labor Market Reforms: As can be seen in Tables 1 and 2, even two parents working full-time must earn well above the federal minimum wage to meet their family's basic needs in many cases. Raising the minimum wage, particularly in high-cost areas, is essential, because it raises the "floor" for wages, and therefore impacts many workers' earnings. Higher wages also have a positive impact on both workers and their employers, by reducing turnover, increasing experience, and saving on training and recruitment costs for both workers and employers.

Access to Nontraditional Jobs: 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. Working to enhance women's access to these jobs, or training positions leading to these jobs, requires addressing a range of barriers that prevent women from entering and remaining in nontraditional occupations. Likewise, problems of sexual and racial harassment must be addressed in order for women and/or minorities to fully realize their potential.

Removing Barriers to Employment: It is important to recognize that not all barriers to self-sufficiency lie in the individual persons and 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 the key issue. At the same time, this does not mean that individuals or institutions are engaging in deliberate racism and sexism. To address the more subtle, yet substantial, barriers effectively requires all stakeholders—employers, unions, advocates, training providers and educators, welfare officials and program participants—to partner together 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.

Reducing Costs and Meeting Basic Needs Through Supports

There are a number of areas in which New Jersey could address the gap between wages and family needs, helping low-income families achieve self-sufficiency. Below we discuss several of these alternatives, and then model the effects on a family of adding these resources to their wages.

- ***Child Support:*** While not an option for all families, whenever possible child support from absent, non-custodial parents should be sought. Whatever the amount, child support payments reduce the amount required for a family to meet its needs, while providing the support of both parents to meet children's needs. However, higher unemployment rates and lower wages among some groups may result in lesser amounts of child support. For this reason, some states are experimenting with forms of Child Assurance, in which families in which the amount of child support is less than the established minimum (because of the poverty or inability to pay on the part of the non-custodial parent), would receive the difference from the state. As with privately provided child support, Child Assurance payments would be tax-free support for the child(ren).

- ***Health Care Coverage:*** While health care expenses are a relatively small cost item in most of these family type budgets (less than 10%), health care coverage is essential. The Standard assumes that a Self-Sufficiency Wage includes employer-provided (and partially financed) health insurance. Without health benefits, parents have to make the unattractive choice between (1) not working and retaining eligibility for health care coverage (through welfare/ Medicaid), and (2) employment without health care coverage for their families. However, with CHIP (Children's Health Insurance Program), known in New Jersey as NJ KidCare, many families now have the option of covering their children's health care needs when their employer does not offer family coverage. Alternatively, parents who enter the workforce from welfare are eligible for continued no-fee coverage by Medicaid for themselves and their children, although this is limited to two years in New Jersey.

- ***Public Subsidies:*** While the Self-Sufficiency Standard gives the amount of income that families need to meet their basic needs, without the assistance of temporary subsidies, many families cannot achieve self-sufficiency immediately. Subsidies or vouchers such as housing (including Section 8 vouchers and public housing), child care, health care (Medicaid or other plan), and/or transportation (tokens) all aid families as they struggle to become economically independent. At the crucial point in their lives of entering employment, such subsidies can help a family achieve stability, without scrimping on nutrition, or living in overcrowded or substandard housing, or using inadequate child care. This stability can help a family maintain employment, which is a necessary condition for improving wages.

Subsidies or supports such as these greatly reduce the amount of wages needed to adequately meet a family's basic needs. For example, a single parent with two children would need $820 per month for housing in Essex County (including Newark). However, if that parent received a housing subsidy equal to one-half of their housing costs, their housing costs would be reduced to $410 per month, which would in turn, reduce the total amount of income needed to meet expenses.

Public policy choices can have a substantial impact on the ability of families to become self-sufficient—aiding them with temporary supports until they are able to earn wages sufficient to meet their basic needs.

Subsidies reduce both the amount of income required to meet the basic need that has been subsidized and have the indirect effect of decreasing the amount of taxes that would be owed. Subsidies may also increase the Earned Income Tax Credit, the Child Care Tax Credit, and/or the Child Tax Credit.

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

Table 3 (on the next page) shows a number of the options discussed above. They have been modeled for one family—a single parent with an infant and a preschooler—who lives in Mercer County. For a standard of reference, we begin with the Self-Sufficiency Standard for this type family, in Mercer County. As can be seen in the first column of Table 3, the Standard provides the full amount of all the parent's expenses, including taxes, without any subsidies or supports to reduce these costs (except tax credits where applicable). With child care expenses of $1132 per month and housing costs of $810 per month, it is not surprising that the Self-Sufficiency hourly wage is **$19.20**.

Child Support: In the second column, the private "subsidy" of child support is added. (Note that the amount of the subsidy being shown, in this case child support, is bolded in the table). Adding child support reduces by $300 per month the amount that must be earned by this single parent to meet expenses. The amount of $300 per month was used because it is approximately the average amount of child support paid by absent parents per family, not per child. Because this income is not subject to taxes, it has a stronger impact on the family's income. It reduces the required Self-Sufficiency Wage by more than two dollars, to **$16.71** per hour. It does so by lowering the income that must be earned directly, and also has an indirect effect of somewhat lowering the taxes that must be paid on earned income.

Next we turn to the effects of public subsidies. Although we have included the Earned Income Tax Credit (when a family qualifies) in the calculation of the Self-Sufficiency Standard, we do not show it together with subsidies because relatively few families receive the credit on a monthly basis. (Not all who qualify receive the EITC, but of those who do, the great majority receive it as a lump sum payment the following year when they file their tax returns. Frequently it is then used for a security deposit for housing, to settle debts, or as forced savings. In addition, by law, a family can only receive part of the EITC to which they are entitled on a monthly basis, amounting to a maximum of about one-third of the full amount for families with two or more children, or about $116 per month.)

Welfare-to-Work Transition Package: In the third column of Table 3, we assume that this single parent is receiving a typical package of benefits available to those making the welfare-to-work transition. This package potentially includes child care, Food Stamps, and health care through Medicaid.

Although Medicaid reduces her health care costs to zero, her housing costs are so high, that if she earns enough to pay her rent, she will earn too much to qualify for Food Stamps. With the necessity of fully covering food as well as housing costs, her required wage puts her income at a level at which the child care co-payment is quite high ($316 per month for two children), and her priority for receiving child care subsidies is quite low. Although this family's taxes are reduced by both a small Child Care Tax Credit and the Child Tax Credit, she still must earn a wage of **$11.91** per hour to meet her basic needs.

Child Care, Food Stamps, Medicaid, and Housing: In the fourth column, we add a subsidy for housing to the subsidies of child care, Medicaid, and Food Stamps (the welfare-to-work transition package described above.) We assume that the housing costs are reduced to 30% of income—the amount that families are currently required to pay as their "rent" under federal housing assistance programs. (Note that recent legislation passed by Congress will result in many families with tenant-based subsidies paying substantially more than 30% of their incomes in the future). This large subsidy reduces the family's housing costs by almost one-half.

This combination of supports has a strong impact on the wages required to meet family needs. By reducing the amount of income needed to meet housing costs, the lowered income requirement allows the family to qualify for help with food costs through Food

Table 3

Impact of Subsidies on the Self-Sufficiency Wage

of a Single Parent with One Infant and One Preschool-age Child

Mercer County, NJ, 1999

	#1	#2	#3	#4	#5	#6	#7
Monthly Costs	**Self-Sufficiency Standard**	**Child Support**	**Child Care & Medicaid**	**Housing, Child Care, Food Stamps & Medicaid**	**Child Care & NJ KidCare**	**Trans-portation**	**Child Care, Transportation & NJ KidCare**
Housing	810	810	810	**440**	810	810	810
Child Care	1132	1132	**316**	**191**	**366**	1132	**316**
Food	325	325	325	**243**	325	325	325
Transportation	167	167	167	167	167	**0**	**0**
Health Care	203	203	**0**	**0**	**104**	203	**104**
Miscellaneous	264	234	276	276	276	276	276
Taxes	642	533	330	180	370	561	313
Earned Income Tax Credit (-)	0	0	0	0	0	0	0
Child Care Tax Credit (-)	-80	-80	-70	-38	-77	-80	(70)
Child Tax Credit (-)	-83	-83	-62	0	-80	-83	(52)
Child Support	0	**-300**	0	0	0	0	0
Self-Sufficiency Wage-							
Monthly	**$3,380**	**$2,941**	**$2,092**	**$1,459**	**$2,262**	**$3,177**	**$2,023**
Hourly	**$19.20**	**$16.71**	**$11.91**	**$8.37**	**$12.85**	**$18.05**	**$11.53**

**Note: Totals may not add exactly due to rounding.*

Stamps, and increased help with child care costs (although the co-payments are still almost $200 per month). Subsidizing housing thus has a dramatic effect, reducing the required wage—when combined with child care, Medicaid, and Food Stamps—to just **$8.37** per hour. Unfortunately, only about one-fourth of those eligible actually receive housing aid.

Child Care and NJ KidCare: After two years, parents in transition from welfare to work lose full family coverage of health care costs through Medicaid, although children may be covered through New Jersey KidCare for free or at low cost, depending upon family income. This is also the situation of low-income families who have not recently received welfare. In the fifth column, we model the effect of these circumstances by removing the Medicaid coverage, and showing the cost of health care coverage through the employer of just the parent (both health insurance premium and out of pocket costs for an adult) plus the NJ KidCare premium charged for the children ($15 per month).

Without coverage of the health care costs for all family members, the parent must earn an additional $104 to cover these costs. This puts her required income at the highest income level for a child care subsidy (and therefore the lowest priority level).

Thus, she must earn the higher co-payment amount of $366 per month as well as the additional amounts for health care costs, assuming she in fact received a child care subsidy at all. At the higher income level, her taxes increase more than the increase in tax credits. Of course, she also does not qualify for Food Stamps. Thus, without full family health care coverage through Medicaid, and even with the help of NJ KidCare and a child care subsidy, her required wage is now **$12.85**.

Transportation: In the sixth column we examine the impact of subsidizing the cost of transportation. This can be in a variety of forms, including subsidizing public transportation, helping individual workers buy/maintain private cars, or hybrid solutions such as special vans, shared cars, and so forth. By itself, it only reduces the required wage by about one dollar an hour to **$18.05** per hour (compare columns 1 and 6 of Table 3). However, transportation is a "threshold" item, in that the lack of transportation can be an absolute barrier to employment, or prevent obtaining or holding a substantially better job.

Child Care, NJ KidCare, and Transportation: As with housing, the addition of transportation to the other available subsidies of child care and NJ KidCare has a synergistic effect, although not as great, and therefore costs are still not lowered enough to income-qualify for Food Stamps. Nevertheless, by reducing the costs of transportation and health care, the family is once again eligible for child care subsidies (although the co-payment is over $300 per month), taxes are reduced, and the required wage to meet the needs of this family is reduced to **$11.53** per hour.

The figures in Table 3 provide examples for one family type in one area, that of a single parent with one infant and one preschool child, living in Mercer County. The impact of various subsidies and taxes would vary in different communities and for family types, depending on cost levels and policy choices. What is clear from this example is that public policy choices can have a substantial impact on the ability of families to become self-sufficient. By temporarily aiding families with subsidies until they are able to earn self-sufficiency-level wages, families with entry-level wages are able to meet their needs adequately as they enter or re-enter the workforce. Meeting their basic needs means that they can achieve stability in their housing, child care, diet, and health care. This in turn helps support their achieving a steady position in the labor force. Thus, carefully targeted programs and tax policies can play an important role in helping families become fully self-sufficient.

At the same time, it is clear from this example that many parents who are struggling to meet their families' needs, including those making the transition from welfare to work, are facing difficult economic choices. The high cost of living means that families with young children requiring full-time child care cannot meet their needs, even with the help of subsidies, with wages at or near the minimum wage, but require starting wages in the $10-!2 per hour range. That is, the high child care co-payment schedules, together with the high cost of housing in most communities in New Jersey, preclude many parents from obtaining subsidized child care or meeting their nutritional needs with the help of Food Stamps.

Put another way, if a family has enough money for housing and the child care co-payments, they are likely to have too much money to qualify for Food Stamps or child care subsidies. As a result, these policies force families with wages between the minimum wage and self-sufficiency (which for families with two young children is in the range of $17 to $22 per hour) to choose *between* adequate housing, adequate nutrtion, or adequate child care. All three are not possible because in this income range, in these high-cost areas, families cannot afford all of their basic needs because they have too little income, but yet they do not receive help because they have too much income to qualify.

Of course, there are a number of possible options that would reduce some of the costs to families. If families who qualify were to receive their Earned Income Tax Credit payments on a monthly basis, that could add up to $116 per month (the maximum allowable under federal law) to family resources. A second source of additional income would be increased child support for single custodial parents now receiving little or no financial help from the non-custodial parent. A third possibility is to reduce the cost to parents of child care, particularly for those with a second child (families with two children have co-payments that are 75% more than families with one child, at the same income level), and whose incomes range between 100% and 200% of poverty.

How the Self-Sufficiency Standard Can Be Used

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 the welfare client choosing the best route 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 Standard provides a tool and a means to evaluate many different options. The discussion below 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 Policy Tool

The Self-Sufficiency Standard has a number of uses in the development and evaluation of policy in different areas. The Standard is a key component, for example, in the ***Targeted Jobs Strategy.*** This strategy uses the Standard to assess the ability of various jobs, occupations, and sectors to provide self-sufficient wages for workers. The Standard is used together with analysis of the current local labor market supply and demand (to determine jobs that have expanding but unfilled openings), an assessment of the available job training and education infrastructure, and an evaluation of the skills and location of current/potential workers. Through such an analysis, it is possible to assess the jobs and sectors on which to target training and counseling resources.

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 supports are at or above self-sufficiency, it can be determined if these proposed enterprises will require subsidies to the workers as well. Thus, such proposals can be evaluated as to their net positive or negative effect on the local economy as well as the well-being of the potential workers and their families.

The Standard has also been used to ***evaluate impact of proposed policy changes.*** As shown in this report (see Table 3 above), the Standard can be used to evaluate the impact of restructuring subsidy programs, changing co-payment schedules, or implementing tax reforms of various kinds. With the Standard it is possible to not only show the direct impact on family incomes, but to model the interaction effects of taxes, tax credits, and, where applicable, subsidies. It can similarly be used to look at the impact of changing program rules, such as requiring parents to enter employment when their youngest child reaches the age of three months instead of the current twelve months, on both individual families and state budgets.

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 make the case for investing in various types of post-secondary education. Education and training beyond high school provides access to a wide range of jobs paying Self-Sufficiency Wages, and the broad range of skills that enable workers to move into jobs created by rapidly developing new technologies.

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

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

The Self-Sufficiency Standard as a Benchmark for Evaluation

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 and/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 is asked how close the wages achieved are to the family's Self-Sufficiency Wage and thus how the program impacts on the ability of these adults to meet their families' needs adequately. Thus, such evaluations can help redirect resources to the types of approaches that result in improved outcomes for participants.

The Self-Sufficiency Standard as a Counseling Tool

The Standard can be 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 Worksheet*** (available Fall 1999), 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. With the information provided by 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, alone or together with paid employment, provide a path to self-sufficiency for themselves and their families.

The worksheet also provides both counselors and clients with information on available subsidies and supports, integrating in one place a wide range of possibilities not usually brought together—even though clients often must coordinate these various programs in their lives.

The Self-Sufficiency Standard as an Education Tool

The Standard is an important public education tool. It helps not only counselors, but 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. By demonstrating how the various components, and each basic need, fit together, it helps in the understanding of how each is necessary. Thus, it helps facilitate the coordination of various providers of services and supports, both public and private, such as Food Stamps, child care providers, and education and training organizations.

The Self-Sufficiency Standard as a Needs Analysis Tool

The Standard provides for families of all different types and compositions a detailed, yet standardized, analysis of what their cost of living is, and what it costs for working parents to meet, at a minimally adequate level, their basic needs for food, shelter, health care, and so forth. As such, it is being used in two court cases in order to document the minimum amount families need to meet their needs, and their ability to pay (or not pay) additional amounts for non-essentials. The Standard thus provides a specific benchmark that demonstrates the problematic nature of requiring additional payments (in one case, for housing refinancing, and the other, for loan repayments) on the ability of the family to meet their basic needs—without sacrificing nutrition, living in substandard or overcrowded housing, or using inadequate child care.

The Self-Sufficiency Standard can be used at the policymaking, program-delivery, public education and individual counseling levels to improve the likelihood that low-income families will become self-sufficient.

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 on income adequacy and poverty. Since it has long been known that living costs differ greatly between different localities, the Self-Sufficiency Standard provides a means of estimating the true level of "poverty", or income inadequacy, and how this differs from place to place, and among different family types. In addition, the Standard provides a means to measure the adequacy of various supports and subsidies, such as child support or child care subsidies—given a family's income, place of residence, and composition. As a modeling tool, it can be used to research the impact of various subsidies, tax credits, and/or child support—and their interactions—on families at various wage levels of earners, with different compositions, and with varied costs of living.

Conclusion

With the passage of the 1996 welfare legislation—particularly with the advent of work requirements and time limits—helping participants become self-sufficient has become a top priority. The Self-Sufficiency Standard documents the costs of living that families of different sizes must meet to live independently, without public or private subsidies. The Standard demonstrates that, for most families, earnings that are above the official poverty level or earnings that are high enough to disqualify them from welfare, are nevertheless far below what they need to meet their families' basic needs.

The 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.

The Standard has been calculated for a number of other states, including California, Illinois, Indiana, Iowa, Massachusetts, North Carolina, Pennsylvania, Texas, and the Washington, DC metropolitan area. It is anticipated that reports will be completed within the next few months for New York City, New York State, Florida, Connecticut, North Dakota, and Wisconsin.

For further information about the Standard, or to learn about how to have the Standard developed for your community or state, contact Wider Opportunities for Women at (202) 638-3143, or Dr. Diana Pearce at (206) 616-2850.

For further information on the findings and implications of the Self-Sufficiency Standard for New Jersey, contact Legal Services of New Jersey Poverty Research Institute at 732/572-9100 or the Center for Economic Policy and Education.

Endnotes

[1] Anonymous quote in Elizabeth A. Gowdy and Susan R. Pearlmutter, "Economic Self-Sufficiency is a Road I'm On: The Results of Focus Group Research with Low-Income Women," in Liane V. Davis, ed., *Building on Women's Strengths: A Social Work Agenda for the Twenty-First Century* (New York: The Haworth Press, 1994), p. 93.

[2] See for example, William O'Hare, Taynia Mann, Kathryn Porter and Robert Greenstein, *Real Life Poverty in America: Where the American Public would Set the Poverty Line*, Center on Budget and Policy Priorities, July 1990.

[3] One of the first was Patricia Ruggles, author of Drawing the Line. Ruggles' work and the analyses of many others are summarized in Constance Citro and Robert Michael, eds. *Measuring Poverty: A New Approach*, Washington, D.C.: National Academy Press, 1995.

[4] The Basic Needs Budget was developed by Trudi Renwick and Barbara Bergmann. See Barbara Bergmann and Trudi Renwick, "A Budget-Based Definition of Poverty: With an Application to Single-Parent Families," *The Journal of Human Resources*, Vol.28, No.1, p.1-24, Winter 1993. Living Wage campaigns exist in many states and/or cities, with many of them developing an estimate of the minimum wage for several family types in their area/state.

[5] *Boston Globe*, 9/25/98.

[6] While the majority of employed women with children under 18 years of age work full-time (about 70% of married mothers, and 80% 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.

[7] Quoted in Gowdy and Pearlmutter, *op.cit.*, p. 91.

[8] These costs are based on a survey of units that have been on the market within the last two years, and exclude both new housing (two years old or less), and substandard and public housing. They are, however, calculated for the metropolitan area as a whole, and thus for some cities, Newark, or Trenton the Fair Market Rents may be higher than the average housing actually costs in the central city, but lower than the true cost of housing in some suburban areas.

[9] Because of the lack of availability of efficiencies in some areas, and their very uneven quality, it was decided to use one-bedroom units for the single adult and childless couple.

[10] Under the 1988 Family Support Act (which was superceded by the Personal Responsibility and Welfare Reform Act, passed in 1996), states were required to fund or reimburse child care needed by those on welfare (or leaving welfare) at market rate, which was defined as the 75th percentile, for the age of child, setting, and location. Most states conducted surveys of costs, or commissioned child care referral networks or researchers to do these studies.

[11] The costs do not, however, include the initial cost of purchasing a car.

[12] According to the Bureau of Labor Statistics, 83% of non-temporary workers have health insurance, the majority of which is employer-provided.

[13] See Citro and Michael, *op.cit*.

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About the Authors

Diana M. Pearce, Ph.D. teaches at the School of Social Work, University of Washington in Seattle, Washington. 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 from the University of Michigan.

Jennifer Brooks is the Director of Research for Wider Opportunities for Women. Ms. Brooks has worked on the Self-Sufficiency Standards for the Washington Metropolitan Area, Texas, North Carolina, Massachusetts, Illinois, and Pennsylvania. Through her work on WOW's State Organizing Project for Family Economic Self-Sufficiency, Ms. Brooks is researching avenues for policy advocacy at the state and local levels to improve welfare recipients' chances of achieving economic independence. Ms. Brooks received a Master's Degree in Public Policy with a Concentration in Women's Studies from The George Washington University.

List of New Jersey Counties, by Metropolitan Area

Atlantic-Cape May, NJ PMSA
- *Atlantic County*
- *Cape May County*

Bergen-Passaic, NJ PMSA
- *Bergen County*
- *Passaic County*

Jersey City, NJ PMSA
- *Hudson County*

Middlesex-Somerset-Hunterdon, NJ PMSA
- *Hunterdon County*
- *Middlesex County*
- *Somerset County*

Monmouth-Ocean, NJ PMSA
- *Monmouth County*
- *Ocean County*
- *Adams County*

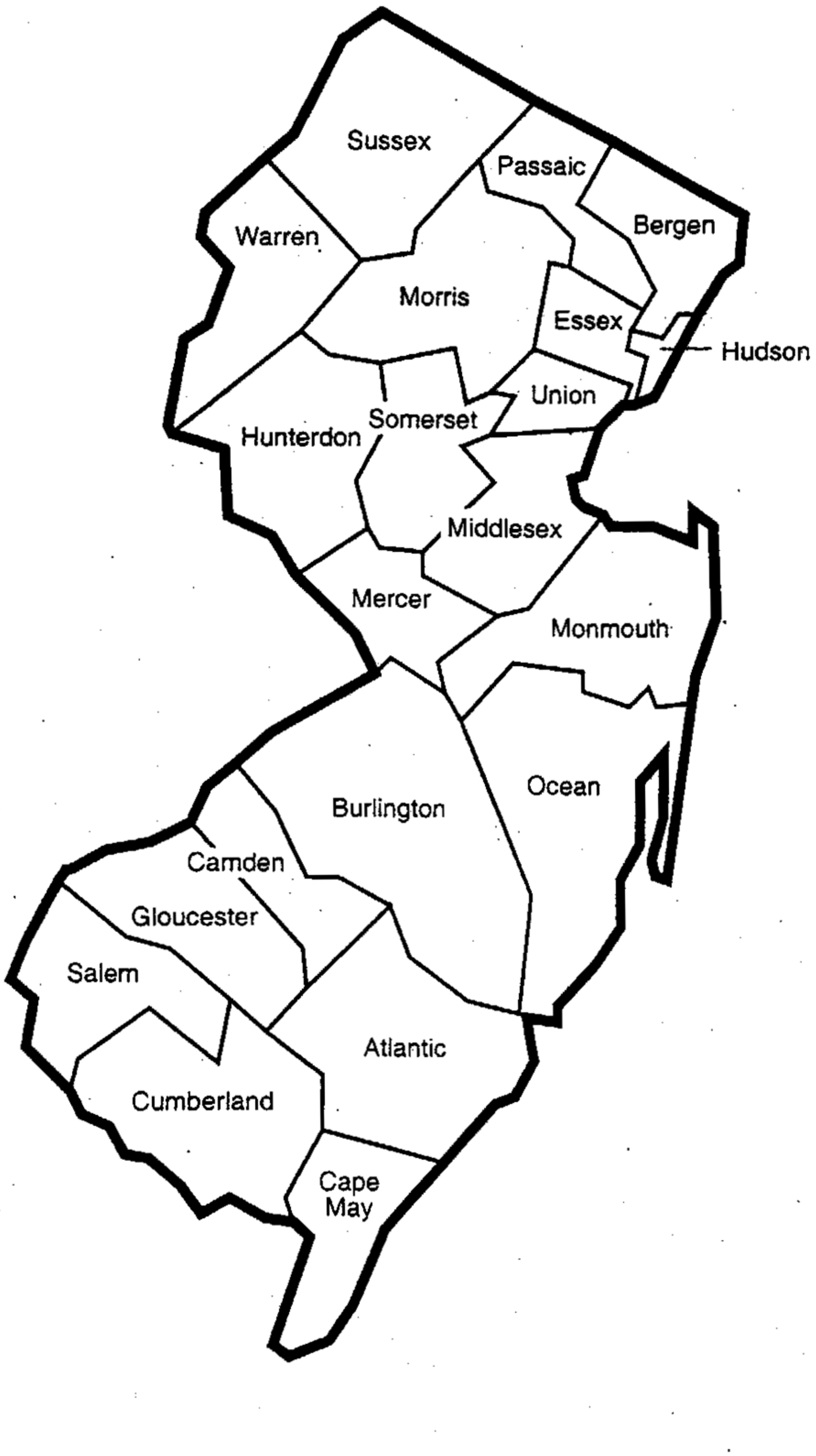
Newark, NJ PMSA
- *Essex County*
- *Morris County*
- *Sussex County*
- *Union County*
- *Warren County*

Trenton, NJ PMSA
- *Mercer County*

Vineland-Millville-Bridgeton, NJ PMSA
- *Cumberland County*

Philadelphia, PA-NJ, PMSA
- *Burlington County*
- *Camden County*
- *Gloucester County*
- *Salem County*

Map of New Jersey Counties



Appendix:
The Self-Sufficiency Standard for Selected Family Types by County

Table 1.
The Self-Sufficiency Standard for Atlantic County, NJ-1999

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	555	739	739	739	739	926	739	739
Child Care	0	394	578	972	247	1219	972	825
Food	164	241	249	325	429	437	466	511
Transportation	157	167	167	167	167	167	318	318
Health Care	89	182	160	203	208	224	259	237
Miscellaneous	97	172	189	241	179	297	275	263
Taxes	221	381	447	558	313	703	623	578
Earned Income Tax Credit (-)	0	(10)	0	0	(104)	0	0	0
Child Care Tax Credit (-)	0	(42)	(40)	(80)	(44)	(80)	(80)	(80)
Child Tax Credit (-)	0	(42)	(42)	(83)	(81)	(125)	(83)	(83)
Monthly Self-Sufficiency Wage	**$1,282**	**$2,184**	**$2,448**	**$3,042**	**$2,053**	**$3,769**	**$3,489**	**$3,308**
Hourly Self-Sufficiency Wage	**$7.29**	**$12.41**	**$13.91**	**$17.28**	**$11.66**	**$21.41**	**$9.91** ***per adult***	**$9.40** ***per adult***

Table 2.
The Self-Sufficiency Standard for Northern Bergen County, NJ-1999

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	749	878	878	878	878	1170	878	878
Child Care	0	875	750	1625	260	1885	1625	1010
Food	164	241	249	325	429	437	466	511
Transportation	54	54	54	54	54	54	108	108
Health Care	89	182	160	203	208	224	259	237
Miscellaneous	106	223	209	309	183	377	334	274
Taxes	253	569	519	805	332	1000	834	619
Earned Income Tax Credit (-)	0	0	0	0	(88)	0	0	0
Child Care Tax Credit (-)	0	(40)	(40)	(80)	(44)	(80)	(80)	(80)
Child Tax Credit (-)	0	(42)	(42)	(83)	(83)	(125)	(83)	(83)
Monthly Self-Sufficiency Wage	**$1,414**	**$2,941**	**$2,738**	**$4,035**	**$2,128**	**$4,943**	**$4,340**	**$3,474**
Hourly Self-Sufficiency Wage	**$8.04**	**$16.71**	**$15.56**	**$22.93**	**$12.09**	**$28.09**	**$12.33** ***per adult***	**$9.87** ***per adult***

Table 3.
The Self-Sufficiency Standard for Southern Bergen County, NJ-1999

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	749	878	878	878	878	1170	878	878
Child Care	0	714	606	1320	189	1509	1320	795
Food	164	241	249	325	429	437	466	511
Transportation	54	54	54	54	54	54	108	108
Health Care	89	182	160	203	208	224	259	237
Miscellaneous	106	207	195	278	176	339	303	253
Taxes	253	511	467	694	301	855	723	541
Earned Income Tax Credit (-)	0	0	0	0	(115)	0	0	0
Child Care Tax Credit (-)	0	(40)	(40)	(80)	(42)	(80)	(80)	(80)
Child Tax Credit (-)	0	(42)	(42)	(83)	(76)	(125)	(83)	(83)
Monthly Self-Sufficiency Wage	**$1,414**	**$2,705**	**$2,527**	**$3,589**	**$2,002**	**$4,385**	**$3,893**	**$3,160**
Hourly Self-Sufficiency Wage	**$8.04**	**$15.37**	**$14.36**	**$20.39**	**$11.37**	**$24.91**	**$11.06** ***per adult***	**$8.98** ***per adult***

Table 4.
The Self-Sufficiency Standard for Burlington County, NJ-1999

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	584	722	722	722	722	903	722	722
Child Care	0	455	498	953	184	1137	953	682
Food	164	241	249	325	429	437	466	511
Transportation	157	167	167	167	167	167	318	318
Health Care	89	182	160	203	208	224	259	237
Miscellaneous	99	177	180	237	171	287	272	247
Taxes	231	401	411	545	282	664	610	520
Earned Income Tax Credit (-)	0	0	0	0	(131)	0	0	0
Child Care Tax Credit (-)	0	(42)	(42)	(80)	(42)	(80)	(80)	(80)
Child Tax Credit (-)	0	(42)	(42)	(83)	(64)	(125)	(83)	(83)
Monthly Self-Sufficiency Wage	**$1,325**	**$2,261**	**$2,304**	**$2,989**	**$1,926**	**$3,615**	**$3,436**	**$3,074**
Hourly Self-Sufficiency Wage	**$7.53**	**$12.85**	**$13.09**	**$16.98**	**$10.94**	**$20.54**	**$9.76** ***per adult***	**$8.73** ***per adult***

Table 5.
The Self-Sufficiency Standard for Camden County, NJ-1999

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	584	722	722	722	722	903	722	722
Child Care	0	476	546	1022	320	1342	1022	866
Food	164	241	249	325	429	437	466	511
Transportation	54	54	54	54	54	54	108	108
Health Care	89	182	160	203	208	224	259	237
Miscellaneous	89	168	173	233	173	296	258	244
Taxes	194	359	385	529	291	698	559	511
Earned Income Tax Credit (-)	0	(24)	(7)	0	(123)	0	0	0
Child Care Tax Credit (-)	0	(44)	(42)	(80)	(46)	(80)	(80)	(80)
Child Tax Credit (-)	0	(42)	(42)	(83)	(66)	(125)	(83)	(83)
Monthly Self-Sufficiency Wage	**$1,174**	**$2,091**	**$2,199**	**$2,925**	**$1,962**	**$3,750**	**$3,229**	**$3,036**
Hourly Self-Sufficiency Wage	**$6.67**	**$11.88**	**$12.50**	**$16.62**	**$11.15**	**$21.31**	**$9.17** *per adult*	**$8.62** *per adult*

Table 6.
The Self-Sufficiency Standard for Cape May County, NJ-1999

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	555	739	739	739	739	926	739	739
Child Care	0	532	553	1085	217	1302	1085	770
Food	164	241	249	325	429	437	466	511
Transportation	157	167	167	167	167	167	318	318
Health Care	89	182	160	203	208	224	259	237
Miscellaneous	97	186	187	252	176	306	287	258
Taxes	221	435	438	599	301	733	664	558
Earned Income Tax Credit (-)	0	0	0	0	(114)	0	0	0
Child Care Tax Credit (-)	0	(40)	(40)	(80)	(44)	(80)	(80)	(80)
Child Tax Credit (-)	0	(42)	(42)	(83)	(74)	(125)	(83)	(83)
Monthly Self-Sufficiency Wage	**$1,282**	**$2,401**	**$2,412**	**$3,207**	**$2,005**	**$3,890**	**$3,654**	**$3,228**
Hourly Self-Sufficiency Wage	**$7.29**	**$13.64**	**$13.70**	**$18.22**	**$11.39**	**$22.10**	**$10.38** *per adult*	**$9.17** *per adult*

Table 7.
The Self-Sufficiency Standard for Cumberland County, NJ-1999

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	573	692	692	692	692	862	692	692
Child Care	0	384	454	838	158	996	838	612
Food	164	241	249	325	429	437	466	511
Transportation	157	167	167	167	167	167	318	318
Health Care	89	182	160	203	208	224	259	237
Miscellaneous	98	167	172	223	165	269	257	237
Taxes	227	354	381	493	260	598	557	484
Earned Income Tax Credit (-)	0	(27)	(10)	0	(150)	0	0	0
Child Care Tax Credit (-)	0	(44)	(42)	(80)	(36)	(80)	(80)	(80)
Child Tax Credit (-)	0	(42)	(42)	(83)	(57)	(125)	(83)	(83)
Monthly Self-Sufficiency Wage	**$1,309**	**$2,075**	**$2,183**	**$2,777**	**$1,837**	**$3,349**	**$3,224**	**$2,928**
Hourly Self-Sufficiency Wage	**$7.43**	**$11.79**	**$12.40**	**$15.78**	**$10.44**	**$19.03**	**$9.16** *per adult*	**$8.32** *per adult*

Table 8.
The Self-Sufficiency Standard for Essex County, NJ-1999

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	681	820	820	820	820	1033	820	820
Child Care	0	474	495	969	247	1216	969	742
Food	164	241	249	325	429	437	466	511
Transportation	54	54	54	54	54	54	108	108
Health Care	89	182	160	203	208	224	259	237
Miscellaneous	99	177	178	237	176	296	262	242
Taxes	229	402	405	546	301	699	575	501
Earned Income Tax Credit (-)	0	0	0	0	(115)	0	0	0
Child Care Tax Credit (-)	0	(42)	(42)	(80)	(44)	(80)	(80)	(80)
Child Tax Credit (-)	0	(42)	(42)	(83)	(74)	(125)	(83)	(83)
Monthly Self-Sufficiency Wage	**$1,315**	**$2,267**	**$2,277**	**$2,991**	**$2,002**	**$3,756**	**$3,295**	**$2,997**
Hourly Self-Sufficiency Wage	**$7.47**	**$12.88**	**$12.94**	**$16.99**	**$11.37**	**$21.34**	**$9.36** *per adult*	**$8.52** *per adult*

Table 9.
The Self-Sufficiency Standard for Gloucester County, NJ-1999

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	584	722	722	722	722	903	722	722
Child Care	0	520	533	1053	260	1313	1053	793
Food	164	241	249	325	429	437	466	511
Transportation	157	167	167	167	167	167	318	318
Health Care	89	182	160	203	208	224	259	237
Miscellaneous	99	183	183	247	179	305	282	258
Taxes	231	425	425	582	312	728	646	560
Earned Income Tax Credit (-)	0	0	0	0	(106)	0	0	0
Child Care Tax Credit (-)	0	(40)	(40)	(80)	(44)	(80)	(80)	(80)
Child Tax Credit (-)	0	(42)	(42)	(83)	(80)	(125)	(83)	(83)
Monthly Self-Sufficiency Wage	**$1,325**	**$2,359**	**$2,358**	**$3,135**	**$2,046**	**$3,873**	**$3,582**	**$3,237**
Hourly Self-Sufficiency Wage	**$7.53**	**$13.40**	**$13.40**	**$17.82**	**$11.63**	**$22.01**	**$10.18** *per adult*	**$9.19** *per adult*

Table 10.
The Self-Sufficiency Standard for Hudson County, NJ-1999

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	666	776	776	776	776	986	776	776
Child Care	0	474	495	969	247	1216	969	742
Food	164	241	249	325	429	437	466	511
Transportation	54	54	54	54	54	54	108	108
Health Care	89	182	160	203	208	224	259	237
Miscellaneous	97	173	173	233	171	292	258	237
Taxes	223	383	387	530	284	682	559	485
Earned Income Tax Credit (-)	0	(8)	(6)	0	(130)	0	0	0
Child Care Tax Credit (-)	0	(42)	(42)	(80)	(46)	(80)	(80)	(80)
Child Tax Credit (-)	0	(42)	(42)	(83)	(61)	(125)	(83)	(83)
Monthly Self-Sufficiency Wage	**$1,293**	**$2,191**	**$2,205**	**$2,926**	**$1,932**	**$3,687**	**$3,231**	**$2,933**
Hourly Self-Sufficiency Wage	**$7.35**	**$12.45**	**$12.53**	**$16.63**	**$10.98**	**$20.95**	**$9.18** *per adult*	**$8.33** *per adult*

Table 11.
The Self-Sufficiency Standard for Hunterdon County, NJ-1999

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	769	960	960	960	960	1304	960	960
Child Care	0	758	719	1477	528	2005	1477	1247
Food	164	241	249	325	429	437	466	511
Transportation	168	178	178	178	178	178	338	338
Health Care	89	182	160	203	208	224	259	237
Miscellaneous	119	232	227	314	230	415	350	329
Taxes	301	602	583	826	534	1143	899	819
Earned Income Tax Credit (-)	0	0	0	0	0	0	0	0
Child Care Tax Credit (-)	0	(40)	(40)	(80)	(40)	(80)	(80)	(80)
Child Tax Credit (-)	0	(42)	(42)	(83)	(83)	(125)	(83)	(83)
Monthly Self-Sufficiency Wage	**$1,610**	**$3,072**	**$2,995**	**$4,121**	**$2,945**	**$5,502**	**$4,586**	**$4,278**
Hourly Self-Sufficiency Wage	**$9.15**	**$17.45**	**$17.02**	**$23.41**	**$16.73**	**$31.26**	**$13.03** *per adult*	**$12.15** *per adult*

Table 12.
The Self-Sufficiency Standard for Mercer County, NJ-1999

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	665	810	810	810	810	1097	810	810
Child Care	0	526	612	1138	490	1628	1138	1102
Food	164	241	249	325	429	437	466	511
Transportation	157	167	167	167	167	167	318	318
Health Care	89	182	160	203	208	224	259	237
Miscellaneous	108	193	200	264	210	355	299	298
Taxes	260	459	485	644	462	919	709	705
Earned Income Tax Credit (-)	0	0	0	0	0	0	0	0
Child Care Tax Credit (-)	0	(40)	(40)	(80)	(40)	(80)	(80)	(80)
Child Tax Credit (-)	0	(42)	(42)	(83)	(83)	(125)	(83)	(83)
Monthly Self-Sufficiency Wage	**$1,442**	**$2,496**	**$2,602**	**$3,389**	**$2,653**	**$4,623**	**$3,836**	**$3,817**
Hourly Self-Sufficiency Wage	**$8.20**	**$14.18**	**$14.78**	**$19.25**	**$15.07**	**$26.27**	**$10.90** *per adult*	**$10.84** *per adult*

Table 13.
The Self-Sufficiency Standard for Middlesex County, NJ-1999

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	769	960	960	960	960	1304	960	960
Child Care	0	560	596	1156	432	1588	1156	1028
Food	164	241	249	325	429	437	466	511
Transportation	54	54	54	54	54	54	108	108
Health Care	89	182	160	203	208	224	259	237
Miscellaneous	108	200	202	270	208	361	295	284
Taxes	260	485	493	664	454	938	694	656
Earned Income Tax Credit (-)	0	0	0	0	0	0	0	0
Child Care Tax Credit (-)	0	(40)	(40)	(80)	(40)	(80)	(80)	(80)
Child Tax Credit (-)	0	(42)	(42)	(83)	(83)	(125)	(83)	(83)
Monthly Self-Sufficiency Wage	**$1,443**	**$2,600**	**$2,633**	**$3,469**	**$2,622**	**$4,702**	**$3,774**	**$3,621**
Hourly Self-Sufficiency Wage	**$8.20**	**$14.77**	**$14.96**	**$19.71**	**$14.90**	**$26.72**	**$10.72** *per adult*	**$10.29** *per adult*

Table 14.
The Self-Sufficiency Standard for Monmouth County, NJ-1999

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	693	879	879	879	879	1168	879	879
Child Care	0	567	606	1173	406	1579	1173	1012
Food	164	241	249	325	429	437	466	511
Transportation	174	184	184	184	184	184	348	348
Health Care	89	182	160	203	208	224	259	237
Miscellaneous	112	205	208	276	211	359	312	299
Taxes	276	505	514	688	462	933	758	708
Earned Income Tax Credit (-)	0	0	0	0	0	0	0	0
Child Care Tax Credit (-)	0	(40)	(40)	(80)	(40)	(80)	(80)	(80)
Child Tax Credit (-)	0	(42)	(42)	(83)	(83)	(125)	(83)	(83)
Monthly Self-Sufficiency Wage	**$1,507**	**$2,682**	**$2,719**	**$3,566**	**$2,656**	**$4,680**	**$4,032**	**$3,831**
Hourly Self-Sufficiency Wage	**$8.56**	**$15.24**	**$15.45**	**$20.26**	**$15.09**	**$26.59**	**$11.45** *per adult*	**$10.88** *per adult*

Table 15.
The Self-Sufficiency Standard for Morris County, NJ-1999

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	681	820	820	820	820	1033	820	820
Child Care	0	792	758	1550	541	2091	1550	1299
Food	164	241	249	325	429	437	466	511
Transportation	168	178	178	178	178	178	338	338
Health Care	89	182	160	203	208	224	259	237
Miscellaneous	110	221	217	308	218	396	343	321
Taxes	270	563	546	802	488	1073	869	787
Earned Income Tax Credit (-)	0	0	0	0	0	0	0	0
Child Care Tax Credit (-)	0	(40)	(40)	(80)	(40)	(80)	(80)	(80)
Child Tax Credit (-)	0	(42)	(42)	(83)	(83)	(125)	(83)	(83)
Monthly Self-Sufficiency Wage	**$1,482**	**$2,917**	**$2,847**	**$4,023**	**$2,759**	**$5,229**	**$4,482**	**$4,149**
Hourly Self-Sufficiency Wage	**$8.42**	**$16.57**	**$16.18**	**$22.86**	**$15.68**	**$29.71**	**$12.73** *per adult*	**$11.79** *per adult*

Table 16.
The Self-Sufficiency Standard for Ocean County, NJ-1999

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	693	879	879	879	879	1168	879	879
Child Care	0	585	541	1126	314	1440	1126	855
Food	164	241	249	325	429	437	466	511
Transportation	174	184	184	184	184	184	348	348
Health Care	89	182	160	203	208	224	259	237
Miscellaneous	112	207	201	272	201	345	308	283
Taxes	276	512	491	671	399	877	741	651
Earned Income Tax Credit (-)	0	0	0	0	(15)	0	0	0
Child Care Tax Credit (-)	0	(40)	(40)	(80)	(40)	(80)	(80)	(80)
Child Tax Credit (-)	0	(42)	(42)	(83)	(83)	(125)	(83)	(83)
Monthly Self-Sufficiency Wage	**$1,507**	**$2,709**	**$2,624**	**$3,497**	**$2,476**	**$4,471**	**$3,963**	**$3,601**
Hourly Self-Sufficiency Wage	**$8.56**	**$15.39**	**$14.91**	**$19.87**	**$14.07**	**$25.41**	**$11.26** *per adult*	**$10.23** *per adult*

Table 17.
The Self-Sufficiency Standard for Passaic County, NJ-1999

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	749	878	878	878	878	1170	878	878
Child Care	0	474	495	969	247	1216	969	742
Food	164	241	249	325	429	437	466	511
Transportation	157	167	167	167	167	167	318	318
Health Care	89	182	160	203	208	224	259	237
Miscellaneous	116	194	195	254	193	322	289	269
Taxes	290	465	467	608	381	790	672	599
Earned Income Tax Credit (-)	0	0	0	0	(45)	0	0	0
Child Care Tax Credit (-)	0	(40)	(40)	(80)	(40)	(80)	(80)	(80)
Child Tax Credit (-)	0	(42)	(42)	(83)	(83)	(125)	(83)	(83)
Monthly Self-Sufficiency Wage	**$1,565**	**$2,520**	**$2,530**	**$3,241**	**$2,335**	**$4,122**	**$3,688**	**$3,390**
Hourly Self-Sufficiency Wage	**$8.89**	**$14.32**	**$14.38**	**$18.41**	**$13.27**	**$23.42**	**$10.48** *per adult*	**$9.63** *per adult*

Table 18.
The Self-Sufficiency Standard for Salem County, NJ-1999

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	584	722	722	722	722	903	722	722
Child Care	0	409	420	829	331	1160	829	751
Food	164	241	249	325	429	437	466	511
Transportation	157	167	167	167	167	167	318	318
Health Care	89	182	160	203	208	224	259	237
Miscellaneous	99	172	172	225	186	289	259	254
Taxes	231	381	379	500	347	673	565	545
Earned Income Tax Credit (-)	0	(10)	(11)	0	(76)	0	0	0
Child Care Tax Credit (-)	0	(42)	(42)	(80)	(42)	(80)	(80)	(80)
Child Tax Credit (-)	0	(42)	(42)	(83)	(83)	(125)	(83)	(83)
Monthly Self-Sufficiency Wage	**$1,325**	**$2,180**	**$2,175**	**$2,808**	**$2,189**	**$3,649**	**$3,255**	**$3,175**
Hourly Self-Sufficiency Wage	**$7.53**	**$12.39**	**$12.36**	**$15.95**	**$12.44**	**$20.73**	**$9.25** *per adult*	**$9.02** *per adult*

Table 19.
The Self-Sufficiency Standard for Somerset County, NJ-1999

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	769	960	960	960	960	1304	960	960
Child Care	0	758	627	1385	317	1702	1385	944
Food	164	241	249	325	429	437	466	511
Transportation	168	178	178	178	178	178	338	338
Health Care	89	182	160	203	208	224	259	237
Miscellaneous	119	232	218	305	209	385	341	299
Taxes	301	602	549	793	457	1029	860	709
Earned Income Tax Credit (-)	0	0	0	0	0	0	0	0
Child Care Tax Credit (-)	0	(40)	(40)	(80)	(40)	(80)	(80)	(80)
Child Tax Credit (-)	0	(42)	(42)	(83)	(83)	(125)	(83)	(83)
Monthly Self-Sufficiency Wage	**$1,610**	**$3,072**	**$2,860**	**$3,986**	**$2,636**	**$5,055**	**$4,446**	**$3,835**
Hourly Self-Sufficiency Wage	**$9.15**	**$17.45**	**$16.25**	**$22.65**	**$14.98**	**$28.72**	**$12.63** ***per adult***	**$10.89** ***per adult***

Table 20.
The Self-Sufficiency Standard for Sussex County, NJ-1999

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	681	820	820	820	820	1033	820	820
Child Care	0	563	515	1078	217	1295	1078	732
Food	164	241	249	325	429	437	466	511
Transportation	168	178	178	178	178	178	338	338
Health Care	89	182	160	203	208	224	259	237
Miscellaneous	110	198	192	260	185	317	296	264
Taxes	270	480	458	630	345	773	698	581
Earned Income Tax Credit (-)	0	0	0	0	(78)	0	0	0
Child Care Tax Credit (-)	0	(40)	(40)	(80)	(42)	(80)	(80)	(80)
Child Tax Credit (-)	0	(42)	(42)	(83)	(83)	(125)	(83)	(83)
Monthly Self-Sufficiency Wage	**$1,482**	**$2,582**	**$2,491**	**$3,332**	**$2,179**	**$4,053**	**$3,792**	**$3,320**
Hourly Self-Sufficiency Wage	**$8.42**	**$14.67**	**$14.16**	**$18.93**	**$12.38**	**$23.03**	**$10.77** ***per adult***	**$9.43** ***per adult***

Table 21.
The Self-Sufficiency Standard for Union County (lower-income/primarily urban), NJ-1999

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	681	820	820	820	820	1033	820	820
Child Care	0	541	500	1041	235	1276	1041	735
Food	164	241	249	325	429	437	466	511
Transportation	54	54	54	54	54	54	108	108
Health Care	89	182	160	203	208	224	259	237
Miscellaneous	99	184	178	244	175	302	269	241
Taxes	229	427	406	572	296	721	601	499
Earned Income Tax Credit (-)	0	0	0	0	(119)	0	0	0
Child Care Tax Credit (-)	0	(40)	(42)	(80)	(46)	(80)	(80)	(80)
Child Tax Credit (-)	0	(42)	(42)	(83)	(69)	(125)	(83)	(83)
Monthly Self-Sufficiency Wage	**$1,315**	**$2,367**	**$2,285**	**$3,096**	**$1,983**	**$3,843**	**$3,400**	**$2,987**
Hourly Self-Sufficiency Wage	**$7.47**	**$13.45**	**$12.98**	**$17.59**	**$11.27**	**$21.84**	**$9.66** *per adult*	**$8.49** *per adult*

Table 22.
The Self-Sufficiency Standard for Union County (higher-income/primarily suburban), NJ-1999

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	681	820	820	820	820	1033	820	820
Child Care	0	866	600	1466	262	1728	1466	862
Food	164	241	249	325	429	437	466	511
Transportation	54	54	54	54	54	54	108	108
Health Care	89	182	160	203	208	224	259	237
Miscellaneous	99	216	188	287	177	348	312	254
Taxes	229	545	443	726	306	885	755	545
Earned Income Tax Credit (-)	0	0	0	0	(110)	0	0	0
Child Care Tax Credit (-)	0	(40)	(40)	(80)	(44)	(80)	(80)	(80)
Child Tax Credit (-)	0	(42)	(42)	(83)	(77)	(125)	(83)	(83)
Monthly Self-Sufficiency Wage	**$1,315**	**$2,843**	**$2,434**	**$3,718**	**$2,025**	**$4,505**	**$4,022**	**$3,173**
Hourly Self-Sufficiency Wage	**$7.47**	**$16.15**	**$13.83**	**$21.12**	**$11.51**	**$25.60**	**$11.43** *per adult*	**$9.01** *per adult*

Table 23.
The Self-Sufficiency Standard for Warren County, NJ-1999

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	681	820	820	820	820	1033	820	820
Child Care	0	758	650	1408	325	1733	1408	975
Food	164	241	249	325	429	437	466	511
Transportation	168	178	178	178	178	178	338	338
Health Care	89	182	160	203	208	224	259	237
Miscellaneous	110	218	206	293	196	361	329	288
Taxes	270	551	507	750	372	938	818	669
Earned Income Tax Credit (-)	0	0	0	0	(38)	0	0	0
Child Care Tax Credit (-)	0	(40)	(40)	(80)	(40)	(80)	(80)	(80)
Child Tax Credit (-)	0	(42)	(42)	(83)	(83)	(125)	(83)	(83)
Monthly Self-Sufficiency Wage	**$1,482**	**$2,867**	**$2,689**	**$3,815**	**$2,367**	**$4,700**	**$4,274**	**$3,675**
Hourly Self-Sufficiency Wage	**$8.42**	**$16.29**	**$15.28**	**$21.68**	**$13.45**	**$26.70**	**$12.14** *per adult*	**$10.44** *per adult*