

# 2009 Indiana Self-Sufficiency Standard



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# About the Self-Sufficiency Standard

- Developed and authored by Dr. Diana Pearce
- The 2009 Indiana Self-Sufficiency Standard is the fourth edition.
- Indiana is one of 37 states and the District of Columbia with a Self-Sufficiency Standard.

# What is the Self-Sufficiency Standard?

- Measures how much a family of a certain composition in a given geographic location needs to meet their basic needs without government or private subsidies.
- The Standard is calculated for 70 family types in each of Indiana's 92 counties.

# Methodology and Assumptions

Making the Standard as consistent and accurate as possible, yet varied by geography and the age of children, requires meeting several different criteria. To the extent possible, the data used in the Self-Sufficiency Standard are:

- collected or calculated using standardized or equivalent methodology nationwide;
- obtained from scholarly or credible sources such as the U.S. Census Bureau;
- updated annually\*; and
- geographically- and/or age-specific, as appropriate.

\* While the formulas and calculations for the Standard are updated annually, the Indiana specific numbers are only updated every 3 years.

# Housing Costs

- Fair Market Rents as calculated annually by the Department of Housing and Urban Development (HUD)
- National Low Income Housing Coalition (NLIHC) Median Gross Rents for each of the counties included in the metropolitan areas
- To determine the number of bedrooms required for a family, the Standard assumes that parents and children do not share the same bedroom and no more than two children share a bedroom.

# Child Care Costs

- The Indiana Child Care Market Rate Survey was prepared for the Indiana Family and Social Services Administration (2008-2009)
- Assumes children are cared for at paid in-home daycare facilities, or some type of daycare center
  - infant rates (0 up to 3 years of age) were calculated using the cost of full-time care at licensed in home care facilities
  - Preschooler rates (3 to 5 years of age) were calculated using the cost of full-time care at a licensed center.
  - schoolage children rates (6 to 12years) were calculated using part-time licensed center care rates (to reflect before and after school care costs)

# Food Costs

- The USDA Low-Cost Food Plan (June 2009)
- Costs of feeding children vary by number of children and age of the children
- Costs of feeding adults vary by number and gender
  - Single adult households = adult male
  - Single parent households = adult female
  - Two-parent households = 1 adult male 1 adult female
- Geographically variations calculated by using the ACCRA Cost of Living Index, published by the Council for Community and Economic Research.



# Transportation Costs

- The Standard assumes all workers use private transportation (i.e. they own and maintain a car).
  - One adult households are assume to own one car
  - Two adult households are assume to own two cars
- Driving Cost data comes from the American Automobile Association is used.
- Commuting Distances are calculated using national data from the National Household Travel Survey 2001.
- Average Insurance Premiums are calculated with state data from a survey conducted by the National Association of Insurance Commissioners

# Health Care Costs

- Employer-Sponsored Health Insurance for workers and their families
  - In Indiana the full-time worker's employer pays an average of 79% of premiums for the worker and 77% of premiums for the family.
- Premiums are obtained from The Henry J. Kaiser Foundation State Health Facts online (individual and family premiums) and by Anthem Blue Cross Blue Shield
- Out-of-Pocket expenses are also factored in, the data comes from the Medical Expenditure Panel Survey (MEPS)

# Miscellaneous Costs

- These costs are calculated by taking 10% of all other costs
- This contains all other essential costs
  - Clothing and shoes,
  - Paper products,
  - Diapers,
  - Nonprescription medicines,
  - Cleaning products,
  - Hygiene items, and
  - Telephone service
- It does not include recreation, entertainment, savings, or debt repayment

# Taxes And Credits

- What comes out?
  - Federal and State Income Taxes
  - Payroll Taxes
  - And State and Local Sales Taxes
- What gets added in?
  - Federal and State EITC
  - Federal Child Care Tax Credit
  - Federal Child Tax Credit
  - Federal Making Work Pay Credit (2009 specific)

# Self-Sufficiency Standard vs. Federal Poverty Guidelines

- **Self-Sufficiency Standard**

- Cost of basic needs based on local costs
- County specific
- Assumes all adults are working full-time
- Adjusts by family size and composition
- Includes taxes and tax credits

- **Federal Poverty Guidelines**

- Based solely on food costs
- Does not take into account geographic location
- Assumes one parent stays at home and the other is working
- Adds flat rate per extra person (\$3,740 in 2009)
- Taxes not included

# Federal Poverty Measure

## The 2009 Poverty Guidelines for the 48 Contiguous States and the District of Columbia

Persons in family	Poverty guideline
1	\$10,830
2	14,570
3	18,310
4	22,050
5	25,790
6	29,530
7	33,270
8	37,010

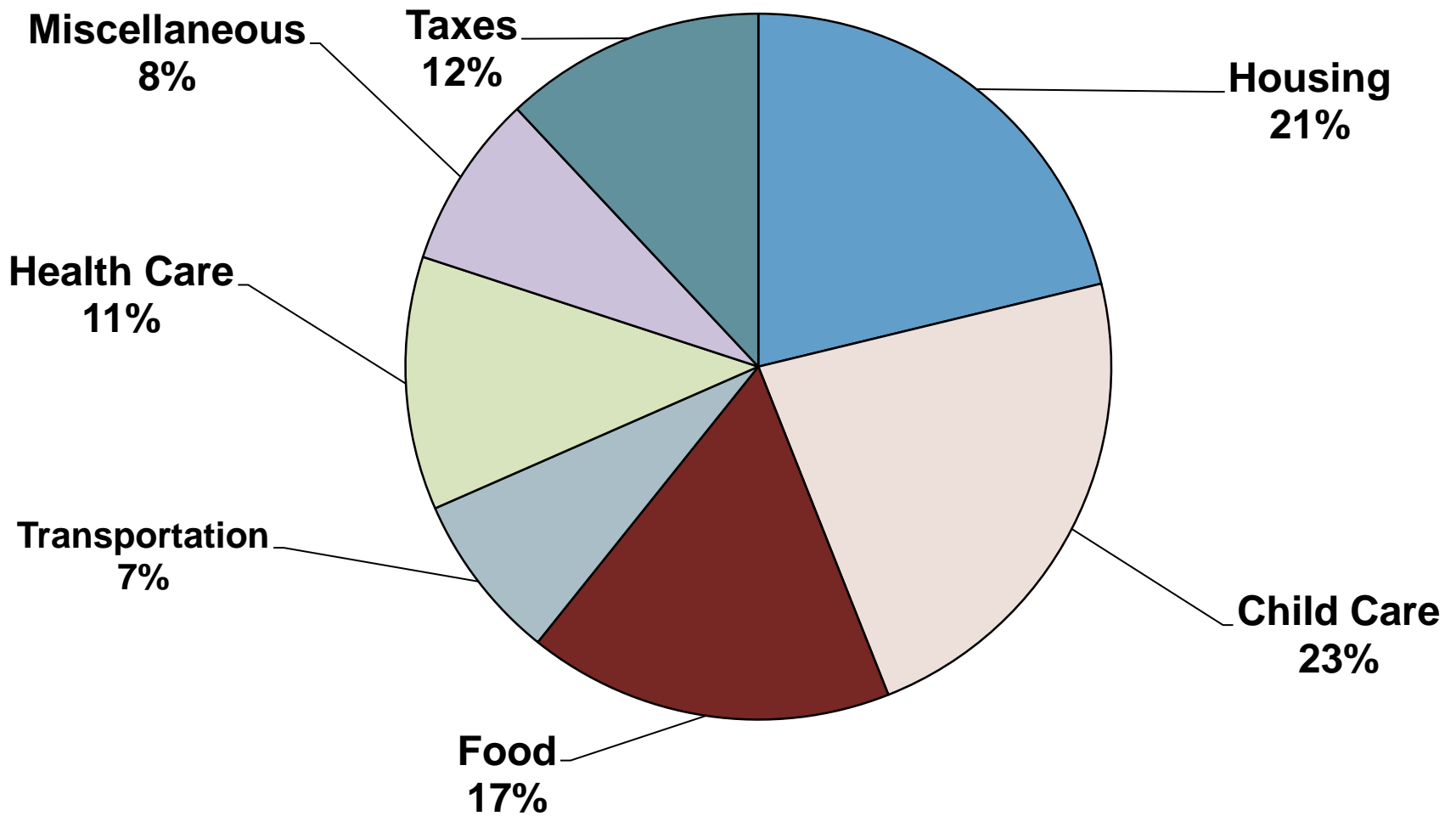
For families with more than 8 persons, add \$3,740 for each additional person

Table 33  
The Self-Sufficiency Standard for Henry County, IN 2009

<b>MONTHLY COSTS</b>	<b>Adult</b>	<b>Adult + Preschooler</b>	<b>Adult + Infant Preschooler</b>	<b>Adult + Preschooler Schoolage</b>	<b>Adult + Schoolage Teenager</b>	<b>Adult + Infant Preschooler Schoolage</b>	<b>2 Adults+ Infant Preschooler</b>	<b>2 Adults + Preschooler Schoolage</b>
Housing	524	627	627	627	627	806	627	627
Child Care	0	399	812	673	273	1085	812	673
Food	219	331	434	495	573	584	622	680
Transportation	221	227	227	227	227	227	432	432
Health Care	139	321	334	343	371	356	397	406
Miscellaneous	110	191	243	236	207	306	289	282
Taxes	211	294	381	354	246	578	439	413
Earned Income Tax Credit (-)	0	-159	-178	-205	-319	0	-145	-173
Child Care Tax Credit (-)	0	-74	-98	-86	-36	-105	-98	-85
Child Tax Credit (-)	0	-83	-167	-167	-167	-250	-167	-167
Making Work Pay Tax Credit (-)	-33	-33	-33	-33	-33	-33	-67	-67
<b>SELF-SUFFICIENCY WAGE</b>								
<b>HOURLY</b>	<b>\$7.90</b>	<b>\$11.59</b>	<b>\$14.68</b>	<b>\$14.00</b>	<b>\$11.20</b>	<b>\$20.19</b>	<b>\$8.93</b> per adult	<b>\$8.58</b> per adult
<b>MONTHLY</b>	<b>\$1,390</b>	<b>\$2,040</b>	<b>\$2,583</b>	<b>\$2,464</b>	<b>\$1,970</b>	<b>\$3,553</b>	<b>\$3,142</b>	<b>\$3,019</b>
<b>ANNUAL</b>	<b>\$16,685</b>	<b>\$24,483</b>	<b>\$31,002</b>	<b>\$29,572</b>	<b>\$23,644</b>	<b>\$42,639</b>	<b>\$37,701</b>	<b>\$36,229</b>

# Monthly Expenses Based on Standard

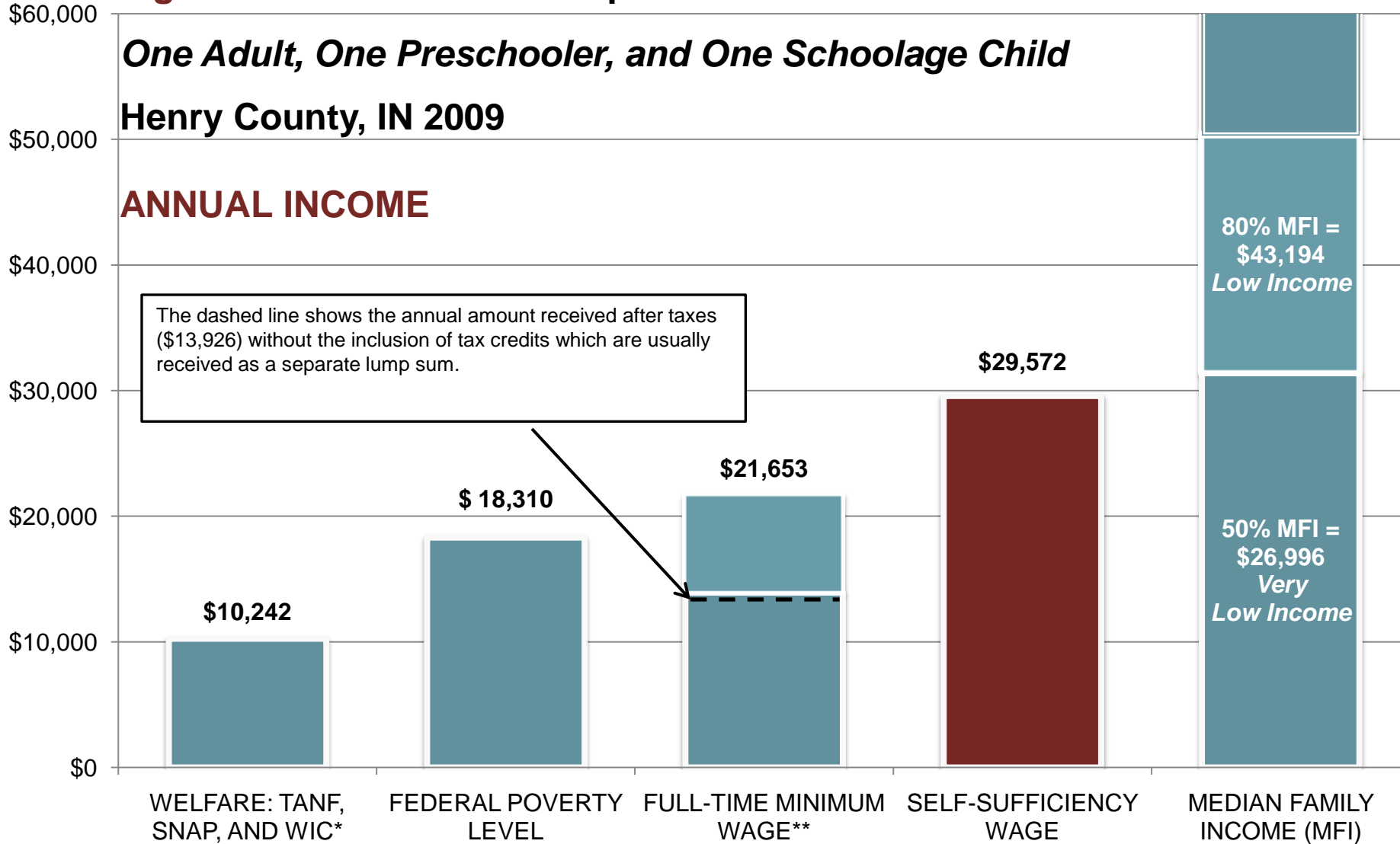
for One Adult, One Preschooler, and One Schoolage Child  
in Henry County





**Figure 4. The Standard Compared to Other Benchmarks**

**\$53,992**



# Definitions of Poverty

- Severe Poverty –below 50% of the Federal Poverty Guidelines
- Poverty–below 100% of the Federal Poverty Guidelines
- Low-Income –below 200% of the Federal Poverty Guidelines
- Self-Sufficient –approx. at or above 200% the Federal Poverty Guidelines

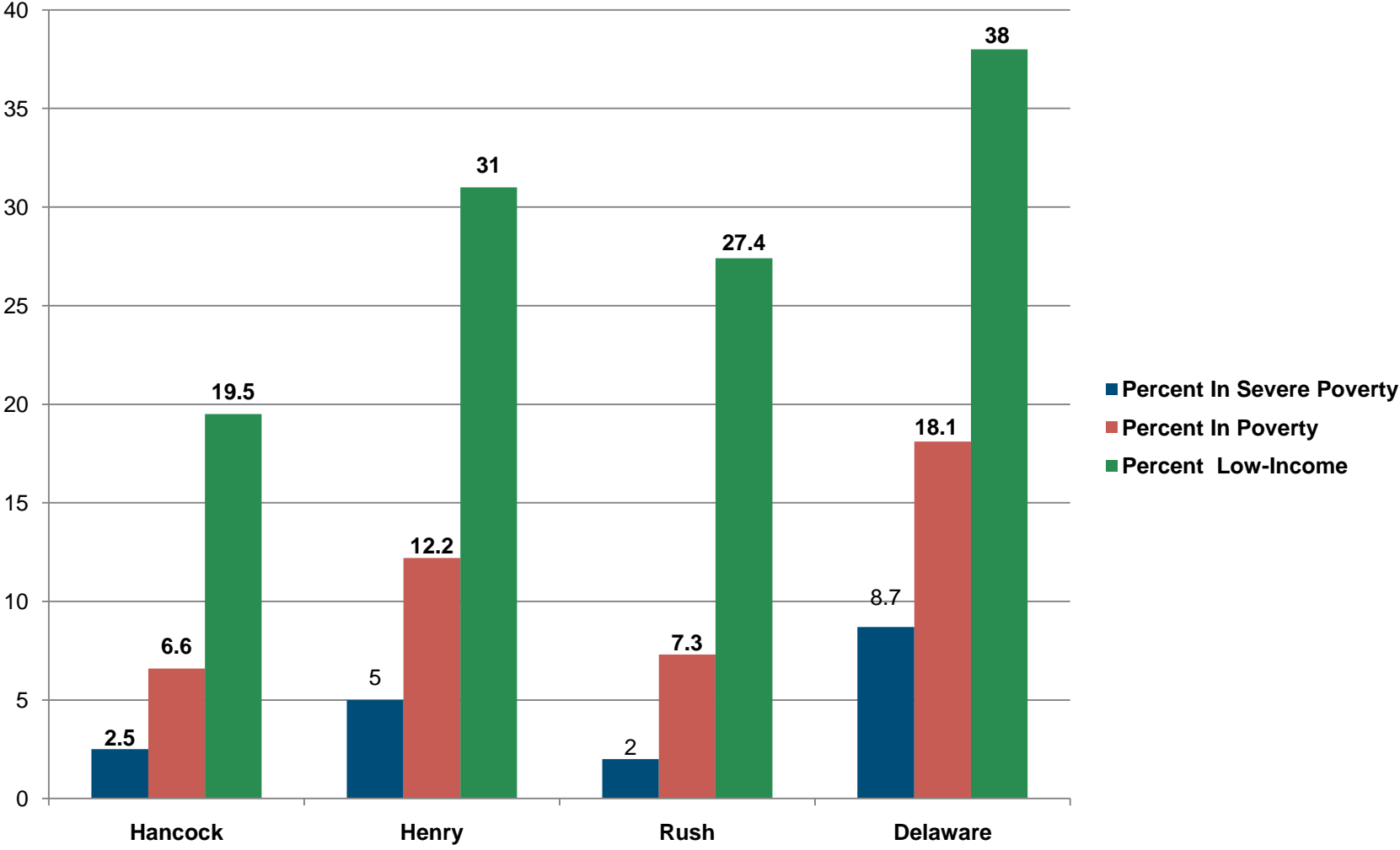
# Poverty by the Numbers

	Number In Severe Poverty	Percent In Severe Poverty	Number In Poverty	Percent In Poverty	Number Low-Income	Percent Low-Income
Delaware	9,362	8.7%	19,368	18.1%	<b>40,589</b>	<b>38%</b>
Hancock	1,642	2.5%	4,265	6.6%	<b>12,608</b>	<b>19.5%</b>
Henry	2,256	5%	5,462	12.2%	<b>13,928</b>	<b>31%</b>
Rush*	433	2%	1,301	7.3%	<b>4,896</b>	<b>27.4%</b>

2008 ACS Data (3 year averages)

\* Rush County Data is from 2000

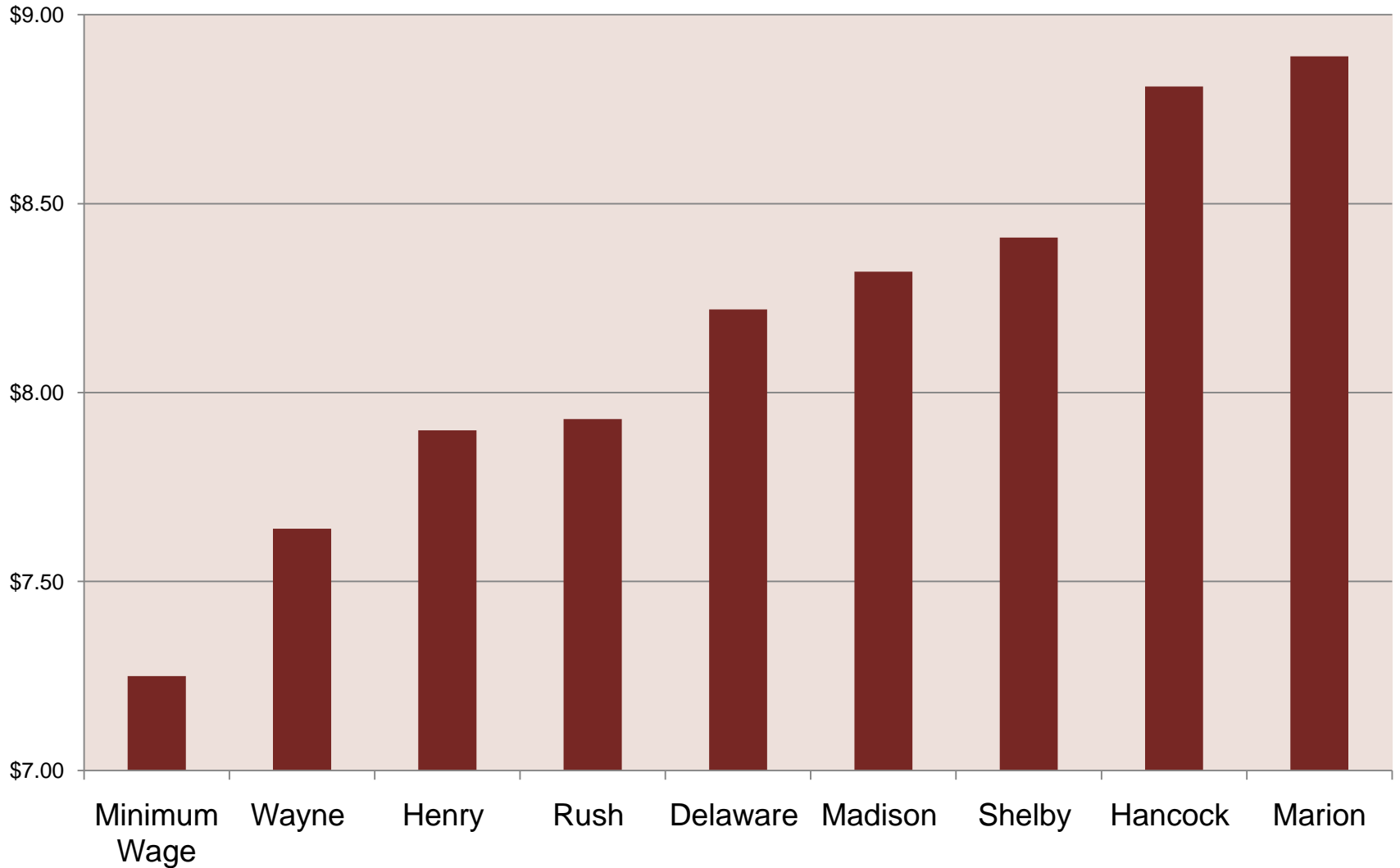
# Poverty Status Percentage of Population by County



# Self-Sufficiency Wages

Self- Sufficiency Wage for a Single Adult			
	Hourly	Monthly	Annual
Wayne	\$7.64	\$1,344	\$16,131
Henry	\$7.90	\$1,390	\$16,685
Rush	\$7.93	\$1,396	\$16,753
Delaware	\$8.22	\$1,446	\$17,354
Madison	\$8.32	\$1,464	\$17,573
Shelby	\$8.41	\$1,479	\$17,752
Hancock	\$8.81	\$1,550	\$18,601
Marion	\$8.89	\$1,564	\$18,770

# Minimum Wage vs. Self-Sufficiency Wage

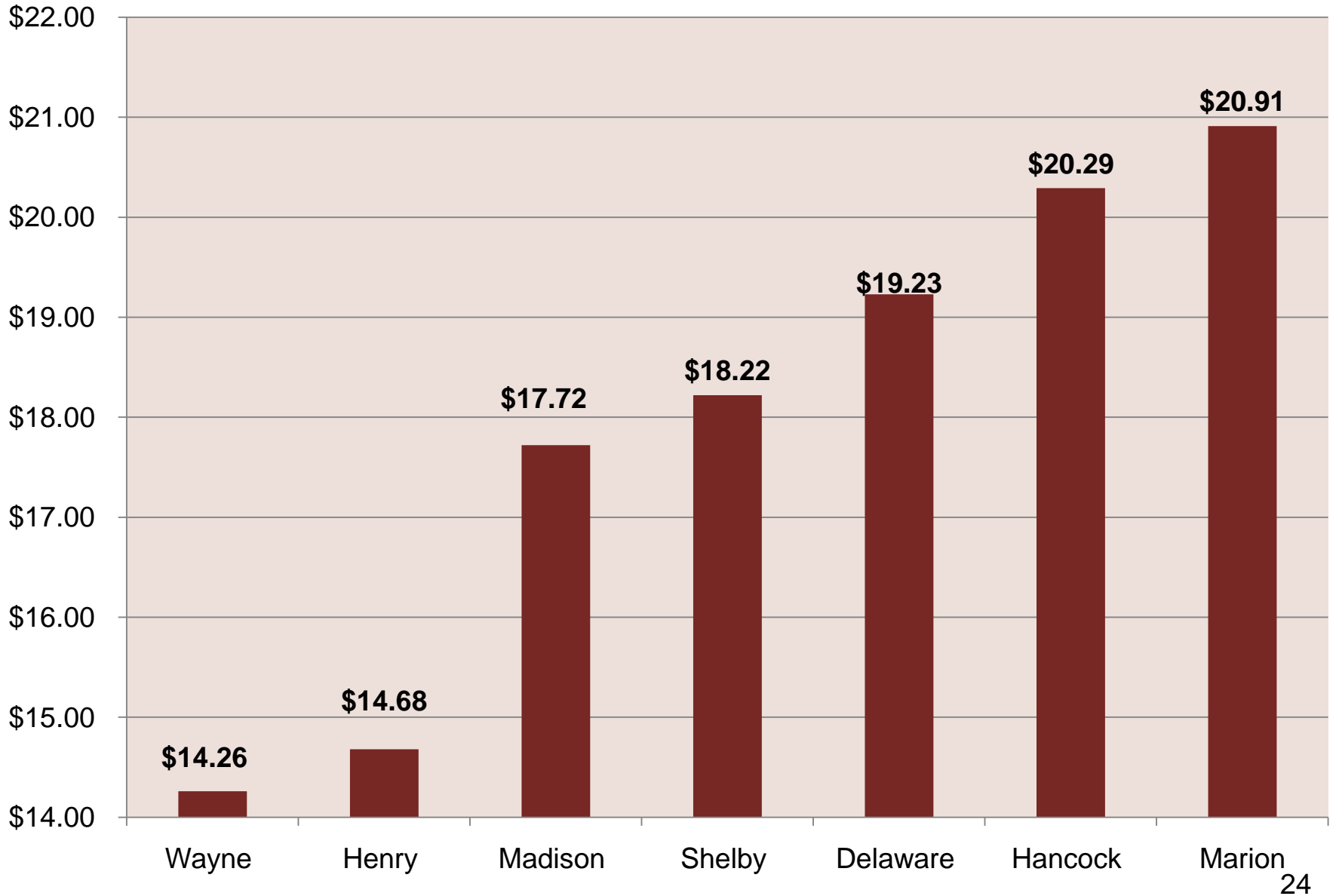


# Self-Sufficiency Wages

## Self-Sufficiency Wage for an Adult + Infant and Preschooler

	<b>Hourly</b>	<b>Monthly</b>	<b>Annual</b>
Rush	\$14.18	\$2,496	\$29,954
Wayne	\$14.26	\$2,510	\$30,122
Henry	\$14.68	\$2,583	\$31,002
Madison	\$17.72	\$3,119	\$37,426
Shelby	\$18.22	\$3,206	\$38,475
Delaware	\$19.23	\$3,384	\$40,606
Hancock	\$20.29	\$3,572	\$42,863
Marion	\$20.91	\$3,680	\$44,159

# Self-Sufficiency Wage

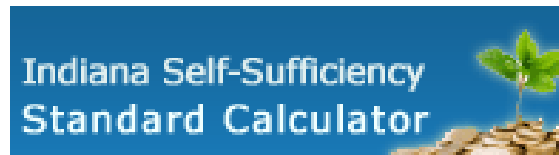




# Indiana Self-Sufficiency Standard Calculator

- In addition to the report, the Institute is updating the Self-Sufficiency Calculator which is an interactive version of the Standard which includes all 70 family types for all 92 counties

- Link it to your web site



- The calculator is available at:  
<http://www.indianaselfsufficiencystandard.org/>
- Expanded capabilities which include linking to jobs and education that pay those wages will be available in 2011

## Indiana Self-Sufficiency Standard Calculator

The Self-Sufficiency Standard measures how much income is needed for a family of a certain composition in a given place to adequately meet their basic needs - without public or private assistance. The Standard makes it possible to determine if families' incomes are enough to meet basic needs.

TRY THE CALCULATOR ▶

A Program of **INCAA**<sup>™</sup>  
INDIANA COMMUNITY  
ACTION ASSOCIATION



The Standard assumes that all adults (whether married or single) work full-time and includes the costs associated with employment - specifically, transportation and taxes, and for families with young children, child care.

- ✓ The 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.

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**RICHARD M. FAIRBANKS FOUNDATION, INC.**

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### Recent Publications

3/8/2010 - New Report Finds More Indiana Families Earning Less and Living in Poverty (PDF) [Read More](#)

2/5/2010 - Congressional Action Needed to Prevent 160,000 Jobless Hoosier Workers From Losing Unemployment Benefits (PDF)

www.indianaselfsufficiencystandard.org/calculator.php

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# Indiana Self-Sufficiency Standard Calculator

Enter your profile below to calculate your Self-Sufficiency Standard wage.

The Standard defines children as:

- ✓ Infants as 2 yrs. old and under
- ✓ Preschoolers as 3-5 years old
- ✓ Schoolage as 6-12 years old
- ✓ Teenagers as 13-18 years old

Select Your County

- Select County -

Number of Adults

One Adult  Two Adults

Number of Children

Child #1  None  Infant  Preschool  Schoolage  Teenager

Child #2  None  Infant  Preschool  Schoolage  Teenager

Child #3  None  Infant  Preschool  Schoolage  Teenager

**CALCULATE**

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**Recent Publications**

New Census Data Highlights the Recession's Toll on Indiana and US [Download Publication](#)

1. Read the Instructions
2. Select County
3. Select Number of Adults in the house
4. Select the Number of Children and their ages

- ✓ Preschoolers as 3-5 years old
- ✓ Schoolage as 6-12 years old
- ✓ Teenagers as 13-18 years old



Below are the figures for *Henry County* based on *1 Adults, 1 Preschool*.

## Monthly Costs

- \$627 **Housing**
- \$399 **Utilities**
- \$331 **Food**
- \$227 **Transportation**
- \$321 **Health Care**
- \$191 **Miscellaneous**
- \$294 **Taxes**
- \$-159 **Earned Income Tax Credit (-)**
- \$-74 **Child Care Tax Credit (-)**
- \$-83 **Child Tax Credit (-)**
- \$-33 **Making Work Pay Tax Credit (-)**

## Self-Sufficiency Wage

- \$11.59 **Hourly** (per adult)
- \$2,040 **Monthly** (per adult)
- \$24,483 **Annual** (per household)

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### Recent Publications

New Census Data Highlights the Recession's Toll on Indiana and US [Download Publication](#)

Indiana Institute for Working Families announces Funding from the Indianapolis Foundation, a CICF Affiliate [Download Publication](#)

Senate Expected to Take Up the Extenders Bill This Week [Download Publication](#)

The results represent the average monthly cost for this family type in Henry County.

**A Single Parent, with one Preschool-aged child, in Henry County must earn \$11.59 an hour in order to be Self-Sufficient!**

# How is the Standard being used in Indiana?

- For education and advocacy – in Jeffersonville, IN
- As a counseling tool – by a Workforce Investment Board
- To set public policy – Dave Sikes, Lake Area United Way

# How can you use the Standard?

- Education
- Program and Policy Development
- Determination of Need
- Service Delivery
- Evaluation
- Targeting Resources
  - Job Training
  - Education
- Counseling Tool
- Wage-Setting
- Supports Research

# Using the Standard to Improve Client Outcomes

- **Long-Term Goal Setting:** Presenting the data from the Standard to set realistic long-term goals and using that information to help clients develop a concrete plan to achieve self-sufficiency.
- **Empowerment Through Information:** Learning about their self-sufficient wage can help clients make better choices about career planning, including training and education pursuits.
- **Tracking Client Income:** Case Managers can use the Standard for their own records to keep track of the “dollar gap” between a clients income and their Self-Sufficient wage.
- **Benchmarking Progress:** Case Managers can use the Standard to benchmark current wages against self-sufficient wages for one client, or across clients and across time. (i.e. client’s starting income is X% of their Self-Sufficient wage, and the case manager’s goal is to close all clients’ income gap by 10 %)

# Questions and Answers



# For more information

- Please contact us:

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1845 W. 18<sup>th</sup> St.  
Indianapolis, IN 46202  
317-638-4232  
[www.incap.org](http://www.incap.org)