The Real Cost of Living in 2005:
The Self-Sufficiency Standard for Connecticut

Transportation Food Medical Care oisine 1



#### **State of Connecticut**

In 1999, Connecticut created its Self-Sufficiency Standard pursuant to P.A. 98-169, An Act Establishing a Self-Sufficiency Measurement and Expanding Job Training Opportunities. In 2002, the Connecticut General Assembly enacted a statute (P.A. 02-54) requiring the Self-Sufficiency Standard to be updated by the state every three years. This report is the first update of the Standard in Connecticut, prepared by the Office for Workforce Competitiveness in consultation with the Permanent Commission on the Status of Women.

This report was prepared with financial assistance from the Connecticut Office for Workforce Competitiveness and the Office of Policy and Management. For more information on the Connecticut Standard please contact the Office for Workforce Competitiveness at (860) 258-4301.

#### **Permanent Commission on the Status of Women**

The Permanent Commission on the Status of Women (PCSW) was established by the Connecticut General Assembly in 1973. The Commission's mandate is to inform leaders about the nature and scope of sex discrimination, to serve as a liaison between government and private interest groups concerned with services for women, to promote consideration of women for governmental positions, and to work with state agencies to assess programs and practices as they affect women and girls. This report can be found on the PCSW's website at http://www.cga.ct.gov/PCSW.

#### Center for Women's Welfare

The Center for Women's Welfare at the University of Washington is devoted to furthering the goal of economic justice for women and their families. Under the direction of Dr. Diana Pearce, the Center researches questions involving poverty measures, public policy and programs that address income adequacy. The Center partners with a range of non-profit, women's, children's, and community-based groups to evaluate public policy, to devise tools for analyzing wage adequacy and to help create programs to strengthen public investment in low-income women, children, and families. For more information about the Center's programs, or work related to the Self-Sufficiency Standard, call (206) 685-5264.

#### Wider Opportunities for Women

Wider Opportunities for Women (WOW) works nationally and in its home community of Washington, D.C. to achieve economic independence and equality of opportunity for women and girls. For almost 40 years, WOW has been a leader in the areas of nontraditional employment, job training and education, literacy, welfare to work and workforce development policy. WOW is recognized nationally for its skill training models, technical assistance and advocacy for women workers. For more information about WOW's programs, go to http://www.WOWonline.org or call WOW at (202) 464-1596.

Copies of this report can be viewed at http://www.sixstrategies.org.

# The Real Cost of Living in 2005: The Self-Sufficiency Standard for Connecticut

by Diana Pearce

Prepared for
Office of Workforce Competitiveness,
State of Connecticut

December 2005



## **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 (FESS) by Dr. Diana Pearce, who was at that time Director of the Women and Poverty Project at Wider Opportunities for Women (WOW). The Ford Foundation provided funding for its original development.

This Connecticut update report has been prepared through the cooperative efforts of Melissa Bailey, Victoria England, David Giles, Maureen Newby, and Tamar Puckett, at the University of Washington, Center for Women's Welfare. The Report was presented to the Office for Workforce Competitiveness pursuant to CGS Section 4-66e.

A number of other people have also contributed to the development of the Standard, its calculation, and/or the writing of state reports. Jennifer Brooks and Maureen Golga, former Directors of Self-Sufficiency Programs and Policies at WOW, played significant roles in developing the original Self-Sufficiency Standard report, were instrumental in facilitating and nurturing FESS state coalitions, and have been key to the development initiatives that promote the concept of self-sufficiency and the use of the Standard. Additional past contributors to the Standard have also included Laura Henze Russell, Janice Hamilton Outtz, Roberta Spalter-Roth, Antonia Juhasz, Alice Gates, Alesha Durfee, Melanie Lavelle, Lisa Manzer, Nina Dunning, and Seook Jeong.

The conclusions and opinions contained within this document do not necessarily reflect the opinions of those listed above. Nonetheless, any mistakes are the author's responsibility.

### Executive Summary

The release of "The Real Cost of Living in 2005: The Self-Sufficiency Standard for Connecticut," presents an update to the 1999 report. In order to assist job seekers, policy makers, local regional workforce investment boards and local service providers, the data in the "The Real Cost of Living in 2005: The Self-Sufficiency Standard for Connecticut" is calculated for the 23 regions grouped within the five workforce development areas. This report also includes calculations for nine stand-alone cities so that the significant differences in costs between cities and suburban areas are not lost.

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 Self-Sufficiency Standard for Connecticut is a tool that can be used by policy makers, local elected officials, local planning agencies, state agencies, service providers and individual citizens who are seeking jobs or making choices about what education or skills they need to achieve economic security. The calculations and analyses contained in this report gives a picture of the costs of housing, child care, food, and other basic needs so that we can make good decisions about how to build pathways out of poverty for Connecticut families. Based upon the 2004 American Community Survey, in Connecticut there are 899,496 family households, of those, a total of 55,768 or 6.2% had income below the poverty level. Of those 55,768 families, 36,846 (66%) are single parent families with a female head of household. In 2002, 156,500 families claimed an earned income tax credit. Although the State of Connecticut has the highest per capita income in the country, there are still families who are struggling to make ends meet.

Since two-thirds of the single parents living below the poverty level are women, for purposes of this report, we are using as an example a **single parent with a preschooler and a schoolage child.** The key **findings** of "The Real Cost of Living in 2005: The Self-Sufficiency Standard for Connecticut" show that if families were making ends meet under this self-sufficiency standard, then:

- Child care costs throughout Connecticut would be about 30% to 39% of a family's monthly budget.
- Housing costs throughout Connecticut would be about 16% to 27% of a family's budget.
- **Health care** expenses throughout Connecticut would be a relatively small budget item, assuming families have access to employer-sponsored health insurance. For example, in the city of Hartford, for a family with one adult, a preschooler and a schoolage child, health care costs constitute 8% of the family budget.
- In every region, a single parent with one preschooler and one schoolage child needs to earn a minimum of two and one half times Connecticut's 2006 minimum wage of \$7.40 in order to meet the Self-Sufficiency income. For example, in the city of Waterbury, the Report shows that a full-time job at the 2006 Connecticut minimum wage provides only 40% of the amount needed to be self-sufficient. Even with the help of income supports, including the federal Earned Income Tax Credit (EITC), the working parent will receive a net total of \$15,165 per year (after taxes and tax credits), which is roughly one third (31%) of the Self-Sufficiency Standard and about 94% of the Federal Poverty Level of \$16,090.

The costs for family self-sufficiency vary among the cities within the state. For example, for our single parent with a preschooler and a schoolage child the costs vary significantly in the city of Windham versus the city of Stamford. In the city of Windham, the family must have monthly earnings of \$3,512 per month (\$42,149 per year) while a family in the city of Stamford must earn \$5,116 per month or \$61,394 per year.

#### Work Supports

Public and private work supports play a vital role, when used as short-term assistance, in narrowing the gap between actual income and self sufficiency. The Report demonstrates that there are two means for improving a working family's "wage adequacy," – increasing work supports and raising the wage itself.

For example, a parent with an infant and preschooler living in the city of Hartford who works full time at minimum wage (\$7.40) without any work supports or tax credits has only 36% "wage adequacy;" that is, their income from this wage only covers 36% of their expenses. If the wage rises to \$12 per hour, wage adequacy will be 58%; at \$14 per hour, it is 67%. With a full range of available work supports including housing and child care assistance, HUSKY, Food Stamps and WIC, a minimum wage worker is at 95% of wage adequacy, and a worker earning \$14 per hour is at 102% of wage adequacy.

There are a number of successful strategies available to increase earnings and economic self-sufficiency, including but not limited to the provision of education and skill training; improved career guidance; promotion of nontraditional employment for women; micro-enterprise training and development; and sectoral employment interventions to identify high-wage, high-growth jobs and prepare workers to fill them.

For example, the impact of education on earnings for women demonstrates that high school completion and post secondary education lead to significantly higher earnings. Women who did not complete high school earned only \$19,253 per year, on average, while women with a high school diploma or GED earned \$26,146 per year, on average, according to the 2003 Bureau of Labor Statistics Population Survey. An Associate's degree increased the earnings for women by \$9,508 to \$36,654.

The Self-Sufficiency Standard gives us a great deal of information, but it does not tell the whole story. For example, health care costs for the Standard were calculated assuming access to employer-provided health insurance. If there is no employer-sponsored insurance, health care costs may be even higher than those used in the Standard. In addition, the Standard provides no allowance for family savings or the ability to accumulate assets (e.g. college education or retirement).

Therefore, this update of "The Real Cost of Living in 2005: The Self-Sufficiency Standard for Connecticut" makes it clear that challenges remain for a number of Connecticut families struggling to make ends meet. Many cannot afford their housing and their child care and their food and so must choose between their needs or provide substandard housing or inadequate child care or insufficient food or provide no health care at all.

The Self-Sufficiency Standard is a useful tool and a target for policy makers, employers, advocates, and job-seekers as we all work to help low-income families reach economic self-sufficiency. It is our intention to work closely with the Regional Workforce Development Boards, State Agencies, and service providers to use this Report as they counsel customers. It will also be used to inform discussion with regard to the development of workforce policy.

## Table of Contents

Introduction
How the Self-Sufficiency Standard is Calculated5
How Much is Enough in Connecticut?
Comparing the Standard to Other Benchmarks of Income 15
Comparison of a Connecticut Place to Other U.S. Places 17
The Self-Sufficiency Wage Over Time19
Modeling the Impact of Supports on Wages Required to Meet Basic Needs20
Closing the Gap Between Incomes and the Self-Sufficiency Standard29
How the Self-Sufficiency Standard Can Be Used34
Conclusion 39
Endnotes 41
Data Sources 47
About the Author; About the Project49
Connecticut Workforce Areas, Regions, Counties, Towns and Cities51
Connecticut Towns and Cities by Workforce Development Area55
Map of Connecticut Workforce Development Areas, Self- Sufficiency Regions, Towns and Cities57
Map of Connecticut by Level of Annual Self-Sufficiency Wage59
Appendix: The Self-Sufficiency Standard for Selected Family Types in Connecticut61

## The Real Cost of Living on 2005: The Self-Sufficiency Standard for Connecticut

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

#### Introduction

While Connecticut's residents enjoy one of the highest standards of living in the United States, there are families who are unable to stretch their wages to meet the cost of basic necessities. Though many of these families are not poor according to the official poverty measure, their incomes are inadequate. But what is an adequate income—and how does this amount vary among different family types and different places? Used as a measure of income adequacy, the Self-Sufficiency Standard answers that question.

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. This report will explain the origin of the Standard; how it differs from the official federal poverty level; how it is calculated; what it looks like for Connecticut families; and how various public work supports, public policies, child support, and other available resources can help families move toward self-sufficiency. The report concludes with a discussion of the varied ways that the Standard can be used as a tool for policy analysis, counseling, performance evaluation, and research.

### Measuring Income Adequacy: Problems with the Federal Poverty Measure

How much is enough for families to meet their needs without public subsidies? Although coming up with an exact dollar figure may be difficult, most people know what income adequacy looks like when they see it. One participant in a training program defined economic self-sufficiency as:

Being able to take care of yourself and your family, you can pay the rent, you have a car for transportation, you have a job and you can pay your bills. You don't need to depend on anyone for anything; you are off all assistance programs. You can pay for daycare for your children, you can buy groceries and you can pay for life necessities.<sup>1</sup>

Obviously, it is not possible to interview *every* person for his or her own assessment of income or wage adequacy, as quoted above. Thus, there is a need for a measurement that uses consistent assumptions and is as objective as possible. Many turn to the federal poverty measure (usually referred to for programmatic purposes as the Federal Poverty Level, or FPL<sup>2</sup>) to determine that a family is "poor" if their income is below the appropriate threshold and "not poor" if it is above that threshold. The federal poverty measure, however, has become increasingly problematic as a measure of income adequacy. Indeed, the Census Bureau itself states, "the official poverty measure should be interpreted as a statistical yardstick rather than as a complete description of what people and families need to live."3

The most significant shortcoming of the federal poverty measure is that, in most places, it is simply not high enough. That is, there are families with incomes above the federal poverty measure that nonetheless

lack sufficient resources to adequately meet their basic needs. As a result, many assistance programs use a multiple of the federal poverty measure to determine need.

There are four basic methodological problems with the federal poverty measure.

- First, the measure is based on the cost of a single item—food—not on a market basket of basic needs;moreover, because at the time, on average, one-third of family budgets were spent on food, the food budget was then multiplied by three to determine poverty thresholds. While at the time that it was developed over four decades ago, families spent about one-third of their income on food. The food budget was then multiplied by three to determine poverty thresholds. Since then non-food costs have risen much faster than food, and new costs, such as child care, have been added, making this formula no longer accurate.
- Second, the federal poverty measure uses the implicit demographic model of the two-parent family with a stay-at-home wife. However, in 2004, both parents were employed in 61% of two-parent families with children.<sup>4</sup> In these families, there are many new costs associated with employment including taxes, transportation, and, most significantly, child care for those families with young children.
- Third, the poverty measure does not distinguish between those families in which the adults are employed and those in which the adults are not employed.
- Finally, the poverty measure does not vary by geographic location. That is, the federal poverty measure is the same whether one lives in Mississippi or Manhattan. Although there was some geographical variation in costs three decades ago, differences in the cost of living between areas have increased substantially over time, particularly in the area of housing. Indeed, housing in the most expensive areas of the country costs nearly five times as much as the same size units in the least expensive areas.<sup>5</sup>

For these and other reasons, many researchers and analysts have proposed revising the federal poverty measure. Suggested changes would reflect twenty-first century needs, incorporate

geographically-based differences in costs, and build in more responsiveness to changes over time.<sup>6</sup> Others have gone further, creating new measures of income adequacy, such as the Living Wage or Basic Needs Budgets.<sup>7</sup>

The most significant shortcoming of the federal poverty measure is that for most families, in most places, it is simply not high enough.

Public programs have also recognized the failure of the "one-size-fits-all" poverty measure to capture differences in need and have made adjustments accordingly. For instance, 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. Likewise, the Food Stamp Program takes into account housing and child care costs, and the cost variations between different localities when calculating benefits.

#### **How The Self-Sufficiency Standard Differs From the Federal Poverty Measure**

The Self-Sufficiency Standard is a measure of income adequacy that addresses the critiques and analyses of the federal poverty measure cited above. As one observer put it: "Ask not where poverty ends, but where economic independence begins." That is, at what point does a family have sufficient income and resources (such as health insurance benefits) to meet their needs adequately, without public or private assistance?

While both the Self-Sufficiency Standard and the official federal poverty measure assess income adequacy, the Standard differs from the official poverty measure in several important ways:

- The Standard is based on the cost 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, as the federal poverty measure does.
- The Standard assumes that all adults, whether married or single, work full-time,<sup>9</sup> and therefore, includes all major costs associated

with employment (i.e., taxes, transportation, and, for families with young children, child care).

- The Standard incorporates regional and local variations in costs. This is particularly important for housing, although regional variation can also occur for child care, health care, and transportation. Yet, unlike some proposed revisions to the poverty measure, the Standard does not assume a fixed ratio of urban to rural costs, but uses actual costs. Although rural areas and small towns usually 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 locations are often as high or higher than in a state's urban areas. Availability of housing in rural and urban areas can also affect costs.
- 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 ages of children.
   While food and health care costs are slightly lower for younger children, child care costs can be much higher—particularly for children not yet in school—and are a substantial budget item not included in the official poverty measure.
- The Standard includes the net effect of taxes and tax credits. It provides for: state sales and use taxes; payroll taxes (Social Security and Medicare); and federal, state, and city income taxes. Additionally, the federal Child Care Tax Credit (CCTC), Earned Income Tax Credit (EITC), and Child Tax Credit (CTC) are "credited" against the income required to meet basic needs.

The Standard's self-sufficiency wage is a family-sustaining wage that does not require choosing between basic necessities such as child care, nutritional food, adequate housing, or health care. However, the Standard is also a conservative measure that does not allow for longer-term needs (such as retirement savings or college tuition), purchases of major items (such as a car), emergency expenses, or even items such as school supplies.

### 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 based on their family type and location. However, users of the Standard are urged to think in relative terms of "wage adequacy." That is, one should ask how close a given wage is to the Standard? For example, if the Standard for a certain

The Standard's self-sufficiency wage is a family-sustaining wage that does not require choosing between basic necessities such as child care, nutritional food, adequate housing, or health care.

family type is \$10.00 per hour, but the adult supporting the family only earns \$5.15 per hour, then the latter wage has a "wage adequacy" level of only 51.5%.

Likewise, the Standard's use of income thresholds should not be taken to mean that economic self-sufficiency can be achieved with wages alone, or even wages combined with benefits. True self-sufficiency involves more than a job with a certain wage and benefits at one point in time. It is a larger goal toward which one is striving and a process in which one is engaged. As one person put it, "Self-sufficiency is a road I'm on." 10

Central to these efforts to attain self-sufficiency is access to education, training, and jobs that provide real potential for skill development and career advancement over the long-term. Most individuals moving from welfare-to-work cannot achieve self-sufficiency through stopgap measures or in a single step, but require assistance, guidance, and transitional work supports to become self-sufficient over time. For instance, for some, this may mean entering jobs that are nontraditional for women, while for others it may mean developing a small business as their sole or adjunct source of income.

While access to education and training may not have the same urgency as do basic needs such as food and shelter, true long-term self-sufficiency increasingly requires investments that enhance skills and adaptability. Without technologically sophisticated and broad-based education, which provides the flexibility to move into new jobs and careers, self-sufficiency is not likely to be sustainable.

Finally, the Self-Sufficiency Standard does not imply that public work supports are inappropriate for Connecticut families. Indeed, given the number of

families who have not yet achieved "wage adequacy," assistance in meeting the costs of such high-price necessities as child care, health care, and housing is frequently the only viable means for these families to attain resources that meet their basic needs. Nor does the Self-Sufficiency Standard imply that *any* family at *any* income 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 or religious institutions), as well as informal networks of friends, extended family, and neighbors that many families are able to meet both their non-economic and economic needs.

## How the Self-Sufficiency Standard is Calculated

The goal of 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 (or as updates are available); and
- geographically and/or age-specific (as appropriate).

Costs that vary substantially by place, such as housing and child care, are calculated at the most geographically specific level for which data is available. Other costs are varied regionally, to the extent there is variation and appropriate data available. In addition, as improved or standardized data sources become available, the methodology used by the Standard is refined accordingly. This results in an improved Standard that is comparable across place as well as time.

The Self-Sufficiency Standard is calculated for 70 different family types in each of 23 Connecticut regions. Connecticut's five Workforce Development Areas (WDAs) have been divided into 23 regions; see page 51 for a list of the WDAs, the 23 regions, and the counties and towns within each WDA region. This report also differs from the report issued in 1999 in that the Standard has been calculated for nine standalone cities. That is, the cities of Hartford, Bridgeport, Danbury, New Haven, Stratford, Stamford, New London, Waterbury, and Windham were calculated separately from their surrounding suburbs so that the significant differences in costs between cities and suburbs would not be lost.

The 70 family types range 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.<sup>11</sup> The cost of each basic need and the Self-Sufficiency Wages for eight selected family types for each Connecticut region are included in the Appendix. The cost of each basic need and the Self-Sufficiency Wages for all 70 family types for each region are available from PCSW, at: http://www.cga.ct.gov/pcsw/.

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

*Housing:* The Standard uses the most recent Fiscal Year Fair Market Rents (FMRs),<sup>12</sup> which are calculated annually by the U.S. Department of Housing and Urban Development (HUD) for each state's metropolitan<sup>13</sup> and nonmetropolitan area. Annual FMRs are based on data from the 2000 decennial census, the biannual American Housing Survey, and random digit dialing telephone surveys.<sup>14</sup>

FMRs, which include utilities (except telephone and cable), are intended to reflect the cost of housing that meets minimum standards of decency, but is not luxurious. In most cases, including all Connecticut areas, FMRs are set at the 40th percentile (meaning 40% of the housing in a given area is less expensive than the FMR). Because HUD only calculates one set of FMRs for each metropolitan area, and there are just eight metropolitan areas/counties in Connecticut (plus six nonmetropolitan areas), we used Census data (median gross rents by town) to calculate population weighted adjusted FMRs for each of the 23 regions in Connecticut. <sup>15</sup>

The Self-Sufficiency Standard assumes that parents and children do not share the same bedroom and that no more than two children share a bedroom. Therefore, the Standard assumes that single persons and couples without children have one-bedroom units, families with one or two children require two bedrooms, and families with three children need three bedrooms.<sup>16</sup>

*Child Care:* The Standard uses the most accurate information available that is recent and specific to

geography, age, and setting. The Family Support Act (in effect from 1988 until welfare reform in 1996) required states to provide child care assistance at "market rate" for low-income families needing it for employment and/or education and training. States were also required to conduct cost surveys to determine the "market rate" (defined as the 75th percentile) by setting, age, and geographical location (or use a statewide rate). Many states, including Connecticut, have continued to conduct (or commission) the surveys and to reimburse child care at this level. For Connecticut, the Standard uses data from a University of Connecticut Survey, prepared for "Care 4 Kids" (Connecticut's Child Care Assistance Program), which has been calculated at the 75th percentile and specified by facility type and age.<sup>17</sup>

...the data used in the Self-Sufficiency Standard are: collected or calculated using standardized or equivalent methodology; obtained from scholarly or credible sources, such as the U.S. Census Bureau; updated annually (or as updates are available); and are geographically and/or age-specific (as appropriate).

The Standard defines "infants" as children under three years old, "preschoolers" as children three to five years old, "schoolage children" as six to twelve years old, and "teenagers" as thirteen years old and older. Because it is more common for very young children to be in family day care homes rather than child care centers, <sup>18</sup> the Standard assumes that infants receive full-time care in family day care homes. Preschoolers, in contrast, are assumed to go to child care centers full-time. Schoolage children are assumed to receive part-time care in before- and after-school programs. Teenagers are not assumed to require child care; therefore there are no child care costs.

*Food:* Although the U.S. Department of Agriculture (USDA) Thrifty Food Plan and its successor have been used as the basis of both the poverty threshold and the Food Stamp Program, the Standard uses the next higher USDA food budget, the Low-Cost Food Plan for food costs.<sup>19</sup> While both of these USDA diets meet minimum nutritional standards, the Thrifty Food Plan was meant for

emergency use only. Because it is based on more realistic assumptions about food preparation time and consumption patterns, the Low-Cost Food Plan is 25% higher than the Thrifty Food Plan. Nevertheless, the Low-Cost Food Plan is a very conservative estimate of food costs, as it does not allow for any take-out, fast-food, or restaurant meals, even though according to the Consumer Expenditure Survey, the average American family spends about 41% of their food budget on food prepared away from home.<sup>20</sup>

The Standard varies food costs by the number and ages of children and the number and gender of adults. Both the Low-Cost Food Plan and the Standard's budget calculations assume a single-*person* household is one adult male, while the single-*parent* household is one adult female.<sup>21</sup> A two-parent household is assumed to include one adult male and one adult female. Geographic differences in grocery costs are varied by using ACCRA's Cost of Living Index, calculated in Connecticut to range from 3% to 20% higher (depending on the region) than the national average.<sup>22</sup>

**Transportation:** If there is an "adequate" public transportation system in a given area, it is assumed that workers use public transportation to get to and from work. A public transportation system is considered "adequate" if it is used by a substantial percentage of the working population. According to one study, if about 7% of the total public uses public transportation that "translates" to about 30% of the low- and moderate-income population.<sup>23</sup> The Standard assumes private transportation (a car) where public transportation use is less than 7%. In five of the 23 Connecticut regions—Bridgeport, Stamford, Lower Fairfield, Hartford, and New Haven—public transportation use ranges from 8% to 19%,<sup>24</sup> thus for these regions the Standard calculates public transportation costs.<sup>25</sup> For the remaining 18 regions in Connecticut, the Standard assumes that adults need a car to get to and from work.

Private transportation costs are based on the costs of owning and operating an average car. One car is assumed for the single-parent family, and two cars are assumed for the two-adult family since it is unlikely that two employed adults would be traveling to and from work at exactly the same time. The fixed costs of car ownership include fire, theft, property damage and liability insurance, license, registration, taxes, repairs, monthly payments, and finance charges.

The monthly variable costs (e.g., gas, oil, tires, and maintenance) are also included, but the initial cost of purchasing a car is not.

To estimate fixed costs, the Standard uses Consumer Expenditure Survey amounts for families with incomes between the 20th and 40th percentile by region.<sup>26</sup> The auto insurance premium is the average premium cost for Connecticut from a survey conducted by the National Association of Insurance Commissioners (NAIC).<sup>27</sup> To create within state regional variation in auto insurance premiums, ratios were calculated using sample premiums from the five automobile insurance companies with the largest market shares in Connecticut and applied to the statewide insurance premium from NAIC.<sup>28</sup>

For per-mile costs, driving cost data from the American Automobile Association was used.<sup>29</sup> 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 for shopping and errands. The commuting distance is computed from the *National Household Travel Survey 2001*.<sup>30</sup> 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 a day care site.

*Health Care:* Since families cannot be truly self-sufficient without health insurance, employer-sponsored health insurance coverage is assumed as the norm for full-time workers. Nationally, in 2003, 71% of nonelderly individuals in households with at least one full-time worker have employer-sponsored health insurance coverage. In Connecticut, 80% of individuals in households with a full-time worker have employer-sponsored coverage.<sup>31</sup>

In Connecticut the full-time worker's employer pays an average of 79% of the insurance premium for the employee and 78% for the family.<sup>32</sup> Thus, health care costs include the employee's share of insurance premiums, plus additional out-of-pocket expenses, such as the co-payment, uncovered expenses (e.g., dental care and prescriptions), and the insurance deductible.

The cost of the health insurance premium is based on the average premium paid by Connecticut residents, according to the national Medical Expenditure Panel Survey (MEPS), and adjusted for inflation using the Medical Care Services Consumer Price Index. Data for out-of-pocket health care costs (by age) are also obtained from the MEPS, adjusted by region using the MEPS Household Component Analytical Tool, and

adjusted for inflation using the Medical Care Consumer Price Index (see Data Sources: Health Insurance for references). No regional variation was found for insurance premium costs.<sup>33</sup>

Note that although the Standard assumes employer-sponsored health coverage, many workers do not have access to affordable health insurance coverage through their employers, and there are some indicators of employee costs rising through increased premiums, increased deductibles/co-payments, and more limited coverage. Those who do not have access to affordable health insurance through their employers must either purchase their own coverage or do without health insurance. When an individual or a family cannot afford to purchase health coverage, an illness or injury can become a very serious financial crisis.

*Miscellaneous:* This expense category includes all other essentials including clothing, shoes, paper products, diapers, nonprescription medicines, cleaning products, household items, personal hygiene items, and telephone service. It does not allow for recreation, entertainment, savings, or debt repayment.

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 commonly use 15%.<sup>34</sup>

Taxes: Taxes include state sales tax, federal and state income taxes, and payroll taxes where applicable. Connecticut has a statewide sales tax of 6%. For the Self-Sufficiency Standard, sales taxes are calculated only on "miscellaneous" items, as one does not ordinarily pay tax on rent, child care, and so forth. There is no tax on grocery items in Connecticut.<sup>35</sup> 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. Connecticut state income taxes are calculated using the tax forms and instructions from the Connecticut Department of Revenue Services. The state income tax calculation includes state specific deductions, exemptions, and tax credits.36

Although the federal income tax rate (15% on most income for the majority of family types) is higher than the payroll tax rate, federal exemptions and deductions are substantial. As a result, while the payroll tax is paid on every dollar earned, most families will not owe federal income tax on the first \$10,000 to

\$15,000 or more, thus lowering the effective federal tax rate to about 7% for most family types. Payroll taxes for Social Security and Medicare are calculated at 7.65% of each dollar earned.

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 low-income working 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.

Child Care Tax Credit (CCTC): The federal CCTC is a 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 federal 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): Like the EITC, the CTC is a "refundable" federal tax credit. The CTC provides parents a deduction of \$1,000 for each child under 17 years old, or 15% of earned income over \$10,750, whichever is less.

## How Much is Enough in Connecticut?

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. This section of the report presents the cost of living in five different regions in Connecticut: the city of Hartford, Northeast

Corner, Greater New Haven, the city of Stamford, and Greater Danbury.

Table 1 shows that the costs in the city of Hartford are among the lowest in the five regions compared here. In the city of Hartford, a single adult with no children needs to earn \$7.00 per hour to be

Table 1

The Self-Sufficiency Standard For Selected Family Types\*

Hartford\*\*, CT, 2005

Monthly Expenses and Shares of Total Budgets

	One Adult			One Adult, One Preschooler		One Adult, One Preschooler, One Schoolage		Adults, eschooler, choolage
Monthly Costs	Costs	% of total	Costs	% of total	Costs	% of total	Costs	% of total
Housing	\$576	47	\$709	25	\$709	19	\$709	18
Child Care	\$0	0	\$866	31	\$1,401	38	\$1,401	35
Food	\$233	19	\$353	13	\$527	14	\$726	18
Transportation	\$45	4	\$45	2	\$45	1	\$90	2
Health Care	\$122	10	\$273	10	\$291	8	\$336	8
Miscellaneous	\$98	8	\$225	8	\$297	8	\$326	8
Taxes	\$159	13	\$471	17	\$716	19	\$637	16
Earned Income Tax Credit (-)	\$0	0	\$0	0	\$0	0	\$0	0
Child Care Tax Credit (-)	\$0	0	-\$63	-2	-\$100	-3	-\$100	-3
Child Tax Credit (-)	<i>\$0</i>	0	-\$83	-3	-\$167	-4	-\$167	-4
Total Percent	_	100	_	100	<u> </u>	100	<u> </u>	100
Self-Sufficiency Wage - Hourly***	\$7.00		\$15.88		\$21.13		\$11.25	per adult****
Monthly Annual	\$1,233 \$14,792		\$2,795 \$33,545		\$3,719 \$44,628		\$3,958 \$47,499	combined***

<sup>\*</sup> The Standard is calculated by adding expenses and taxes and subtracting tax credits. Taxes include federal, state, (including state tax credits) and payroll taxes.

Note: Totals may not add exactly due to rounding.

<sup>\*\*</sup> Hartford is one of 23 regions defined for the Standard. (A complete listing of the 23 regions follows the text of this report.)

<sup>\*\*\*</sup> The hourly wage is calculated by dividing the monthly wage by 176 hours (8 hours per day times 22 days per month).

<sup>\*\*\*\*</sup> The hourly wage for families with two adults represents the hourly wage that each adult would need to earn, while the monthly and annual wages represent both parents' wages combined.

able to meet her/his basic needs. However, an adult with a preschooler needs a two-bedroom housing unit and child care, in addition to other expenses. Therefore, meeting all of her family's basic needs requires a wage of \$15.88, nearly \$9.00 per hour more than the single adult requires. If she has two children—a preschooler and a schoolage child—she must earn three times as much as a single person with no children, or \$21.13 per hour, to meet her family's needs. In the two-adult family with two children, expenses such as transportation, food, health care,

and miscellaneous costs increase, requiring each adult to earn \$11.25 per hour for this family to be self-sufficient.

Table 2 shows that the costs in the Northeast Corner region are generally more than in the city of Hartford. A single adult's average Self-Sufficiency Wage is \$8.21 per hour, while the adult with one preschooler must earn over \$7.50 more per hour than the adult with no children, or \$15.97 per hour, to be self-sufficient. The single parent with two children in

Table 2

The Self-Sufficiency Standard For Selected Family Types\*

Northeast Corner\*\*, CT, 2005 Monthly Expenses and Shares of Total Budgets

	One A	Adult	One Adult, One Preschooler		One Pres	One Adult, One Preschooler, One Schoolage		Adults, eschooler, choolage
Monthly Costs	Costs	% of total	Costs	% of total	Costs	% of total	Costs	% of total
Housing	\$568	39	\$700	25	\$700	20	\$700	17
Child Care	\$0	0	\$738	26	\$1,193	34	\$1,193	30
Food	\$200	14	\$302	11	\$451	13	\$621	15
Transportation	\$234	16	\$240	9	\$240	7	\$460	11
Health Care	\$122	8	\$273	10	\$291	8	\$336	8
Miscellaneous	\$112	8	\$225	8	\$287	8	\$331	8
Taxes	\$210	15	\$478	17	\$660	19	\$664	16
Earned Income Tax Credit (-)	\$0	0	\$0	0	\$0	0	\$0	0
Child Care Tax Credit (-)	<i>\$0</i>	0	-\$63	-2	-\$105	-3	-\$100	-2
Child Tax Credit (-)	\$0	0	-\$83	-3	-\$167	-5	-\$167	-4
Total Percent	_	100	_	100	_	100		100
Self-Sufficiency Wage - Hourly***	\$8.21		\$15.97		\$20.17		\$11.48	per adult****
Monthly	\$1,445		\$2,810		\$3,550		\$4,039	combined****
Annual	\$17,340		\$33,726		\$42,597		\$48,471	combined****

<sup>\*</sup> The Standard is calculated by adding expenses and taxes and subtracting tax credits. Taxes include federal, state, (including state tax credits) and payroll taxes.

Note: Totals may not add exactly due to rounding.

<sup>\*\*</sup> Northeast Corner (composed of Brooklyn, Canterbury, Eastford, Hampton, Killingly, Plainfield, Pomfret, Putnam, Scotland, Sterling, Thompson, and Woodstock) is one of 23 regions defined for the Standard. (A complete listing of the 23 regions follows the text of this report.)

<sup>\*\*\*</sup> The hourly wage is calculated by dividing the monthly wage by 176 hours (8 hours per day times 22 days per month).

<sup>\*\*\*\*</sup> The hourly wage for families with two adults represents the hourly wage that each adult would need to earn, while the monthly and annual wages represent both parents' wages combined.

### Table 3 The Self-Sufficiency Standard For Selected Family Types\*

Greater New Haven\*\*, CT, 2005
Monthly Expenses and Shares of Total Budgets

	One Adult			One Adult, One Preschooler		One Adult, One Preschooler, One Schoolage		Adults, eschooler, choolage
Monthly Costs	Costs	% of total	Costs	% of total	Costs	% of total	Costs	% of total
Housing	\$780	43	\$936	27	\$936	21	\$936	19
Child Care	\$0	0	\$879	25	\$1,422	32	\$1,422	29
Food	\$216	12	\$326	9	\$487	11	\$670	14
Transportation	\$252	14	\$259	7	\$259	6	\$498	10
Health Care	\$122	7	\$273	8	\$291	7	\$336	7
Miscellaneous	\$137	8	\$267	8	\$339	8	\$386	8
Taxes	\$307	17	\$673	19	\$950	22	\$968	20
Earned Income Tax Credit (-)	\$0	0	\$0	0	\$0	0	\$0	0
Child Care Tax Credit (-)	\$0	0	-\$53	-2	-\$100	-2	-\$100	-2
Child Tax Credit (-)	\$0	0	-\$83	-2	-\$167	-4	-\$167	-3
Total Percent	_	100	_	100	_	100	_	100
Self-Sufficiency Wage - Hourly***	\$10.31		\$19.75		\$25.10		\$14.06	per adult****
Monthly	\$1,814		\$3,476		\$4,417		\$4,950	combined****
Annual	\$21,764		\$41,712		\$53,007		\$59,399	combined****

<sup>\*</sup> The Standard is calculated by adding expenses and taxes and subtracting tax credits. Taxes include federal, state, (including state tax credits) and payroll taxes.

Note: Totals may not add exactly due to rounding.

the Northeast Corner region must earn \$20.17 per hour to meet her family's needs. In the two-parent family with two children, each adult would need to earn a Self-Sufficiency Wage of \$11.48 per hour.

Table 3 shows that in Greater New Haven the costs fall in about the "middle" of the Connecticut regions compared here: a single adult needs to earn \$10.31 per hour to be able to meet her/his basic needs, while the single-parent with one preschooler must earn nearly twice as much, or \$19.75 per hour. If she has two children—a preschooler and a schoolage child—she

must earn \$25.10 per hour to meet her family's needs. In the two-adult family with two children, each adult needs to earn \$14.06 per hour for the family to be self-sufficient.

Table 4 shows the city of Stamford's Self-Sufficiency Wage is \$10.91 per hour for a single adult, while the single-parent with one preschooler needs to earn more than twice as much, or \$22.68 per hour, to meet the basic needs of her family. If she has two children (one preschooler and one schoolage child) she must earn \$29.07 per hour to meet her

<sup>\*\*</sup> Greater New Haven (composed of Clinton, Killingworth, Branford, Bethany, East Haven, Guilford, Hamden, Madison, Meriden, Milford, North Haven, North Branford, Orange, Wallingford, West Haven, and Woodbridge) is one of 23 regions defined for the Standard. (A complete listing of the 23 regions follows the text of this report.)

<sup>\*\*\*</sup> The hourly wage is calculated by dividing the monthly wage by 176 hours (8 hours per day times 22 days per month).

<sup>\*\*\*\*</sup> The hourly wage for families with two adults represents the hourly wage that each adult would need to earn, while the monthly and annual wages represent both parents' wages combined.

#### Table 4 The Self-Sufficiency Standard For Selected Family Types\*

Stamford\*\*, CT, 2005

Monthly Expenses and Shares of Total Budgets

	One Adult			One Adult, One Preschooler		One Adult, One Preschooler, One Schoolage		Adults, eschooler, choolage
Monthly Costs	Costs	% of total	Costs	% of total	Costs	% of total	Costs	% of total
Housing	\$1,049	55	\$1,312	33	\$1,312	26	\$1,312	25
Child Care	\$0	0	\$1,015	25	\$1,643	32	\$1,643	31
Food	\$224	12	\$338	8	\$505	10	\$695	13
Transportation	\$45	2	\$45	1	\$45	1	\$90	2
Health Care	\$122	6	\$273	7	\$291	6	\$336	6
Miscellaneous	\$144	7	\$298	7	\$379	7	\$408	8
Taxes	\$337	18	\$844	21	\$1,209	24	\$1,082	20
Earned Income Tax Credit (-)	\$0	0	\$0	0	\$0	0	\$0	0
Child Care Tax Credit (-)	\$0	0	-\$50	-1	-\$100	-2	-\$100	-2
Child Tax Credit (-)	\$0	0	-\$83	-2	-\$167	-3	-\$167	-3
Total Percent	_	100	-	100	_	100	_	100
Self-Sufficiency Wage - Hourly***	\$10.91		\$22.68		\$29.07		\$15.05	per adult****
Monthly	\$1,920		\$3,992		\$5,116		\$5,298	combined****
Annual	\$23,037		\$47,906		\$61,394		\$63,574	combined****

<sup>\*</sup> The Standard is calculated by adding expenses and taxes and subtracting tax credits. Taxes include federal, state, (including state tax credits) and payroll taxes.

Note: Totals may not add exactly due to rounding.

family's needs. In Stamford's two-parent family, each adult would need to earn a Self-Sufficiency Wage of \$15.05 per hour.

Table 5 shows that in Greater Danbury a single adult must earn \$11.44 per hour to meet her/his basic needs. A single parent with one preschooler needs to earn nearly twice as much, or \$22.00 per hour, to be self-sufficient. If she had two children, she must earn over \$5.00 more per hour, or \$27.56 per hour, to meet her family's basic needs. In a two-parent family with two children (one preschooler and one schoolage child),

each adult would need to earn a Self-Sufficiency Wage of \$15.18 per hour.

Among these five regions, living in the city of Stamford or Greater Danbury requires the highest Self-Sufficiency Wage for the four family types compared here, while living in the city of Hartford requires the lowest wages for all but one family type. Note that although housing and child care are the highest in the city of Stamford, because the use of public transportation is assumed, the city of Stamford is not the most expensive place for all family types. All

<sup>\*\*</sup> Stamford is one of 23 regions defined for the Standard. (A complete listing of the 23 regions follows the text of this report.)

<sup>\*\*\*</sup> The hourly wage is calculated by dividing the monthly wage by 176 hours (8 hours per day times 22 days per month).

<sup>\*\*\*\*</sup> The hourly wage for families with two adults represents the hourly wage that each adult would need to earn, while the monthly and annual wages represent both parents' wages combined.

regions, however, require that a single parent with one preschooler make at least twice Connecticut's 2005 minimum wage of \$7.10, as well as the 2006 minimum wage increase to \$7.40 per hour.<sup>37</sup>

Child care and housing costs account for the largest percentage of budget costs for Connecticut families with children. The proportions spent on housing for the single adult ranges from 39% in the Northeast Corner region to 55% in the city of Stamford. For single-parent families with one child, across these five Connecticut regions, child care costs

range from 23% to 31% of basic needs family budgets, while housing costs range from 25% to 33% of basic needs budgets.

For families with two children, child care costs alone typically make up the single largest part of a basic needs family budget. Depending on the location, child care costs range from 30% (Greater Danbury) to 38% (the city of Hartford) of the family budget for one-adult families with two children, and 27% to 35% of the family budget for two-adult families with two children.

Table 5

The Self-Sufficiency Standard For Selected Family Types\*

Greater Danbury\*\*, CT, 2005

Monthly Expenses and Shares of Total Budgets

	One Adult			One Adult, One Preschooler		One Adult, One Preschooler, One Schoolage		Adults, eschooler, choolage
Monthly Costs	Costs	% of total	Costs	% of total	Costs	% of total	Costs	% of total
Housing	\$923	46	\$1,155	30	\$1,155	24	\$1,155	22
Child Care	<i>\$0</i>	0	\$905	23	\$1,462	30	\$1,462	27
Food	\$218	11	\$330	9	\$492	10	\$677	13
Transportation	\$239	12	\$245	6	\$245	5	\$471	9
Health Care	\$122	6	\$273	7	\$291	6	\$336	6
Miscellaneous	\$150	7	\$291	8	\$364	8	\$410	8
Taxes	\$363	18	\$806	21	\$1,108	23	\$1,099	21
Earned Income Tax Credit (-)	\$0	0	\$0	0	\$0	0	\$0	0
Child Care Tax Credit (-)	\$0	0	-\$50	-1	-\$100	-2	-\$100	-2
Child Tax Credit (-)	\$0	0	-\$83	-2	-\$167	-3	-\$167	-3
Total Percent	_	100	_	100	_	100	_	100
Self-Sufficiency Wage - Hourly***	\$11.44		\$22.00		\$27.56		\$15.18	per adult****
Monthly	\$2,014		\$3,871		\$4,850		\$5,344	combined***
Annual	\$24,170		\$46,454		\$58,202		\$64,124	combined***

<sup>\*</sup> The Standard is calculated by adding expenses and taxes and subtracting tax credits. Taxes include federal, state, (including state tax credits) and payroll taxes.

Note: Totals may not add exactly due to rounding.

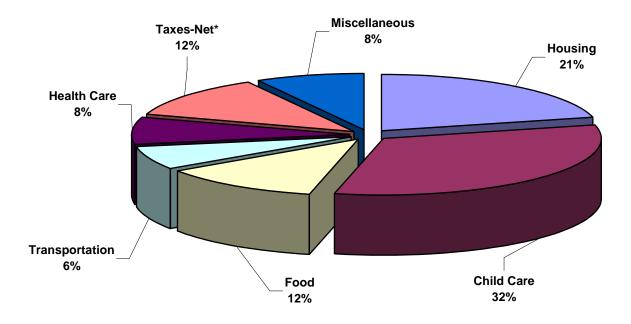
<sup>\*\*</sup> Greater Danbury (composed of Bethel, Brookfield, New Fairfield, Newtown, Redding, Ridgefield, Sherman, Bridgewater, New Milford, Roxbury, and Washington) is one of 23 regions defined for the Standard. (A complete listing of the 23 regions follows the text of this report.)

<sup>\*\*\*</sup> The hourly wage is calculated by dividing the monthly wage by 176 hours (8 hours per day times 22 days per month).

<sup>\*\*\*\*</sup> The hourly wage for families with two adults represents the hourly wage that each adult would need to earn, while the monthly and annual wages represent both parents' wages combined.

## Figure 1 Percentage of Income Needed to Meet Basic Needs, 2005

Based on the Self-Sufficiency Standard for a Family with One Adult, One Preschooler and One Schoolage Child Greater New London



<sup>\*</sup> Percentages include the net effect of taxes and tax credits. Thus, the percentage of income needed for taxes is actually 19%, but with tax credits, the amount owed in taxes is reduced to 12%. Please see page 20 for an explanation of the treatment of tax credits in modeling.

Figure 1 shows the proportion of income spent on each basic need for a single parent with one preschooler and one schoolage child in Greater New London. Generally, families with two children (when one is a preschooler or younger) spend almost half their incomes on housing and child care expenses alone. For this family in Greater New London, housing and child care together comprise 53% of the total budget.

Food and taxes tie for the next largest expense. Food accounts for 12% of this Connecticut family's total costs. Taxes and tax credits together also account for a net 12% of the total monthly costs. This percentage, however, includes all tax credits, although

these are generally not received until the following year after taxes are filed. The actual monthly tax burden, without the credits, amounts to 19% of total costs.

The cost of transportation is 6% of this family's budget because the Standard for Greater New London has been calculated assuming that workers use private transportation to get to and from work. Health care is a relatively small share at 8%, but this calculation assumes that the employer both provides health insurance for the family and pays 78% percent of the premium (see page 7). For families in Connecticut who do not have employer-sponsored health insurance, it is likely that health care costs would account for a greater proportion of the family budget than is shown here.

## 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**, the Self-Sufficiency Standard for a family of three living in Waterbury is compared to four other benchmarks: the welfare grant level of Temporary Assistance for Needy Families (TANF) and the cash value equivalent of Food Stamps; the federal poverty level for a family of three; the net minimum wage in Connecticut; and the median family income for a family of three in Waterbury.

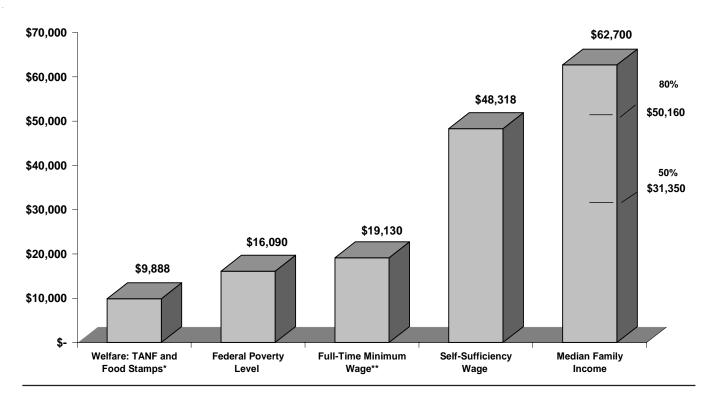
Where relevant, the comparison benchmarks are for three-person families. However, none is as specific as the Standard in terms of age and number of children and/or geographic location. As indicated in the fourth bar (from the left) in Figure 2 below, the Self-Sufficiency Standard for this Waterbury family is \$48,318 per year.

Note that this set of benchmarks is not meant to show *how* a family would move from a lower income

Figure 2

The Self-Sufficiency Standard Compared to Other Benchmarks, 2005

Based on the Self-Sufficiency Standard for a Family with One Adult, One Preschooler and One Schoolage Child Waterbury



<sup>\*</sup> The TANF benefit is \$5,100 annually (\$425 per month) and the Food Stamps benefit is \$4,788 annually (\$399 per month for a family of three in Waterbury).

<sup>\*\*</sup> Connecticut's full-time minimum wage is \$7.40 per hour as of January 1, 2006. Calculated before taxes and tax credits this amount to \$15,629 per year. The second bar in Figure 2 includes the net effect of the addition of the EITC and the subtraction of federal, state, and city taxes.

to economic self-sufficiency. Rather, the concept of self-sufficiency assumes a gradual progression that takes place over time.

Welfare—Temporary Assistance for Needy Families (TANF) and Food Stamps: Including the cash value of Food Stamps as well as the TANF cash grant (assuming no wage or other income), the total basic "cash" assistance package is \$824 per month or \$9,888 per year. This amount is less than one-quarter (21%) of the Self-Sufficiency Standard for a three-person family in Waterbury and 62% of the FPL.

Federal Poverty Level: Not surprisingly, the Standard wage is quite a bit higher than the official poverty level for a family of three. According to federal guidelines, a family consisting of one adult and two children would be considered "poor" with a monthly income of \$1,341 (\$16,090 annually) or less—regardless of where they live, or the age of their children. Thus, the official poverty level for a three-person family in Waterbury is only one-third (33%) of the Self-Sufficiency Wage. Even in Windham, the least expensive region in Connecticut for a family with one adult, one preschooler and one schoolage child, the official poverty line is only 38% of the minimum amount necessary to be self-sufficient.

Minimum Wage: January 1, 2006, Connecticut's minimum wage increases to \$7.40 per hour. A full-time worker at \$7.40 per hour earns \$15,629 per year (\$1,302 per month). Subtracting payroll taxes (Social Security and Medicare) and adding the Earned Income Tax Credit and Child Tax Credit, this worker would have a net cash income of \$19,130 per year (\$1,594 per month). This amount is more than the worker's earnings alone because the federal EITC benefit for which s/he qualifies is near the maximum and more than the taxes owed. Note that because the parent does not pay federal (or state) income taxes, s/he does not receive the federal Child Care Tax Credit.

Even with the help of the federal EITC, a full-time job at the minimum wage provides only 40% of the amount needed to be self-sufficient. If we assume that the worker pays taxes monthly through withholding but does not receive the EITC payments on a monthly basis (as is true of most workers), s/he will only receive \$15,165 during the year, which is roughly one third (31%) of the Self-Sufficiency Standard and about 94% of the FPL.

*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 Waterbury is \$62,700. The Self-Sufficiency Standard for a single-parent family with one preschooler and one schoolage child is 77% of the median family income for Waterbury.<sup>38</sup>

The U.S. Department of Housing and Urban Development (HUD) uses area median family income as a standard to assess families' needs for housing assistance. Those with incomes below 50% of the median area income are considered "Very Low Income," while those with incomes between 50% and 80% of the median area income are considered "Low Income." Almost all assistance is limited to the "Very Low Income" category, and in some instances to the "Extremely Low Income" category—defined as less than 30% of area median income.<sup>39</sup> Even then, only about one-fourth of those eligible families receive housing assistance.

Thus, Figure 2 shows that the Self-Sufficiency Standard for a Waterbury family falls within HUD's definition of "Low Income," suggesting that a substantial portion of Connecticut families lack adequate income to meet their needs. At the same time, it suggests that the Standard is set at a level that is neither too high, nor too low.

## Comparison of a Connecticut Place to Other U.S. Places

The Self-Sufficiency Standard has been completed for 35 states, plus the Washington, D.C. Metro Area and New York City. Because the Self-Sufficiency Standard uses the same methodology across states, the cost of meeting basic needs for a given family type in different states can be directly compared.

However, since Standards have been completed in different years, all numbers have been updated to 2005 dollars for the purpose of this analysis. While costs are likely to increase at varying rates in different places, to be consistent the U.S. Bureau of Labor Statistics' Consumer Price Index (CPI) is used to account for inflation when Standards are updated.

In **Table 6**, the Standard for the city of Hartford, Connecticut, is compared to 11 other cities of moderate size across the U.S.: Savannah, GA; Baltimore, MD; Sioux Falls, SD; Tempe, AZ; Simi Valley, CA; Alexandria, VA; Bellevue, WA;

Wilmington, DE; Syracuse, NY; Springfield, MA; and Allentown, PA.

In the city of Hartford, a single adult requires a Self-Sufficiency Wage of \$7.00. This is at the low end of the range for this distribution, with 11 areas necessitating a higher Self-Sufficiency Wage. The Self-Sufficiency Wage required for a single adult with a preschooler, as well as for two adults with a preschooler and schoolage child, are near the middle of the range for this distribution. The single parent with a preschooler requires a Self-Sufficiency Wage of \$15.88 per hour. The Self-Sufficiency Wage for a single adult with a preschooler and schoolage child is near the high end of the range for this distribution. At a wage of \$21.13 per hour, only three of the cities compared here require a higher wage to meet basic needs for this family type. Each adult in the two-adult

Table 6

The Self-Sufficiency Standard For Hartford, CT
Comparison to Other U.S. Cities, 2005\*

Single Adult		Single Adult, Pre	schooler	Single Adult, Pres Schoolage		Two Adults, Preschooler, Schoolage**		
Hartford, CT***	\$7.00	Sioux Falls, SD	\$12.97	Savannah, GA	\$15.35	Savannah, GA	\$9.54	
Sioux Falls, SD	<b>\$7.49</b>	Savannah, GA	\$13.08	Sioux Falls, SD	\$16.62	Sioux Falls, SD	\$9.75	
Springfield, MA	\$7.94	Allentown, PA	\$13.46	Allentown, PA	\$17.00	Allentown, PA	\$9.99	
Syracuse, NY	\$8.20	Syracuse, NY	\$15.29	Springfield, MA	\$18.97	Springfield, MA	\$11.10	
Allentown, PA	\$8.33	Hartford, CT***	\$15.88	Syracuse, NY	\$19.06	Syracuse, NY	\$11.11	
Savannah, GA	\$8.65	Willmington, DE	\$16.17	Willmington, DE	\$19.31	Hartford, CT***	\$11.25	
Willmington, DE	\$9.49	Springfield, MA	\$16.31	Baltimore, MD	\$19.92	Willmington, DE	\$11.35	
Tempe, AZ	\$10.11	Baltimore, MD	\$16.56	Tempe, AZ	\$20.54	Baltimore, MD	\$12.10	
Baltimore, MD	\$10.45	Tempe, AZ	\$17.29	Hartford, CT***	\$21.13	Tempe, AZ	\$12.17	
Bellevue, WA	\$10.62	Simi Valley, CA	\$18.70	Simi Valley, CA	\$21.83	Simi Valley, CA	\$12.46	
Simi Valley, CA	\$11.38	Bellevue, WA	\$19.15	Bellevue, WA	\$22.88	Bellevue, WA	\$13.00	
Alexandria, VA	\$11.76	Alexandria, VA	\$19.52	Alexandria, VA	\$23.98	Alexandria, VA	\$13.64	

<sup>\*</sup>All wages updated to Sept 2005 using the Consumer Price Index

<sup>\*\*</sup>Per adult

<sup>\*\*\*</sup>Wage calculated assuming family uses public transportation

family with a preschooler and a schoolage child needs a Self-Sufficiency Wage of **\$11.25** per hour.

A family in the city of Hartford with one adult and one preschooler requires over twice Connecticut's 2006

minimum wage of \$7.40 per hour to meet the basic family needs at a self-sufficient level.

## The Self-Sufficiency Wage Over Time

A comparison of the Self-Sufficiency wage over time in a region illustrates the range of cost increases for various family types. Because this is the second Self-Sufficiency Standard completed for Connecticut, it is possible to address how the Self-Sufficiency Standard has changed in the last few years by evaluating comparable regions from the 1999 report and the 2005 report. The Northwest Corner region (2005) consists of the same cities and towns as the Torrington region from the 1999 report. **Table 7** below shows a comparison of four family types: one adult; one adult with a preschooler; one adult with one preschooler and a schoolage child; and two adults with one preschooler and one schoolage child.

Comparing the Self-Sufficiency Standard for the Northwest Corner in 2005 with the Self-Sufficiency Standard for the Torrington Region in 1999 shows a significant increase in the amount required to meet basic needs for the four family types discussed here. The Self-Sufficiency Standard for a single adult, a

family with one adult and one preschooler, one adult with one preschooler and a schoolage child, and two adults with one preschooler and one schoolage has increased by 25%, 38%, 46% and 44%, respectively, since 1999.

The most significant cost increases in the last six years for these family types have been in health care, child care (for families with children), and food. The increase in the cost of health care in the Northwest Corner/Torrington region in 2005 was nearly 50% to almost 90% across the four family types, with the most significant increase occurring for a family with one adult and one preschooler. The cost of child care increased by nearly two-thirds for one adult with one preschooler, while the cost for child care for both the single adult and the two adult families with two children increased over 70%. Finally, the cost of transportation rose approximately two-thirds across the four family types discussed here.

Table 7

The Connecticut Self-Sufficiency Standard For Four Family Types

By County, By Year: 1999 and 2005

	1 Adult		One Adult, One Preschooler		One Adult, One Preschooler, One Schoolage		Two Adults, One Preschooler, One Schoolage	
	monthly	annual	monthly	annual	monthly	annual	monthly	annual
Torrington Region 1999	1,250	\$15,000	\$2,366	\$28,392	\$2,883	\$34,596	\$3,291	\$39,492
Northwest Corner 2005*	\$1,564	\$18,767	\$3,261	\$39,134	\$4,223	\$50,673	\$4,730	\$56,761
Change 1999-2005	25%		38%		46%		44%	

<sup>\*</sup> There are the same 18 cities and towns in the Northwest Corner Region (2005) as in the Torrington Region (1999).

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

While the Self-Sufficiency Standard provides the amount of income that meets a family's basic needs without public or private assistance, many families cannot achieve self-sufficiency immediately. "Work supports" can help a family achieve stability without scrimping on nutrition, living in overcrowded or substandard housing, or leaving children in unsafe and/or unstimulating child care environments. This stability also can help a family retain employment, which is a necessary condition for improving wages. When available, work supports—such as Temporary

At the crucial point in their lives of entering employment, "work supports" can help a family achieve stability without scrimping on nutrition, living in overcrowded or substandard housing, or leaving children in unsafe and/or unstimulating child care environments.

Assistance for Needy Families (TANF) cash assistance; Food Stamps; Women, Infants and Children (WIC) programs; child care assistance; health care (Medicaid or state CHIP); public transportation; energy assistance and/or housing assistance (including Section 8 vouchers and public housing)—help families as they struggle to become economically self-sufficient.

No Monthly Tax Credits for the Modeled Columns: The Self-Sufficiency Standard, Column 1 in Table 8, is used as the "benchmark," or starting point in the modeling table. The Standard shows all monthly costs, including taxes and tax credits. However, in modeling the impact of child support and various work supports (Columns 2-7), we want to be as realistic as possible. As it happens, almost no one receives the EITC on a monthly basis, and legally one cannot receive the refundable portion of the Child Tax Credit monthly.

Although by law a family can receive part of the federal EITC to which they are entitled on a monthly basis (Advance EITC), many workers prefer to receive

it annually. In addition, some workers prefer to use EITC as "forced savings" to use to meet important family needs, such as paying the security deposit for housing, buying a car, settling debts, paying tuition, or starting a savings account. 40 Thus, the great majority (approximately 99%) of families receive the federal EITC as a lump sum payment the following year when they file their tax returns. 41 Therefore, for all but the first column of the modeling table, we show the total amounts of the tax credits the family would receive *annually* (when they file their taxes) at the bottom of the table (assuming the adult works at this same wage, full-time, for the year). The federal EITC is shown in the first shaded line at the bottom of the modeling table.

Like the EITC, the federal Child Tax Credit (CTC) is a refundable tax credit and is shown as received *monthly* in the Self-Sufficiency Standard. However, the CTC is split into two amounts, with only the portion that can be used to offset any remaining federal taxes owed, shown *monthly*. The remaining "refundable" portion of the CTC is shown as a lump sum received *annually* in the second shaded line of Table 8. Finally, note that the Child Care Tax Credit, which is not refundable at all, is only shown as a *monthly* credit against federal taxes in all the columns in Table 8.

For each Standard, child support, child care assistance, Food Stamps, WIC, Medicaid, the state CHIP benefits, and housing assistance are modeled, alone and in combination. In addition, for Connecticut, the impact of changing the way child care co-payments are calculated is modeled.

Child Support: Child support payments from absent, non-custodial parents can be a valuable addition to some family budgets. Even in cases where the non-custodial parent's income is relatively low, child support payments may benefit children by easing the custodial parent's financial burden. By providing the support of both parents to meet children's needs, whatever the amount, children are likely to benefit.

Note, however, that seeking child support may not be an option for all families, especially those for whom there is a history or risk of domestic violence.

Child Care Assistance: Since child care is one of the major expenses for families with children, a child care subsidy can substantially reduce this expense. For this reason, child care assistance is usually modeled separately as well as in combination with other work supports. The addition of a child care subsidy generally provides single parents the greatest relief of any single work support.

Health Care: While health care expenses are a relatively small cost item in the budgets for most family types (less than 10%), health care coverage is essential. As stated on page 7, the Standard assumes that, along with adequate income, a self-sufficiency wage level includes employer-sponsored health insurance for workers and their families, with the cost partially financed by the employer. Without health benefits, most people would find it difficult, and sometimes quite costly, to meet their families' health care needs. Without health care coverage, an illness or injury in a family can become a very serious financial crisis. For example, families may need to risk eviction by using income budgeted for housing to pay for needed health care.

However, with the expansions of the federal and state-supported health care programs in Connecticut, many working parents now have the option of covering their children's health care needs when their employer does not offer family coverage. The state's Children's Health Insurance Program, known in Connecticut as HUSKY, is a combination of the Family Medicaid Program (HUSKY A) and the Children's Health Insurance Program (HUSKY B). Parents earning up to 150% of FPL. are eligible for HUSKY A at no cost. Families in this coverage group whose income increases above 150% for the FPL are eligible for 12 months of continued coverage. Families with uninsured children can get coverage for their children at any income level under HUSKY A or B. Depending upon family income and household size, premiums and copayments may apply.

Food Stamps and Women, Infants and Children (WIC) Program: Most households with a gross monthly income of 130% or less of the FPL are eligible for the federal Food Stamp Program. This program, administered by the individual states, provides crucial support to needy households and to those

making the transition from welfare-to-work. The Connecticut WIC program helps pay for specific nutrient-rich foods and nutrition counseling for pregnant or postpartum women, infants, and children up to age five if their income falls at or below 185% of the FPL.<sup>42</sup> For the Self-Sufficiency Standard, WIC is included in food costs because it is a monthly food benefit in addition to the Food Stamp Program for those who qualify.

Housing Assistance: Like child care assistance, housing assistance is a major support for families, since housing costs are difficult for families to reduce without assistance. However, despite their importance, housing subsidies are extremely limited due to funding and availability.

### Table 8 - Modeling the Impact of Work Supports in the city of Hartford

In Table 8 on the following page, the impact of adding work supports for a family consisting of a single parent with one infant and one preschooler living in the city of Hartford is modeled. Costs that have been reduced via child support and work supports are indicated with bolded font in the table.

The Self-Sufficiency Standard (Column 1): The first column of Table 8 shows the Self-Sufficiency Standard, which provides this family's expenses, including taxes, without any work or other supports to reduce these costs (except tax credits where applicable). In the city of Hartford, a single parent with one infant and one preschooler has monthly child care expenses of \$1,653 and housing costs of \$709 per month, and therefore must earn a Self-Sufficiency Wage of \$22.79 per hour.

Child Support (Column 2): In Column 2, child support is added. The child support payment of \$184 per month is the average amount received by families who participate in the Child Support Enforcement Program in Connecticut.<sup>43</sup> Unlike additional earned income, child support is not taxable and reduces the amount families need to earn both directly and through lower taxes. Overall, with child support (and without monthly EITC or the refundable portion of the CTC), the wage needed to meet basic needs in the city of Hartford is reduced to \$21.21 per hour.

Child Care (Column 3): In Column 3, the first work support—child care—is added. Child care assistance in Connecticut requires a co-payment of a

## Table 8 Impact of Child Support and Work Supports on Monthly Costs and Self-Sufficiency Wage

Single Parent with One Infant and One Preschooler Hartford, CT 2005

	#1	#2		V	Vork Support	ts	
			#3	#4	#5	#6	#7
Monthly Costs:	Self- Sufficiency Standard	Child Support	Child Care	Child Care, [Food Stamps],* WIC** & Medicaid	Child Care, [Food Stamps], WIC & CHIP (HUSKY)	Housing, Child Care, Food Stamps, WIC, & CHIP (HUSKY)	Child Care (w/o Cap),*** Food Stamps, WIC, & CHIP (HUSKY)
Housing	\$709	\$709	\$709	\$709	\$709	\$514	\$709
Child Care	\$1,653	\$1,653	\$598	<i>\$517</i>	\$526	\$450	\$52
Food	<i>\$459</i>	<i>\$459</i>	<i>\$459</i>	\$418	\$418	\$261	\$67
Transportation	<i>\$45</i>	\$45	<i>\$45</i>	<i>\$45</i>	<i>\$45</i>	<i>\$45</i>	<i>\$45</i>
Health Care	\$282	\$282	\$282	<i>\$0</i>	\$122	<i>\$0</i>	<i>\$0</i>
Miscellaneous	\$315	\$315	\$315	\$315	\$315	\$315	\$315
Taxes	\$816	\$721	\$408	\$294	\$335	\$195	\$110
Earned Income Tax Credit	\$0	****	***	***	***	***	****
Child Care Tax Credit (-)	-\$100	-\$100	-\$130	-\$84	-\$106	-\$37	<i>\$0</i>
Child Tax Credit (-)	-\$167	-\$167	-\$21	\$0	\$0	\$0	<i>\$0</i>
Child Support		-\$184					

#### Self-Sufficiency Wage:

	<u></u>						
Hourly	\$22.79	\$21.21	\$15.14	\$12.58	\$13.43	\$9.90	\$7.37
Monthly	\$4,011	\$3,732	\$2,664	\$2,213	\$2,363	\$1,743	\$1,297
Annual	\$48,137	\$44,788	\$31,967	\$26,562	\$28,356	\$20,911	\$15,568
Total Federal EITC (refundable, received annually)****		<b>\$</b> 0	<b>\$525</b>	\$1,663	\$1,285	\$2,853	\$3,978
Total Federal CTC (refundable portion, received annually)****		<b>\$</b> 0	\$1,742	\$2,000	\$2,000	\$1,524	<b>\$723</b>

<sup>\*</sup> Work supports in brackets [] indicate that we attempted to model this work support, however, if the income was high enough to meet the family's needs, it was was too high to qualify for the work support.

<sup>\*\*</sup> WIC is the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) in Connecticut. Assumes average monthly value of WIC benefit \$41.07 (FY 2004).

<sup>\*\*\*</sup> Child care assistance in Connecticut requires a copayment of a portion of income (up to 10%), plus the difference between actual child care costs and the maximum allowed amount (called the cap, which varies depending upon the child's age).

<sup>\*\*\*\*</sup> See discussion in text for Table 8.

portion of income (up to 10%), plus the difference between actual child care costs and the maximum allowed amount (called the cap, which varies depending upon the child's age). Receiving this support reduces child care costs substantially. The monthly child care costs are reduced from \$1,653 to \$598, which lowers the income a parent needs to earn from \$22.79 without any work supports to \$15.14 per hour.

Child Care, [Food Stamps], WIC, and Medicaid (Column 4): For adults moving from welfare-to-work, child care, Food Stamps, WIC, and Medicaid comprise the typical "package" of benefits. In Column 4, it is assumed that Medicaid will cover all of the family's health care expenses, reducing health care costs from \$282 per month to zero. This family is not eligible for Foods Stamps; however the WIC benefit reduces food costs from \$459 to \$418 per month. With the addition of a reduction of child care costs from \$1,653 to \$517, this city of Hartford family can now meet their basic needs with a wage of \$12.58 per hour, which is slightly more than half of the Self-Sufficiency Wage without work supports of \$22.79 per hour.

Child Care, [Food Stamps], WIC, and CHIP (HUSKY B) (Column 5): After one year of Transitional Medical Assistance, the parent whose income is over 150% FPL loses Medicaid coverage. As with families who have never received welfare, this parent is now eligible for child care and her children are eligible for HUSKY A or B, Connecticut's health insurance program for children. If her family income remains below 150% of the FPL, the parent and the children will have free health care. If the family's income is between 150% and 235% of the FPL, the children's health care will be covered, with no premium. However, the parent is no longer covered under HUSKY, and will need to pay the cost of her own health care (including her share of the health insurance premium and the out-of-pocket costs) that is available through her employer. Working parents with family incomes between 235% and 300% of the FPL will have to pay a small premium to obtain coverage for their children, or they have the option of purchasing HUSKY health care coverage. In this instance, this family's monthly health care expense is increased to \$122, reflecting the cost of covering the parent outside HUSKY. Children in families with income up to 185% of the federal poverty level are eligible for HUSKY A. This city of Hartford family is

still not eligible for the Food Stamp benefit, but remains eligible for WIC, and so food costs remain the same. The slightly higher wage, required to pay the higher health care costs, increases child care slightly to \$526. Thus replacing Medicaid with HUSKY means this parent now requires a wage of \$13.43 per hour, nearly one dollar more than with Medicaid.

Housing, Child Care, Food Stamps, WIC, and CHIP (HUSKY) (Column 6): In the sixth column, housing assistance is added to the forms of assistance previously modeled. Housing assistance generally reduces the cost of housing to 30% of income. In this case, housing assistance reduces housing costs from \$709 to \$514 per month. The reduction in housing costs decreases the wage needed to meet basic needs, making this family eligible for Food Stamps as well as WIC, and reducing food costs to \$261 per month. The reduction in housing costs also reduces child care costs to \$450 per month and eliminates all health care costs. Overall, with this benefit package, the parent needs to earn only \$9.90 per hour to meet the family's basic needs, which is 43% of the Self-Sufficiency Wage without work supports.

Child Care (without the cap), Food Stamps, WIC, and CHIP (HUSKY) (Column 7): For Connecticut, Column 7 models the same set of subsidies as in Column 5, but eliminates the cap on the child care assistance. Without the cap, child care costs are only \$52 per month for this family with one adult and two children. The reduction in child care costs greatly decreases the wage needed to meet basic needs, so now this family is eligible for Food Stamps, reducing food costs from \$418 (in Column 5) to \$67 per month. Health care costs are also reduced from \$122 to zero. With the addition of the reduction of taxes, this family now requires only \$7.37 per hour (approximately Connecticut's 2006 minimum wage) to meet basic needs.

Although it is not included in Table 8, we also modeled a full set of subsidies (that is, those listed in Column 5) with an increased eligibility threshold for family coverage under HUSKY A. Currently, if the family income remains below 150% of the FPL, the parent *and* the children receive free health care. By increasing the threshold to 200% of the FPL for eligibility, the health care costs for this family in the city of Hartford are reduced to zero, and child care costs and taxes are slightly decreased (although the family is still not eligible for Food Stamps). The expansion of the

### Table 9 Impact of Work Supports on Wage Adequacy

Single Parent with One Infant and One Preschooler Hartford, CT 2005

	equacy at \$7.40 per hour/full-time (Connecticut Minimum Wage 01/01/06)  Wages Only  Wages with Work Supports				<b>,</b>
	#1  No Work Supports	#2 #3 #4 #5			
		Child Care	Child Care, Food Stamps, WIC & Medicaid	Child Care, Food Stamps, WIC & CHIP (HUSKY)	Housing, Child Care, Food Stamps, WIC & CHIP (HUSKY)
TOTAL MONTHLY INCOME:	\$1,302	\$1,302	\$1,302	\$1,302	\$1,302
Monthly Costs:					
Housing	\$709	\$709	\$709	\$709	\$391
Child Care	\$1,653	\$437	\$437	\$437	\$437
Food	\$459	\$459	\$68	\$68	\$68
Transportation	\$45	\$45	\$45	\$45	\$45
Health Care	\$282	\$282	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Miscellaneous	\$315	\$315	\$315	\$315	\$315
Taxes	\$119	\$119	\$119	\$119	\$119
Earned Income Tax Credit (-)	*	*	*	*	*
Child Care Tax Credit (-)	\$0	\$0	\$0	\$0	\$0
Child Tax Credit (-)	\$0	\$0	\$0	\$0	\$0
TOTAL MONTHLY EXPENSES	\$3,581	\$2,365	\$1,692	\$1,692	\$1,374
SHORTFALL (-) or SURPLUS	(\$2,279)	(\$1,063)	(\$390)	(\$390)	(\$72)
WAGE ADEQUACY (Total Income/Total Expenses)	36%	55%	77%	77%	95%

PANEL B: Wage Adequacy at \$10.00					
	Wages Only	Wages with Work Supports			
	#1	#2	#3	#4	#5
	No Work Supports	Child Care	Child Care, Food Stamps, WIC & Medicaid	Child Care, Food Stamps, WIC & CHIP (HUSKY)	Housing, Child Care, Food Stamps, WIC & CHIP (HUSKY)
TOTAL MONTHLY INCOME:	\$1,760	\$1,760	\$1,760	\$1,760	\$1,760
Monthly Costs:					
Housing	\$709	\$709	\$709	\$709	\$528
Child Care	\$1,653	\$455	\$455	\$455	\$455
Food	\$459	\$459	\$418	\$418	\$418
Transportation	\$45	\$45	\$45	\$45	\$45
Health Care	\$282	\$282	<b>\$0</b>	\$0	\$0
Miscellaneous	\$315	\$315	\$315	\$315	\$315
Taxes	\$198	\$198	\$198	\$198	\$198
Earned Income Tax Credit (-)	*	*	*	*	<del>-</del>
Child Care Tax Credit (-)	(\$39)	(\$39)	(\$39)	(\$39)	(\$39)
Child Tax Credit (-)	\$0	\$0	\$0	\$0	\$0
TOTAL MONTHLY EXPENSES	\$3,621	\$2,423	\$2,100	\$2,100	\$1,919
SHORTFALL (-) or SURPLUS	(\$1,861)	(\$663)	(\$340)	(\$340)	(\$159)
WAGE ADEQUACY (Total Income/Total Expenses)	49%	73%	84%	84%	92%

<sup>\*</sup>EITC is not received as a credit against taxes, so it is not shown as a monthly tax credit; likewise, only the nonrefundable portion of the Child Tax Credit (which is a credit against federal taxes) is shown, if any (see text for explanation).

#### Table 9 (continued)

#### Impact of Work Supports on Wage Adequacy

Single Parent with One Infant and One Preschoole**r**Hartford, CT 2005

PANEL C: Wage Adequacy at \$12.00					
	Wages Only Wages with Work Supports				
	#1 No Work Supports	#2 Child Care	#3	#4 Child Care, Food Stamps, WIC & CHIP (HUSKY)	#5 Housing, Child Care, Food Stamps, WIC & CHIP (HUSKY)
			Child Care, Food Stamps, WIC & Medicaid		
TOTAL MONTHLY INCOME:	\$2,112	\$2,112	\$2,112	\$2,112	\$2,112
Monthly Costs:					
Housing	\$709	\$709	\$709	\$709	\$634
Child Care	\$1,653	\$511	\$511	\$511	\$511
Food	\$459	\$459	\$418	\$418	\$418
Transportation	\$45	\$45	\$45	\$45	\$45
Health Care	\$282	\$282	\$0	\$122	\$122
Miscellaneous	\$315	\$315	\$315	\$315	\$315
Taxes	\$270	\$270	\$270	\$270	\$270
Earned Income Tax Credit (-)	*	*	*	*	*
Child Care Tax Credit (-)	(\$74)	(\$74)	(\$74)	(\$74)	(\$74)
Child Tax Credit (-)	\$0	\$0	\$0	\$0	\$0
TOTAL MONTHLY EXPENSES	\$3,659	\$2,517	\$2,194	\$2,316	\$2,240
SHORTFALL (-) or SURPLUS	(\$1,547)	(\$405)	(\$82)	(\$204)	(\$128)
WAGE ADEQUACY (Total Income/Total Expenses)	58%	84%	96%	91%	94%

PANEL D:	Wage Adeq	luacy a	t \$14.00
----------	-----------	---------	-----------

	Wages Only	Wages with Work Supports			
	#1 No Work Supports	#2	#3	#4	#5
		Child Care	Child Care, Food Stamps, WIC & Medicaid	Child Care, Food Stamps, WIC & CHIP (HUSKY)	Housing,** Child Care, Food Stamps, WIC & CHIP (HUSKY)
TOTAL MONTHLY INCOME:	\$2,464	\$2,464	\$2,464	\$2,464	\$2,464
Monthly Costs:					
Housing	\$709	\$709	\$709	\$709	\$709
Child Care	\$1,653	\$582	\$582	\$582	\$582
Food	\$459	\$459	\$418	\$418	\$418
Transportation	\$45	\$45	\$45	\$45	\$45
Health Care	\$282	\$282	\$0	\$122	\$122
Miscellaneous	\$315	\$315	\$315	\$315	\$315
Taxes	\$355	\$355	\$355	\$355	\$355
Earned Income Tax Credit (-)	*	*	*	*	*
Child Care Tax Credit (-)	(\$121)	(\$121)	(\$121)	(\$121)	(\$121)
Child Tax Credit (-)	\$0	\$0	\$0	\$0	\$0
TOTAL MONTHLY EXPENSES	\$3,696	\$2,625	\$2,302	\$2,424	\$2,424
SHORTFALL (-) or SURPLUS	(\$1,232)	(\$161)	\$162	\$40	\$40
WAGE ADEQUACY (Total Income/Total Expenses)	67%	94%	107%	102%	102%

<sup>\*</sup>EITC is not received as a credit against taxes, so it is not shown as a monthly tax credit; likewise, only the nonrefundable portion of the Child Tax Credit (which is a credit against federal taxes) is shown, if any (see text for explanation).

<sup>\*\*</sup> When receiving a housing subsidy, a family pays about 30% of their income towards housing. At this wage, 30% of income would be more than current housing costs, therefore we did not model housing assistance in this case.

HUSKY A benefit to include more parents reduces the hourly wage to meet this family's basic needs from \$13.43 to **\$12.58** per hour.

Finally, we modeled the impact of an augmented energy assistance benefit, called Connecticut's Low Income Home Energy Assistance Program (LIHEAP). Starting with the same set of subsides as Column 5 (including the cap on child care), an average monthly energy assistance benefit of \$72 was added. This reduces housing costs from \$709 to \$636. As in Column 5, this family is not eligible for Food Stamps and health care remains \$122 per month. Child care costs and taxes are reduced by only a few dollars. Therefore, with the LIHEAP assistance added to the combination of work supports in Column 5, the hourly wage to meet this family's basic needs is reduced from \$13.43 to \$12.93, or by fifty cents per hour.

#### Table 9 - Modeling the Impact of Work Supports on Wage Adequacy in the city of Hartford

Table 8 begins with a Self-Sufficiency Wage and models how child care, and various work supports (alone and in combination) could lower the wage needed for families to meet their basic needs. Table 9 *starts* with wages, and shows how adequately a given wage meets expenses, as calculated for the Self-Sufficiency Wage, with and without work supports. Table 9 uses the same family type (a single parent with one infant and one preschooler) and the same area (the city of Harford) as Table 8.

In Table 9 (and throughout the Self-Sufficiency Standard), the term "Wage Adequacy" refers to the degree to which a given wage is adequate to meet basic needs, taking into account the availability of various work supports—or lack thereof. If Wage Adequacy is at or above 100%, that means the wage is adequate, or more than adequate, to meet the family's needs. Costs in Table 9 that are reduced by work supports are noted in bold. As in Table 8, we assume that the "refundable" tax credits—the EITC and the refundable portion of the Child Tax Credit (CTC)—are received annually, and thus are not shown in Table 9 as available to reduce monthly costs.

Panel A shows how adequately \$7.40 per hour—the new Connecticut minimum wage in effect January 2006—meets this city of Hartford's family's needs, with and without work supports. Panels B, C, and D then show Wage Adequacy for the same family in the city of

Hartford at \$10.00 per hour, \$12.00 per hour, and \$14.00 per hour, respectively.

No Work Supports (Wages Only) (Column 1): In Panel A, Column 1, the parent earns \$7.40 per hour and is not receiving any work supports or tax credits monthly. In this scenario, the family's monthly expenses total \$3,581, while the parent's total monthly income is just \$1,302. Thus, there is a shortfall of \$2,279 without work supports or tax credits and Wage Adequacy is just 36%. In other words, these wages only provide 36% of the income needed to meet this family's needs. The first column in Panels B, C, and D shows the effect of increasing the parent's wages to \$10.00, \$12.00, and \$14.00 per hour. This increases Wage Adequacy to 49%, 58%, and 67%, respectively, still far below what is needed. Indeed, even at the highest wage illustrated (\$14.00 per hour), when the family's monthly income is \$2,464, it is still \$1.232 less than what is needed to be self-sufficient.

Child Care (Column 2): When the family receives child care assistance (using the Connecticut cap), it reduces their expenses, raising Wage Adequacy, as shown in Column 2 of Panels A, B, C, and D. At \$7.40 per hour, child care costs are decreased to \$437, increasing Wage Adequacy from 36% to 55%. At \$10.00 per hour, child care costs are decreased to \$455 increasing Wage Adequacy from 49% to 73%. At \$12.00 per hour, child care costs are decreased to \$511, increasing Wage Adequacy from 58% to 84% and, at \$14.00 per hour, child care costs are decreased to \$582 increasing Wage Adequacy from 67% to 94%.

Child Care, Food Stamps, WIC, and Medicaid (Column 3): At earnings of \$7.40 per hour, the addition of Food Stamps, WIC, and Medicaid to the child care assistance increases Wage Adequacy from 55% to 77%. At \$10.00 per hour, the Wage Adequacy rises from 73% with child care assistance alone to 84%. At \$12.00 per hour, it rises from 84% to 96%, and at \$14.00 per hour, it rises from 94% to 107%.

Child Care, Food Stamps, WIC, and CHIP (HUSKY) (Column 4): The fourth column models the same family receiving child care assistance, Food Stamps, WIC, and HUSKY (Connecticut CHIP). Without Medicaid, but with the addition of HUSKY, the Wage Adequacy stays the same (77% and 84%) for earnings of \$7.40 and \$10.00 per hour,

respectively, and drops slightly for earnings of \$12.00 and \$14.00 per hour. At \$12.00 per hour, the Wage Adequacy is decreased slightly from 96% with Medicaid to **91%** with HUSKY. With a wage of \$14.00 per hour, Wage Adequacy for this package of subsidies decreases slightly from 107% with Medicaid to **102%** with HUSKY.

Housing, Child Care, Food Stamps, WIC & HUSKY (Column 5): With the addition of housing assistance, at wages of \$7.40, \$10.00, and \$12.00 per hour, Wage Adequacy increases from the levels shown without housing assistance to 95%, 92%, and 94%, respectively. At \$14.00 per hour, this family is not eligible for housing assistance and the Wage Adequacy stays at 102%.

... carefully targeted programs and tax policies can play an important role in helping families become self-sufficient. Unfortunately, the various work supports modeled here are not available to all who need them.

#### Importance and Availability of the Work Supports Modeled in Table 8 and Table 9

When assisted temporarily with work supports until they are able to earn Self-Sufficiency Wages, families are able to meet their needs as they enter or re-enter the workforce. Meeting basic needs means that they are more likely to achieve stability in housing, child care, diet, and health care, which in turn helps support the ability to achieve stable employment. Thus, carefully targeted programs and tax policies can play an important role in helping families become self-sufficient. Unfortunately, the various work supports modeled here are not available to all who need them:

- Housing: Only one-fourth of the families eligible to receive federal housing assistance actually receive it. About 60% of U.S. households receiving Section 8 housing vouchers include children. Under the proposed 2005 budget cuts for HUD, a projected 34,157 Section 8 vouchers would be authorized for Connecticut, decreasing the number of eligible households assisted by an estimated 4.140.46
- Food: Food Stamp enrollment has increased, reaching 25.6 million people in July 2005.<sup>47</sup> In Connecticut, participation in the Food Stamp

Program has risen from 165,059 participants in fiscal year 2000 to 195,980 in fiscal year 2004, a 19% increase. Even so, most families that leave TANF cash assistance programs have low incomes and remain eligible for food stamps when they go to work. But many of these eligible families do not stay connected to the Food Stamp Program when they leave TANF. The Center on Budget and Policy Priorities states, "Research by both the Department of Health and Human Services and the Urban Institute has shown that fewer than half of the individuals who leave TANF cash assistance continue to participate in the Food Stamp Program despite earning low wages and (in most cases) remaining eligible for food stamp benefits."

- *Child Care:* Only 12% of about 15 million eligible children are receiving child care assistance nationwide. <sup>50</sup> In Connecticut, around 11,700 children, or 6,800 families, received Child Care and Development Fund Subsidies (CCDF) in fiscal year 2003. While those enrolled in CCDF represent only about 10% of eligible families (the number of families estimated to earn less than 62% of the state median income), <sup>51</sup> Connecticut provides additional subsidies utilizing Social Services Block Grant (SSBG) and Temporary Assistance for Need Families (TANF) funds. Altogether, about 35% of eligible Connecticut families (earning less than 75% of the state median income) receive child care assistance. <sup>52</sup>
- **Health Insurance:** According to the National Center for Health Statistics, the rate of uninsured children nationwide has steadily fallen from 13.9% in 1997 to 10.1% in 2003.53 However, Families USA reports that "since 2001, low-income children's access to health insurance coverage has been negatively affected by state budget cuts" resulting from fiscal pressures of the recent economic recession, and that the "cumulative effect at the national level was that children's enrollment in the SCHIP program declined during the second half of 2003, the first decrease since the program was implemented in 1997."54 HUSKY, Connecticut's Health Care for UninSured Kids and Youth, currently serves 212,464 children and teens under 19 year of age.55 However, the Census Bureau estimates that there are still 36,000 eligible, uninsured children in Connecticut.<sup>56</sup>

• *Child Support*: Although 59% of custodial parents in the United States have child support awards, only 45% receive the full amount owed to them. Of the remaining 55%, only 29% receive a portion of the child support payment awarded,

leaving 26% with no support at all.<sup>57</sup> Of families who receive payments with the assistance of state department of child support enforcement agencies, the national average amount received is \$210, and in Connecticut the average is \$184.<sup>58</sup>

## 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 or low wage areas. Such families cannot afford their housing *and* food *and* child care, much less their other basic needs, and are forced to choose between basic needs and adequate housing, food, or child care.

Based upon the 2004 American Community Survey, in Connecticut there are 899,496 family households, of those, a total of 55,768 or 6.2% had income below the poverty level. Of those 55,768 families, 36,846 (66%) are single-parent families with a female head of household.<sup>59</sup> In 2002, 156,500 families claimed an earned income tax credit.<sup>60</sup> Although the State of Connecticut has the highest per capita income in the country, there are still families who are struggling to make ends meet.

This wage disparity presents states and localities with the challenge of how to aid families who are striving for self-sufficiency. This is especially true for

Table 10

Wages of the Top Fifteen Connecticut Growth Occupations\*
by Projected Increase in Number of Jobs Annually: 2002-2012

	Projected Growth by Number of	Annual Projected Percent Growth		Average Wage 2005 ***	
Occupation Title	jobs from 2002 to 2012	Openings**	Rate from 2002 to 2012	Hourly	Annual
Cashiers	4,460	2,743	6%	\$9.28	\$19,287
Retail Salespersons	4,400	2,314	4%	\$13.03	\$27,104
Waiters and Waitresses	4,310	1,764	7%	\$8.89	\$18,491
Registered Nurses	5,250	1,181	4%	\$29.54	\$61,455
Combined Food Preparation and Serving Workers	3,040	1,070	6%	\$9.29	\$19,321
Janitors & Cleaners, exc. Maids Housekeeping Cleaners	3,110	904	3%	\$11.79	\$24,519
Customer Service Representatives	3,750	820	3%	\$16.64	\$34,594
Sales Representatives, Wholesale and Manufacturing****	2,230	775	4%	\$32.95	\$68,536
Office Clerks, General	220	737	2%	\$13.73	\$28,575
Food Preparation Workers	2,180	709	5%	\$10.49	\$21,824
Teachers Assistants	2,550	682	3%	\$11.50	\$24,290
Accountants and Auditors	2,590	637	3%	\$32.69	\$68,006
General and Operation Managers	2,040	583	3%	\$61.24	\$127,382
Receptionists and Information Clerks	2,360	575	4%	\$12.79	\$26,606
Landscaping and Groundskeeping Workers	2,470	563	4%	\$13.33	\$27,726

<sup>\*</sup> Occupational growth data is from "Connecticut's Industries & Occupations Forecast 2012, Connecticut Employment Projections, January 2005" by the Connecticut Department of Labor. Available at: http://www.ctdol.state.ct.us/lmi/misc/forecast.htm

Source: United States Department of Labor Bureau of Labor Statistics.

<sup>\*\*</sup> The top 15 occupations are ranked based on the projected number of annual openings.

<sup>\*\*\*</sup> Wage data is from "Occupational Employment and Wages, First Quarter 2005" by the Connecticut Department of Labor. Available at: http://www.ctdol.state.ct.us/lmi/internet/oesmain.htm

<sup>\*\*\*\*</sup> Except Technical and Scientific Products

families whose incomes may be above the "poverty level" and/or assistance eligibility levels, yet not be sufficient to meet all their basic needs. While many families benefited from opportunities created by an expanding economy during the late 1990s, these opportunities remain vulnerable to economic downturns, and wage disparity remains a challenge even during periods of economic growth.

Table 10 below shows projected growth rate and the 2005 wages of the top fifteen growth occupations in Connecticut. In many cases, parents working at these wages will not reach economic self-sufficiency. For example, a single parent with a preschooler and a schoolage child in the city of Hartford would require \$44,628 per year (without work supports) to be self-sufficient. This annual wage is more than the wage paid in 2005 by three-fourths of Connecticut's growth occupations.

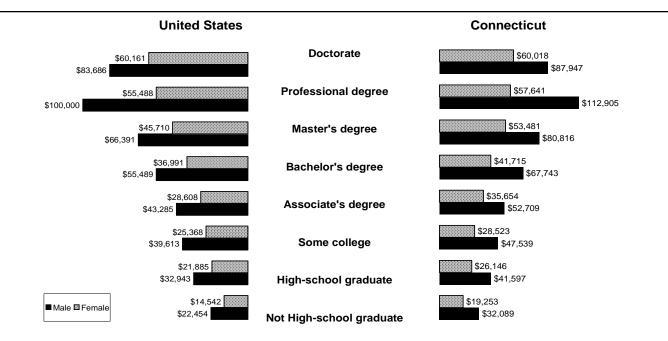
The two basic approaches for individuals to close income gaps are to *reduce costs* (through public or private, in cash or "in kind" supports) or *raise incomes*. The first approach, reducing costs through various subsidies and supports, such as child support, Food Stamps, and child care assistance was modeled and discussed in the previous section. The second approach, raising incomes, can be implemented at

either the "micro" or individual level, or at the "macro" or systemic level.

Micro strategies to raise individual incomes include: increasing access to higher education, functional context education, nontraditional employment opportunities, microenterprise training and development, and individual development accounts. Macro strategies address labor market structures and include: labor market reforms, reducing gender- and race-based wage disparities, and sectoral employment initiatives.

Both micro and macro approaches to incomeraising are discussed in detail below. Note, however, that reducing costs (as previously discussed) and raising incomes (either at the micro or macro level) are not mutually exclusive, but can and should be used sequentially or in tandem. Some parents may, for instance, receive education and training leading to new jobs, yet continue to be supplemented by supports until their wages reach the self-sufficiency level. Whatever choices they make, parents should be able to choose the path to self-sufficiency that best safeguards their family's well-being and allows them to balance work, education, and family responsibilities.

Figure 3
Impacts of Education on Earnings by Gender in the United States and Connecticut



Sources: United States - Bureau of Labor Statistics. Current Population Survey 2003: Connecticut - Decennial Census 2000

Note: Males with professional degrees are top-coded as \$100,000 and over in the Current Population Survey data.

#### Raising Incomes: Micro Approaches

Increasing Access to Higher Education:

Adults with language difficulties, inadequate education, or insufficient job skills or experience usually cannot achieve Self-Sufficiency Wages without access to training and education. Training and education can often be the key to entering occupations and workplaces that will eventually, if not immediately, pay Self-Sufficiency Wages. For some, this may mean skills training, GED (General Educational Development), ABE (Adult Basic Education), and /or ESL (English as a Second Language) programs. For others, this may mean twoor four-year college degrees. Figure 3 clearly depicts the benefits of access to higher education for U.S. and Connecticut workers.<sup>61</sup> Note the considerably lower income for women, as compared to men, at the various educational levels.

Education has always been a key to economic independence. Yet by promoting rapid attachment to employment or "work first," the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 restricted welfare recipient's access to higher education. Because of federal and state rules, few recipients are now enrolled in college programs or long-term training. Effectively coupling work and access to occupational skills training or higher education requires balancing work requirements, access to training, as well as providing income supports for low-income parents in college or training.

The development of an educated workforce is necessary for 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 and increased efficiency benefiting the employer as well as the employee.

Functional Context Education: Functional Context Education (FCE) is an instructional strategy that integrates the teaching of literacy skills and job content to move learners more successfully and quickly toward their educational and employment goals. Programs that use the FCE model are more effective than traditional programs that teach basic skills and job skills in sequence because this innovative approach teaches literacy and basic skills in the context in which the learner will use them. Clients see clearly the role literacy skills play in moving them toward their goals.

For adults who have already experienced school failure, enrollment in programs that use traditional approaches to teaching often reproduce that failure.

By using content related to an individual's own goals and experience, FCE promotes better retention, encourages lifelong learning, and supports the intergenerational transfer of knowledge. Furthermore, most adults do not have time to spend years in basic education programs learning skills that may seem, at best, distantly related to their economic goals. Given welfare time limits and restrictions on education and training, it is more important than ever that individuals master basic and job-specific skills as quickly and efficiently as possible.

#### Nontraditional Employment for Women:

Nontraditional occupations (NTOs) are jobs that are often thought of as "men's jobs." According to the U.S. Department of Labor, NTOs include any occupation in which less than 25% of the workforce is female. For many women, nontraditional jobs (e.g., copy machine repair, construction, or computer-aided drafting) require relatively little post-secondary training, yet can provide wages at self-sufficiency levels.

Increasing women's access to nontraditional jobs is a compelling strategy for family economic self-sufficiency for several reasons. In addition to the higher wages, NTOs frequently have greater career and training opportunities, which can lead to greater job satisfaction and result in longer-term employment. Furthermore, hiring women in nontraditional jobs is good for business because it opens up a new pool of skilled workers to employers and creates a more diverse workforce that is reflective of the community.

Recognizing the significant benefits of nontraditional employment for low-income women and their families, many community-based women's organizations began to offer nontraditional training 20 years ago. Their efforts were assisted by affirmative action guidelines for employers and apprenticeship programs that opened the construction trades, in particular, to women.

While most community-based nontraditional employment programs were successful, few of the strategies used to train and place women in the nontraditional jobs were institutionalized into the mainstream job training and vocational education systems. For NTOs to become a successful strategy for moving families out of poverty, it is critical to

address the range of economic, political, and social barriers that prevent workforce development and welfare systems from institutionalizing nontraditional employment for women.

#### Microenterprise Training and Development:

Microenterprise development is an income-generating strategy that helps low-income people start or expand very small businesses. Generally, the business is owned and operated by one person or family, has fewer than five employees and can start up with a loan of less than \$25,000. Microenterprise is an attractive option for low-income individuals who may have skills in a particular craft or service. The lack of quality employment options makes microenterprise development a critical strategy for moving families out of poverty.

Low-income women entrepreneurs, especially those living in rural or inner-city communities isolated from the economic mainstream, often lack the contacts and networks needed for business success. Peer networks (such as lending circles and program alumnae groups) can help women "learn to earn" from each other, build self-esteem, and organize around policy advocacy. Linkages between microentrepreneurs and more established women business owners provide program participants with role models, facilitate an ongoing transfer of skills, and expand networks. Microenterprise is also a local economic development strategy, since microbusinesses have the potential to grow into small businesses that respond to local demand, create jobs, and add to the local tax base.

Individual Development Accounts: For many low-income families, the barriers to self-sufficiency are accentuated by a near or total absence of savings. According to one report, the average family with a household income between \$10,000 and \$25,000 had net financial assets of \$1,000, while the average family with a household income of less than \$10,000 had net financial assets of \$10.62 For these families with no savings, the slightest setback—a car needing repairs, an unexpected hospital bill, a reduction in work hours can trigger a major financial crisis. These families can be forced to take out small loans at exorbitant interest rates, like payday loans, just to make it to the next paycheck, often resulting in spiraling debt. The Connecticut State Legislature authorized the Connecticut Connecticut Individual Development Accounts (IDA) Initiative in 2000. The Connecticut Department of Labor is the administrator of the IDA

program. Among the allowable asset goals in Connecticut are: the cost of education or job training; the purchase of a home as a primary residence; entrepreneurial activity; purchase of an automobile for the purpose of obtaining or maintaining employment; and placing a deposit for the lease on a primary residence. IDA funds are excluded from determination of eligibility for the benefit level of needs based programs using state or joint federal/state funds. Connecticut corporations and other businesses that contribute funds into the State IDA Reserve Fund can receive Human Capital Investment Tax Credits (HCIC). Es

In addition, too often, public policies work against the promotion of savings by actively penalizing families that manage to put some money aside. For example, in Connecticut, a family with savings of more than \$3,000 is ineligible for Connecticut's TANF program.<sup>66</sup>

It is important to recognize that not all barriers to self-sufficiency lie in the individual persons and/or 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.

Nonetheless, some recent policy changes have begun to promote and encourage asset development for low-income workers. One major development has been the Individual Development Account (IDA). IDAs are managed by community-based organizations and are held at local financial institutions. In this program, a public or private entity provides a matching contribution towards regular savings made by a family. The match can be withdrawn if it is used for a specified objective, such as the down payment for a house, payment for higher education, or start-up costs for a small business. While less common than income supports, these "wealth supports" can be an important tool in helping families move towards self-sufficiency.

#### Raising Incomes: Macro Approaches

**Labor Market Reforms:** As demonstrated in the previous section, even two parents working full-time

must earn well above the federal minimum wage to meet their family's basic needs. Raising the minimum wage, particularly in high cost areas, is essential because it raises the "floor" for wages, and therefore affects many workers' earnings. As of May 2005, fourteen states including Connecticut and the District of Columbia have a minimum wage that is above the federal minimum wage, with the highest being Washington State at \$7.35 per hour, then Oregon at \$7.25 per hour.<sup>67</sup> In Connecticut, the minimum wage is set at \$7.40 in January 2006 and \$7.65 in January 2007. In all, over 30% of U.S. residents live in states and localities with a minimum wage higher than the federal minimum wage. Higher wages can also have a positive impact on both workers and their employers by decreasing turnover, increasing work experience, and reducing training and recruitment costs.

Another approach to raising wages of workers is through use of Living Wage laws that mandate city contractors and employers receiving public subsidies to pay a "living wage." These policies would impact private sector workers' wages as well as public sector workers. According to the Bureau of Labor Statistics and the U.S. Department of Labor, union representation of workers also leads to higher wages, 68 as well as better benefits, 69 moving workers closer to the Self-Sufficiency Standard.

Reducing Gender- and Race-Based Wage Disparities: It is important to recognize that not all barriers to self-sufficiency lie in the individual persons and/or 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 a key issue. At the same time, this does not necessarily mean that individuals or

institutions are engaging in deliberate racism and sexism. Effectively addressing the more subtle, yet substantial, barriers requires all stakeholders—employers, unions, advocates, training providers and educators, welfare officials, and program participants—to partner in order 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. Pay Equity laws raise the wages of women and people of color who are subject to gender- and race-based discrimination. 70

Sectoral Employment Intervention: A strategy that targets high-wage jobs, Sectoral Employment Intervention determines the wage needed by a worker to sustain her/his family (using the Self-Sufficiency Standard), identifies well-paying jobs in growth sectors that lack trained workers, and analyzes the job training and support services infrastructure necessary to move individuals into these jobs. Key components include: engaging industry representatives and workforce development boards; establishing occupational information systems based on local and regional labor-market-specific data; targeting training for specific jobs; and developing sensible outcome standards.

Because this approach looks at labor market issues from both supply and demand perspectives, it helps communities strengthen their local economies while reinvesting in families and neighborhoods. Targeted training is necessary to help low-income clients' access high-demand, high-wage jobs. By responding to business' specific labor needs, a high-wage job targeting strategy improves a region's ability to attract and keep industries and to support a healthier business climate.

## How the Self-Sufficiency Standard Can Be Used

The Self-Sufficiency Standard can be used by: low wage workers and welfare recipients choosing the best route out of poverty for themselves and their families; dislocated workers seeking new employment opportunities and careers; organizations weighing investment in various education and training opportunities; and state-level policymakers making critical policy choices on workforce development, TANF implementation, tax policy, work supports, child care co-payments, and education and training programs.

Below is a partial list of how Connecticut could use the Standard, followed by specific illustrations of such uses throughout the country. As the Center for Women's Welfare at the University of Washington develops a state Self-Sufficiency Standard for the first time, and as the Standard is updated for many states, new uses of and application for the Standard continue to emerge.

## **The Self-Sufficiency Standard as a Tool To Target Job Training and Education Resources**

The Self-Sufficiency Standard can be used to identify individuals in greatest need of career counseling, job training, and other support services. The Standard can also be used to target education and job training investments by local workforce investment boards. For example, the Standard can help demonstrate the "pay off" for investing in various types of post-secondary education and training. Advanced education and training often provides better access to a wide range of jobs that pay Self-Sufficiency Wages. The Standard can help make the case for investments.

• In Texas, the Standard was successfully used to demonstrate to the State legislature the importance of establishing a Self-Sufficiency Fund. The fund provides resources for employers and employment trainers to provide job training, education, and supportive services for TANF recipients making the transition to work.

- The Missouri Women's Council of the Department of Economic Development began a program to promote nontraditional career development among low-income women. The program encourages women and girls to explore different, nontraditional career options that will pay a Self-Sufficiency Wage.
- Women in Nontraditional Employment Roles (WINTER) in Los Angeles used the Self-Sufficiency Standard as a counseling tool to illustrate to low-income women why employment in the construction or other nontraditional trades might better serve the income needs of their families.
- At Pennsylvania's Laurel House, a Self-Sufficiency Specialist trained all staff how to use Self-Sufficiency materials with survivors of domestic violence. Staff used the Standard and the Budget Worksheet with clients moving to transitional housing to test eligibility for programs and benefits. Additionally, Pittsburgh advocates used the Standard to determine water and sewage affordability for residents.
- In Pennsylvania's Delaware County, the Self-Sufficiency Standard was used to design and implement a sector employment intervention strategy that identifies, recruits, hires, trains, retains, and provides upward mobility to low-income residents.
- Voices for Virginia's Children was successful in advocating to the state's TANF reauthorization committee to include the use of the Virginia Self-Sufficiency Standard as a tool for setting eligibility guidelines in their recommendations to the state.
- The San Francisco Workforce Investment Board uses the Self-Sufficiency Standard as eligibility criteria for job training thereby allowing low-wage workers to access training that can help them move up the wage scale.

## The Self-Sufficiency Standard as a Counseling Tool in Employment and Training Programs

The Standard can be used as a counseling tool to help work and training program participants make informed choices regarding occupations and jobs. For example, the Standard has been used to develop the *Self-Sufficiency Standard Budget Worksheet*, a tool that counselors and clients can use to "test" the ability of various wages to meet a family's self-sufficiency needs. The counselor can then determine the type of training and employment that will most likely lead a worker to self-sufficiency. Additionally, the Standard can help participants assess how micro enterprises or Individual Development Accounts may, along with paid employment, provide a path to self-sufficiency.

- In Connecticut, the Standard is used to provide career counseling to customers in the CTWorks system.
- South Dakota's Women Work! has used the South Dakota Standard as a career counseling tool for their clientele.
- In the D.C. Metropolitan Area, Wider Opportunities for Women has developed and piloted a Teen Curriculum based on the Standard that educates adolescents about career choices, life decisions, and self-sufficiency.
- Santa Cruz County Human Resources Agency/ CalWORKs program uses the Self-Sufficiency Standard in a number of ways. Copies of the Standard are distributed to all recipients when they first enroll in employment services. The Standard is used as a budget-planning tool in Job Search Workshops to help participants understand how to plan a household budget. When participants choose an occupational goal, the Standard is used to discuss potential earnings.
- Seattle-King County of Washington State implemented a curriculum to train caseworkers in the workforce system how to conduct financial planning, career counseling, and goal-setting in a self-sufficiency context with their clients. This curriculum can be adapted and used by caseworkers in various public and private agencies in the country.
- The Houston READ Commission, the Women's Center of Tarrant County, and Project Quest in San Antonio in Texas use the Standard with low-income individuals enrolled in job training programs.

## The Self-Sufficiency Standard as a Tool to Evaluate Policy

The Standard can be used as a tool to evaluate the impact of current and/or proposed policy changes. As shown in this report (see Tables 8 and 9), the Standard can evaluate the impact of various work support programs, as well as model the effects of other policy options such as changes in child care co-payment schedules or tax reforms.

• Connecticut's Women's Education and Legal Fund is responsible for evaluating pilot programs intended to increase low-wage workers access to career pathways in technology, health care, and child care.

#### The Self-Sufficiency Standard as a Tool to Evaluate Economic Development Proposals

The Standard can been used to evaluate an economic development proposal. For instance, the Standard can determine if the wages paid by a new business seeking tax breaks and/or other government subsidies are at or above Self-Sufficiency Wages, and whether or not the proposed enterprise will require that workers rely on public supports. By revealing potential "double subsidies," a proposed economic development project can be evaluated for its net effect on the local economy, as well as on the well-being of the potential workers and their families. Conversely, the Standard can be used to ensure that an economic development proposal has a positive impact on the local economy by creating family sustaining wages. Nebraska, Mississippi, and Delaware have all used the Standard to evaluate economic development proposals.

- The Nebraska Appleseed Center developed a set of job quality benchmarks based on the Standard that corporations should follow prior to receiving public funds.
- The Enterprise Corporation of the Delta in Mississippi uses the Self-Sufficiency Standard in their own progress reports on the development of new businesses. They benchmark their start-up ventures against the Mississippi Self-Sufficiency Standard and have noticed that the average hourly wages are at or above the Self-Sufficiency Standard.

• The Delaware Economic Development Office applies the Delaware Self-Sufficiency Standard to strategic fund grant applications in order to focus on quality employment growth.

### The Self-Sufficiency Standard and Online Calculators

The Standard can be used to develop online self-sufficiency budget calculators. Online calculators have the potential to integrate a wide range of functions not usually brought together such as benefit eligibility screening, online applications, and determination of the income required for a family to meet their basic needs. Specifically, a calculator based on the Standard allows a variety of users (counselors as well as clients) to evaluate possible wages and compare information on available programs and work supports to individualized costs and needs.

Calculators exist in Pennsylvania, New York City, Illinois, and Washington State, and two additional calculators are being developed for California and Colorado.

- The Pennsylvania Self-Sufficiency On-Line Budget Worksheet can be found at: http://www.pathwayspa.org/Worksheet/worksheet.htm.
- The Illinois Department of Employment Security hosts the Illinois Self-Sufficiency Calculator at: http://www.ides.state.il.us/calculator.
- The Bay Area Self-Sufficiency Calculator in California can be found at: http://www.nedlc.org/calcba.htm.
- The Workforce Development Council of Seattle King County Self-Sufficiency Calculator also includes an evaluation tool for tracking client progress and permits data analysis for systemic program improvement (while preserving client confidentiality). The King County calculator can be accessed at http:// www.seakingwdc.org/Templates/js\_calculator.html.

## The Self-Sufficiency Standard as a Benchmark for Evaluation and Program Improvement

The Standard can be used to evaluate outcomes for employment programs, from short-term job search and placement programs to those providing extensive education or job training. Measuring the true effectiveness of an employment program (i.e., yielding a Self-Sufficiency Wage) can help redirect resources

to approaches that result in the best possible outcomes for participants.

- Sonoma County, California was the first county in the country to adopt the Standard as its formal measure of self-sufficiency and benchmark for measuring success of welfare-to-work programs.
- Women At Work in Pasadena found the Standard to be so useful that they enlarged their county Self-Sufficiency Standard chart and put it up in the lobby for clients to see when they walk in. Staff members find that using the Self-Sufficiency Standard helps clients understand that household costs are very high and that it's not their fault when it's difficult to make ends meet.
- The Chicago Workforce Investment Board (under the Workforce Investment Act) adopted the Illinois Self-Sufficiency Standard as its self-sufficiency benchmark. In addition, the Illinois Department of Human Services uses the Standard as a tool for setting goals in their local offices statewide.
- The Philadelphia Workforce Investment Board adopted the Standard as its local benchmark for economic self-sufficiency.
- The Colorado Center on Law and Policy successfully advocated that the Self-Sufficiency Standard be officially adopted by the Eastern Region Workforce Board in Fort Morgan, Colorado. The Eastern Region Workforce Board, which serves a ten county region, will use the Self-Sufficiency Standard to determine eligibility for intensive and training services.
- The Self-Sufficiency Standard for Washington State has been incorporated into the performance benchmarks that Seattle-King County Workforce Board utilizes when writing the contracts for vendors that are creating high-wage jobs.

## The Self-Sufficiency Standard as a Guideline for Wage-Setting and Living Wage Campaigns

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

• At the request of the state of California, the Center for the Child Care Workforce used the Self-Sufficiency Standard to develop specific salary guidelines by county.

- California, Hawaii, Illinois, New York, Nebraska, Pennsylvania, South Dakota, Tennessee, Virginia, and Washington State have all used the Standard to advocate for higher wages through Living Wage ordinances and in negotiating labor union agreements.
- Maryland organizations including the Center for Poverty Solutions and Advocates for Children and Youth, proposed state legislation that would require the Maryland Secretary of Budget and Management to consider a specified self-sufficiency standard when setting or amending a pay rate and require that a State employee whose pay rate is less than the self-sufficiency standard receive a specified pay increase.
- In Washington State, the Standard was used successfully in legislative hearings and meetings with the Governor to counter a proposal to eliminate the indexing of the minimum wage for specific groups of workers, such as farm workers.

#### The Self-Sufficiency Standard in Research

Because the Self-Sufficiency Standard provides an accurate and geographically- and age-specific measure of income adequacy, it is being increasingly used in research. The Standard allows researchers to estimate how poverty differs from place to place and among different family types. In addition, it provides a means to measure the adequacy of various work supports, such as child care assistance, given a family's income, place of residence, and composition.

- In Pennsylvania, the Standard was used to create a report, *The Road to Self-Sufficiency*, which used individual vignettes to explore the impact of public subsidies on full- and part-time low-wage workers.
- Also in Pennsylvania, PathWaysPA teamed with the University of Washington to demonstrate how work supports impact family budgets as wages increase, resulting in the report, Making Wages Work: The Impact of Work Supports on Wage Adequacy for Pennsylvania Families.
- Washington State and Massachusetts used the Self-Sufficiency Standard to examine the cost of health insurance. Income Adequacy and the Affordability of Health Insurance in Washington State and the Health Economic Sufficiency Standard for Massachusetts examine the cost of health insurance for different family types, with varying health statuses and health care coverage. The Washington State report

can be viewed at: http://www.ofm.wa.gov/accesshealth/research/33affordability.pdf and the Massachusetts report can be viewed at: http://www.weiu.org/Advocacy/HESS\_11-11.pdf.

### The Self-Sufficiency Standard as a Public Education Tool

The Standard is an important public education tool. Each year, the Self-Sufficiency Standard is presented in hundreds of workshops across the country. It is also being used in secondary education classrooms throughout the U.S. The Standard helps the general public understand what is involved in making the transition to self-sufficiency, while showing employers the importance of providing benefits, especially health care, that help families meet their needs. For both public and private service providers (e.g., child care providers, community organizations, education and training organizations), the Standard demonstrates how the various components fit together, thus helping to facilitate the coordination of various services and supports.

- In Seattle, self-sufficiency information was distributed during the run of a play based on Barbara Ehrenreich's book about the struggles of America's low-wage workers, *Nickel and Dimed: On (Not) Getting By in America*. Additionally, a computer with a mock website allowed participants to enter their income and compare it to the Standard.
- MassFESS developed an Economic Self-Sufficiency Standard Curriculum in a "train-the trainer" format that can be used by organizations for their work in career development, economic literacy, living wage campaigns, and other types of community organizing, policymaking, education and training, and advocacy efforts. The curriculum can be viewed at http://www.weiu.org/pdf\_files/MassFESSCurriculum.pdf.
- The Wisconsin Women's Network has distributed the Wisconsin Self-Sufficiency Standard to its many and varied women's coalition members, many of whom have found a use for the Standard in their advocacy work to improve women's ability to be self-sufficient in Wisconsin.
- Voices for Utah Children distributed copies of the Utah Self-Sufficiency Standard to state legislators and candidates during the 2003 legislative session to Children's Health Insurance Program.

• In an initiative started at the University of Washington's School of Social Work, policymakers participated in the "Walk-A-Mile" in the shoes of welfare recipients by living on a Food Stamp budget for one month. The Standard was then used to further educate on all the implications of a minimal budget.

More detailed informations about these various applications and uses of the Standard can be found at the website http://www.sixstrategies.org, or by contacting specific state lead organizations, Wider Opportunities for Women, or the University of Washington's Center for Women's Welfare.

## Conclusion

Our challenge in Connecticut is to determine how to make it possible for low-income households to become economically self-sufficient. The economy, the high costs of housing, child care and health care, and the lack of education and skills, all add to the problems faced by many parents seeking self-sufficiency. In addition, there are many families in Connecticut who have never been on TANF but are trapped in low-wage jobs and are struggling to make ends meet.

The Self-Sufficiency Standard informs this debate by documenting the cost of living for families to live independently, without public or private assistance. The Self-Sufficiency Standard shows that for most parents earnings that are well above the official poverty level are nevertheless far below what is needed to meet their families' basic needs.

The Self-Sufficiency 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.

In addition to Connecticut, the Standard has been calculated for Alabama, Arizona, California, Colorado, Delaware, Florida, Georgia, Hawaii, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maryland, Massachusetts, Mississippi, Missouri, Montana, Nebraska, Nevada, New Jersey, New York City, New York State, North Carolina, Oklahoma, Pennsylvania, South Dakota, Tennessee, Texas, Utah, Virginia, West Virginia, Wisconsin, Wyoming, Washington State, and the Washington, D.C. metropolitan area.

For further information about the Standard, how it is calculated, or the findings reported here, contact Dr. Diana Pearce at pearce@u.washington.edu or (206) 616-2850, or Center for Women's Welfare staff at (206) 685-5264. To learn about how to have the Standard developed for your community or state, contact Kate Farrar at Wider Opportunities for Women at (202) 464-1596.

## **Endnotes**

- <sup>1</sup> Women's Foundation of Genesee Valley. (2004). *Improving Economic Self-Sufficiency: Current Status, Future Goals, and Intervention Strategies Project*. Retrieved May 23, 2005, from http://www.womensfoundation.org/pdfs/ Womens\_Foundation\_Research.pdf
- <sup>2</sup> The federal poverty measure is calculated two ways. A detailed matrix of poverty thresholds is calculated each year by the Census Bureau (and is used to determine poverty numbers and rates) for the previous year. This measurement distinguishes between households by the number of adults and number of children. In addition, there are special thresholds for one and two adult households whose members are over 65 years old. Thus the threshold for a single adult and two children would be less than the threshold for two adults and one child, although both are families of three. The other form of the poverty measure is called the "federal poverty guidelines" or the "federal poverty level" (FPG/FPL). It is calculated by the U.S. Department of Health and Human Services each February for the current year, using the previous year's thresholds. It is primarily for use in federal and state programs, to determine eligibility and/or calculate benefits, such as for Food Stamps. It only varies by family size, regardless of composition, i.e., there is only one FPG/ FPL for a family of three.
- <sup>3</sup> DeNavas-Walt, C., Proctor, B. & Hill-Lee, C. (2004). *Income, Poverty, and Health Insurance Coverage in the United States: 2004.* (U.S. Census Bureau, Current Population Reports, Series P60-229). Washington, DC: U.S. Government Printing Office. Retrieved September 14, 2005, from http://www.census.gov/prod/2005pubs/p60-229.pdf
- <sup>4</sup> U.S. Bureau of Labor Statistics. (2005, June). *Employment Characteristics of Families in 2004*. Retrieved September 14, 2005, from http://www.bls.gov/news.release/pdf/famee.pdf
- <sup>5</sup> Using the 2005 Fair Market Rents, the cost of housing (including utilities) at the 40<sup>th</sup> percentile, for a two-bedroom unit in the most expensive place, Marin County, CA (part of the San Francisco metropolitan area) is \$1,539. This is nearly five times as much as the least expensive housing, found in Starr County, Texas, where a two-bedroom unit costs \$323 per month. U.S. Housing and Urban Development Department. (2005). Fair Market Rents. Retrieved October 6, 2004, from http://www.huduser.org/datasets/FMR/FMR2005F/index.html
- <sup>6</sup> One of the first to advocate building changes over time into the Federal Poverty Level was Patricia Ruggles, author of *Drawing the Line*. Ruggles' work and the analyses of many others are summarized in Citro, C. & Michael, R. Eds. (1995).

- Measuring poverty: A new approach. Washington, DC: National Academy Press. Retrieved from http://www.census.gov/hhes/poverty/povmeas/toc.html
- <sup>7</sup> Living Wage campaigns exist in many states and cities, with many of them developing an estimate of the minimum wage for several family types in their area/state. According to the Economic Poverty Institute, a living wage ordinance requires employers to pay wages that are above federal or state minimum wage levels. Only a specific set of workers are covered by living wage ordinances, usually workers employed by businesses that have a contract with a city or county government or those who receive economic development subsidies from the locality. Retrieved September 14, 2005, from http://www.epi.org/content.cfm/ issueguides\_livingwage\_livingwagefaq. The Basic Needs Budget was developed by Trudi Renwick and Barbara Bergmann, B. & Renwick, T. (1993). A budget-based definition of poverty: With an application to single-parent families. The Journal of Human Resources, 28(1), 1-24.
- <sup>8</sup> New light on the cost of living (1998, September 25). *Boston Globe*.
- <sup>9</sup> Although about 70% of employed women with children under 18 years of age worked full-time in 2004, 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 when 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. U.S. Bureau of Labor Statistics. (2005, June). *Employment Characteristics of Families in 2004*. Retrieved September 14, 2005, from http://www.bls.gov/news.release/pdf/famee.pdf
- <sup>10</sup> Gowdy, E.A. & Pearlmutter, S.R. (1994). Economic Self-Sufficiency is a Road I'm On: The Results of Focus Group Research with Low-Income Women. In L.V. Davis (Ed.), *Building on women's strengths: A social work agenda for the twenty-first century* (p. 91). New York: The Haworth Press.
- <sup>11</sup> These 70 family types represent about 90% of households. The Self-Sufficiency Standard can also be calculated for a wider range of family types, including larger and multigenerational families.

- <sup>12</sup> FMR's for Connecticut were obtained from the U.S. Housing and Urban Development. 2005 Fair Market Rents, Final Revised Data (published in the Federal Register on February 28, 2005 and superseded the FMRs published on October 1, 2004). Retrieved August 19, 2005, from http://www.huduser.org/Datasets/FMR/FMR2005R/map/ct\_FY2005\_FMR.pdf
- <sup>13</sup> A metropolitan area is either a Metropolitan Statistical Area (MSA) (containing a population center of 50,000 or more), a Primary Metropolitan Statistical Area (PMSA) (a population core area of over one million), or a Housing and Mortgage Finance Agency area (HMFA). U.S. Census. Using the Data, Geography Notes. Retrieved October 12, 2005, from http://www.census.gov/acs/www/UseData/geo.htm
- <sup>14</sup> FMRs, used to determine the level of rent for those receiving housing assistance through Section 8 vouchers, are based on a survey of renters who have rented their unit within the last two years, excluding new housing (two years old or less), substandard housing, and public housing. U.S. Housing and Urban Development. *Fair Market Rents for the Section 8 Housing Assistance Payments Program.* Retrieved April 29, 2005, from http://www.huduser.org/datasets/fmr/fmrover.doc
- <sup>15</sup> Each of the five Workforce Development areas was divided into regions: large towns/cities (such as Hartford) were made into their own region, and remaining towns were grouped together based using the FMR areas and Census data. Using Census 2000 population and median gross rents by town, population-weighted averages of median gross rents were created for each of the 23 regions. These weighted median gross rents were then used to calculate ratios (reflecting relative housing costs in different areas). Finally, these ratios were applied to the FMRs, increasing/decreasing the FMR to reflect the particular mix in each region of housing costs, resulting in adjusted FMRs for each of the 23 regions. Retrieved June 2004, from http://www.factfinder.census.gov
- <sup>16</sup> Because of the lack of availability of efficiencies (studio apartments) in some areas, and their very uneven quality, the Self-Sufficiency Standard uses one-bedroom units for the single adult and childless couple.
- <sup>17</sup> The Connecticut Department of Social Services (DSS) contracted with the Center for Survey Research and Analysis (CSRA) at the University of Connecticut to develop a methodology leading to the identification of payment rates for the "Care 4 Kids" child care assistance program. Connecticut "Care 4 Kids" information is available at: http://www.dss.state.ct.us/ccare/care4kids/Care4kids1.htm and http://www.ctcare4kids.com/default.htm. Two documents "Connecticut Care 4 Kids Payment Rate Survey Methodology, Summary 2001" and "Care 4 Kids (Connecticut's Child Care Assistance Program), Estimated 75<sup>th</sup> Percentile Rates" from UCONN Survey, Weekly Provider Reimbursement Rates, received from Connecticut Office for

- Workforce Competitiveness, May 12, 2005, were used to calculate child care rates.
- <sup>18</sup> Since one of the basic assumptions of the Standard is that it provides the costs of meeting needs without public or private subsidies, in deciding what is the appropriate setting to use for a given age, we exclude the "private subsidy" of free child care provided by relatives and others. Thus the question becomes, which paid setting is most used for children under three: day care homes or day care centers? Relative care accounts for the largest proportion of care for children under three (30% compared to 15% in family day care and 18% in child care centers). Capizzano, J., Adams, G. & Sonenstein, F. (2000). Child care rrangements for child under five: Variation across states. New federalism: National Survey of America's Families. (Series B, No. B-7). Washington DC: The Urban Institute. Source for Update: Urban Institute calculations from the 1999 National Survey of America's Families (NSAF). Retrieved September 14, 2005 from http://www.urban.org/UploadedPDF/anf\_b7.pdf. However, some proportion of relative care is paid care, with estimates ranging from one-fourth to more than half. In addition, a substantial proportion of relative caregivers also provide care for non-relative children; as a result, relative care, when paid for, closely resembles the day care home setting. When we add even a minimal proportion of relative care to the paid day care setting amount—e.g., if we assume just 20% of relative care is paid—then this combined grouping (day care homes plus paid relative care) becomes the most common paid day care setting for infants e.g., 15% plus 6% (20% of the 30% in relative care) is 21%, and thus is more than the 18% of infants who are in paid care in day care centers. For children three and four years old, however, clearly the most common child care arrangement is the child care center, accounting for 42% of the care (compared to 12% in family child care, and 23% in relative care).
- <sup>19</sup> The Food Stamp Program uses the USDA Thrifty Food Plan and the Standard uses the USDA Low-Cost Plan. However, the USDA does not produce an annual average food cost, so the Standard follows the Food Stamp Program protocol of using June as the average month. U.S. Department of Agriculture, Center for Nutrition Policy and Promotion. Official USDA Food Plans: Cost of food at home at four levels, U.S. Average, June 2005. Retrieved September 26, 2005, from http://www.usda.gov/cnpp/FoodPlans/ Updates/foodjun05.pdf
- <sup>20</sup> U.S. Department of Labor, Bureau of Labor Statistics. (2005, June). Consumer expenditures in 2003. Table 4. Size of consumer unit: Average annual expenditures and characteristics. (Report 986). Retrieved September 12, 2005, from http://www.bls.gov/cex/csxann03.pdf
- <sup>21</sup> In this report, single parents are referred to as "she" because 83% of one-parent families with children under 18 years of age are headed by females. Fields, J. (2004).

- America's families and living arrangements: 2003. (U.S. Census Bureau, Current Population Reports, Series P20-553). Washington. DC: U.S. Government Printing Office.
- <sup>22</sup> ACCRA Cost of Living Index: Grocery Costs. (2004, January). The ACCRA website is http://www.accra.org/. The average cost of groceries for the first through the third quarter for four Connecticut areas is averaged and applied to Connecticut's Workforce Development Areas (WDAs) as follows: Southwest WDA: 115% of national average; North Central WDA: 120%; South Central WDA: 111%; and East WDA: 103%. For the Northwest WDA, the averages of the four Connecticut areas identified by ACCRA are averaged to obtain a cost of groceries 112% higher than the national average. Note that although the ACCRA Cost of Living Index is generally intended for upper-middle income families, the ACCRA grocery index is standardized to price budget grocery items regardless of the shopper's socioeconomic status.
- <sup>23</sup> Porter, C. & Deakin, E. (1995). *Socioeconomic and journey-to-work data: A compendium for the 35 largest U.S. metropolitan areas*. Berkeley, CA: Institute of Urban and Regional Development, University of California.
- <sup>24</sup> Five regions in Connecticut have been determined to use public transportation: Bridgeport: 8.4%; Stamford: 10.7%; Lower Fairfield: a seven town average of 14.6%; Hartford: 18.6%; and New Haven: 11%. Census Transportation Planning Package (CTPP) 2000: Profiles for Connecticut. Retrieved August 6, 2005, from http://transportation.org/ctpp/home/ct.htm
- <sup>25</sup> The monthly bus pass price (\$45) for Stamford, Hartford, and New Haven was found at http://www.gbtabus.com/pages/fixedroute01.html. The monthly bus pass price (\$60) for Bridgeport and Lower Fairfield was found at http://www.cttransit.com/content/faresStandard.asp.
- <sup>26</sup> U.S. Bureau of Labor Statistics, Consumer Expenditure Survey. (2003). Retrieved June 7, 2005, from http:// data.bls.gov/
- <sup>27</sup> National Association of Insurance Commissioners (NAIC). (2004, September). 2001/2002 Auto insurance database report. *Average premiums and expenditures 1998-2002*. NAIC Research Library.
- <sup>28</sup> Connecticut State Insurance Department. Retrieved August 10, 2005, from http://www.ct.gov/cid/lib/cid/ report3l03.pdf. The top five companies by market share (as defined by the greatest amount of premiums collected) are Allstate Insurance, Progressive Auto Insurance, Hartford Fire & Casualty Group, Liberty Mutual, and Traveler's Group. Three sample automobile insurance rates (available from the Connecticut Insurance Department) were re-categorized to align with the 23 Connecticut regions and the average insurance premium for two sample customers for each of the

- five top market share companies were used to create the regional insurance ratios.
- <sup>29</sup> American Automobile Association. *Your Driving Costs* 2005. Retrieved October 3, 2005, from http://www.aaawin.com/news\_safety/pdf/Driving\_Costs\_2005.pdf
- <sup>30</sup> U.S. Department of Transportation. National Household Travel Survey 2001. Retrieved April 29, 2004, from http:// nhts.ornl.gov/2001/index.shtml
- <sup>31</sup> Kaiser Family Foundation. State Health Facts Online. Connecticut: Nonelderly with Employer Coverage. Rate of Nonelderly with Employer Coverage by Employment Status, State Data 2002-2003, U.S. 2003. Retrieved October 12, 2005, from http://www.statehealthfacts.org/cgi-bin/healthfacts.cgi?action=profile&area=Connecticut&category
- <sup>32</sup> Kaiser Family Foundation. State Health Facts Online. Health cost and budgets. Connecticut: Average annual cost of employment-based health insurance single coverage, 2003, and Connecticut: Average annual cost of employment based health insurance family coverage, 2003. Retrieved October 12, 2005, from http://www.statehealthfacts.org/cgibin/healthfacts.cgi?action=profile&area=Connecticut &category
- <sup>33</sup> eHealthInsurance. Retrieved July 7, 2005, from https://www.ehealthinsurance.com/ehi/Quote.fs
- <sup>34</sup> Citro, C. & Michael, R. Eds. (1995). *Measuring poverty: A new approach*. Washington, DC: National Academy Press. Retrieved October 12, 2005, from http://www.census.gov/hhes/poverty/povmeas/toc.html
- 35 Connecticut Department of Revenue Services. IP 2004 (24). Retrieved October 12, 2005, from http://www.ct.gov/drs/cwp/view.asp?A=1510&Q=277616&drsPNavCtr=|#40869
- <sup>36</sup> Connecticut Department of Revenue Services. Connecticut Income Tax Information. Retrieved October 12, 2005, from http://www.ct.gov/drs/cwp/view.asp?a=1462&q=271504&drsPNavCtr=|#40849
- <sup>37</sup> Connecticut's 2005 minimum wage is \$7.10. Retrieved October 4, 2005, from http://www.dol.gov/esa/minwage/america.htm. On January 1, 2006 Connecticut's minimum wage will increase to \$7.40 per hour. Retrieved October 12, 2005, from http://www.ctdol.state.ct.us/wgwkstnd/wgemenu.htm
- <sup>38</sup> HUD calculates the median family income using Core-Based Statistical Areas; their methodology yields a slightly different number from the Census median family income calculations. For HUD's methodology see http://www.huduser.org/Datasets/IL/IL05Est/FY05-CBSA-medianscalculation-methodology.pdf

- <sup>39</sup> U.S. Housing and Urban Development. *Transmittal of Fiscal Year 2005 Income Limits for the Public Housing and Section 8 Programs*. Retrieved June 21, 2005, from http://www.huduser.org/datasets/il/il05/HUD-sec8-notice.pdf
- <sup>40</sup> Some workers may be unaware of the advanced payment option, and others have employers who do not participate. Also, research has shown that families make financial decisions based on receipt of the EITC (together with tax refunds) when they file their taxes early in the following year. Romich, J. L. & Weisner, T. (2000). *How families view and use the EITC: The case for lump-sum delivery*. Paper delivered at Northwestern University, Joint Center for Poverty Research Conference.
- <sup>41</sup> Of federal returns filed in 2001, only 137,685 taxpayers reported having received advanced EITC payments out of more than 16 million families with children receiving the EITC. Numbers cited by John Wancheck of the Center on Budget and Policy Priorities, based on data reported in the IRS Income Tax Section, Monthly Operational Review of Earned Income Credit.
- <sup>42</sup> Connecticut WIC Program. Retrieved October 12, 2005, from http://www.dph.state.ct.us/BCH/wic1/wicforfamilies.htm
- <sup>43</sup> U.S. Department of Health and Human Services, Administration for Children & Families, Office of Child Support Enforcement. 2002 Annual Statistical Report. (Tables 4, 10, 11 and 52). Retrieved May 2, 2005, from http://www.acf.hhs.gov/programs/cse/pubs/2003/reports/annual statistical report/tables.html
- <sup>44</sup> 2005/06 State Plan for the Connecticut Energy Assistance Program (CEAP), Amendment to Plans as Approved on September 12, 2005. Connecticut Department of Social Services. The average monthly benefit was calculated by dividing the estimated total eligible household for the CEAP 2005/2006 (64,000 households) into the estimated budget of \$36,922,453 for the estimated 2006 LIHEAP Block grant amount (and dividing this amount by 12). The monthly benefit was then increased by \$17 in anticipation of state funds being added to the total LIHEAP Block grant.
- <sup>45</sup> Children's Defense Fund. *Bush administration policies* exacerbate growing housing crisis for families with children. (2005, January). Retrieved October 8, 2005, from http://www.childrensdefense.org/familyincome/housing/housing\_crisis.pdf
- <sup>46</sup> Children's Defense. *Section 8 Proposal in the President's FY 2005 Budget.* (2005, March). Retrieved October 10, 2005, from http://www.childrensdefense.org/familyincome/housing/section\_8\_proposal.pdf
- <sup>47</sup> U.S. Department of Agriculture, Food and Nutrition Service, Program Data. Number of Persons Participating (Data as of September 28, 2005). Retrieved October 8, 2005, from http://www.fns.usda.gov/pd/fsmonthly.htm

- <sup>48</sup> U.S. Department of Agriculture, Food and Nutrition Service, Program Data. Food Stamp Program: Average Monthly Participation (Person). Retrieved October 10, 2005, from http://www.fns.usda.gov/pd/fsfypart.htm. Note that this increase does not control for population change in Connecticut, or any USDA methodological changes.
- <sup>49</sup> Center on Budget and Policy Priorities. *Transitional Food Stamps: Background and Implementation Issue*. (2003, November 10). Retrieved October 10, 2005, from http://www.cbpp.org/11-10-03fa.htm
- <sup>50</sup> U.S. Department of Health and Human Services. HHS News. New Statistics Show Only Small Percentage of Eligible Families Receive Child Care Help. (2000, December 6). Retrieved October 10, 2005, from www.hhs.gov/news/ press/2000pres/20001206.html
- <sup>51</sup> National Center for Children in Poverty, Columbia University, Mailman School of Public Health. Retrieved October 10, 2005, from http://nccp.org/state\_detail\_CT\_policy\_13.html. Also see U.S. Department of Health and Human Services, Administration for Children and Families. Child Care Bureau. The Child Care Bureau preliminary estimates for FFY 2004 indicate 6,000 families and 10,300 families receive Child Care and Development Fund Subsidies. Child Care and Development Fund Preliminary Estimates Average Monthly Adjusted Number of Families and Children Served (FFY2004). Retrieved October 10, 2005, from http://www.acf.hhs.gov/programs/ccb/research/04acf800/table1.htm
- <sup>52</sup> Peter Palermino, Connecticut Department of Social Services, Family Services Unit. Connecticut offers child care assistance to families with incomes ranging from less than 50% of the state median income to 75% of the state median income. The eligibility requirements vary depending on the nature of the assistance (i.e. CCDF, TANF, Social Services Block Grant, etc.) and income is not the only factor determining eligibility. Eligibility determinations can also depend on whether or not there is a guardian who is not working and can provide child care.
- <sup>53</sup> Center for Disease Control, National Center for Health Statistics (2003, June). *Health Insurance Coverage: Estimates from the National Health Interview Survey, 2003*. Retrieved September 14, 2005, from www.cdc.gov/nchs/data/nhis/earlyrelease/insur200406.pdf
- <sup>54</sup> Families USA (2004, September). *Health Care: Are you better off today than you were four years ago?* 19-20. Retrieved September 14, 2005, from http://www.familiesusa.org/site/docserver/
  Are\_you\_better\_off\_final.pdf
- <sup>55</sup> Connecticut's Health Care for UninSured Kids and Youth. Retrieved November 1, 2005, from http://www.huskyhealth.com/faqs.htm

- <sup>56</sup> Thirty-six thousand children equal 4% of Connecticut's children. U.S. Census Bureau. Low Income Uninsured Children by State: 2002, 2003, and 2004. Retrieved October 10, 2005, from http://www.census.gov/hhes/www/hlthins/liuc04.html
- <sup>57</sup> Grall, T. (2003). *Custodial mothers and fathers and their child support: 2001*. (U.S. Census Bureau, Current Population Reports, Series P60-225). Washington, DC: U.S. Government Printing Office. Retrieved April 26, 2005, from http://www.census.gov/prod/2003pubs/p60-225.pdf
- <sup>58</sup> This amount is the average of those who participate in child support enforcement. Note that the average child support figure excludes families on assistance, since any child support collected on their behalf goes directly to the state. Also note that because the monthly child support average excludes those currently receiving TANF, it disproportionately represents those who have received cash assistance. The available child support figures in this report are for 2002, and have been inflated to August 2005 to more accurately reflect trends for the last calendar year. U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Support Enforcement. (2002). Annual Statistical Report. (Tables 4, 10, 11, and 52). Retrieved February 24, 2004, from http:// www.acf.dhhs.gov/programs/cse/pubs/2003/reports/ annual\_statistical\_report/tables.html
- <sup>59</sup> U.S. Census Bureau American Factfinder, Connecticut Selected Characteristic: 2004 Data Set: 2004 American Community Survey. Connecticut—General Demographic Characteristics: 2004; http://www.factfinder.census.gov, retrieved November 21, 2005.
- <sup>60</sup> Connecticut Voices for Children: The Earned Income Tax Credit—What It Does for Connecticut, And How It Could Do Much More, February 2005, http://www.ctkidslink.org/, retrieved November 22, 2005.
- <sup>61</sup> U.S. Census Bureau. "Educational Attainment in the United States: 2004." Table 9 in *Current Population Report*, *P20-550*. Retrieved June 16, 2005, from http://www.census.gov/population/www/socdemo/education/cps2004.html. Connecticut data compiled from the Decennial Census 2000.
- <sup>62</sup> Montalto, C. P. (2002, May). Wealth of American households: Evidence from the survey of consumer finances.

- Report to the Consumer Federation of America. http://www.consumerfed.org/pdfs/cfa5\_wealth\_poor\_final\_report.PDF
- <sup>63</sup> Connecticut General Statutes Section 31-51xx(a) retrieved 12-12-15 from http://www.cga.ct.gov/asp/menu/Statutes.asp
- <sup>64</sup> Connecticut General Statutes, Section 31-51 bbb retrieved 12-12-05 from http://www.cga.ct.gov/asp/menu/Statutes.asp
- <sup>65</sup> Connecticut Department of Labor, Individual Development Account Initiative. Retrieved 12-12-05 from www.ctdol.state.ct.us/ida/idahome.htm
- <sup>66</sup> National Center for Children in Poverty. Connecticut Temporary Assistance for Needy Families (TANF) Cash Assistance. Retrieved October 12, 2005, from http:// www.nccp.org/state\_detail\_CT\_policy\_12.html
- <sup>67</sup> Those states are Alaska, California, Connecticut, Delaware, Hawaii, Illinois, Florida, Maine, Massachusetts, Minnesota, New York, Oregon, Rhode Island, Vermont, Washington, and Wisconsin. In addition, the District of Columbia has a minimum wage higher than the federal minimum. U.S. Department of Labor. Employment Standards Administration, Wage and Hour Division. Retrieved September 14, 2005, from http://www.dol.gov/esa/minwage/america.htm
- <sup>68</sup> In 2004, union workers averaged \$22.18 per hour, compared to \$17.21 for nonunion workers. U.S. Department of Labor, Bureau of Labor Statistics (2005, August). *National compensation survey: Occupational wages in the United States. July 2004.* (Summary 05-02). Retrieved September 19, 2005 from http://www.bls.gov/ncs/ocs/sp/ncbl0727.pdf
- <sup>69</sup> On average, in March 2005, a union employees' share of employer-sponsored health insurance was 10% of the medical care premium for single coverage and 16% for family coverage, compared with a nonunion employee share of 19% and 32% for single and family premiums, respectively. U.S. Department of Labor, Bureau of Labor Statistics. (2005, August). *National compensation survey: Employee benefits in private industry in the United States, March* 2005. (Summary 05-01). Retrieved September 19, 2004, from http://www.bls.gov/ncs/ebs/sp/ebsm0003.pdf
- Nation State Action.Org. State Issues. (n.d.) Equal Pay. Retrieved October 12, 2005, from http://www.stateaction.org/issues/issue.cfm?issue=EqualPay.xml

## Data Sources

Data Type	Source	Assumptions
Housing	Department of Housing and Urban Development. Fair Market Rents - Fiscal Year 2005. Adjusted for more specific geographic areas using ratios based on median gross rents by town from the 2000 census. Retrieved from http://www.huduser.org  National Low Income Housing Coalition (NLIHC), Median Gross Rent by County, 2000. Retrieved from http://www.nlihc.org/research/lalihd/renterreport.pdf	Fair Market Rents (FMRs) by HUD statistical area (county, town, or city).  Sub-regions within the Connecticut Workforce Development Areas were calculated based on the intersection of the geographic areas for which HUD's FMRs were available. Initial FMRs were calculated for these regions. Some of these "regions" consisted of one town, these small "orphan regions" were absorbed into larger adjacent regions by taking an average of their FMRs, weighted by population.
Child Care	Connecticut Child Care Assistance Program, Care 4 Kids, Estimated 75th Percentile Rates (Monthly) from University of Connecticut Survey. Go to: http://www.dss.state.ct.us/ccare/care4kids/  The rates were weighted by population. Full time care is 35-50 hours per week and half-time care is 16-34 hours per week.	Infant/toddlers: Under 3 years old. Family Child Care homes. Full time Preschooler: 3 - 5 years old. Child Care Centers/. Full time. Schoolage: 6 -12 years old. Child Care Centers/ Group child care homes/ School operated programs. Half time.
Food	U.S. Department of Agriculture, Low-Cost Food Plan, June 2005.	USDA plan used for all counties.
7000	Retrieved from http://www.usda.gov/cnpp/FoodPlans/Updates/foodjun05.pdf  ACCRA. Cost of Living Index. (2004, First, Second and Third Quarter average). Available at http://www.accra.org/	Assumed single adult families headed by female.
Transportation	Public Transportation Costs: Greater Bridgeport Transit Authority http://www.gbtabus.com/pages/fixedroute01 CT Transit http://www.cttransit.com/content/faresStandard.asp	Public Transportation used in Bridgeport, Stamford, Lower Fairfield, Hartford and New Haven regions. A monthly bus pass for Stamford, Hartford and New Haven regions is \$45.  The cost of monthly bus travel for Lower Fairfield and Bridgeport regions was calculated using the one-way fare of \$1.50 multiplied by 2 trips a day, 5 working days a week and 4 weeks per month for a total of \$60.
Health Insurance	Premiums: Kaiser Family Foundation. Average Annual Costs of Employment-Based Health InsuranceSingle & Family Coverage, 2003. Retrieved from http://www.statehealthfacts.kff.org/  Out-of-Pocket Costs: Agency for Healthcare Research and Quality. Household Component Analytical Tool (MEPSnet/HC). August 2003. Rockville, MD. Retrieved from	In addition to health insurance premiums, health costs include regional out-of-pocket costs calculated for adults, infants, preschoolers, schoolage children, and teenagers.  All data is updated with the Medical CPI.
Taxes	http://www.meps.ahrq.gov/mepsnet/HC/MEPSnetHC.asp  Federal Income Tax: U.S. Department of Treasury - IRS 1040 Instructions. Retrieved from http://www.irs.gov/individuals/index.html  State Income Tax: Connecticut Department of Revenue Services. Retrieved from http://www.ct.gov/drs/cwp/view.asp?A=1510&Q=277616&drsPNavCtr = #40869  Sales and Use Tax: Connecticut Department of Revenue Services.	Connecticut Sales and Use Tax is 6%. Exemptions: food; purchases made with food stamps; prescription drugs; certain nonprescription drugs; clothing under \$50. Food is not taxed. No state EITC.
	Retrieved from http://www.ct.gov/drs/cwp/view.asp?A=1510&Q=277616&drsPNavCtr =  #40869	
Miscellaneous	Miscellaneous expenses are 10% of all other costs.	Includes all other essentials: clothing, shoes, paper products, diapers, nonprescription medicines, cleaning products, household items, personal hygiene items, and telephone.

### About the Author

Diana M. Pearce, Ph.D. teaches at the School of Social Work, University of Washington in Seattle, Washington, and is Director of the Center for Women's Welfare. 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 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 and Social Work from the University of Michigan.

## About the Project

Wider Opportunities for Women (WOW) established the national Family Economic Self-Sufficiency (FESS) Project in 1996. In partnership with the Ms. Foundation for Women, the Corporation for Enterprise Development, and the National Economic Development and Law Center, WOW designed the Project to put tools and resources in the hands of state-level policymakers, business leaders, advocates and service providers to help move low-income, working families forward on the path to economic self-sufficiency. The Self-Sufficiency Standard was developed by Dr. Diana Pearce, who at that time was the Director of the Women and Poverty Project at WOW. Through a partnership between WOW and the Center for Women's Welfare at the University of Washington, the Self-Sufficiency Standard has now been calculated in 35 states, New York City and the District of Columbia. Over 2,500 community- and state-based organizations and agencies, representing a broad range of sectors, are connected through the FESS Project network. In nine years, the Project has revolutionized the way policies and programs for low-income workers are structured and what it means to be in need in the United States. For more information about the Project, visit the website: http://www.sixstrategies.org.

# Connecticut Workforce Development Areas, Self-Sufficiency Regions, Counties, Towns and Cities

#### **Northwest Workforce Development Area**

#### 1. Waterbury

Waterbury City, New Haven County

#### 2. Greater Waterbury

Bethlehem, Litchfield County
Thomaston, Litchfield County
Watertown, Litchfield County
Woodbury, Litchfield County
Cheshire, New Haven County
Middlebury, New Haven County
Naugatuck, New Haven County
Prospect, New Haven County
Southbury, New Haven County
Wolcott, New Haven County

#### 3. Danbury

Danbury, Fairfield County

#### 4. Greater Danbury

Bethel, Fairfield County
Brookfield, Fairfield County
New Fairfield, Fairfield County
Newtown, Fairfield County
Redding, Fairfield County
Ridgefield, Fairfield County
Sherman, Fairfield County
Bridgewater, Litchfield County
New Milford, Litchfield County
Roxbury, Litchfield County
Washington, Litchfield County

#### 5. Northwest Corner

Hartland, Hartford County Barkhamsted, Litchfield County Canaan, Litchfield County Colebrook, Litchfield County Cornwall, Litchfield County Goshen, Litchfield County Harwinton, Litchfield County Kent, Litchfield County Litchfield, Litchfield County Morris, Litchfield County New Hartford, Litchfield County Norfolk, Litchfield County North Canaan, Litchfield County Salisbury, Litchfield County Sharon, Litchfield County Torrington, Litchfield County Warren, Litchfield County Winchester, Litchfield County

#### **Southwest Workforce Development Area**

#### 6. Bridgeport

Bridgeport City, Fairfield County

#### 7. Stratford

Stratford City, Fairfield County

#### 8. Stamford

Stamford City, Fairfield County

#### 9. Naugatuck Valley

Shelton, Fairfield County Ansonia, New Haven County Beacon Falls, New Haven County Derby, New Haven County Oxford, New Haven County Seymour, New Haven County

#### 10. Upper Fairfield

Easton, Fairfield County Fairfield, Fairfield County Monroe, Fairfield County Trumbull, Fairfield County

#### 11. Lower Fairfield

Darien, Fairfield County Greenwich, Fairfield County New Canaan, Fairfield County Norwalk, Fairfield County Weston, Fairfield County Westport, Fairfield County Wilton, Fairfield County

#### North Central Workforce Development Area

#### 12. Hartford

Hartford City, Hartford County

#### 13. Hartford Suburbs

Bloomfield, Hartford County
East Hartford, Hartford County
Manchester, Hartford County
Newington, Hartford County
South Windsor, Hartford County
West Hartford, Hartford County
Wethersfield, Hartford County
Windsor, Hartford County

#### 14. North Central

Avon, Hartford County Berlin, Hartford County Bristol, Hartford County **Burlington**, Hartford County Canton, Hartford County East Granby, Hartford County East Hartford, Hartford County East Windsor, Hartford County Enfield, Hartford County Farmington, Hartford County Glastonbury, Hartford County Granby, Hartford County Marlborough, Hartford County New Britain, Hartford County Plainville, Hartford County Rocky Hill, Hartford County

Simsbury, Hartford County
Southington, Hartford County
Suffield, Hartford County
Windsor Locks, Hartford County
Plymouth, Litchfield County
Andover, Tolland County
Bolton, Tolland County
Ellington, Tolland County
Hebron, Tolland County
Somers, Tolland County
Stafford, Tolland County
Tolland, Tolland County
Vernon, Tolland County

#### South Central Workforce Development Area

#### 15. New Haven

New Haven City, New Haven County

#### 16. Upper Connecticut River

Cromwell, Middlesex County
Durham, Middlesex County
East Haddam, Middlesex County
East Hampton, Middlesex County
Haddam, Middlesex County
Middlefield, Middlesex County
Middletown, Middlesex County
Portland, Middlesex County

#### 17. Greater New Haven

Clinton, Middlesex County Killingworth, Middlesex County Branford, New Haven County Bethany, New Haven County East Haven, New Haven County Guilford, New Haven County Hamden, New Haven County Madison, New Haven County Meriden, New Haven County Milford, New Haven County North Haven, New Haven County North Branford, New Haven County Orange, New Haven County Wallingford, New Haven County West Haven, New Haven County Woodbridge, New Haven County

#### 18. Lower Connecticut River

Chester, Middlesex County
Deep River, Middlesex County
Essex, Middlesex County
Old Saybrook, Middlesex County
Westbrook, Middlesex County

#### **Eastern Workforce Development Area**

#### 19. Windham

Windham, Windham County

#### 20. Greater Windham

Colchester, New London County Lebanon, New London County Columbia, Tolland County Coventry, Tolland County Mansfield, Tolland County Union, Tolland County Willington, Tolland County Ashford, Windham County Chaplin, Windham County

#### 21. New London

New London, New London County

#### 22. Greater New London

Bozrah, New London County East Lyme, New London County Franklin, New London County Griswold, New London County Groton, New London County Ledyard, New London County Lisbon, New London County Lyme, New London County Montville, New London County North Stonington, New London County Norwich, New London County Old Lyme, New London County Preston, New London County Salem, New London County Sprague, New London County Stonington, New London County Voluntown, New London County Waterford, New London County

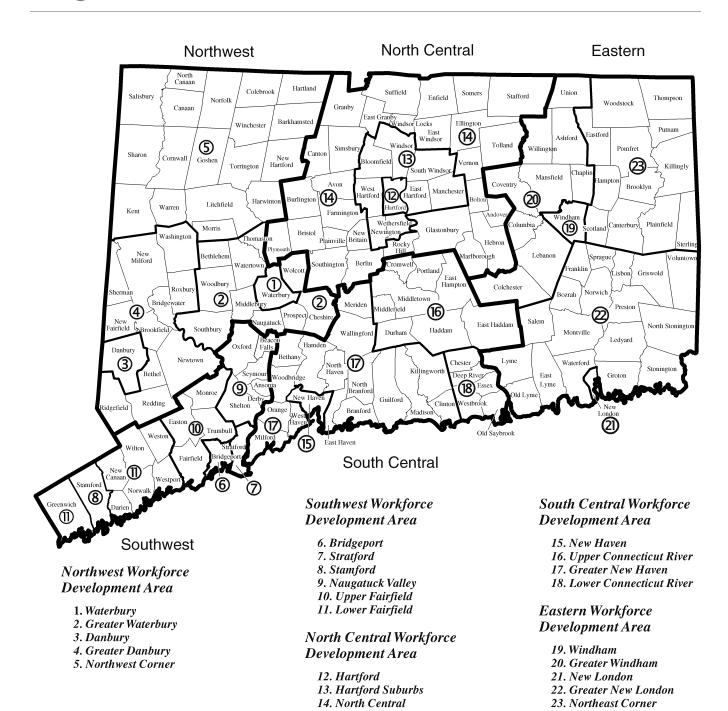
#### 23. Northeast Corner

Brooklyn, Windham County Canterbury, Windham County Eastford, Windham County Hampton, Windham County Killingly, Windham County Plainfield, Windham County Pomfret, Windham County Putnam, Windham County Scotland, Windham County Sterling, Windham County Thompson, Windham County Woodstock, Windham County

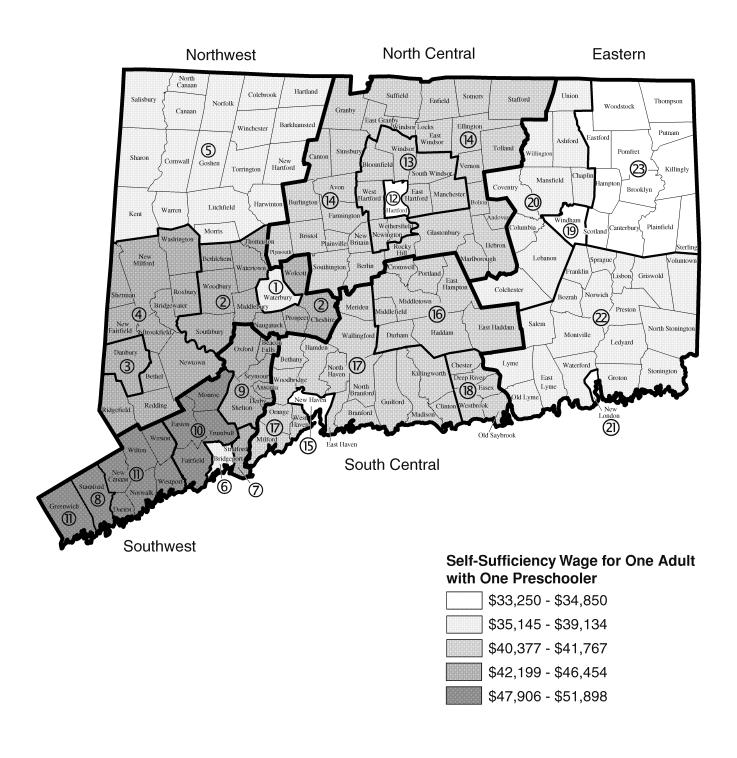
## Connecticut Towns and Cities by Workforce Development Area (WDA)

J		•	•	
Northwest WDA	Southwest WDA	North Central WDA	South Central WDA	Eastern WDA
Barkhamsted	Ansonia	Andover	Bethany	Ashford
Bethel	Beacon Falls	Avon	Branford	Bozrah
Bethlehem	Bridgeport	Berlin	Chester	Brooklyn
Bridgewater	Darien	Bloomfield	Clinton	Canterbury
Brookfield	Derby	Bolton	Cromwell	Chaplin
Canaan	Easton	Bristol	Deep River	Columbia
Cheshire	Fairfield	Burlington	Durham	Colchester
Colebrook	Greenwich	Canton	East Haddam	Coventry
Cornwall	Monroe	East Hartford	East Hampton	East Lyme
Danbury	Oxford	East Granby	East Haven	Eastford
Goshen	Norwalk	East Windsor	Essex	Franklin
Hartland	New Canaan	Ellington	Guilford	Groton
Harwinton	Seymour	Enfield	Haddam	Griswold
Kent	Shelton	Farmington	Hamden	Hampton
Litchfield	Stamford	Granby	Killingworth	Killingly
Middlebury	Stratford	Glastonbury	Madison	Lebanon
Morris	Trumbull	Hartford	Meriden	Ledyard
Naugatuck	Weston	Hebron	Middlefield	Lisbon
Newtown	Westport	Manchester	Middletown	Lyme
New Fairfield		Marlborough	Milford	Mansfield
New Hartford		New Britain	New Haven	Montville
New Milford		Newington	North Branford	New London
Norfolk		Plainville	North Haven	North Stonington
North Canaan		Plymouth	Orange	Norwich
Prospect		Rocky Hill	Old Saybrook	Old Lyme
Redding		Simsbury	Portland	Plainfield
Ridgefield		Somers	Wallingford	Pomfret
Roxbury		South Windsor	Westbrook	Preston
Salisbury		Southington	West Haven	Putnam
Sharon		Stafford		Salem
Sherman		Suffield		Scotland
Southbury		Tolland		Sprague
Thomaston		Vernon		Sterling
Torrington				Stonington
Warren				Thompson
Washington				Union
Waterbury				Voluntown
Watertown				Waterford
Winchester				Willington
Wolcott				Windham
Woodbury				Woodstock

## Map of Connecticut Workforce Development Areas, Self-Sufficiency Regions, Towns and Cities



## Map of Connecticut by Level of Annual Self-Sufficiency Wage



## Appendix: The Self-Sufficiency Standard for Selected Family Types in Connecticut

Table 1
The Self-Sufficiency Standard for Waterbury, CT , 2005

			Adult +			2 Adults +	2 Adults
		Adult +	infant		2 Adults +	schoolage	teenager
Monthly Costs	Adult	schoolage	schoolage	2 Adults	schoolage	schoolage	teenager
Housing	547	645	645	547	645	645	645
Child Care	0	557	1379	0	557	1114	0
Food	218	386	481	429	587	728	771
Transportation	262	268	268	511	517	517	511
Health Care	122	283	292	311	328	346	385
Miscellaneous	115	214	306	180	263	335	231
Taxes	220	432	769	286	493	687	309
Earned Income Tax Credit (-)	0	0	0	0	0	0	-72
Child Care Tax Credit (-)	0	-65	-100	0	-55	-100	0
Child Tax Credit (-)	0	-83	-167	0	-83	-167	-167
Self-Sufficiency Wage -Hourly	\$8.43	\$14.97	\$22.01	\$6.43	\$9.24	\$11.66	\$7.42
-Monthly	\$1,483	\$2,636	\$3,874	per adult \$2,263	per adult \$3,253	per adult \$4,105	per adult \$2,613
-Annual	\$17,798	\$31,627	\$46,484	\$27,161	\$39,034	\$49,263	\$31,360
				combined	combined	combined	combined

Table 2
The Self-Sufficiency Standard for Greater Waterbury, CT, 2005

			Adult +			2 Adults +	2 Adults
		Adult +	infant		2 Adults +	schoolage	teenager
Monthly Costs	Adult	schoolage	schoolage	2 Adults	schoolage	schoolage	teenager
Housing	901	1121	1121	901	1121	1121	1121
Child Care	0	557	1379	0	557	1114	0
Food	218	386	481	429	587	728	771
Transportation	246	252	252	480	486	486	480
Health Care	122	283	292	311	328	346	385
Miscellaneous	149	260	352	212	308	379	276
Taxes	357	634	1018	394	664	933	478
Earned Income Tax Credit (-)	0	0	0	0	0	0	0
Child Care Tax Credit (-)	0	-55	-100	0	-50	-100	0
Child Tax Credit (-)	0	-83	-167	0	-83	-167	-167
Self-Sufficiency Wage -Hourly	\$11.32	\$19.06	\$26.30	\$7.75	\$11.13	\$13.75	\$9.50
-Monthly	\$1,993	\$3,354	\$4,629	per adult \$2,727	per adult \$3,917	per adult \$4,840	per adult \$3,343
-Annual	\$23,910	\$40,246	\$55,545	combined \$32,723 combined	combined \$47,005 combined	combined \$58,077 combined	combined \$40,113 combined

Table 3
The Self-Sufficiency Standard for Danbury, CT, 2005

			Adult +			2 Adults +	2 Adults
		Adult +	infant		2 Adults +	schoolage	teenager
Monthly Costs	Adult	schoolage	schoolage	2 Adults	schoolage	schoolage	teenager
Housing	815	1021	1021	815	1021	1021	1021
Child Care	0	557	1379	0	557	1114	0
Food	218	386	481	429	587	728	771
Transportation	242	248	248	471	477	477	471
Health Care	122	283	292	311	328	346	385
Miscellaneous	140	249	342	203	297	369	265
Taxes	317	577	962	357	617	869	436
Earned Income Tax Credit (-)	0	0	0	0	0	0	0
Child Care Tax Credit (-)	0	-58	-100	0	-50	-100	0
Child Tax Credit (-)	0	-83	-167	0	-83	-167	-167
Self-Sufficiency Wage -Hourly	\$10.53	\$18.06	\$25.33	\$7.35	\$10.65	\$13.23	\$9.04
				per adult	per adult	per adult	per adult
-Monthly	\$1,853	\$3,179	\$4,457	\$2,586	\$3,750	\$4,656	\$3,180
				combined	combined	combined	combined
-Annual	\$22,240	\$38,148	\$53,488	\$31,029	\$45,003	\$55,868	\$38,165
				combined	combined	combined	combined

Table 4
The Self-Sufficiency Standard for Greater Danbury, CT, 2005

			Adult +			2 Adults +	2 Adults
		Adult +	infant		2 Adults +	schoolage	teenager
Monthly Costs	Adult	schoolage	schoolage	2 Adults	schoolage	schoolage	teenager
Housing	923	1155	1155	923	1155	1155	1155
Child Care	0	557	1379	0	557	1114	0
Food	218	386	481	429	587	728	771
Transportation	239	245	245	465	471	471	465
Health Care	122	283	292	311	328	346	385
Miscellaneous	150	263	355	213	310	381	278
Taxes	363	646	1039	396	672	941	486
Earned Income Tax Credit (-)	0	0	0	0	0	0	0
Child Care Tax Credit (-)	0	-55	-100	0	-50	-100	0
Child Tax Credit (-)	0	-83	-167	0	-83	-167	-167
Self-Sufficiency Wage -Hourly	\$11.44	\$19.29	\$26.59	\$7.78	\$11.21	\$13.83	\$9.58
-Monthly	\$2,014	\$3,395	\$4,679	per adult \$2,737	per adult \$3,947	per adult \$4,870	per adult \$3,372
-Annual	\$24,170	\$40,744	\$56,154	combined \$32,843	combined \$47,365	combined \$58,436	combined \$40,463
				combined	combined	combined	combined

Table 5
The Self-Sufficiency Standard for Northwest Corner, CT, 2005

			Adult +			2 Adults +	2 Adults
		Adult +	infant		2 Adults +	schoolage	teenager
Monthly Costs	Adult	schoolage	schoolage	2 Adults	schoolage	schoolage	teenager
Housing	629	794	794	629	794	794	794
Child Care	0	557	1379	0	557	1114	0
Food	218	386	481	429	587	728	771
Transportation	234	240	240	455	461	461	455
Health Care	122	283	292	311	328	346	385
Miscellaneous	120	226	319	182	273	344	240
Taxes	241	480	832	293	529	740	346
Earned Income							
Tax Credit (-)	0	0	0	0	0	0	-35
Child Care Tax Credit (-)	0	-63	-100	0	-55	-100	0
Child Tax Credit (-)	0	-83	-167	0	-83	-167	-167
Self-Sufficiency Wage		-00	-107	U	-00	-107	-107
-Hourly	\$8.89	\$16.02	\$23.12	\$6.53	\$9.63	\$12.10	\$7.92
				per adult	per adult	per adult	per adult
-Monthly	\$1,564	\$2,819	\$4,070	\$2,299	\$3,391	\$4,261	\$2,789
				combined	combined	combined	combined
-Annual	\$18,767	\$33,824	\$48,839	\$27,593	\$40,688	\$51,127	\$33,471
				combined	combined	combined	combined

Table 6
The Self-Sufficiency Standard for Bridgeport, CT, 2005

			Adult +			2 Adults +	2 Adults
		Adult +	infant		2 Adults +	schoolage	teenager
Monthly Costs	Adult	schoolage	schoolage	2 Adults	schoolage	schoolage	teenager
Housing	636	745	745	636	745	745	745
Child Care	0	627	1553	0	627	1254	0
Food	224	396	493	440	602	747	790
Transportation	60	60	60	120	120	120	120
Health Care	122	283	292	311	328	346	385
Miscellaneous	104	211	314	151	242	321	204
Taxes	180	421	814	200	409	616	202
Earned Income Tax Credit (-)	0	0	0	0	0	0	-180
Child Care Tax Credit (-)	0	-65	-100	0	-60	-100	0
Child Tax Credit (-)	0	-83	-167	0	-83	-167	-167
Self-Sufficiency Wage -Hourly	\$7.53	\$14.74	\$22.76	\$5.28	\$8.33	\$11.03	\$5.96
-Monthly	\$1,326	\$2,595	\$4,005	per adult \$1,859	per adult \$2,931	per adult \$3,884	per adult \$2,099
-Annual	\$15,906	\$31,136	\$48,060	combined \$22,303	combined \$35,177	combined \$46,602	combined \$25,189
				combined	combined	combined	combined

Table 7
The Self-Sufficiency Standard for Stratford, CT, 2005

		<del>-</del>					
			Adult +			2 Adults +	2 Adults
		Adult +	infant		2 Adults +	schoolage	teenager
Monthly Costs	Adult	schoolage	schoolage	2 Adults	schoolage	schoolage	teenager
Housing	725	848	848	725	848	848	848
Child Care	0	627	1553	0	627	1254	0
Food	224	396	493	440	602	747	790
Transportation	245	251	251	477	483	483	477
Health Care	122	283	292	311	328	346	385
Miscellaneous	131	240	344	195	289	368	250
Taxes	284	532	969	331	590	866	384
Earned Income Tax Credit (-)	0	0	0	0	0	0	0
Child Care Tax Credit (-)	0	-60	-100	0	-50	-100	0
Child Tax Credit (-)	0	-83	-167	0	-83	-167	-167
Self-Sufficiency Wage -Hourly	\$9.83	\$17.24	\$25.47	\$7.04	\$10.33	\$13.20	\$8.43
-Monthly	\$1,730	\$3,034	\$4,484	per adult \$2,479	per adult \$3,635	per adult \$4,646	per adult \$2,967
-Annual	\$20,757	\$36,409	\$53,803	combined \$29,745	combined \$43,619	combined \$55,748	combined \$35,608
	<u> </u>			combined	combined	combined	combined

Table 8
The Self-Sufficiency Standard for Stamford, CT, 2005

			Adult +			2 Adults +	2 Adults
		Adult +	infant		2 Adults +	schoolage	teenager
Monthly Costs	Adult	schoolage	schoolage	2 Adults	schoolage	schoolage	teenager
Housing	1049	1312	1312	1049	1312	1312	1312
Child Care	0	627	1553	0	627	1254	0
Food	224	396	493	440	602	747	790
Transportation	45	45	45	90	90	90	90
Health Care	122	283	292	311	328	346	385
Miscellaneous	144	266	369	189	296	375	258
Taxes	337	668	1142	313	612	907	409
Earned Income Tax Credit (-)	0	0	0	0	0	0	0
Child Care Tax Credit (-)	0	-53	-100	0	-50	-100	0
Child Tax Credit (-)	0	-83	-167	0	-83	-167	-167
Self-Sufficiency Wage -Hourly	\$10.91	\$19.66	\$28.06	\$6.79	\$10.61	\$13.54	\$8.74
-Monthly	\$1,920	\$3,461	\$4,939	per adult \$2,391	per adult \$3,734	per adult \$4,765	per adult \$3,077
-Annual	\$23,037	\$41,527	\$59,269	combined \$28,697	combined \$44,814	combined \$57,174	combined \$36,919
				combined	combined	combined	combined

Table 9
The Self-Sufficiency Standard for Naugatuck Valley, CT, 2005

					• •		
			Adult +			2 Adults +	2 Adults
		Adult +	infant		2 Adults +	schoolage	teenager
Monthly Costs	Adult	schoolage	schoolage	2 Adults	schoolage	schoolage	teenager
Housing	698	817	817	698	817	817	817
Child Care	0	627	1553	0	627	1254	C
Food	224	396	493	440	602	747	790
Transportation	245	251	251	477	483	483	477
Health Care	122	283	292	311	328	346	385
Miscellaneous	129	237	341	193	286	365	247
Taxes	274	519	956	323	578	853	372
Earned Income			0			0	
Tax Credit (-)	0	0	0	0	0	0	-6
Child Care Tax Credit (-)	0	-60	-100	0	-50	-100	C
Child Tax Credit (-)	0	-83	-167	0	-83	-167	-167
Self-Sufficiency Wage							
-Hourly	\$9.61	\$16.97	\$25.21	\$6.94	\$10.20	\$13.06	\$8.28
				per adult	per adult	per adult	per adult
-Monthly	\$1,691	\$2,987	\$4,436	\$2,442	\$3,589	\$4,599	\$2,913
				combined	combined	combined	combined
-Annual	\$20,290	\$35,839	\$53,233	\$29,306	\$43,069	\$55,183	\$34,962
				combined	combined	combined	combined

Table 10
The Self-Sufficiency Standard for Upper Fairfield, CT, 2005

			Adult +			2 Adults +	2 Adults
		Adult +	infant		2 Adults +	schoolage	teenager
Monthly Costs	Adult	schoolage	schoolage	2 Adults	schoolage	schoolage	teenager
Housing	1065	1247	1247	1065	1247	1247	1247
Child Care	0	627	1553	0	627	1254	0
Food	224	396	493	440	602	747	790
Transportation	243	249	249	472	478	478	472
Health Care	122	283	292	311	328	346	385
Miscellaneous	165	280	383	229	328	407	289
Taxes	437	747	1236	459	777	1081	532
Earned Income Tax Credit (-)	0	0	0	0	0	0	0
Child Care Tax Credit (-)	0	-50	-100	0	-50	-100	0
Child Tax Credit (-)	0	-83	-167	0	-83	-167	-167
Self-Sufficiency Wage -Hourly	\$12.81	\$21.00	\$29.47	\$8.46	\$12.09	\$15.04	\$10.08
			<b>A-</b> 40-	per adult	per adult	per adult	per adult
-Monthly	\$2,255	\$3,695	\$5,187	\$2,976	\$4,255	\$5,295	\$3,550
	007.050	044040	000 0 10	combined	combined	combined	combined
-Annual	\$27,059	\$44,343	\$62,240	\$35,717	\$51,064	\$63,538	\$42,597
				combined	combined	combined	combined

Table 11
The Self-Sufficiency Standard for Lower Fairfield, CT, 2005

			Adult +			2 Adults +	2 Adults
		Adult +	infant		2 Adults +	schoolage	teenager
Monthly Costs	Adult	schoolage	schoolage	2 Adults	schoolage	schoolage	teenager
Housing	1199	1499	1499	1199	1499	1499	1499
Child Care	0	627	1553	0	627	1254	0
Food	224	396	493	440	602	747	790
Transportation	60	60	60	120	120	120	120
Health Care	122	283	292	311	328	346	385
Miscellaneous	160	286	390	207	318	397	279
Taxes	410	781	1278	374	711	1024	493
Earned Income							
Tax Credit (-)	0	0	0	0	0	0	0
Child Care			400			400	•
Tax Credit (-)	0	-50	-100	0	-50	-100	0
Child Tax Credit (-)	0	-83	-167	0	-83	-167	-167
Self-Sufficiency Wage							
-Hourly	\$12.35	\$21.58	\$30.10	\$7.53	\$11.57	\$14.55	\$9.66
				per adult	per adult	per adult	per adult
-Monthly	\$2,174	\$3,799	\$5,298	\$2,651	\$4,073	\$5,120	\$3,400
				combined	combined	combined	combined
-Annual	\$26,090	\$45,587	\$63,581	\$31,808	\$48,873	\$61,441	\$40,802
				combined	combined	combined	combined

Table 12
The Self-Sufficiency Standard for Hartford, CT, 2005

			Adult +			2 Adults +	2 Adults
		Adult +	infant		2 Adults +	schoolage	teenager
Monthly Costs	Adult	schoolage	schoolage	2 Adults	schoolage	schoolage	teenager
Housing	576	709	709	576	709	709	709
Child Care	0	535	1322	0	535	1070	0
Food	233	413	515	460	629	780	826
Transportation	45	45	45	90	90	90	90
Health Care	122	283	292	311	328	346	385
Miscellaneous	98	198	288	144	229	300	201
Taxes	159	362	663	180	359	535	189
Earned Income Tax Credit (-)	0	-26	0	0	0	0	-193
Child Care Tax Credit (-)	0	-70	-105	0	-65	-105	0
Child Tax Credit (-)	0	-83	-167	0	-83	-167	-167
Self-Sufficiency Wage -Hourly	\$7.00	\$13.44	\$20.25	\$5.00	\$7.76	\$10.11	\$5.79
-Monthly	\$1,233	\$2,366	\$3,564	per adult \$1,760	per adult \$2,732	per adult \$3,557	per adult \$2,040
-Annual	\$14,792	\$28,387	\$42,762	combined \$21,125	combined \$32,778	combined \$42,690	combined \$24,476
			.	combined	combined	combined	combin

Table 13
The Self-Sufficiency Standard for Hartford Suburbs, CT, 2005

			Adult +			2 Adults +	2 Adults
		Adult +	infant		2 Adults +	schoolage	teenager
Monthly Costs	Adult	schoolage	schoolage	2 Adults	schoolage	schoolage	teenager
Housing	767	943	943	767	943	943	943
Child Care	0	535	1322	0	535	1070	0
Food	233	413	515	460	629	780	826
Transportation	234	240	240	454	460	460	454
Health Care	122	283	292	311	328	346	385
Miscellaneous	136	241	331	199	290	360	261
Taxes	300	536	904	344	593	826	421
Earned Income							
Tax Credit (-)	0	0	0	0	0	0	0
Child Care Tax Credit (-)		-60	-100	0	-50	-100	0
Child Tax Credit (-)	0	-83	-167	0	-83	-167	-167
Self-Sufficiency Wage				-		-	_
-Hourly	\$10.18	\$17.32	\$24.33	\$7.20	\$10.36	\$12.84	\$8.87
				per adult	per adult	per adult	per adult
-Monthly	\$1,792	\$3,048	\$4,281	\$2,535	\$3,646	\$4,520	\$3,123
				combined	combined	combined	combined
-Annual	\$21,503	\$36,579	\$51,378	\$30,425	\$43,748	\$54,238	\$37,478
				combined	combined	combined	combined

Table 14
The Self-Sufficiency Standard for North Central, CT, 2005

			Adult +			2 Adults +	2 Adults
		Adult +	infant		2 Adults +	schoolage	teenager
Monthly Costs	Adult	schoolage	schoolage	2 Adults	schoolage	schoolage	teenager
Housing	715	880	880	715	880	880	880
Child Care	0	535	1322	0	535	1070	C
Food	233	413	515	460	629	780	826
Transportation	240	246	246	467	473	473	467
Health Care	122	283	292	311	328	346	385
Miscellaneous	131	236	326	195	285	355	256
Taxes	282	511	874	331	576	799	401
Earned Income Tax Credit (-)	0	0	0	0	0	0	C
Child Care Tax Credit (-)	0	-60	-100	0	-53	-100	C
Child Tax Credit (-)	0	-83	-167	0	-83	-167	-167
Self-Sufficiency Wage -Hourly	\$9.79	\$16.82	\$23.79	\$7.04	\$10.14	\$12.60	\$8.66
-Monthly	\$1,724	\$2,960	\$4,188	per adult \$2,479	per adult \$3,569	per adult \$4,436	per adult \$3,047
-Annual	\$20,682	\$35,523	\$50,253	combined \$29,754 combined	combined \$42,833 combined	combined \$53,230 combined	\$36,563

Table 15
The Self-Sufficiency Standard for New Haven, CT, 2005

	_						
			Adult +			2 Adults +	2 Adults
		Adult +	infant		2 Adults +	schoolage	teenager
Monthly Costs	Adult	schoolage	schoolage	2 Adults	schoolage	schoolage	teenager
Housing	659	794	794	659	794	794	794
Child Care	0	544	1344	0	544	1088	0
Food	216	381	476	425	581	720	762
Transportation	45	45	45	90	90	90	90
Health Care	122	283	292	311	328	346	385
Miscellaneous	104	205	295	148	234	304	203
Taxes	180	393	706	194	375	546	198
Earned Income							
Tax Credit (-)	0	-7	0	0	0	0	-184
Child Care		00	400		00	400	•
Tax Credit (-)	0	-68	-100	0	-63	-100	0
Child Tax Credit (-)	0	-83	-167	0	-83	-167	-167
Self-Sufficiency Wage							
-Hourly	\$7.53	\$14.13	\$20.94	\$5.19	\$7.95	\$10.29	\$5.91
				per adult	per adult	per adult	per adult
-Monthly	\$1,325	\$2,487	\$3,685	\$1,827	\$2,799	\$3,621	\$2,081
				combined	combined	combined	combined
-Annual	\$15,902	\$29,845	\$44,221	\$21,919	\$33,593	\$43,447	\$24,967
				combined	combined	combined	combined

Table 16
The Self-Sufficiency Standard for Upper Connecticut River, CT, 2005

			Adult +			2 Adults +	2 Adults
		Adult +	infant		2 Adults +	schoolage	teenager
Monthly Costs	Adult	schoolage	schoolage	2 Adults	schoolage	schoolage	teenager
Housing	722	888	888	722	888	888	888
Child Care	0	544	1344	0	544	1088	0
Food	216	381	476	425	581	720	762
Transportation	234	240	240	454	460	460	454
Health Care	122	283	292	311	328	346	385
Miscellaneous	129	234	324	191	280	350	249
Taxes	276	500	861	319	558	773	380
Earned Income Tax Credit (-)	0	0	0	0	0	0	-1
Child Care Tax Credit (-)	0	-60	-100	0	-53	-100	0
Child Tax Credit (-)	0	-83	-167	0	-83	-167	-167
Self-Sufficiency Wage -Hourly	\$9.65	\$16.62	\$23.62	\$6.88	\$9.95	\$12.38	\$8.38
-Monthly	\$1,698	\$2,925	\$4,158	per adult \$2,422	per adult \$3,504	per adult \$4,358	per adult \$2,950
-Annual	\$20,373	\$35,102	\$49,892	combined \$29,064	combined \$42,048	combined \$52,301	combined \$35,406
				combined	combined	combined	combined

Table 17
The Self-Sufficiency Standard for Greater New Haven, CT, 2005

			Adult +			2 Adults +	2 Adults
		Adult +	infant		2 Adults +	schoolage	teenager
Monthly Costs	Adult	schoolage	schoolage	2 Adults	schoolage	schoolage	teenager
Housing	780	936	936	780	936	936	936
Child Care	0	544	1344	0	544	1088	C
Food	216	381	476	425	581	720	762
Transportation	252	259	259	492	498	498	492
Health Care	122	283	292	311	328	346	385
Miscellaneous	137	240	331	201	289	359	257
Taxes	307	531	901	350	589	821	408
Earned Income Tax Credit (-)	0	0	0	0	0	0	(
Child Care Tax Credit (-)	0	-60	-100	0	-50	-100	(
Child Tax Credit (-)	0	-83	-167	0	-83	-167	-167
Self-Sufficiency Wage -Hourly	\$10.31	\$17.22	\$24.27	\$7.27 per adult	\$10.32	\$12.79	\$8.73 per adult
-Monthly	\$1,814	\$3,030	\$4,271	\$2,558	\$3,631	\$4,501	\$3,074
-Annual	\$21,764	\$36,359	\$51,254	\$30,699	\$43,577	\$54,011	\$36,883

Table 18
The Self-Sufficiency Standard for Lower Connecticut River, CT, 2005

			Adult +			2 Adults +	2 Adults
		Adult +	infant		2 Adults +	schoolage	teenager
Monthly Costs	Adult	schoolage	schoolage	2 Adults	schoolage	schoolage	teenager
Housing	759	923	923	759	923	923	923
Child Care	0	544	1344	0	544	1088	0
Food	216	381	476	425	581	720	762
Transportation	234	240	240	454	460	460	454
Health Care	122	283	292	311	328	346	385
Miscellaneous	133	237	327	195	284	354	252
Taxes	289	518	882	330	572	794	391
Earned Income Tax Credit (-)	0	0	0	0	0	0	0
Child Care Tax Credit (-)	0	-60	-100	0	-53	-100	0
Child Tax Credit (-)	0	-83	-167	0	-83	-167	-167
Self-Sufficiency Wage -Hourly	\$9.96	\$16.94	\$23.96	\$7.03	\$10.10	\$12.55	\$8.52
-Monthly	\$1,752	\$2,982	\$4,217	per adult \$2,474	per adult \$3,556	per adult \$4,418	per adult \$3,001
-Annual	\$21,028	\$35,782	\$50,608	combined \$29,686	combined \$42,677	combined \$53,017	combined \$36,009
				combined	combined	combined	combined

Table 19
The Self-Sufficiency Standard for Windham, CT, 2005

			Adult +			2 Adults +	2 Adults
		Adult +	infant		2 Adults +	schoolage	teenager
Monthly Costs	Adult	schoolage	schoolage	2 Adults	schoolage	schoolage	teenager
Housing	550	676	676	550	676	676	676
Child Care	0	454	1127	0	454	909	0
Food	200	354	441	393	538	668	707
Transportation	234	240	240	454	460	460	454
Health Care	122	283	292	311	328	346	385
Miscellaneous	110	201	278	171	246	306	222
Taxes	203	372	604	259	423	554	274
Earned Income Tax Credit (-)	0	-19	0	0	0	0	-108
Child Care Tax Credit (-)	0	-70	-110	0	-60	-100	0
Child Tax Credit (-)	0	-83	-167	0	-83	-167	-167
Self-Sufficiency Wage -Hourly	\$8.06	\$13.67	\$19.21	\$6.08	\$8.47	\$10.38	\$6.94
				per adult	per adult	per adult	per adult
-Monthly	\$1,418	\$2,406	\$3,380	\$2,138	\$2,983	\$3,652	\$2,443
	4.7.4.0	***	440	combined	combined	combined	combined
-Annual	\$17,018	\$28,877	\$40,563	\$25,662	\$35,790	\$43,827	\$29,312
				combined	combined	combined	combined

Table 20
The Self-Sufficiency Standard for Greater Windham, CT, 2005

			Adult +			2 Adults +	2 Adults
		Adult +	infant		2 Adults +	schoolage	teenager
Monthly Costs	Adult	schoolage	schoolage	2 Adults	schoolage	schoolage	teenager
Housing	693	852	852	693	852	852	852
Child Care	0	454	1127	0	454	909	0
Food	200	354	441	393	538	668	707
Transportation	234	240	240	454	460	460	454
Health Care	122	283	292	311	328	346	385
Miscellaneous	125	218	295	185	263	324	240
Taxes	259	449	707	302	493	626	344
Earned Income Tax Credit (-)	0	0	0	0	0	0	-37
Child Care Tax Credit (-)	0	-65	-100	0	-55	-100	0
Child Tax Credit (-)	0	-83	-167	0	-83	-167	-167
Self-Sufficiency Wage -Hourly	\$9.28	\$15.35	\$20.95	\$6.64	\$9.24	\$11.13	\$7.89
-Monthly	\$1,633	\$2,702	\$3,687	per adult \$2,339	per adult \$3,252	per adult \$3,918	per adult \$2,777
-Annual	\$19,591	\$32,419	\$44,247	combined \$28,065	combined \$39,018	combined \$47,015	combined \$33,326
				combined	combined	combined	combined

Table 21
The Self-Sufficiency Standard for New London, CT, 2005

			Adult +			2 Adults +	2 Adults
		Adult +	infant		2 Adults +	schoolage	teenager
Monthly Costs	Adult	schoolage	schoolage	2 Adults	schoolage	schoolage	teenager
Housing	590	683	683	590	683	683	683
Child Care	0	454	1127	0	454	909	C
Food	200	354	441	393	538	668	707
Transportation	233	239	239	453	459	459	453
Health Care	122	283	292	311	328	346	385
Miscellaneous	114	201	278	175	246	306	223
Taxes	218	377	607	271	425	563	276
Earned Income Tax Credit (-)	0	-17	0	0	0	0	-105
Child Care Tax Credit (-)	0	-68	-110	0	-60	-100	(
Child Tax Credit (-)	0	-83	-167	0	-83	-167	-167
Self-Sufficiency Wage -Hourly	\$8.39	\$13.77	\$19.26	\$6.23	\$8.50 per adult	\$10.42 per adult	\$6.97
-Monthly	\$1,476	\$2,423	\$3,391	\$2,193	\$2,992	\$3,668	\$2,454
-Annual	\$17,714	\$29,082	\$40,687	\$26,310	\$35,900 combined	\$44,017	\$29,451

Table 22
The Self-Sufficiency Standard for Greater New London, CT, 2005

			Adult +			2 Adults +	2 Adults
		Adult +	infant		2 Adults +	schoolage	teenager
Monthly Costs	Adult	schoolage	schoolage	2 Adults	schoolage	schoolage	teenager
Housing	677	785	785	677	785	785	785
Child Care	0	454	1127	0	454	909	0
Food	200	354	441	393	538	668	707
Transportation	233	240	240	454	460	460	454
Health Care	122	283	292	311	328	346	385
Miscellaneous	123	211	288	184	257	317	233
Taxes	253	423	664	297	466	597	317
Earned Income Tax Credit (-)	0	0	0	0	0	0	-64
Child Care Tax Credit (-)	0	-65	-105	0	-58	-100	0
Child Tax Credit (-)	0	-83	-167	0	-83	-167	-167
Self-Sufficiency Wage -Hourly	\$9.14	\$14.78	\$20.25	\$6.58	\$8.94	\$10.84	\$7.52
-Monthly	\$1,609	\$2,601	\$3,565	per adult \$2,316	per adult \$3,147	per adult \$3,814	per adult \$2,649
-Annual	\$19,305	\$31,211	\$42,778	combined \$27,792	combined \$37,769	combined \$45,772	combined \$31,783
				combined	combined	combined	combined

Table 23
The Self-Sufficiency Standard for Northeast Corner, CT, 2005

			Adult +			2 Adults +	2 Adults
		Adult +	infant		2 Adults +	schoolage	teenager
Monthly Costs	Adult	schoolage	schoolage	2 Adults	schoolage	schoolage	teenager
Housing	568	700	700	568	700	700	700
Child Care	0	454	1127	0	454	909	C
Food	200	354	441	393	538	668	707
Transportation	234	240	240	454	460	460	454
Health Care	122	283	292	311	328	346	385
Miscellaneous	112	203	280	173	248	308	225
Taxes	210	386	622	265	432	570	283
Earned Income Tax Credit (-)	0	-11	0	0	0	0	-98
Child Care		- 11	U	U	U	U	
Tax Credit (-)	0	-68	-105	0	-60	-100	0
Child Tax Credit (-)	0	-83	-167	0	-83	-167	-167
Self-Sufficiency Wage							
-Hourly	\$8.21	\$13.96	\$19.49	\$6.15	\$8.58	\$10.50	\$7.07
				per adult	per adult	per adult	per adult
-Monthly	\$1,445	\$2,457	\$3,430	\$2,164	\$3,019	\$3,695	\$2,489
				combined	combined	combined	combined
-Annual	\$17,340	\$29,483	\$41,163	\$25,962	\$36,226	\$44,343	\$29,867
				combined	combined	combined	combined



18-20 Trinity Street = Hartford, CT 06106 Phone: 860.240.8300 = Fax: 860.240.8314 e-mail: pcsw@cga.ct.gov = website: www.cga.ct.gov/pcsw