

What is the Self-Sufficiency Standard?

The Standard is a measure of income adequacy that is based on the costs of basic needs for working families: housing, child care, food, health care, transportation, miscellaneous items, taxes, and tax credits.

It assumes no assistance meeting these expenses, public or private. It is calculated for 700 family types in each town and city across Connecticut. The Standard illustrates the economic challenges that confront families striving to reach self-sufficiency.

The Self-Sufficiency Standard calculates the real cost of meeting all basic needs, while the official poverty measure is based only on the cost of food. Thus the Standard offers a more accurate and nuanced tool for measuring poverty. These findings contribute to defining problems that require new and innovative policies to better serve those living in Connecticut.

THE STANDARD CALCULATES THE REAL COSTS OF MEETING EACH MAJOR BUDGET ITEM

OFFICIAL POVERTY MEASURE

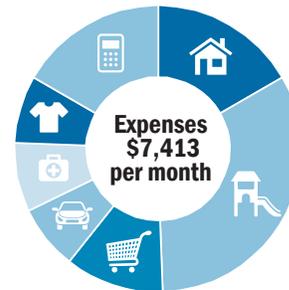
Food is 1/3 of the budget and all other costs are 2/3 of the budget



29% The percentage of basic needs covered by the federal poverty guideline as defined by the Self-Sufficiency Standard

SELF-SUFFICIENCY STANDARD

Housing and child care account for almost half of the family budget



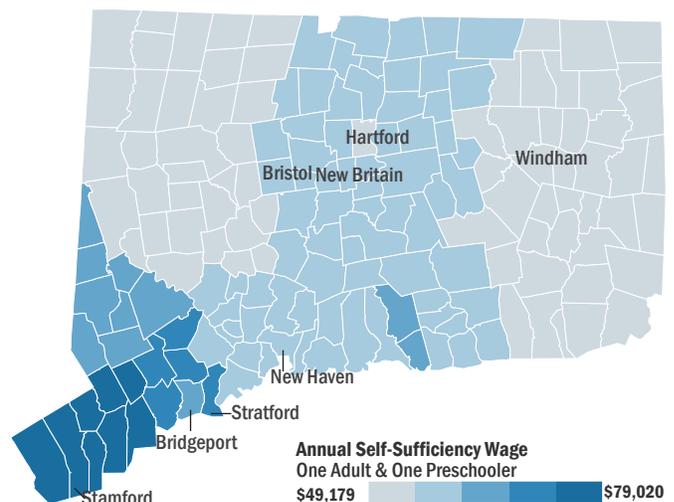
Middletown
 2 adults + 1 infant + 1 preschooler

Key findings from the 2019 Self-Sufficiency Standard

In Connecticut, the amount needed to be economically self-sufficient varies considerably by geographic location.

For instance, the Self-Sufficiency Standard for one adult and one preschooler varies from \$23.29 per hour (\$49,179 annually) in Windham to \$37.41 per hour (\$79,020 annually) in Stamford, or from 291% to 467% of the federal poverty guidelines for a family of two.

While the self-sufficiency wage rose statewide by 31% between 2005 and 2019, the cost of health care rose by 77%. This tells us that health care is one of the main drivers in the increasing challenge to reach self-sufficiency.



The amount needed to meet the costs of basic needs grew faster than earnings between 2005 and 2019 in Connecticut.

For a family with two adults, one preschooler, and one school-age child, the Standard increased on average by **31%** across the state, while median earnings increased **21%** over this period.

Moreover, official inflation rates underestimate the increase in the real cost of living at a basic needs level documented in the Standard. Using the Consumer Price Index to inflate the 2005 Standard for New London to 2019 results in an estimate of \$54,340, while the actual 2019 Self-Sufficiency Standard for New London (without taxes or tax credits) is \$60,874, over **\$6,000 more than the CPI-based estimate.**

The amount needed to be economically self-sufficient varies by family size and the ages of children.

For families with young children, the combined cost of housing and child care make up approximately half of the family’s budget. A family with two adults, one infant, and one preschooler in Middletown, child care costs 33% of the family’s budget while housing is 17%, totaling 50%.

On October 1, 2019, the Connecticut minimum wage rose from \$10.10 to \$11.00, but for many families and individuals, this is not enough to reach self-sufficiency.

An adult in New London, earning the minimum wage with one preschooler, and one school age child will make less than 50% of the income necessary to reach self-sufficiency. *In fact this adult would need to make \$29 per hour to reach self-sufficiency.*

SELF-SUFFICIENCY STANDARD

New London

1 adult + 1 preschooler + 1 school-age

\$60,918

FULL-TIME MINIMUM WAGE

Includes tax and tax credits, \$11.00/hr

\$30,208

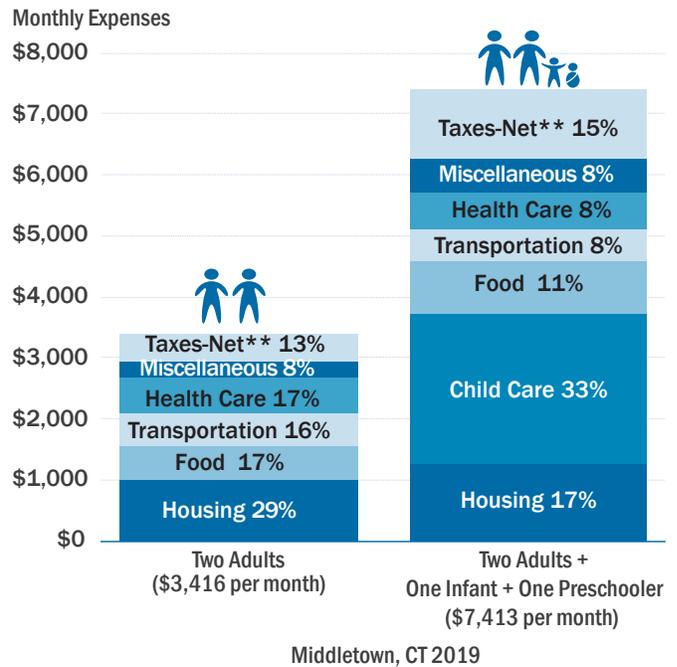
FEDERAL POVERTY GUIDELINE

Family of 3

\$21,330

Number of hours a minimum wage worker must work per week to meet the family’s basic needs } **105**

The Standard Changes as Families Grow
Percentage of Standard Needed to Meet Basic Needs



Getting to Self-Sufficiency in Connecticut

Closing the gap between current wages and the Self-Sufficiency Standard requires both reducing costs and raising incomes.

Work supports are crucial for helping families meet their basic needs.

A single parent in Hartford with one preschooler and one school-age child would need a wage of **\$5,097** per month without work supports. However, if she is transitioning from welfare to work with the help of child care assistance, food assistance (SNAP/WIC), Medicaid, and housing assistance she would be able to meet the family’s needs on earnings of **\$3,062** per month.

Even at the minimum wage, work supports can help families meet their needs while working towards self-sufficiency.

A single parent with one preschooler and one school-age child living in New Haven, working a full-time minimum wage job (\$11.00 per hour), earns only **39%** of the income needed to meet the family’s basic needs. If they receive work supports—aid that reduces the costs of housing, child care, food, and health care—this parent could meet **87%** of the family’s basic needs.

The Self-Sufficiency Standard was developed by Dr. Diana Pearce, Director of the Center for Women’s Welfare at the University of Washington School of Social Work. The Standard has been calculated for Connecticut in 1998, 2005 and 2015. For information on the Standard please visit www.selfsufficiencystandard.org, or contact Dr. Pearce at pearce@uw.edu or Lisa Manzer at Imanzer@uw.edu, or at (206) 685-5264.