THE SELF-SUFFICIENCY STANDARD FOR GEORGIA
Frequently Asked Questions and Answers

Q: WHAT IS THE SELF-SUFFICIENCY STANDARD FOR GEORGIA?

A: The Self-Sufficiency Standard for Georgia defines the income working families need to meet their basic necessities without private or public assistance. Basic minimum needs include: housing, child care, food, transportation, health care, miscellaneous expenses (clothing, telephone, household items), and taxes (minus federal and state tax credits). The Standard is calculated for 70 different family types in each of Georgia's 159 counties.

Q: HOW IS THE SELF-SUFFICIENCY STANDARD DIFFERENT FROM THE OFFICIAL FEDERAL POVERTY LEVEL (FPL)?

A: The Federal Poverty Level (FPL) is a four-decades-old calculation based on the cost of food, and assumes that food is one-third of a family's budget. The Standard is based on the costs of all basic needs of a working family—not just food, but also housing, child care, health care, transportation, miscellaneous costs, plus taxes and tax credits. Unlike the FPL's one-size-fits-all model, these costs vary, not just by the size of the family and number of children, as with the FPL, but also by the *age* of the children, as some costs, particularly child care, differ dramatically by age. Finally, while the FPL is the same no matter where one lives the Standard varies by county in Georgia.

Q: WHERE DOES THE DATA COME FROM?

A: In general, for each category, data comes from scholarly or credible sources, such as the U.S. Census Bureau; are updated annually; and are age- and geographically-specific, as appropriate. Whenever available, the Standard uses government-calculated numbers of what is minimally adequate, such as the USDA food budgets based on nutrition requirements, or HUD's Fair Market Rents for housing assistance.

Q: HOW IS THE SELF-SUFFICIENCY STANDARD CALCULATED?

A: First, the basic costs for each family type (which vary by number and age of children, and by number of adults) are added in each county. Ten percent of this total is added for miscellaneous costs. Second, taxes and tax credits are calculated using formulas that calculate the state and federal income and payroll taxes as well as sales tax (where applicable).

Q: AREN'T THE SELF-SUFFICIENCY WAGES TOO HIGH?

A: No. Because the Self-Sufficiency Standard is calculated using the real costs of goods and services purchased in the regular marketplace, it reflects the real expenses consumers face. The Standard is a no-frills budget that does not allow for entertainment, carry-out or fast food, savings, or emergency expenses such as car repairs. Nevertheless, many families lack a Self-Sufficiency level income and manage to survive. If they do, however, it is reasonable to assume that they are getting help meeting their needs with public or private subsidies, and/or they are foregoing one or more needs such as using less desirable child care, doubling-up or living in substandard housing, obtaining free food or doing without, or not obtaining needed health care.

Q: ISN'T THE SELF-SUFFICIENCY STANDARD UNREALISTIC FOR MOST WORKERS?

A: No. The Self-Sufficiency Standard sets a goal for workers. Achieving self-sufficiency is a process that involves not just finding a job with certain wages and benefits, but achieving income security over time. There are several ways—separately or in combination—that workers can achieve self-sufficiency. They can receive temporary work supports until their wages increase. In addition, they can obtain training and/or education that will prepare them for higher-wage jobs. Finally, they can combine low-wage jobs with self-employment initiatives.

Q: ISN'T IT UNREALISTIC TO EXPECT EMPLOYERS TO PAY WORKERS THESE WAGES?

A: Yes, sometimes it is unrealistic. Yet it is reasonable to hold employers responsible for paying decent wages and providing benefits, such as health insurance and benefits to their workers. At the same time, employers are only one of several stakeholders who have a role in ensuring that families have incomes sufficient to cover their costs. The government has a role in ensuring that job training and education, as well as work supports such as child care assistance, are affordable and accessible to families. Individuals are responsible for taking advantage of opportunities to invest in themselves and their potential.

Q: WHAT IS THE DIFFERENCE BETWEEN A "LIVING WAGE" AND THE SELF-SUFFICIENCY STANDARD?

A: The Self-Sufficiency Standard calculates the amount of income a given family would need to cover all of their basic needs without public or private supports.

"Living wage" ordinances require public entities—such as a city or county government, as well as sometimes private businesses contracting with the government—to pay their employees a "living wage." Across the country, "living wages" have ranged anywhere from $6.25 to $12.00 an hour, with many requiring businesses to pay a higher wage if health insurance is not provided to the employee. The Self-Sufficiency Standard for Georgia can serve as a strong data source for living wage campaigns because it provides evidence of the real cost of living in a community, and can provide a minimum or base for setting a "living wage" in a specific place.

Q: HOW IS THE SELF-SUFFICIENCY STANDARD BEING USED?

A: The Standard has been used by government entities, advocates and service providers to assess and to change policies and programs in a number of ways including: as a benchmark for evaluation and program improvement; as a guideline for determining eligibility and need for services; as a counseling tool; to create online calculators; as a public education tool; and as a guideline for wage-setting and living wage campaigns.

Q: WHO PRODUCED THE REPORT?

A: *The Self-Sufficiency Standard for Georgia* was produced for the United Way of Metropolitan Atlanta, Women's Policy Group, Georgia Budget and Policy Institute, Georgia Family Connection Partnership, Voices for Georgia's Children, and Georgia State Trade Association of Nonprofit Developers. The report was written by Dr. Diana Pearce at the University of Washington.

Q: HAVE OTHER STATES CALCULATED SELF-SUFFICIENCY STANDARDS?

A: Yes. In addition to Georgia, the Standard has been calculated for 37 states, Washington D.C. and New York City. Standards are available for Alabama, Arizona, California, Colorado, Connecticut, Delaware, Florida, Hawaii, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maryland, Massachusetts, Mississippi, Missouri, Montana, Nebraska, Nevada, New Jersey, New York City, New York State, North Carolina, Oklahoma, Ohio, Oregon, Pennsylvania, South Dakota, Tennessee, Texas, Utah, Virginia, Washington State, West Virginia, Wisconsin, Wyoming, and the Washington, D.C. metropolitan area.

Q: WHERE CAN I GET MORE INFORMATION ON THE SELF-SUFFICIENCY STANDARD FOR GEORGIA OR OTHER STATES?

A: Copies of *The Self-Sufficiency Standard for Georgia* report may be obtained by calling the Georgia Budget and Policy Institute at: (404) 420-1324 and may be found online at http://www.gbpi.org. Information about the Self-Sufficiency Standard in other states or national policy initiatives can be obtained by contacting the Wider Opportunities for Women Family Economic Self-Sufficiency (FESS) project at (202) 464-1596 or www.wowonline.org/ourprograms/fess. Further information about the Standard and related research and methodology can be found by contacting the Center for Women's Welfare at the University of Washington (206) 685-5264 or pearce@u.washington.edu.