

# Defining Self-Sufficiency in New York City

Prepared for Women's Center for Education and Career Advancement  
& United Way of New York City

With Support from The New York Community Trust & City Harvest





Women's Center for Education  
and Career Advancement

**THE WOMEN'S CENTER FOR EDUCATION AND CAREER ADVANCEMENT** (WCECA) is a 48-year-old nonprofit organization committed to the goal of economic security for all New York City women and families. Through innovative technology resources, work readiness programs and career services, we have advocated for socially just public policies and opportunities. The Women's Center targeted low-income workers with serious barriers to workforce participation and helped them build competencies and develop strategies for setting and meeting lifetime career and economic goals for themselves and their families. Having served more than 40,000, WCECA now works to define financial self-sufficiency, utilizing research, technology and training to inform public policy and services for New York City's working poor. For more information on WCECA, call (212) 964-8934 or go to [www.wceca.org](http://www.wceca.org).

**UNITED WAY OF NEW YORK CITY** United Way of New York City (UWNYC) fights for the self-sufficiency of every low-income New Yorker by taking on the toughest challenges and creating new solutions to old problems. We win by helping families shift from barely surviving to thriving. We unite by mobilizing the best ideas, relevant data, internal and external experts, and resources—from money to manpower. UWNYC maximizes impact by coordinating and aligning organizations, companies, local government, and New Yorkers to help families eliminate tough choices and live better while making ends meet. To learn more, visit: [unitedwaynyc.org](http://unitedwaynyc.org).



United Way  
of New York City

THE NEW YORK  
COMMUNITY TRUST



A public charity, **THE NEW YORK COMMUNITY TRUST** is a grant-making foundation dedicated to improving the lives of residents of New York City and its suburbs. We bring together individuals, families, foundations, and businesses to build a better community and support nonprofits that make a difference. We apply knowledge, creativity, and resources to the most challenging issues in an effort to ensure meaningful opportunities and a better quality of life for all New Yorkers, today and tomorrow.

**CITY HARVEST** is New York City's largest food rescue organization, helping to feed the more than 1.2 million New Yorkers who are struggling to put meals on their tables. We will rescue 61 million pounds of food this year and deliver it, free of charge, to hundreds of food pantries, soup kitchens and other community partners across the five boroughs. Our programs help food-insecure New Yorkers access nutritious food that fits their needs and desires; increase our partners' capacity; and strengthen the local food system, building a path to a food-secure future for all New Yorkers. To learn more about our work, visit [CityHarvest.org](http://CityHarvest.org).



---

OVERLOOKED & UNDERCOUNTED 2018 | BRIEF 1

# Defining Self-Sufficiency in New York City

By Diana M. Pearce, PhD • October 2018

**DIRECTOR, CENTER FOR WOMEN'S WELFARE**  
**UNIVERSITY OF WASHINGTON SCHOOL OF SOCIAL WORK**

---

Prepared for Women's Center for Education and Career Advancement &  
United Way of New York City

With support from The New York Community Trust and City Harvest



# About Overlooked and Undercounted

To develop strategies to ensure New York City households reach economic security requires data that defines how much is enough and which households are struggling. This brief series reveals the “overlooked and undercounted” of New York City, describing which families are struggling to make ends meet. This analysis is based on the Self-Sufficiency Standard, a realistic, geographically specific, and family composition-specific measure of income adequacy, and thus a more accurate alternative to the official poverty measure. Over the last 22 years, calculation of the Self-Sufficiency Standard has documented the continuing increase in the real cost of living, illuminating the economic crunch experienced by so many families today.

The Self-Sufficiency Standard was first calculated in 1996 by Diana Pearce and was originally designed to measure progress of workforce program participants towards the goal of economic self-sufficiency. Since then, it has been used in a wide variety of settings, to evaluate programs, analyze policy impacts, guide clients’ career choices, provide expert testimony in court cases and legislative initiatives, and to document the nature and extent of true poverty. The Standard has now been calculated in 41 states plus the District of Columbia and is housed at the University of Washington’s Center for Women’s Welfare.

In 2000, Merble Reagon, Executive Director at the Women’s Center for Education and Career Advancement (Women’s Center), initiated the development of the first New York City Self-Sufficiency Standard report, after realizing that the thousands of women they had trained and placed in jobs, were not earning enough to sustain their families’ basic needs. To keep the issues and facts at the forefront of the public policy discussion, under Merble’s initiative, the Women’s Center arranged for the updates of The Self-Sufficiency Standard for New York City in 2004, 2010, and 2014. This series of briefs updates the 2014 report, ***Overlooked and Undercounted: The Struggle to Make Ends Meet in New York City***.

As with all Self-Sufficiency Standard reports, this one was authored by Dr. Diana M. Pearce and produced by the Center for Women’s Welfare at the University of Washington.

**Explore Online.** All briefs in this series are available online, along with interactive maps, dashboards, and a data file of tables by borough. Explore more at [www.unitedwaynyc.org/self-sufficiency-2018](http://www.unitedwaynyc.org/self-sufficiency-2018).

**Suggested Citation.** Pearce, D.M. (2018). *Defining Self-Sufficiency in New York City* (Overlooked and Undercounted 2018 Series). Seattle, WA: University of Washington.

**Defining Self-Sufficiency in New York City (Overlooked and Undercounted 2018 Series)**

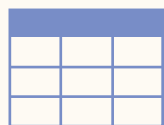
© 2018 Diana Pearce and The Women’s Center for Education and Career Advancement

# How did we calculate this data?



## STEP 1: CALCULATE THE SELF-SUFFICIENCY STANDARD

*The Self-Sufficiency Standard for New York City 2018* defines the amount of income necessary to meet the basic needs of New York City families, differentiated by family type and where they live. The Standard measures income adequacy, and is based on the costs of basic needs for working families: housing, child care, food, health care, transportation, and miscellaneous items, plus taxes and tax credits. It assumes the full cost of each need, without help from public subsidies (e.g., public housing or Medicaid) or private assistance (e.g., unpaid babysitting by a relative or food from a food pantry). An emergency savings amount to cover job loss is also calculated separately. The Standard is calculated for over **700 family types** for all New York City boroughs plus sub-borough areas.



## STEP 2: CREATE A DATASET OF NYC HOUSEHOLDS

To estimate the number of households below the Self-Sufficiency Standard for New York City, this study uses the 2016 American Community Survey (ACS) 1-year Public Use Microdata Sample (PUMS) by the U.S. Census Bureau. The ACS is an annual survey of the social, housing, and economic characteristics of the population.



**Sample Unit.** The sample unit for the study is the household, not the individual or the family. This study includes all persons residing in households, including not only the householder and his/her relatives, but also non-relatives such as unmarried partners, foster children, and boarders and takes into account their income.

The Self-Sufficiency Standard assumes that all adult household members work and includes all their **work-related costs** (e.g., transportation, taxes, child care) in the calculation of expenses. Therefore, the population sample in this report **excludes household members not expected to work and their income**. This includes: adults over 65 and adults with a work-limiting disability. A work-limiting disability exists if the adult is disabled and is not in the labor force or receives Supplemental Security Income or Social Security income.



For example, a grandmother who is over 65 and living with her adult children is not counted towards the household size or composition; nor is her income (e.g., from Social Security benefits) counted as part of household income. Households that consist of only elderly or adults with work-limiting disabilities are excluded altogether for the same reasons. Households defined as “group quarters,” such as individuals living in shelters or institutions, are also not included. In total, this study includes **2,257,674 New York City households**.

## STEP 3: COMPARE HOUSEHOLD INCOME TO INCOME BENCHMARK

To determine if a household has adequate income to cover each household members’ basic needs, the 2018 Self-Sufficiency Standard for New York City is used. Earnings for each household member are summed and inflated to 2018 dollars to determine total household income. Total household income is then compared to the calculated Standard for the appropriate family composition and geographic location. Regardless of household composition, it is assumed that **all members of the household share income and expenses**. Household income is also compared to the U.S. Census Bureau’s poverty threshold to calculate whether households are above or below poverty.

Household Income



Self-Sufficiency Standard



Adequate Income

Household Income > Self-Sufficiency Standard

OR

Inadequate Income

Household Income < Self-Sufficiency Standard

# Glossary of Key Terms

---

**American Community Survey (ACS).** The ACS is a sample survey of over three million addresses administered by the Census Bureau. The ACS publishes social, housing, and economic characteristics for demographic groups covering a broad spectrum of geographic areas with populations of 65,000 or more in the United States and Puerto Rico.

**API.** The abbreviation API is used in some of the tables and figures for Asian and Pacific Islander householders.

**Official Poverty Measure (OPM).** There are two versions of the OPM. When this study uses OPM to reference the number of households in poverty, we are referring to the thresholds calculated each year by the Census Bureau to determine the number of people in poverty (often referred to as poverty thresholds). When this brief uses the OPM in terms of programs or policy, we are referring to the federal poverty guidelines, developed by the Department of Health and Human Services (HHS), used by federal and state programs to determine eligibility and calculate benefits (often noted as the federal poverty guidelines, or FPG). Note that Census Bureau poverty thresholds vary by household composition, i.e., the number of adults and the number of children in a household, while the HHS poverty guidelines only vary by household size.

**Household.** The sample unit used in this study is the household, including any unrelated individuals living in the household. When appropriate, the characteristics of the householder are reported (e.g., race/ethnicity, citizenship, educational attainment). When a variable is reported based on the householder it may not reflect the entire household. For example, in a household with a non-citizen householder, other members of the household may be citizens.

**Householder.** The householder is the person (or one of the persons) in whose name the housing unit is owned or rented or, if there is no such person, any adult member, excluding roomers, boarders, or paid employees.

**Income Inadequacy.** The term income inadequacy refers to an income that is too low to meet basic needs as measured by the Self-Sufficiency Standard. Other terms used interchangeably in this brief that refer to inadequate income include: “below the Standard,” “lacking sufficient (or adequate) income,” and “income that is not sufficient (or adequate) to meet basic needs.”

**Latinx.** Latinx refers to Hispanic/Latinx ethnicity, regardless of race. Therefore, all other race/ethnic groups used in this brief are non-Hispanic/Latinx. Note that Latinx is a gender-neutral or non-binary alternative to Latino or Latina for persons of Latin American origin.

**Person of Color.** Due to smaller sample sizes of some racial/ethnic groups, some analyses in this brief compare White (non-Hispanic/Latinx) householders with non-White householders (including Latinx/Hispanic householders). The text uses the terms non-White and people of color interchangeably to refer to households in which the householder is not White.

**Self-Sufficiency Standard (SSS).** The SSS measures how much income is needed for a family of a certain composition in a given county to adequately meet their basic needs without public or private assistance.

**Single Father/Single Mother.** A man maintaining a household with no spouse present but with children is referred to as a single father. Likewise, a woman maintaining a household with no spouse present but with children is referred to as a single mother. Note the child may be a grandchild, niece/nephew, or unrelated child (such as a foster child).

## Explore Online

*Overlooked and Undercounted 2018* findings are explored through a series of briefs. The series contains six briefs plus policy recommendations, along with interactive maps, dashboards, and a data file of tables by borough. Explore more at [www.unitedwaynyc.org/self-sufficiency-2018](http://www.unitedwaynyc.org/self-sufficiency-2018).

# Introduction

The early years of the twenty-first century have been like the period preceding the Depression, ones of rising economic inequality, in which the rich have become richer, the poor poorer, and the middle class smaller.<sup>1</sup> As living costs continue to rise faster than wages, more and more families struggle to cover basic needs such as food, shelter, health care, transportation, and child care. Even as more families' budgets are stretched to the breaking point, the percentage of families officially designated as poor by the federal government has remained more or less constant in the twenty-first century—roughly 10% of all U.S. families are considered poor.<sup>2</sup> Consequently, a large and diverse group of individuals and families experiencing economic distress are routinely *overlooked and undercounted*.

Many of these hidden poor find they earn too much income to qualify for most public assistance programs (work supports), yet still struggle to cover the costs of their most basic needs. To make things even worse, their efforts are aggravated by the reality that housing, health care, and other living costs are rising faster than wages in New York City.

To document these trends and describe the struggles of New York City families trying to make ends meet, we use the Self-Sufficiency Standard as our benchmark. The Standard measures how much income is needed to meet working families' basic needs at a minimally adequate level, including the essential expenses faced by workers, but without any public or private assistance. The realistic and nuanced measure reflects the higher costs facing some families (especially child care for families with young children) and the geographic diversity of costs between New York City boroughs. Once these costs are calculated, we apply the Standard to determine how many—and which—households lack enough to cover the basics. We find that more than **two in five New York City households—905,063 households and over 2.5 million people—lack enough income to cover just the necessities**, such as food, shelter, health care, and child care. Yet as measured by the official poverty measure (OPM), just a third of that number are officially designated as poor.

**This brief describes the origins and methodology of the Self-Sufficiency Standard, compares the Standard to other income benchmarks, and answers the questions “How much does it cost**

**to live at a minimally adequate level in New York City?” and “How many households in New York City lack adequate income to meet their basic needs?”**

## Why the Need for the Self-Sufficiency Standard?

Developed over five decades ago by Mollie Orshansky, the OPM has long been used to measure need, and is still used to calculate eligibility for many assistance programs and in academic research. Nevertheless, though innovative for its time, many researchers and policy analysts have concluded that it is methodologically problematic and outdated as a measure of income adequacy.<sup>3</sup>

The most significant shortcoming of the OPM is that for most families, in most places, the threshold is simply *too low* for families to meet their basic needs.<sup>4</sup> However, simply raising the level of the OPM, or using a multiple of the OPM,<sup>5</sup> does not solve the structural problems inherent in this measure. The OPM is based on a single cost (food), is the same no matter where one lives, and does not differentiate by family composition. Moreover, it implicitly assumes a two-parent family with a “stay-at-home” mom: this model no longer reflects the majority of families today in which all adults work. **Today's realities require a twenty-first century approach to measuring need.**

The Self-Sufficiency Standard<sup>6</sup> is a unique measure of income adequacy that uses increased data availability and modern computational methods to create a comprehensive and detailed measure of what it takes for today's families to make ends

meet. Key elements of the Standard that distinguish it from other measures<sup>7</sup> of income adequacy or poverty include:

**A Focus on Modern Families with Working Adults (18-64 years).** As paid employment is the norm for supporting families today in the United States,<sup>8</sup> the Standard assumes all adults work to support their families, and thus includes the costs of work-related expenses such as child care (when needed), taxes, and transportation. (This means the Standard does not apply to those over 65 years old or disabled.)

**Geographic Variation in Costs.** The Standard uses geographically specific costs that are calculated at the county (and sub-county) level as data availability allows. Today, the Self-Sufficiency Standard can be found in 41 states and the District of Columbia.

**Variation by Family Composition.** Because the costs of some basic needs vary substantially by the age of children, the Standard varies by both the number and age of children. While food and health care costs are slightly lower for younger children, child care costs are generally much higher—particularly when requiring full time care—and therefore become a substantial budget item for workers with young children.

**Individual and Independent Pricing of Each Cost.** Rather than assume that any one item is a fixed percentage of family budgets, the Standard calculates the real costs of meeting each of the major budget items families encounter independently. These costs—including housing, child care, food, health care, transportation, miscellaneous items, and taxes—are set at a minimally adequate level, which is determined whenever possible by using what government programs have defined as minimally adequate for those receiving assistance (e.g., child care subsidy benefit levels).

**Taxes and Tax Credits are included as Budget Items.** Because taxes are part of a modern family's expenses (indeed some are paid first through withholding), taxes and tax credits are included in the budget. Taxes include state and local sales tax, payroll (including Social Security and Medicare) taxes, federal and state income taxes, plus applicable state and federal tax credits. Tax credits include the earned income tax credit (EITC or EIC), the child tax credit, and the child care tax credit, plus state and local tax credits as applicable.

**Permits Modeling of the Impact of Subsidies.** Because the Standard specifies the real cost of each major necessity, it is possible to model the impact of specific subsidies (such as the Supplemental Nutrition Assistance Program, child care assistance, or Medicaid) on reducing such costs. Likewise, the adequacy of a given wage for a given family, with and without various subsidies, can be evaluated using the family's Standard as the benchmark.

The resulting Self-Sufficiency Standard is a basic needs, no-frills budget created for all family types in each county or borough in a given state or city. For example, the food budget contains no restaurant or take-out food, even though Americans spend an average of over 41% of their food budget on take-out and restaurant food.<sup>9</sup>

The Standard does not include retirement savings, education expenses, debt repayment, or address “asset-building” strategies. However, the tables include for each family type an extra Emergency Savings Fund amount (enough to sustain the family through a period of job loss) that is calculated separately from the total Self-Sufficiency Standard. **Altogether, the Standard is a more detailed, modern, accurate, and comprehensive measure of economic well-being than the official poverty measure.**

.....

**THE RESULTING SELF-SUFFICIENCY STANDARD IS A BASIC NEEDS, NO-FRILLS BUDGET CREATED FOR ALL FAMILY TYPES IN EACH COUNTY OR BOROUGH IN A GIVEN STATE OR CITY.**

.....



# Different Approaches to Measuring Poverty

## THE FPG IS BASED ON ONLY ON ONE COST

The federal poverty guidelines (FPG) calculates the cost of food for the number of people in the family, then multiplies it by three and assumes the total amount covers all other expenses.



## THE STANDARD IS BASED ON ALL BUDGET ITEMS

The Standard is based on all major budget items faced by working adults. The Self-Sufficiency Standard calculates how much income families need to make ends meet without public or private assistance by pricing each individual budget item.



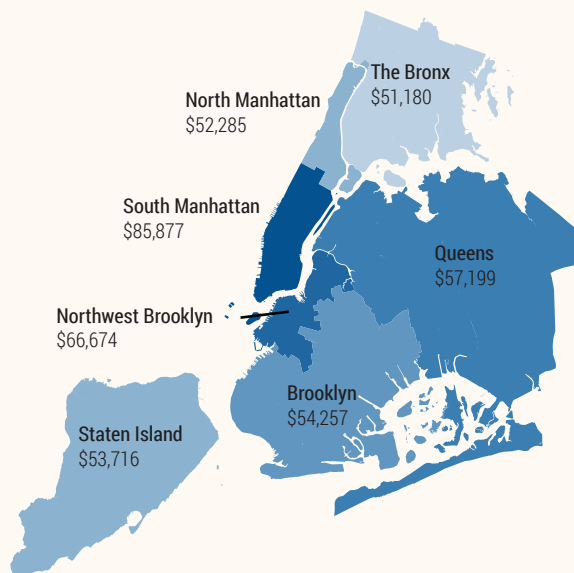
## THE FPG IS THE SAME ACROSS NYC

According to the FPG, a family of two only needs to earn over \$16,460 annually to not be considered poor in New York City.



## THE STANDARD VARIES WITHIN NYC

The Standard varies across, and within, New York City boroughs. An adult with a school-age child needs \$51,180 to \$85,877 annually to meet basic needs depending on borough.



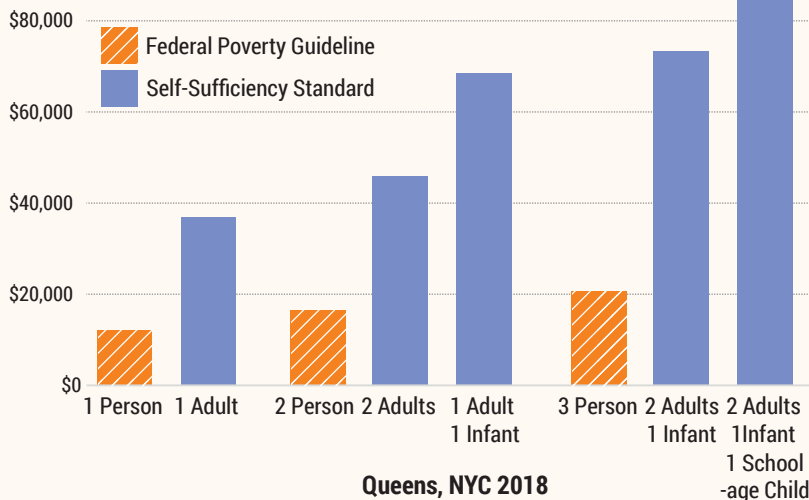
## THE OPM INCREASES AT A CONSTANT RATE

The official poverty measure increases by a constant \$4,320 for each additional family member and therefore does not adequately account for the real costs of meeting basic needs.

## THE STANDARD VARIES BY FAMILY TYPE

The Standard changes by family type to account for the increase in costs specific to the type of family member—whether this person is an adult or child, and for children, by age.

Annual Household Income



# How is the Standard Calculated?

The Self-Sufficiency Standard is the amount needed to meet each basic need at a minimally adequate level, without public or private assistance. The Standard is calculated for over 700 family types for all New York City boroughs. The data components and assumptions included in the calculations are briefly described below. For more details and the specific data sources for New York City, see the Technical Brief at [www.unitedwaynyc.org/self-sufficiency-2018](http://www.unitedwaynyc.org/self-sufficiency-2018).



**Housing.** Housing costs are based on the U.S. Department of Housing and Urban Development Fair Market Rents (FMRs). FMRs include utilities, except telephone and cable, and reflect the cost of housing that meets basic standards of decency. FMRs are set at the 40th percentile, meaning that 40% of the decent rental housing in a given area is less expensive than the FMR and 60% is more expensive. FMRs within a multi-county metropolitan area are adjusted using Small Area FMRs.



**Child Care.** Child care includes the expense of full-time care for infants and preschoolers and part-time—before and after school—care for school-age children. The cost of child care is calculated from market-rate costs (defined as the 75th percentile) taken from a state-commissioned survey by facility type, age, and geographic location. It does not include extracurricular activities or babysitting when not at work.



**Food.** Food assumes the cost of nutritious food prepared at home based on the U.S. Department of Agriculture Low-Cost Food Plan. The Low-Cost Food Plan was designed to meet minimum nutritional standards using realistic assumptions about food preparation time and consumption patterns. The food costs do not allow for any take-out or restaurant meals. Food costs are varied by county using Feeding America's Map the Meal Gap data based on Nielsen scans of grocery receipts.



**Transportation.** Public transportation is assumed if 7% or more of workers use public transportation to get to and from work which includes all boroughs in New York City.



**Health Care.** Health care costs assume the expenses of employer-sponsored health insurance. Health care premiums are the statewide average paid by workers, for single adults and for families, from the Medical Expenditure Panel Survey. A county index is calculated from rates for the second-lowest cost Silver plan via the insurance marketplace. Out-of-pocket costs are from the Medical Expenditure Panel Survey Insurance Component.



**Miscellaneous.** Miscellaneous expenses are calculated by taking 10% of all other costs. This expense category consists of all other essentials including clothing, shoes, paper products, diapers, nonprescription medicines, cleaning products, household items, personal hygiene items, telephone, cable, and internet costs.



**Taxes and Tax Credits.** Taxes include federal and state income tax, payroll taxes, and state and local sales taxes where applicable. Tax credits calculated in the Standard include: the federal, state, and city Earned Income Tax Credit (EITC); federal, state, and city Child and Dependent Care Tax Credit (CCTC); federal and state Child Tax Credit (CTC); the city School Tax Credit; and state Family Tax Relief Credit.



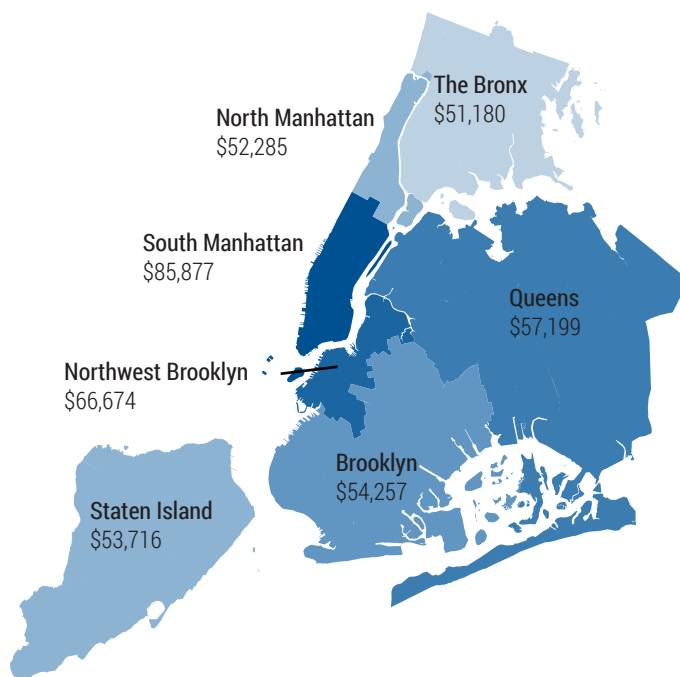
**Emergency Savings.** Emergency savings is the amount needed to cover living expenses when there is job loss net of the amount expected to be received in unemployment benefits. The amount calculated takes into account the average tenure on a job and the average length of unemployment of New York state workers. In two-adult households, the second adult is assumed to be employed so that the savings only need to cover half of the family's basic living expenses over the job loss period.

# How Much Does it Cost to Meet Basic Needs?

How much income families need to be economically self-sufficient depends both on family composition—the number of adults, the number of children, and the children’s ages—and where they live. As is no surprise, it is expensive to live in New York City, although with substantial variation by where one lives and family composition.

**Figure A** displays the geographic variation in the cost of meeting basic needs across New York City for one family type, consisting of one adult and one school-age child. The 2018 Self-Sufficiency Standard for a single adult with one school-age child ranges from \$51,180 to \$85,877 annually, depending on borough, or 311% of the federal poverty guideline (FPG) to 522% of the FPG for a family of two.

**Figure A. Annual Self-Sufficiency Standard by Borough**  
*One Adult with One School-age Child: NYC 2018*



The difference between the most expensive and least expensive area for this two-person family type is almost \$35,000 per year in New York City. **Table 1** highlights how the monthly costs and Standards for this family, one adult and one school-age child, varies across New York City.

- With some of the highest housing costs in the nation, the difference in Standard across boroughs is largely explained by the variation in housing costs. Thus assuming a two-bedroom unit,<sup>10</sup> housing costs \$2,970 per month in South Manhattan compared to \$1,562 per month in the Bronx. To afford the high housing costs, and meet other basic needs, this adult in South Manhattan needs to work the equivalent of a full-time job with a \$40 per hour wage.
- All boroughs in New York City have higher food costs than the national average. However, Manhattan has nearly the most expensive food costs in the nation. Food costs for one adult and one school-age child in the Standard range from \$463 per month in the Bronx to \$768 per month in Manhattan.
- **While the Bronx is the lowest-cost borough in New York City, a single parent with one school-age child would still need to work 76 hours per week at the 2018 minimum wage (\$13.00 per hour) to meet basic needs in the Bronx.**

## Sub-borough Definitions

**Northwest Brooklyn.** Williamsburg/Greenpoint, Brooklyn Heights/Fort Greene, and Park Slope/Carroll Gardens.

**Brooklyn (Excluding Northwest).** The remainder of Brooklyn neighborhoods not included in Northwest Brooklyn.

**North Manhattan.** Morningside Heights/Hamilton Heights, Central Harlem, East Harlem, and Washington Heights/Inwood.

**South Manhattan.** Greenwich Village/Financial District, Lower East Side/Chinatown, Chelsea/Clinton/Midtown, Stuyvesant Town/Turtle Bay, Upper West Side, and Upper East Side.

**Table 1. The Self-Sufficiency Standard for One Adult with One School-age Child: NYC 2018**

	THE BRONX	NORTHWEST BROOKLYN	BROOKLYN (EXCLUDING NORTHWEST)	NORTH MANHATTAN	SOUTH MANHATTAN	QUEENS	STATEN ISLAND
<b>MONTHLY COSTS</b>							
Housing	\$1,562	\$2,349	\$1,693	\$1,315	\$2,970	\$1,839	\$1,637
Child Care	\$677	\$677	\$677	\$677	\$677	\$677	\$677
Food	\$463	\$495	\$495	\$768	\$768	\$504	\$522
Transportation	\$121	\$121	\$121	\$121	\$121	\$121	\$121
Health Care	\$492	\$492	\$492	\$492	\$492	\$492	\$492
Miscellaneous	\$331	\$413	\$348	\$337	\$503	\$363	\$345
Taxes*	\$836	\$1,226	\$913	\$863	\$1,843	\$987	\$900
Tax Credits (-)	(\$217)	(\$217)	(\$217)	(\$217)	(\$217)	(\$217)	(\$217)
<b>SELF-SUFFICIENCY WAGE</b>							
Hourly**	\$24.23	\$31.57	\$25.69	\$24.76	\$40.66	\$27.08	\$25.43
Monthly	\$4,265	\$5,556	\$4,521	\$4,357	\$7,156	\$4,767	\$4,476
Annual	\$51,180	\$66,674	\$54,257	\$52,285	\$85,877	\$57,199	\$53,716
Emergency Savings Fund	\$167	\$294	\$184	\$173	\$403	\$200	\$181

\* The Standard is calculated by adding expenses and taxes and subtracting tax credits. The "Taxes" row includes payroll and sales taxes plus income taxes.

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

## Family Budgets Change as Families Grow

As a family grows and changes composition, the amounts they spend on basic expenses (such as food and shelter) change, and new costs are added, most notably child care. **Figure B** demonstrates these changes for a family in Queens. Each bar shows the percentage of the total budget needed for each expense and how it differs as the family changes composition over time. The height of the bar indicates the total size of the budget.

A single adult living in Queens needs just over \$3,089 per month to cover basic living expenses, plus a small monthly amount of savings for emergencies. Over half (52%) of living expenses go to housing costs alone.

When the single adult household doubles in size to become a two-adult household, the Self-Sufficiency Standard increases to \$3,820 per month. By far the largest expense for a single adult household is housing and the cost of housing stays the same

when adding a second adult. Housing costs are now 42% of the household budget while food, transportation, and health care all increase.

When a family expands over time to include two children (one infant and one school-age), the total budget nearly doubles to \$7,115 per month. At the same time, with the addition of child care, the proportions spent on each basic need change:

- Child care accounts for 28% of the family's budget; when one adds housing, together these two items account for 54% of expenses. This is quite common: across the country, it is typical for Self-Sufficiency Standard budgets for **families with two children (when at least one requires full-time care) to have roughly half their budget going toward housing and child care expenses alone.**
- Food costs are 12% of total income. This is similar to the national average expenditure on



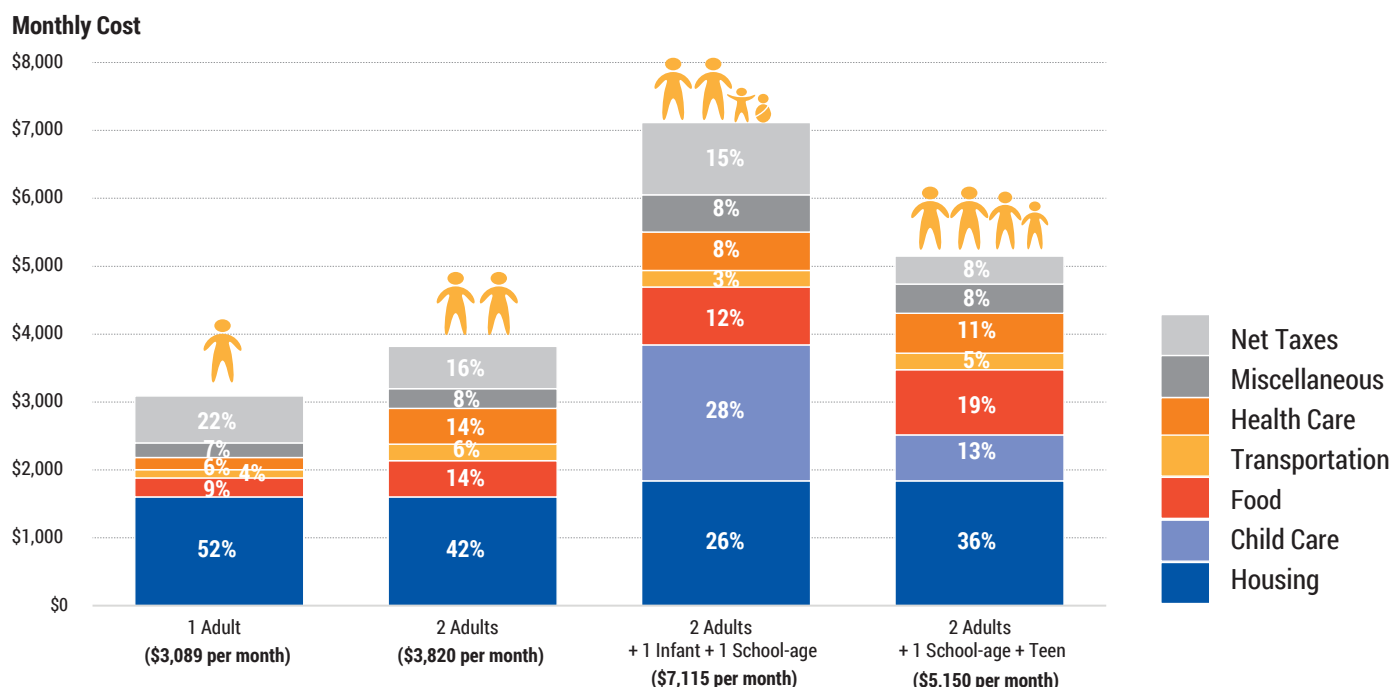
food of 13%, and much lower than the 33% assumed by the methodology of the OPM.<sup>11</sup>

- Health care accounts for 8% of the family budget, including both the employees' share of the health care premium (\$412 per month) and out-of-pocket costs (\$143 per month). Without employer-sponsored health insurance, the premium for the Silver plan through the New York health care marketplace could be over twice that amount.<sup>12</sup>
- Net taxes for the family now reflect a tax burden that is about 15%. Tax credits are treated as if they are received monthly in the Standard, although most credits are received when taxes are filed. If it were assumed that tax credits are not received monthly, but instead annually in a lump sum, then the monthly tax burden would be 17% of total expenses for this family.

The final bar in **Figure B** shows the shift in the budget as the children get older, and are now a school-age child and a teenager, and no longer need as much child care. The total cost of basic needs drops to \$5,150 per month and without the large amount for child care, the proportions for the other budget items all increase.

- The larger proportion of the budget for food, at 19%, is due in part to increased food costs for the teenager.
- Housing costs are now 36% of the family budget.
- Transportation is 5% of the total family budget.
- Health care accounts for 11% of the family budget.
- The decreased amount for child care for the school-age child accounts for just 13% of the basic needs budget for this family type, a much smaller proportion than was necessary when the children were younger.
- As the income required to meet basic expenses decreased, there is less income to tax and net taxes become 8% of the family's budget. If it were assumed, as noted previously, that tax credits are received annually in a lump sum, then the monthly tax burden without tax credits would be 14% of the total costs for two adults with one school-age child and one teenager.

**Figure B. Monthly Costs as a Percentage of Self-Sufficiency Standard as a Family Grows\***  
Queens, NYC 2018



\*While the column heights are different to represent the different totals, the percentages for each cost add to 100% for each column.

# How does the Self-Sufficiency Standard Compare to Other Benchmarks of Income?

Explicitly or implicitly, various program and policies set the income level of what is deemed “adequate” to meet need. *As a measure of income adequacy, the Self-Sufficiency Standard is higher than many commonly used policy measures yet still below median income.* To reveal these differences, we compare the Self-Sufficiency Standard—in this instance, for one adult, one infant, and one school-age child living in the Bronx—to several other income benchmarks for three-person families (see [Figure C](#)).

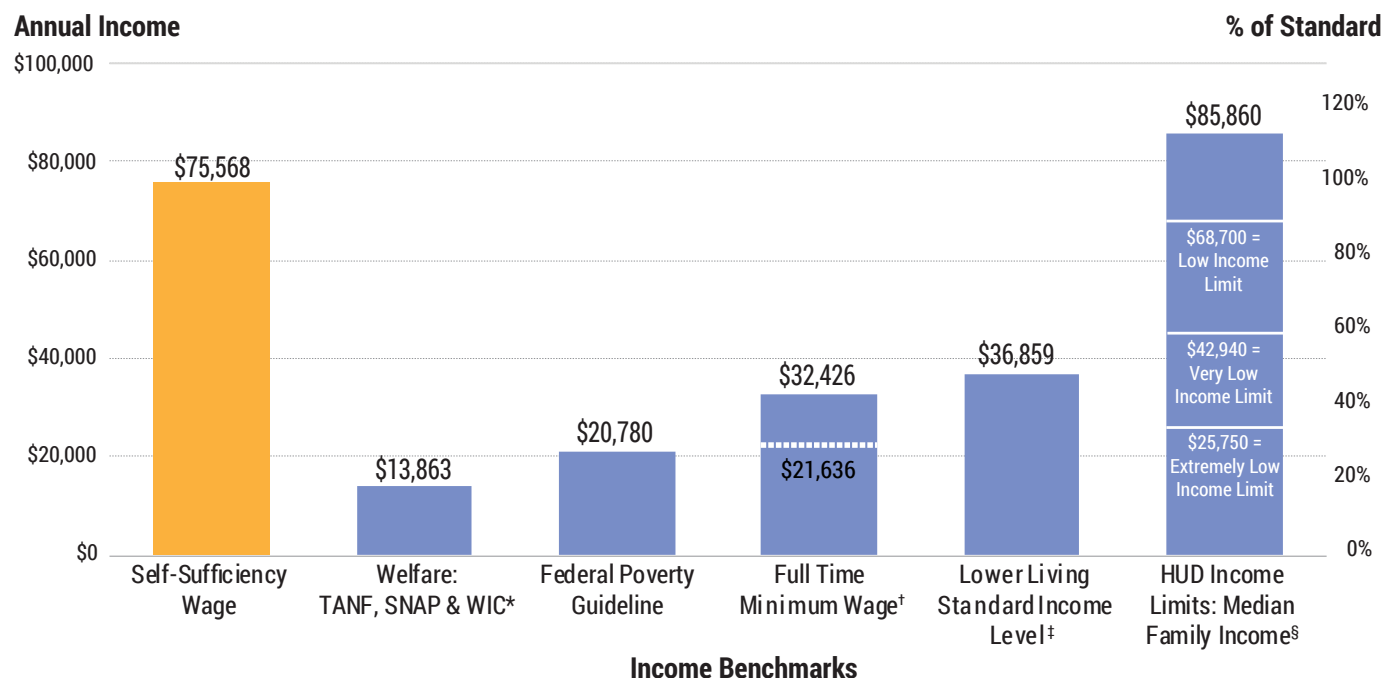
**Self-Sufficiency Standard.** The first bar represents the Self-Sufficiency Wage, which is over \$75,000 annually for this Bronx family with one adult, one infant, and one school-age child.

**TANF, SNAP, WIC.** The second bar calculates the cash value of the basic public assistance package, assuming no other income, and includes the cash

value of SNAP (formerly food stamps), WIC, and TANF. This public assistance package is only 18% of the Standard for this family type.

**Federal Poverty Guidelines.** According to the 2018 federal poverty guidelines (FPG), a three-person family would be considered poor with an income of \$20,780 annually or less, regardless of composition

**Figure C. The Self-Sufficiency Standard Compared to Other Benchmarks**  
One Adult, One Infant, and One School-age Child, the Bronx, NYC 2018



\* The maximum TANF benefit amount is \$9,468, the SNAP benefit amount is \$3,784, and the WIC benefit amount is \$611 for a family of three in New York City.

† The 2018 New York City minimum wage is \$13.00 per hour for large employers (11 or more employees). This amounts to \$27,456 per year; however, assuming this family pays federal and state taxes and receives tax credits, the net yearly income would be a larger amount, \$32,426 as shown. The dashed line shows the annual income received after accounting for taxes (\$21,636) but without the addition of tax credits, which are received as a yearly lump sum after filing taxes the following year. There are different minimum wages for small employers, fast food workers, and tipped workers.

‡ The U.S. Department of Labor, Employment and Training Administration used the Lower Living Standard Income Level (LLSIL) to define low income individuals for eligibility purposes. The LLSIL is the 2017 adjusted NY-NJ-Long Island region for a three-person family.

§ 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. The HUD median family income limits are for FY 2018.

or where they live. However, the FPG is a mere 27% of the Self-Sufficiency Standard for this single-parent family in the Bronx.

**Minimum Wage.** The 2018 New York City minimum wage for larger employers is \$13 per hour, or \$27,456 working full time, year round. Because this is earned income, taxes are subtracted, and eligible tax credits are added. Since the tax credits the family qualifies for are more than the taxes owed, the total net income for this worker would be \$32,426 annually. Nevertheless, even with the addition of tax credits (net of taxes), a full-time minimum wage job in New York City provides just 43% of the amount needed to be self-sufficient for this family type in the Bronx.

If a more realistic assumption is made that the worker pays taxes monthly through withholding, but receives tax credits **annually** (as is true of all workers), her take-home income would be \$21,636 over the year, shown by the dashed line in **Figure C**. This amounts to slightly less than a third (30%) of the Standard for this family and **this single parent would need to work 140 hours a week, 3.5 full-time jobs, to make ends meet.**

**Lower Living Standard Income Level.** The fifth column shows the U.S. Department of Labor Lower Living Standard Income Limits (LLSIL), used by some workforce councils. Originally calculated for metropolitan areas across the country to reflect variations in the cost of living facing urban workers and frequently used by workforce training

organizations, the LLSIL for a family of three in the greater New York City area is \$36,859. Though higher than the FPG or minimum wage, it is still less than half the Self-Sufficiency Standard for this family type.

**Area Median Family Income Limits.** The U.S. Department of Housing and Urban Development (HUD) uses percentages of area median family income (by family size) to determine families' eligibility for housing assistance. The assumption is that area median family income is a rough measure of the local cost of living. The median is the midpoint, which means that half of families in the area have incomes above this amount, and half below. HUD defines three levels of need:

- 1. "Low Income," which is between 50% and 80% of area median family income;
- 2. "Very Low Income," which is between 30% and 50% of area median family income; and
- 3. "Extremely Low Income," which is income less than 30% of area median family income.

The Self-Sufficiency Standard for the Bronx falls above the HUD low income limit. (Due to limited resources, most federal housing assistance goes to families with incomes that are considered "Very Low Income" or "Extremely Low Income.")

.....

**A FULL-TIME MINIMUM WAGE JOB IN NEW YORK CITY PROVIDES JUST 43% OF THE AMOUNT NEEDED TO BE SELF-SUFFICIENT FOR THIS FAMILY TYPE IN THE BRONX.**

.....

# How Many Households are Living Below the Standard in New York City?

Now that we have defined what is adequate income (by place and family type, for 2018), we can ask the question: How many New Yorkers have household incomes that are insufficient to meet their basic needs? Overall, using the Self-Sufficiency Standard and applying it to working-age households (excluding the elderly and disabled), two out of five households (40%) lack sufficient income to meet the minimum costs of living in New York City.<sup>13</sup> Moving from statistics to people, that translates to a total of **over 2.5 million men, women, and children struggling to make ends meet in New York City.**

Using the Self-Sufficiency Standard, we estimate that two in five households in New York City struggle with inadequate incomes. In contrast, using the Census poverty thresholds only one in seven (14%) New York City households (excluding elderly and disabled) are designated officially as poor. **That is, under the Standard, nearly three times as many households are found to be lacking adequate income compared to the number found to be officially poor.**

This means that while nearly a million households (905,063) lack enough income to meet their basic needs according to the Standard, the official poverty threshold only identifies 321,655 households as poor, only a third of the number. Using the official poverty thresholds results in two-thirds of New York City households with inadequate income being

overlooked and undercounted, not officially poor yet without enough resources even to cover their basic needs.

In contrast to the OPM, the Standard illustrates the complexities of having inadequate income. That is, while the profile of households below the Standard differs somewhat from that of the overall population of New York City, this profile is astonishingly diverse. While the likelihood of experiencing inadequate income in New York City is concentrated among certain families by gender, race/ethnicity, education, and location, a broad spectrum of families experience inadequate income. **Figure D** examines a range of characteristics of households living below the Standard compared to those of all households in New York City.

---

**14%** of households in NYC  
live below the official poverty threshold



**40%** of households in NYC  
live below the Self-Sufficiency Standard



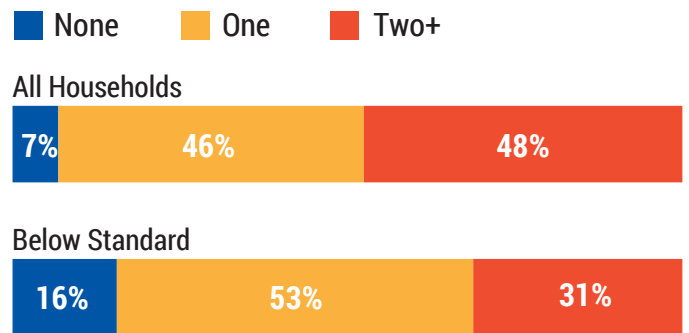


**Figure D. Profile of Households with Inadequate Income: NYC 2016**

*There are 905,063 households living below the Self-Sufficiency Standard in New York City*

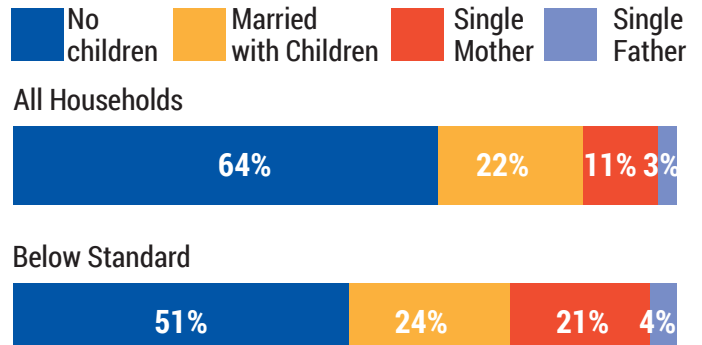
### Number of Workers

Among households below the Standard in New York City, 16% have no workers, 53% have one worker, and 31% have two or more workers. Altogether, more than four out of five households below the Standard have at least one worker. In addition, of households below the Standard which have one or more workers, almost two out of three have at least one full-time, year-round worker.



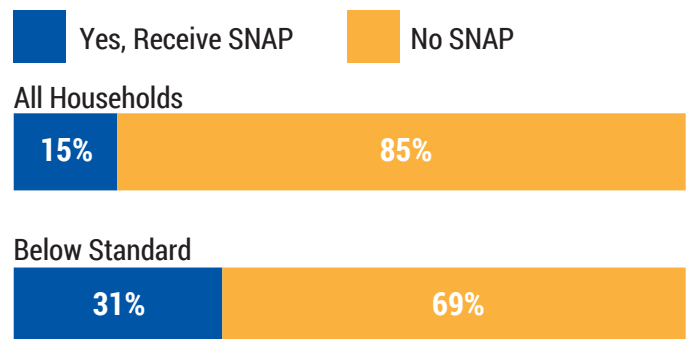
### Household Type

Of the households below the Standard in New York City, more than half (51%) are households with no children (compared to almost two-thirds of all households). The other half of households below the Standard with children are divided between married-couple households (24%), single-mother households (21%), and single-father households (4%).



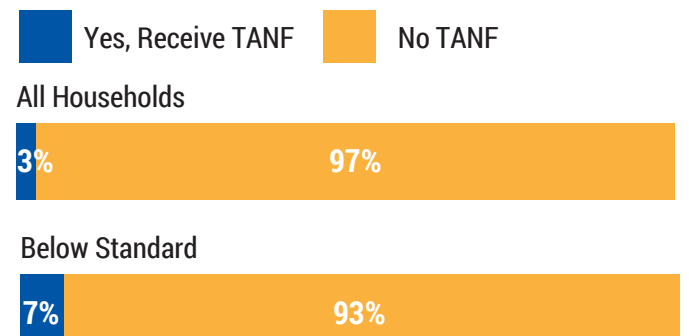
### Food Assistance (SNAP)

Less than one third (31%) of households below the Standard in New York City participated in the Supplemental Nutrition Assistance Program (SNAP, formerly food stamps).<sup>14</sup>



### Public Assistance (TANF)

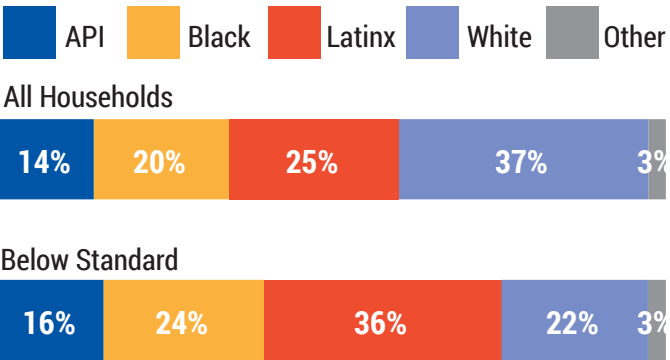
Only 7% of households with inadequate income receive cash assistance (TANF) in New York City.



**Figure D (Continued). Profile of Households with Inadequate Income: New York City, NY 2016**  
There are 905,063 households living below the Self-Sufficiency Standard in New York City

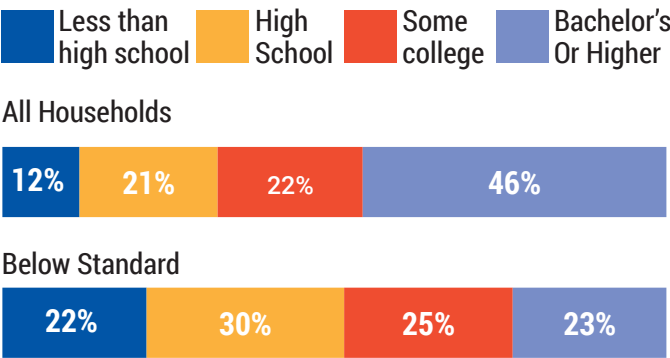
**Race/Ethnicity**

Households headed by persons of color account for 63% of all households in New York City but 78% of households below the Standard. In terms of race/ethnicity, 36% of householders in New York City with inadequate income are Latinx, 24% are African American, 22% are White, 16% are Asian and Pacific Islander, and 3% are other races.



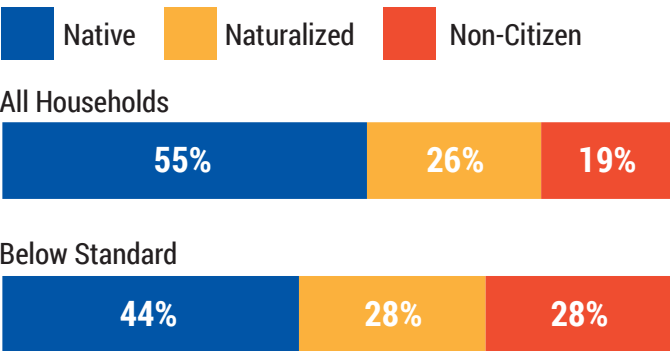
**Educational Attainment**

Among New York City householders below the Standard, 22% lack a high school degree, 30% have a high school diploma or GED, 25% have some college or associates degree, and 23% have a bachelor's degree or higher.



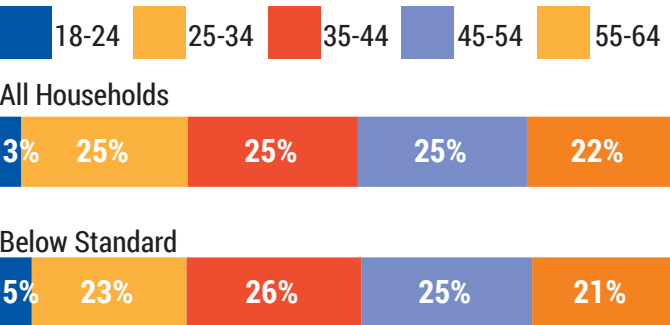
**Citizenship**

U.S. citizens head 81% of all households in New York City and 72% of households below the Self-Sufficiency Standard. Less than one in five households (19%) in New York City are headed by an adult without U.S. citizenship, while 28% of households below the Standard are headed by non-citizens.



**Age of Householder**

The age distribution of householders below the Standard closely mirrors that of all working-age, non-disabled household heads in New York City. In New York City, 5% of households below the Standard are headed by adults under 24 years of age, 23% are headed by adults 25–34, 26% are headed by adults 35–44, 25% are headed by adults 45–54, and 21% are 55–64.



# Geographic Distribution of Income Inadequacy

Although two out of five New York City households have inadequate income, the distribution of these households varies geographically by borough. Despite ranking near the bottom for cost, *the Bronx has the highest rates of income insufficiency in New York City*, with more than half (55%) of households having incomes below their Standard.

In total, at 55%, the Bronx has the highest proportion of households below the Standard in New York City. Likewise, other lower-cost boroughs have higher rates of income insufficiency compared to the higher-cost boroughs (see [Table 2](#)):

- The lowest income inadequacy rates are found in South Manhattan and Staten Island (both 28%), followed by Northwest Brooklyn (31%).
- The income inadequacy rate for Queens (38%) is similar to the citywide average of 40%.
- North Manhattan and Brooklyn (Excluding Northwest) have income inadequacy rates above the city wide average (44% and 45%).

Because the Standard is always higher than the OPM, some have suggested that the Standard is just a multiple of the OPM, such as two or three times the OPM rate. That is clearly not the case in New York City, as elsewhere. The income inadequacy

rates of households below the Standard are not simply a multiple of the percentage below the poverty threshold:

- The percentage below the Standard is almost *four times* the rate below the OPM in South Manhattan (7% vs. 28%).
- The percentage below the Standard is only a little **over double** the percentage below the OPM in Staten Island (12% vs. 28%).

Because the Self-Sufficiency Standard measures income inadequacy considering factors such as family composition that are not accounted for using the OPM (or through the common practice of a multiple of the OPM), the result is a different picture of how many families are struggling to make ends meet than what is drawn using the OPM. In this brief series we explore this different picture to better understand income inadequacy in New York City.

**Table 2.** Percentage Below Poverty (OPM) Compared to Percentage Below the Self-Sufficiency Standard by Borough: NYC 2016

	BELOW POVERTY (OPM)	BELOW SELF-SUFFICIENCY STANDARD	RATIO STANDARD/POVERTY
TOTAL	14%	40%	2.81
Staten Island	12%	28%	2.20
North Manhattan	19%	44%	2.30
The Bronx	24%	55%	2.32
Brooklyn (Excluding NW)	17%	45%	2.61
Northwest Brooklyn	10%	31%	3.02
South Manhattan	7%	28%	3.77
Queens	10%	38%	3.79

Source: U.S. Census Bureau, 2016 ACS 1-Year Public Use Microdata Sample.

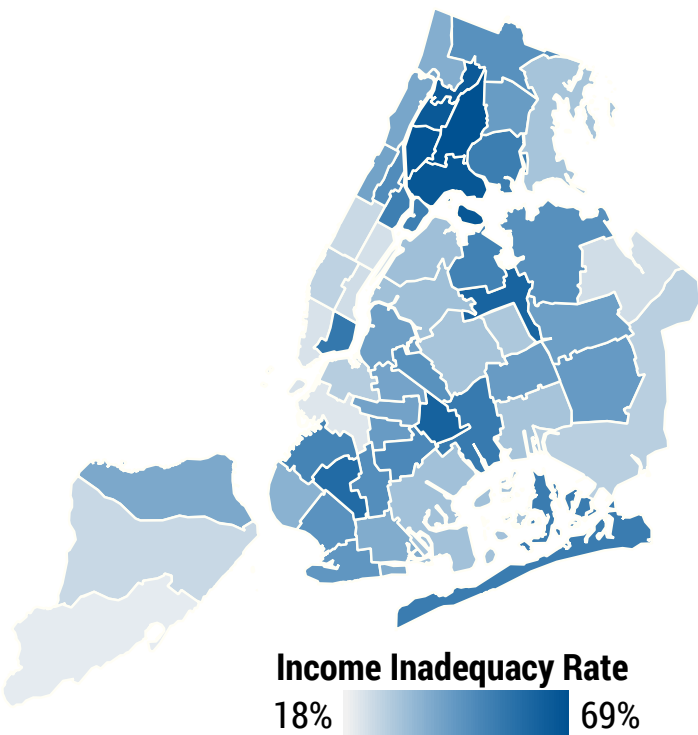
Community District

Families struggling to make ends meet live in every neighborhood in New York City (see [Figure E](#)). When we examine income inadequacy by neighborhood, every community district has a minimum of almost one-fifth of households with incomes below the Standard, and only two boroughs, Staten Island and Northwest Brooklyn have no districts with more than 50% of households lacking adequate income. Overall, the community districts with the lowest concentration of income inadequate households are located in Staten Island, Northwest Brooklyn, South Manhattan, and Queens.

On the other end of the spectrum, the community districts with the highest concentration of households with inadequate income are found in the Bronx.

- The five areas with the highest percentage of households with incomes below the Self-Sufficiency Standard are all found in the Bronx (see [Table 3](#)), with Belmont, Crotona Park East, and East Tremont having the highest income inadequacy rates in New York City (69%).

Figure E. Income Inadequacy Rates by PUMA/Community District\*: NYC 2016



\*Public Use Microdata Areas (PUMAs) are geographical statistical areas that contain at least 100,000 people. In NYC, PUMAs approximate NYC Community Districts (CDs).  
Source: U.S. Census Bureau, 2016 ACS 1-Year Public Use Microdata Sample.

- The Bronx has a total of eight districts with greater than 50% income inadequacy, while Queens and Brooklyn (Excluding Northwest) each have three districts with rates above 50%.
- Finally, North and South Manhattan each have one district with an income inadequacy rate above 50%.

Table 3. Lowest and Highest Income Inadequacy Rates by PUMA/Community District\*: NYC 2016

BOROUGH	COMMUNITY DISTRICT	BELOW STANDARD (%)
LOWEST INCOME INADEQUACY RATES		
Staten Island	Tottenville, Great Kills & Annadale	18%
NW Brooklyn	Park Slope, Carroll Gardens & Red Hook	21%
South Manhattan	Battery Park City, Greenwich Village & Soho	22%
South Manhattan	Upper East Side	23%
Queens	Bayside Douglaston & Little Neck	23%
HIGHEST INCOME INADEQUACY RATES		
The Bronx	Bedford Park, Fordham North & Norwood	65%
The Bronx	Morris Heights, Fordham South & Mount Hope	66%
The Bronx	Hunts Point, Longwood & Melrose	67%
The Bronx	Concourse, Highbridge & Mount Eden	68%
The Bronx	Belmont, Crotona Park East & East Tremont	69%

\*Public Use Microdata Areas (PUMAs) are geographical statistical areas that contain at least 100,000 people. In NYC, PUMAs approximate NYC Community Districts (CDs).  
Source: U.S. Census Bureau, 2016 ACS 1-Year Public Use Microdata Sample.

**Explore Online**

Want to know the number of households below the Standard in your community district? Explore our interactive map at [www.unitedwaynyc.org/self-sufficiency-2018](http://www.unitedwaynyc.org/self-sufficiency-2018).



# Conclusion

The 2018 Self-Sufficiency Standard for New York City calculates what a decent standard of living is for each of the New York City boroughs. By calculating the cost of each basic expense—housing, food, health care, transportation, child care, and taxes—the Standard defines what it really takes for families to meet basic needs. This study builds on the history of the Self-Sufficiency Standard to illuminate the situations and characteristics of the 905,063 families in New York City who struggle with this everyday crisis.

Long held by many to be an inadequate measure of poverty, the OPM vastly undercounts the extent to which New Yorkers struggle to make ends meet in each community. Only by better understanding the characteristics of households below both the OPM and the Standard—and refuting myths and stereotypes—can policymakers, service providers, employers, educators, and others grapple with the full extent of poverty. Armed with this powerful information, they can design solutions to reduce barriers, improve systems, and increase the effectiveness of services to bring about change.

While income inadequacy is apparent among all groups and boroughs in New York City, inadequate income does not affect all groups equally. There

are substantial variations in the rates of income inadequacy among different groups, and by different individual characteristics. The remainder of the briefs in the *Overlooked and Undercounted* series will delve deeper into the numbers to answer the questions of who lacks adequate income, how costs and income inadequacy are changing, and what might be some of the reasons. We will examine the demographic characteristics to see which groups bear disproportionate burdens of inadequate income, such as race, gender, and family composition. We will then look at education and employment issues, such as workforce participation patterns, educational levels, and occupations.

## Overlooked and Undercounted 2018

The *Overlooked and Undercounted 2018* findings are explored through a series of research briefs. The series contains six briefs plus key findings, recommendations, and a technical brief, along with interactive maps, dashboards, and a data file of tables by borough. The following briefs, key findings, and more can be explored online at [www.unitedwaynyc.org/self-sufficiency-2018](http://www.unitedwaynyc.org/self-sufficiency-2018).

1. Defining Self-Sufficiency in New York City
2. A City Evolving: How Making Ends Meet has Changed in New York City
3. Race, Ethnicity, and Citizenship: The Impact on Making Ends Meet in New York City
4. Gender and Family Structure: The Impact on Making Ends Meet in New York City
5. Employment, Occupations, and Wages: The Impact on Making Ends Meet in New York City
6. Work Supports: The Impact on Making Ends Meet in New York City

# How is the Self-Sufficiency Standard Used?

The Self-Sufficiency Standard is used to better understand issues of income adequacy, create and analyze policy, and help individuals striving to meet their basic needs make realistic choices. Community organizations, academic researchers, policy institutes, legal advocates, training providers, community action agencies, workforce development agencies, and state and local officials, among others, are using the Standard. Below are some examples of ways that the Standard is being used. For more descriptions of the ways organizations apply the Self-Sufficiency Standard, visit: [www.selfsufficiencystandard.org/standard-practice](http://www.selfsufficiencystandard.org/standard-practice).

## Policy Analysis

The Self-Sufficiency Standard is used as a tool to analyze the impact of current and proposed policy changes. The Standard can be used to evaluate the impact of a variety of work supports (such as SNAP/ Food Stamp Program or Medicaid) or policy options (such as changes in child care co-payments, tax reform, or tax credits) on family budgets.

- The City of Portland's Bureau of Planning and Sustainability has integrated the Self-Sufficiency Standard into their core strategic metrics and Comprehensive Plan.
- The Colorado Center on Law and Policy used the Colorado Self-Sufficiency Standard to determine the impact of affordable housing on family stability and upward mobility.
- In Pennsylvania, the Standard was used to model the impact of a state Earned Income Tax Credit on the ability of a family to reach self-sufficient wages.

## Counseling Tool

The Self-Sufficiency Standard is used as a counseling tool to help participants in work and training programs to choose jobs that pay adequate wages, access benefits and develop strategies to become self-sufficient. Counseling tools allow users to evaluate possible wages, then compare

information on available programs and work supports to their own costs and needs. Clients are empowered with information that allows them to develop and test out their own strategies for achieving self-sufficient incomes.

- The New York State Department of Labor Self-Sufficiency Earnings Estimator, is a tool for Career Center personnel to assist job seekers in making career choices that will pay self-sufficiency level wages for their family.
- In Oregon, the Prosperity Planner, a Self-Sufficiency Standard online counseling tool is used by WorkSource Center staff to determine training scholarship awards and support service needs of job seekers. It is also used as a financial counseling tool for job seekers.
- In Washington State, the Self-Sufficiency Calculator is used by workforce councils across the state to support career planning with customers and to track progress toward economic self-sufficiency; accessible at [www.thecalculator.org](http://www.thecalculator.org).

## Evaluation Tool

The Self-Sufficiency Standard is used to evaluate outcomes for grantees of economic development and foundation programs. Such evaluations help redirect resources to approaches that result in improved outcomes and more efficient use of limited foundation and government funding.

- In New York's Finger Lakes Region, Monroe Community College used the Self-Sufficiency Standard for Monroe County as benchmark to measure occupational wage outcomes in their report *Measuring Middle-Skills Occupational Gaps*.
- In California, the United Way of the Bay Area and Y&H Soda Foundation evaluated the success of their grantees by how effectively they are able to move families toward self-sufficiency, as defined by the Self-Sufficiency Standard. These foundations understand that to be effective, job

training and direct service programs need to know the actual costs that clients are facing, information that is provided by the Standard.

- The San Diego Women's Foundation focused their grant-making on proposals that would help families move to self-sufficiency. They defined their target population as families with incomes higher than the federal poverty guidelines but lower than the San Diego Self-Sufficiency Standard.

## Benchmark for Wage-Setting

The Self-Sufficiency Standard has been used as a guideline for wage setting. By determining the wages necessary to meet basic needs, the Standard provides information for setting wage standards. The Standard has been used in numerous states to advocate for higher wages through living wage ordinances, minimum wage campaigns, and in negotiating labor union agreements.

- The Standard was cited in research and testimony in support of the SeaTac living wage ordinance (raising wages to \$15/hour for covered employees) and in the successful campaign to raise the minimum wage in Seattle to \$15/hour (by 2018 or 2021, depending on establishment size).
- In New York City, the Real Living Wage NYC campaign used the Standard to make a case for their target of a \$20 per hour "living wage."

## Targeted Allocation of Resources

The Self-Sufficiency Standard is used to target job training resources on education/training that leads to self-sufficiency waged jobs. Using a targeted jobs strategy, the Standard helps to match job seekers with employment that pays Self-Sufficiency wages. Through analysis it is possible to determine the jobs and sectors on which to target training and education resources, including training for occupations that are nontraditional for women.

- Metro, the regional government in Portland, is utilizing the Standard in the development of their Economic Value Atlas (EVA). The EVA will serve as an analytical tool to better align policy and

public investment to support growing businesses while also creating access to self-sufficiency wage jobs.

- In California's Santa Clara County, the Standard was used in a sectoral employment intervention analysis that focused on the availability of nontraditional jobs, the geographical spread of those jobs, the availability of training resources, and wage rates. The analysis led to a curriculum and counselor training package that targeted transportation jobs and provided \$140,000 to the community college system to explore how to strengthen preparation for these jobs.

## Support Research

Because the Standard provides a means of estimating how poverty and income adequacy differs from place to place and among different family types, it is often used in research. The Standard 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.

- Rise Together Bay Area and Insight Center for Community Economic Development's report Promoting Family Economic Security in the San Francisco Bay Area Region included the Standard as a key benchmark in its economic models.

## Community Indicator

Community indicators, metrics, and scorecards help communities to examine the well-being of residents. The Self-Sufficiency Standard provides communities with an indicator of the cost of living at a basic needs level and, in some states, how many households are living below the Standard.

- Numerous states in the Kids Count! project use the Standard as an indicator of economic well-being or security.
- In Pennsylvania, the increase or decrease in the number of families living below the Self-Sufficiency Standard is included as an indicator of economic well-being in the Erie Vital Signs Dashboard.

# Endnotes

1. Gould, Elise, "The State of American Wages 2017," <https://www.epi.org/publication/the-state-of-american-wages-2017-wages-have-finally-recovered-from-the-blow-of-the-great-recession-but-are-still-growing-too-slowly-and-unequally/> (accessed March 29, 2018).
2. U.S. Census Bureau, Historical Poverty Tables: People and Families - 1959 to 2016, "Table 4. Poverty Status of Families, by Type of Family, Presence of Related Children, Race, and Hispanic Origin: 1959 to 2016," <https://www2.census.gov/programs-surveys/cps/tables/time-series/historical-poverty-people/hstpv4.xls> (accessed March 29, 2018).
3. Beginning with studies such as Ruggles' *Drawing the Line*, many have critiqued the Official Poverty Measure. Ruggles, P. (1990). *Drawing the line: Alternative poverty measures and their implications for public policy*. The Urban Institute, Washington, D.C. Citro, C. & Michael, R. Eds. (1995). *Measuring poverty: A new approach*. Washington, DC: National Academy Press.
4. Although the Supplemental Poverty Measure, developed on the basis of the National Academy of Sciences recommendations (see Citro & Michael, eds. (1995)) addresses some of the shortcomings of the OPM, and its methodology ensures that it will increase as living standards rise (or fall), it was initially pegged at roughly the same level as the OPM, and thus also is too low at this time. The SPM is not intended to be a replacement for the OPM, but to provide policymakers with additional data on the extent of poverty and particularly the impact of public policies. Thesia I. Garner and Kathleen S. Short, "Creating a Consistent Poverty Measure Over Time Using NAS Procedures: 1996-2005," U.S. Department of Labor, BLS Working Papers, Working Paper 417, April 2008, <http://www.bls.gov/osmr/pdf/ec080030.pdf> (accessed June 25, 2014).
5. Note that two versions of the official poverty measure are used. The original version is a set of thresholds, which vary by household composition, i.e., the number of adults and the number of children in a household. These thresholds are used with Census and other datasets to measure how many people are officially poor. A second version of the official poverty measure simplifies these thresholds, varying the benchmark by household size (but not composition). These are the federal poverty guidelines, issued by HHS at the beginning of each year, intended for use as eligibility standards in a wide range of programs, such as SNAP (food stamps), Medicaid, and so forth. We will use the term Official Poverty Measure (OPM) when referring to the measure in general; when referring to poverty measurement we will reference the OPM thresholds, and when discussing programs using the guidelines, we will use FPG or OPM Guidelines.
6. The Self-Sufficiency Standard was developed in the mid-1990s by Dr. Diana Pearce as an alternative performance standard in the workforce development system to measure more accurately and specifically what would be required to meet the goal of "self-sufficiency" for each individual participant. The development of the Self-Sufficiency Standard has also benefited from other attempts to create alternatives, such as, the National Academy of Sciences studies, Trudi Renwick's work, and Living Wage campaigns. See Trudi Renwick and Barbara Bergmann, "A budget-based definition of poverty: With an application to single-parent families," *The Journal of Human Resources*, 28(1), (1993) p. 1-24.
7. In the early 1990s a congressionally mandated comprehensive study by the National Academy of Sciences (NAS), brought together hundreds of social scientists, commissioned a range of studies and papers, and was summarized in the 1995 book, *Measuring Poverty: A New Approach*. This report also included a set of recommendations for an alternative measure. Based on the NAS model, since 2012 the Census Bureau has published annual reports using the Supplemental Poverty Measure (SPM). Designed primarily to track poverty trends over time, the SPM provides a new and improved statistic to better understand the prevalence of poverty in the United States. The SPM is not intended to be a replacement for the OPM, but it will provide policymakers with additional data on the extent of poverty and the impact of public policies. In New York City the Center for Economic Opportunity has been producing a poverty measure based on the NAS since 2008. Additionally, the Household Survival Budget developed as part of the United Way ALICE (Asset Limited, Income Constrained, Employed) Project implemented in New York State since 2016. Thesia I. Garner and Kathleen S. Short, "Creating a Consistent Poverty Measure Over Time Using NAS Procedures: 1996-2005," U.S. Department of Labor, BLS Working Papers, Working Paper 417, April 2008, <http://www.bls.gov/osmr/pdf/ec080030.pdf> (accessed June 25, 2014).
8. According to the U.S. Bureau of Labor Statistics, both parents were employed in 62% of two-parent families with children in 2017. Likewise, 73% of single mothers and 85% of single fathers were employed in 2016. Although about 77% of employed women with children under 18 years of age worked full time in 2017, 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 TANF requirements that limit benefits and stipulate that recipients participate in job searches, preclude this option. U.S. Department of Labor, Bureau of Labor Statistics, "Employment Characteristics of Families in 2017," Economic News Releases, Employment and Unemployment, <https://www.bls.gov/news.release/pdf/famee.pdf> (accessed April 30, 2018).
9. U.S. Department of Labor, Bureau of Labor Statistics, "Consumer Expenditures in 2012," Economic News Release, <http://www.bls.gov/news.release/cesan.nr0.htm> (accessed June 7, 2014).
10. As is general practice, such as in most public housing, the Self-Sufficiency Standard assumes a maximum of two persons per bedroom and that adults and children do not share bedrooms.



11. In 2016 the average consumer expenditure on food was \$7,203 per year or 12.6% of total expenditures. U.S. Department of Labor, Bureau of Labor Statistics, "Consumer Expenditures in 2016," <http://www.bls.gov/news.release/cesan.nr0.htm> (accessed September 8, 2017).

12. The second-lowest cost Silver plan for a family with two adults living in Queens and earning about \$85,000 per year is \$1,114 per month. New York State of Health, Individuals & Families, <https://nystateofhealth.ny.gov/individual> (accessed March 26, 2018).

13. This study uses the U.S. Census American Community Survey; all households in the survey are coded with their appropriate Self-Sufficiency Standard, and total income from all sources is compared to that threshold to determine if the household has adequate income to meet their basic needs. (All households are also coded with their appropriate OPM poverty threshold, for comparison; in all cases, the poverty threshold is lower than the Self-Sufficiency Standard.) For details of methodology, see the technical brief at [www.unitedwaynyc.org/self-sufficiency-2018](http://www.unitedwaynyc.org/self-sufficiency-2018).

14. Eligibility in a high cost place such as New York City is limited, and well below the Self-Sufficiency Standard for all family types, as income eligibility standards for SNAP use the federal poverty guidelines across the country. This limits the number who can access this assistance in New York City. Nevertheless, the USDA estimates that about 79% of eligible New Yorkers participate in the program.

## About the Author

Diana M. Pearce, PhD is on faculty 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 (WOW). 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 PhD degree in Sociology and Social Work from the University of Michigan.

## About the Center for Women's Welfare

The Center for Women's Welfare at the University of Washington School of Social Work is devoted to furthering the goal of economic justice for women and their families. Under the direction of Dr. Diana Pearce, the Center focuses on the development of the Self-Sufficiency Standard and related measures, calculations, and analysis. For more information about the Center call (206) 685-5264. This brief as well as all other state reports, and all Self-Sufficiency Standard datasets, can be found at [www.selfsufficiencystandard.org](http://www.selfsufficiencystandard.org).



# Acknowledgements

This brief has been prepared with the essential help of the staff at the Center for Women's Welfare at the University of Washington, particularly Lisa Manzer, Lisa Mikesell, and Laura Sullivan.

A number of other people have also contributed to the development of the Standard, its calculation, and the writing of state reports over the past 22 years. Jennifer Brooks, Maureen Golga, and Kate Farrar, former Directors of Self-Sufficiency Programs and Policies at Wider Opportunities for Women, were key to the early development of initiatives that promoted the concept of self-sufficiency and the use of the Standard, and were instrumental in facilitating and nurturing state coalitions. Additional past contributors to the Standard have included Laura Henze Russell, Janice Hamilton Outtz, Roberta Spalter-Roth, Antonia Juhasz, Alice Gates, Alesha Durfee, Melanie Lavelle, Nina Dunning, Maureen Newby, and Seook Jeong.

We would like to acknowledge the contribution to the development of the first "Overlooked and Undercounted" report of Rachel Cassidy, demographer, as well as the editorial contributions of Maureen Golga and Aimee Durfee, and the statistical contributions of Bu Huang and Karen Segar for past reports. We also wish to thank the Women's Center for Education and Career Advancement and United Way of New York City, which assisted in the development of this report series and its release, especially Merble Reagon, Anna Starshinina, and Leah Kabran Eden.

We would also like to thank Women's Center for Education and Career Advancement, United Way of New York City, The New York Community Trust, and City Harvest for their generous funding which made this brief possible.

Dr. Diana Pearce developed the Self-Sufficiency Standard while she was the Director of the Women and Poverty Project at Wider Opportunities for Women (WOW). The Ford Foundation provided funding for the Standard's original development.

The conclusion and opinions contained within this brief do not necessarily reflect the opinion of those listed above, WCECA, or United Way of New York City. Any mistakes are the author's responsibility.

# Overlooked & Undercounted Working Group

We appreciate the Working Group participants and their agencies for their support and assistance in the development of policy recommendations stemming from *Overlooked and Undercounted 2018*.

Mimi Abramovitz  
*Hunter School of Social Work*

Joel Berg  
*Hunger Free America*

Lucy Block  
*Association for Neighborhood & Housing Development*

Kate Breslin  
*Schuyler Center for Analysis and Advocacy*

J. Emilio Carrillo  
*New York-Presbyterian, and Weill Cornell Graduate School of Medical Sciences*

Lisa Caswell  
*Day Care Council of New York*

Alison Conforti  
*Just Food*

Darwin Davis  
*bac Enterprises, LLC*

Doreen Davis  
*Northeast Brooklyn Housing Development Corporation*

David DeVaughn  
*City Harvest*

Leah Kabran Eden  
*United Way of New York City*

Laura Ensler  
*Laura Ensler Consulting*

Ava Farkas  
*The Metropolitan Council on Housing*

Nick Freudenberg  
*City University of New York Graduate School of Public Health and Health Policy*

Roy Grant  
*Public Health Research and Policy Consultant*

Edline Jacquet  
*Federation of Protestant Welfare Agencies (FPWA)*

Dennis Johnson  
*Children's Health Fund*

Nicole Lavan  
*Women's Housing and Economic Development Corporation*

Jesse Laymon  
*NYC Employment and Training Coalition*

Jennifer March  
*Citizens' Committee for Children of New York*

Stacey McCarthy  
*United Way of New York City*

Emily Miles  
*Federation of Protestant Welfare Agencies (FPWA)*

Bev Neufeld  
*PowHerNY*

Jeanette Nigro  
*Perch Advisors*

Diana Noriega  
*The Committee for Hispanic Children and Families*

Ana Oliveira  
*New York Women's Foundation*

James Parrott  
*Center for New York Affairs*

Nancy Rankin  
*Community Service Society of New York*

Allison Sesso  
*Human Services Council*

Sharon Sewell-Fairman  
*Workforce Professionals Training Institute*

Jonas Shaende  
*Fiscal Policy Institute*

Triada Stampas  
*Food Bank for New York City*