

# Self-Sufficiency Standard for Oregon 2008 - Executive Summary

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More and more Oregon families are finding it difficult to meet the costs of basic necessities such as food, housing, transportation, healthcare, and other essentials. Though these families do not meet federal poverty measures, they are unable to make ends meet.

The first edition of *The Self-Sufficiency Standard for Oregon* is a critical resource in assessing how Oregon is progressing toward wage adequacy among the State's low-paid working families. The Standard offers an innovative way to measure and track the success and impact of a broad array of regional workforce, social service and other skill development investments and provides an accurate measure of income adequacy that reflects the true cost of living facing Oregon families.

The Self-Sufficiency Standard provides valuable information for policy makers, elected officials, agencies, service providers and individual citizens who are seeking jobs, making choices about what education or skills they need, or evaluating progress towards meeting outcomes.

In its unabridged edition, the "Standard" identifies real costs in each of Oregon's 36 counties and uses those costs to establish a self-sufficiency wage linked to 70 different family configurations.

Based on comprehensive research conducted by the University of Washington's Center for Women's Welfare, *The Self-Sufficiency Standard* provides a sophisticated scale that takes into account a full range of variables that shape its revealing findings.

It is a powerful tool to:

- *Help individuals see the value of skill development*
- *Emphasize the need to target public workforce investments to industries and occupations that offer living wages*
- *Offers a common way to measure the success and impact of a broad array of regional workforce, social service and other skill development investments*

Unlike other measures that attempt to define poverty or establish benchmarks for service and benefits eligibility, the "Standard" accounts for cost differences based on family size, composition and ages of children. It incorporates geographical variations and the net effect of taxes and tax credits, as well as information and basic eligibility for common work supports. The Standard assumes all adults in a family work full-time and are responsible for all major costs associated with employment.

*The Self-Sufficiency Standard* is based on the individual cost of each basic need and allows each cost to increase at its own rate. The result is a measure set at a level that is neither lavish nor so low that it is insufficient to adequately provide for a family.

## ***The benefit of "Work Supports" to reduce costs***

The report spotlights the vital role work supports such as child care, food stamps or health insurance play in narrowing the gap between actual income and self-sufficiency. When assisted temporarily with work supports, families are able to meet their basic needs as they enter or re-enter the workforce. For example, a single parent with a preschooler and a schoolage child living in Lane County who works full time at minimum wage (\$7.95 per hour) without any work supports or tax credits has only 45% "wage adequacy," that is, their income from this wage only covers 45% of their expenses. If the wage rises to \$11.87 per hour (50% median family income for a three-person family in Lane County) the wage adequacy is 64%; at \$16.67 per hour (200% of the Federal Poverty Level), the family's wage adequacy is 86%. With the full range of available work supports including housing and child care assistance, a minimum wage worker reaches over 100% of wage adequacy.

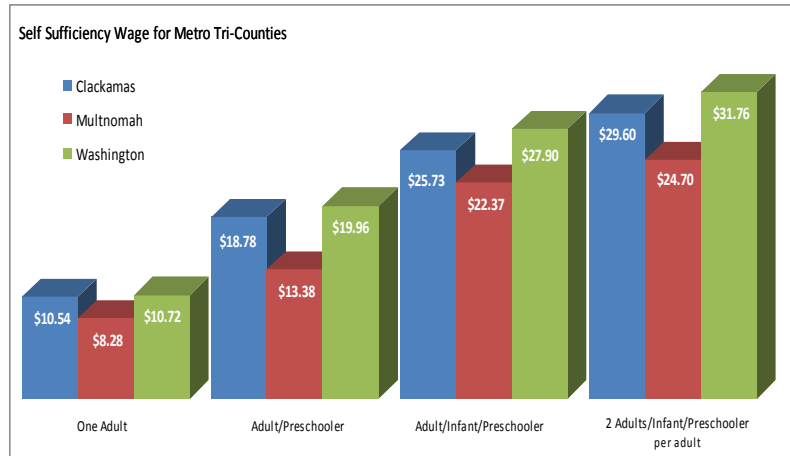
## ***Strategies to increase earnings***

*The Self-Sufficiency Standard for Oregon 2008* outlines a number of strategies to help close the gap between wages and actual income requirements. Examples of successful strategies include: (1) Targeting training for higher-wage jobs to help low-wage workers move into careers that provide self-sufficient wages; (2) Continued focus on Sectoral Employment Interventions to strengthen the local economy by responding to the specific needs of business; (3) Increase access to higher education; (4) Improved career guidance; Expanded and Enhanced Adult Basic Education and Functional Context Education; (5) Promoting Nontraditional Employment for Women to increase access to higher-wage jobs and provide greater career and training; (6) Micro-enterprise Training and Development for individuals with a specific craft or service; and (7) Creation of Individual Development Accounts or Family Savings Accounts.

## Highlights for Multnomah, Washington, and Clackamas Counties

Among the key findings of *The Self-Sufficiency Standard for Oregon* are the following:

- Access to training, education, and jobs with career potential are central to attaining self-sufficiency, and skill development is critical for long term benefit.
- For families with children, housing and child care costs account for the largest percentage of budget costs for Oregon families. For some families with two or more children, or very young children, the child care costs often exceed the cost of housing. The addition of child care subsidies generally provides single parents with the greatest relief of any one work support.
- The Self-Sufficiency Wage for one adult, one infant, and one preschooler in Multnomah County requires an hourly wage that is nearly three times Oregon's minimum wage of \$7.95 per hour to meet their basic needs.
- Many individuals in Oregon do not receive benefits from common work supports. For example, in 2005, only one in 8 eligible Oregon families received housing assistance (Center on Budget and Policy Priorities) and according to the U.S. Census (2006), nearly 8% of Oregon's children in families at or below 200% of poverty do not have health insurance. Additionally, low-wage working parents continue to face barriers accessing quality child care – if it is assumed that all children receiving child care subsidies are under the age of six, only 16% of Oregon's eligible families with children under age six would have received subsidies in 2006.
- Seven of Oregon's ten most common occupations have wages that are substantially below the minimum level of self-sufficiency for one adult, one infant, and one preschooler in Multnomah County.



### How the Self-Sufficiency Standard can be used:

Self sufficiency is more than an hourly wage or picture of benefits at a specific point in time; it is a long term goal and process that requires investments to improve skills and provide access to jobs with career potential.

The report is a valuable tool to:

- ✓ Evaluate Policy and Program Outcomes
- ✓ Provide a benchmark for evaluation and program improvement
- ✓ Target training investments towards occupations that lead to self-sufficiency
- ✓ Determine eligibility and need for services
- ✓ Enhance career guidance and job placement assistance
- ✓ Provide public education
- ✓ Provide a standard in research

*NOTE: The Self-Sufficiency Standard for Oregon 2008 is at the heart of Portland's recently developed "Prosperity Planner" - A free on-line tool that calculates self sufficiency for individuals and their families; provides data to evaluate how effective our public investments are in helping people progress towards self-sufficiency; and offers information on resources and financial supports to help individuals manage their income, reduce expenses and pursue training.*

For more information or to access the full report, visit [www.worksystems.org](http://www.worksystems.org) or call WorkSystems, Inc at 503-478-7300.

