



## Introducing the Moscow Family Self-Sufficiency Project

### Background

The data presented below were published as a book in Moscow, Russia in 2008 under the editorship of Lyudmila Rzhantsina, Ph.D., and Olga Bessolova. The project was sponsored by the Moscow City Government. The authors used the materials of the Federal Statistics Service, Russia; Russian Monitoring of Economics and Citizens' Welfare; Russian Center for the Quality of Life; Independent Institute of Social Policy, Russia; Moscow State University's Department of Demographics; and Wider Opportunities for Women (WOW), USA. The researchers used the framework of economic self-sufficiency developed by Wider Opportunities for Women, USA, to apply the concept of economic security, as opposed to deprivation, to families in Moscow City, Russia.

### Population Data

The Russian Family Self-Sufficiency Project focuses on families with children (under 16 years of age) in Moscow City. Findings show that the great majority of Moscow families (as well as Russian families as a whole) are combined families that include people of different gender, age, and social status. Data indicate that most Moscow families have no children, over two million childless families as compared to slightly over 740 thousand families with children. Of those with children, most have one child (610,920 families) followed by two children (123,673 families).

### Households with Children Struggle to Make Ends Meet

Table 1 illustrates that, on average, overall material well-being (defined as the condition of having the resources necessary to satisfy basic needs such as food, housing, clothing, transportation, and miscellaneous expenses) of households with children is worse than of households with no children. This can be explained by the fact that households without children do not have to spend a substantial portion of their income on childcare and basic supplies such as additional food and clothing, thus freeing up resources.

**Table 1: Material Well-being of Households with Children Compared to Households with No Children**

Type of Family	Income per Person per Month (Rubles)	Families with No Children = 100%
No children	12,322.4	100
With children	9,149.3	74.2

Source: Lyudmila Rzhantsina, Ph.D., and Olga Bessolova, Moscow, Russia, 2008

### Family Income Depends on Family Structure

Family income, however, is largely dependent on the type of family. Findings indicate that income tends to be higher in "nuclear" families (parents + children), as opposed to "multi-generational" families (parents + children + other relatives (usually grandparents)), as shown in Table 2.

**Table 2: Income Breakdown According to Family Structure**

	Income per Person per Month (Rubles)	Households with No Children = 100%
All households	11,428.3	92.7
Out of those, households:		
With children, all	9,149.3	74.2
Parents and children under 16	11,385.0	92.4
Parents, children under 16, other relatives	7,519.0	61.0
No children	12,322.4	100.0

Source: Lyudmila Rzhantsina, Ph.D., and Olga Bessolova, Moscow, Russia, 2008



## Family Income Depends on the Number of Children

Children tend to reduce family’s material well-being dramatically, as Table 3 illustrates.

**Table 3: Income per Person According to the Number of Children**

Households	Income per person per month, in rubles	Households with one child = 100%
With 1 child	12,746.6	100
With 2 children	5,266.8	41.3
With 3 or more children	3,412.8	26.8

Source: Lyudmila Rzhanitsina, Ph.D., and Olga Bessolova, Moscow, Russia, 2008

## Structure of Spending in Moscow Families Is Largely Dependent on the Type of Family and the Number of Children

Table 4 and charts 1-4 show the structure of spending for different types of Moscow City families. The findings illustrate the interdependency between the structure of family, number of children, and the categories of family’s expenses.

**Table 4: Structure of Spending**

Type of family	Resources per person, rubles	Structure – %			
		Food	Supplies	Services	Taxes
With 1 child	9,923.2	25.7	33.0	25.1	10.8
With 2 children	6,644.4	47.3	20.1	22.4	7.4
With 3 or more children	3,412.8	47.1	20.7	21.3	9.4
With disabled children	4,702.3	45.4	21.0	28.0	5.4
With children, plus disabled persons over 16	8,967.8	47.4	20.3	20.6	6.9
With children, head of family employed by budget sphere	5,820.2	46.1	21.8	24.0	6.8
No children	12,322.4	27.2	32.2	23.2	10.7

Source: Lyudmila Rzhanitsina, Ph.D., and Olga Bessolova, Moscow, Russia, 2008

The “Supplies” category includes basic expenses such as clothing and furniture. The “Services” category includes various service sector expenses, for example transportation costs. Housing costs are not reflected as one of the categories of expenses in this table, because the Russian social system differs significantly from that of the United States. For some Moscow City residents rent does constitute a major expense, but many families own their apartments as a result of the collapse of the Soviet Union, where all property was owned by the government. Such families have to pay a relatively small owner’s fee and the cost of utilities, which also falls under the “Services” category.

Applying the common view that wealthier families spend a smaller fraction of their income on food and larger fraction on services, one can see that families with children, excluding families with one child, are the poorest, as they spend the largest part of their income on basic food; particularly, families with two children and those with three or more children spend nearly half of their income on food. Surprisingly at first glance, families with disabled children spend the most on services; however, more detailed analysis shows that their main expenses are utilities (34.1%), medical services (25.2%), and transportation (13.3%).



Chart 1: Structure of Spending, Family with No Children

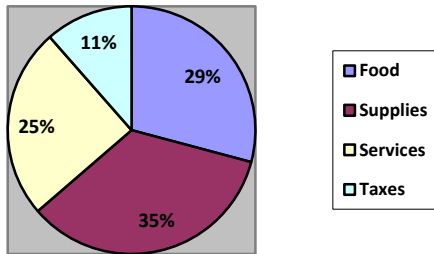


Chart 2: Structure of Spending, Family with One Child

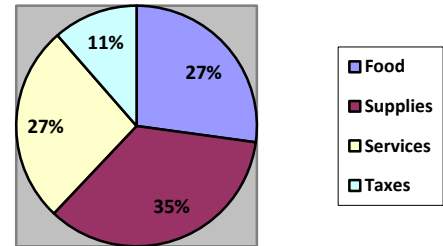


Chart 3: Structure of Spending, Family with Two Children

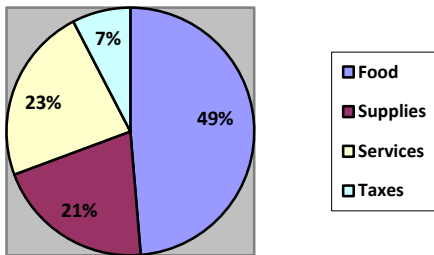
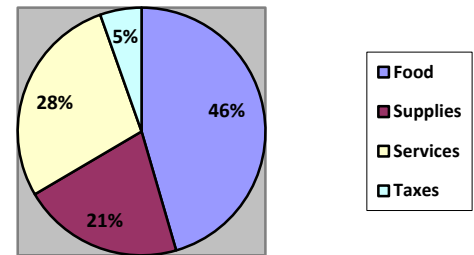


Chart 4: Structure of Spending, Family with Disabled Children



### Minimum Budget vs. Typical Budget

In Russia, minimum budgets (analogous to the U.S. Federal Poverty Levels) only measure single adults living independently and they do not take into account family living and joint spending. The authors distinguish between *minimum* and *typical* budget:

- *Minimum budget*: For low-income population; only provides minimal satisfaction of basic needs
- *Typical budget*: Ensures normal fulfillment of basic needs at the lower middle-class level

*Typical budget* is what the authors propose as a **self-sufficiency standard**. For Moscow City in 2006, minimum budget was 5,000 rubles per month per person, whereas self-sufficiency standard was calculated as 12,000 rubles - that is, more than twice as much as the minimum budget.

### Similarities between Self-Sufficiency in the U.S. and Russia

This situation described above correlates with that of the United States, where the [Family Economic Self-Sufficiency Standard](#), developed by WOW, is also much greater than the Federal Poverty Level (FPL). Unlike the FPL, the Self-Sufficiency Standard accounts for the costs of living and working as they vary by family size and composition and by geographic location.

In many cases, the Self-Sufficiency Standard can amount to nearly 200% of the FPL. For example, in Sonoma County, California, and Lehigh County, Pennsylvania, the Self-Sufficiency Standards for an adult in 2008 were calculated as \$23,972 and \$20,634, respectively, whereas the FPL was only \$10,400.



### Self-Sufficiency Standards for Various Categories of Moscow City Families

The authors acknowledge that expenses will differ based on a family’s size and child age. Self-sufficiency standards for various categories of families (in rubles per month) are displayed in Table 5. **These findings show that self-sufficiency can only be achieved for families where two parents work to support one child.** It is more difficult to achieve self-sufficiency for families with two children, and much more difficult for families with three children and for single-parent families.

Structure of budget	Two working parents + children:					Single working parent + children	
	1 pre-school age	1 school-age	2 (1 pre-school + 1 school-age)	3 (2 pre-school + 1 school-age)	3 (1 pre-school + 2 school-age)	1 pre-school age	1 school-age
Consumer basket	33,294	36,460	45,298	54,136	57,302	21,066	24,232
Other payments	2,768	2,768	2,768	2,768	2,768	1,384	1,384
Normative family spending	36,062	39,228	48,066	56,904	60,070	22,450	25,616
<b>Self-Sufficiency Standard</b>	<b>36,000</b>	<b>36,000</b>	<b>48,000</b>	<b>60,000</b>	<b>60,000</b>	<b>24,000</b>	<b>24,000</b>
Needed income per worker	18,000	18,000	24,000	30,000	30,000	24,000	24,000
% of workers without needed income	42	42	42	55	55	55	55

Source: Lyudmila Rzhanitsina, Ph.D., and Olga Bessolova, Moscow, Russia, 2008

The “Consumer Basket” category accumulates the costs of basic food, supplies, and services (as defined earlier). This notion was developed in the 1990s in Russia to account for the actual living expenses as opposed to the unrealistic minimum budget. Calculated by scientific organizations, consumer baskets for different categories of families in monetary terms are on average 2-2.5 times as high as the minimum budgets. The “Other Payments” category usually refers to miscellaneous payments such as taxes. Combined together, these two categories add up to “Normative Family Spending”, which then rounds up to create the Self-Sufficiency Standards.

### Future Prospects: More Work Is Needed!

How can the self-sufficiency standard be implemented? Among other measures, the authors establish the concept of “*child budget*”, which would ideally be financed from all levels of budget and provided as a subsidy to accumulate all child-related needs for families with children. So far, however, there are no signs of making this child budget a policy priority due to budget constraints and the lack of political will and pressure.