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Welfare reform fails to bring self-sufficiency

JOSEPH DITS; Tribune Staff Writer

A single mom needs to earn \$10.39 an hour at a full-time job to support herself and her infant child in St. Joseph County. Make that \$9.65 an hour in Elkhart County ... \$8.83 an hour in rural Marshall County. Add a preschool child, and the parent will need \$14.64 an hour in St. Joseph ... \$9.95 in Elkhart ... \$9.61 in Marshall. That's according to a study of what it takes to stay off public assistance in each of Indiana's 92 counties, released this month.

The Self-Sufficiency Standard for Indiana shows that the federal poverty level fails in at least two ways: It's far too low, and it doesn't reflect the varying costs of living in rural and urban counties. Researcher Diana Pearce at the University of Washington (D.C.) conducted the study for the Indiana Coalition on Housing and Homeless Issues.

The study took into account the living expenses in each county, such as housing, child care, health care and taxes, along with tax credits for having children and the Earned Income Tax Credit. The study's authors said the results could be used to educate legislators and employers, evaluate economic strategies and study poverty even more.

Among the things they'd learn: Child care was the biggest factor in making St. Joseph more expensive than Elkhart. A month's worth of care for a preschooler costs \$440 in St. Joseph, \$370 in Elkhart. For an infant and a preschooler, it's \$814 in St. Joseph, \$700 in Elkhart. "None of it is really surprising to me," said Charles Smith, director of St. Joseph County's welfare office, known as the Office of Family and Children.

No one would argue that the federal poverty level reflects reality, he added: "It's pretty much an artificial level, and it's low." That's why social services screen their clients with percentages of the poverty level. This year, the government-financed Children's Health Insurance Program, or CHIP, began serving families who earn less than 200 percent of the poverty level, which is expanded from 150 percent.

Smith feels the study also makes a valid point about the disparity of living costs in each county. Even so, he said, it may be cheaper to live in a rural county, but the availability of jobs can be a lot less. Any kind of standard — even this one — makes some assumptions and cannot account for each variable, he said.

The study makes some excellent points, but it underestimates housing costs in St. Joseph County, said Fred Hancock, who counsels poor families on how to budget their money and pay bills.

The housing numbers would seem accurate if they didn't include utilities, but they do, said Hancock, who's with the St. Vincent de Paul Society of St. Joseph County. Utilities for a two- to three-bedroom home add up to about \$120 a month, not including phone, he said.

"We are aware that welfare reform efforts are right now moving people incrementally to self-sufficiency," Smith said. A state-sponsored study has shown that many clients do find jobs but that the wages paid are low. "True self-sufficiency is somewhere down the road."

Here's a breakdown of the monthly cost of living in St. Joseph County for various family sizes, as estimated by the Self-Sufficiency Standard for Indiana. "Housing" includes utilities except for phone, which is included in "miscellaneous." "Transportation" is based on owning and operating an 8-year-old car. "Health care" assumes that the employer provides health insurance in which the parent helps to pay.