



Black against the wall: Getting to self-sufficiency

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I dread payday mostly because I always get to the end of the money before we have everything we need, and there is never any extra to deal with emergencies. Until recently I thought my money management skills were lacking because surely others were able to do it with this amount of cash, right?

Wrong. What I recently discovered is that I fall into the category of "working poor."

Working poor is a term used to define a person or family where one or more people work in at least a part-time capacity for wages that are insufficient to meet their basic needs without public or private assistance. In testimony before the U.S. Senate Committee on Health, Education, Labor and Pensions in February, economist Heather Boushey said that nearly 37 million Americans go without some basic necessities and that one out of every three working families with young children are not able to make ends meet with income alone.

I need to stop here for an instant replay. One in every three families with children, where people have jobs, do not have enough money to make ends meet. That is a powerful, illuminating and not very flattering statement about the wealthiest society in the world.

Part of the problem rests with an outdated and inadequate federal poverty measure. This measure is over 30 years old, is based on the assumption that families spend approximately 1/3 of their income on food, and is created by tripling the regional costs of the food needed to provide the minimum federal nutritional requirements, based on

family size. According to *Hardship in America*, by Boushey, Brocht, Gundersen and Bernstein for the Economic Policy Institute, 30 years of cost increases for housing, transportation, health care and child care leave families spending only 1/5 of their income on food. Meaning the measure, as currently calculated, is very likely inadequate by at least a 1/3.

But adjusting the poverty level will only make more people eligible for assistance, which helps, but is not the solution. Nor is creating a living wage -- like the minimum wage only higher -- an answer the problem. "It does not create self-sufficient individuals," said Alma Roberts, director of the Center for Poverty Solutions.

And self-sufficiency is the issue. This point is made poignantly in the report, *The Self-Sufficiency Standard for Maryland*, commissioned by Advocates for Children and Youth and the Center for Poverty Solutions. According to the document, self-sufficiency means "maintaining a decent standard of living and not having to choose between basic necessities. Self-sufficiency wages are family sustaining wages."

Dr. Diana Pierce developed the self-sufficiency standard as a way to recognize and address the gap that exists between the poverty measure and when income is adequate to provide for basic needs without assistance. This standard takes into consideration family size and composition, and geographic and regional differences in costs, just like the federal poverty measure. The self-sufficiency standard also figures in costs of housing, child care, food, transportation, health care, taxes and other

essentials -- clothing, nonprescription medicines, personal hygiene items and telephone - figured at 10 percent of the other costs. This standard does not allow for entertainment, recreation or savings. It is simply a calculation of how much money a family of a specific composition and in a specific location needs to live without accessing the poverty safety net -- which consists of organizations that provide assistance in bridging the gap.

The report indicates the self-sufficiency wage for a family of one adult and one preschooler in Baltimore County is a monthly income of 2,668, approximately 15.16 per hour for the working adult. That same family in Baltimore City needs 14.47 per hour, in Anne Arundel County 16.13 per hour and in Dorchester County, 11.35 per hour. It concludes: "The self-sufficiency standard shows that for most families, earnings that are above the official poverty level -- or are high enough to disqualify them from welfare - are nevertheless far below what they need to meet their families' basic needs."

I have for years said that creating hundreds of jobs at minimum wage will not sustain families or move communities out of

poverty. This information makes it clear that despite the benefit to businesses, minimum wage is more akin to indentured servitude than empowerment. Even at wages slightly higher than twice the minimum, folks do not make enough money to be self-sufficient, but make too much to get ample assistance in bridging the gap. Many families live with the realization that one misstep or unforeseen emergency will leave them homeless and hungry.

See for yourself. You can get a copy of the study by contacting Advocates for Children and Youth at 410-547-9200 or at the Center for Poverty Solutions at 410-366-0600.

A luta continua means the struggle continues ...

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