

Making Ends Meet

The Indiana Gazette (Harrisburg, PA)

June 16, 2004

By Mark Scolforo

HARRISBURG, Pa. - Rebecca Sebastian and her boyfriend together earn about \$25,000 a year - well above the federal poverty threshold, but not enough to make ends meet.

"The cost of living is going up, but nobody's paycheck is going up, and that's what's making it hard," said Sebastian, 26, who has a 4-year-old daughter and works full-time at a Harrisburg day care center. "We can't get ahead because we don't make enough money."

Increases in child-care, health-care and housing costs have left many working families in Pennsylvania unable to meet basic needs, although in recent years tax breaks for parents have stabilized what had been a widening gap between family incomes and the real cost of living, according to the new report.

"The Self-Sufficiency Standard for Pennsylvania," released today by the family advocacy organization PathWaysPA, concludes that "for most parents, earnings that are well above the poverty level are nevertheless far below what they need to meet their families' basic needs."

Food stamps, day-care subsidies, and the Children's Health Insurance Program are bridging the gap between income and expenses, said PathWaysPA president Carol Goertzel.

"You cannot expect people to stay working and support their families on the money they're paid to start out - it's just not possible. You can't go to work with a 1-year-old if you can't pay for daycare for your 1-year-old," she said.

The income level required for financial self-sufficiency in Pennsylvania rose dramatically between 1997 and 2001, but has dropped slightly in the past three years.

The report attributes the improved conditions to the effect of the federal child tax credit and earned-income tax credit.

"It was really a surprise the extent to which that made a difference to families," Goertzel said. "People don't think about taxes as being a kind of a helping hand, but if people are working, taxes can be used to help people, and not just to take their income."

Federal poverty guidelines are based on the cost of food, but the self-sufficiency standards take into account all types of basic needs, as well as county-by-county variations. For a single adult with an infant child, expenses run from a low of just over \$18,000 in rural Sullivan County in northeastern Pennsylvania to a high of over \$37,000 in suburban Philadelphia's Chester County.

Maureen Golga with Wider Opportunities for Women, a Washington, D.C.-based organization that helped produce the report, said similar studies in 34 other states and D.C. also generated diverse results.

But everywhere, child care, health insurance and housing constitute a major slice of family budgets, analysts said.

"We've had a few places recently where the child-care costs were greater than the housing costs. How prohibitive that is for people who want to work full-time," Golga said.

Sandi Vito, Pennsylvania's deputy secretary for work force development, said the standards will be used to design training programs to help workers move into higher-paying jobs.

And Goertzel said the figures also should be factored in when governments assess the impact of publicly supported economic development projects. Creating low-paying jobs shifts support costs into the public, where better salaries enable parents to afford basic necessities without food stamps, Medicaid and other government programs, she said.