



Wider Opportunities for Women

The DC Metro Area Self-Sufficiency Standard What it is and why it matters

What is it?

The Washington, D.C. Metropolitan Area Self-Sufficiency Standard¹ measures how much income working adults in the D.C. Metropolitan Area need to meet their basic needs without subsidies of any kind. It accounts for varying costs of living and working by family size and composition. By using the information in the Standard, we can learn more about what wages are adequate to pay for basic living costs such as housing, child care, food, transportation, health care, and taxes.

Why Does it Matter?

From rising housing costs to growing numbers of single-parent heads of households and the cost of childcare, many DC Metro Area families are struggling to make it. When they don't, we pay high costs at every turn. We pay more work supports, like food stamps, childcare vouchers and Medicaid. We create the need for more social services, and more infrastructure, more police and more law enforcement.

By creating paths to self-sufficiency, we can divert monies currently used as “band-aids” to programs that provide training, encourage the right kind of job creation, and secure the health of our community. The chart below illustrates the Self-Sufficiency Standards for selected family types in the District of Columbia.

Key Findings of the 2005 D.C. Metro Area Self-Sufficiency Standard

What it takes for families to live in Washington, D.C.

<i>Self-Sufficiency Wage</i>	One Adult	One Adult, One Preschooler	One Adult, One Preschooler, One Schoolage	Two Adults, One Preschooler, One Schoolage
Hourly	\$10.05	\$19.44	\$22.35	\$12.72 per adult
Annual	\$21,224	\$41,063	\$47,213	\$53,727 combined

¹Pearce, Diana. *The Self-Sufficiency Standard for Washington, D.C. Metropolitan Area 2005*.

The Rise in Costs for District of Columbia Families

- Between 1999 and 2005, the **overall cost of living has increased between 21% and 27% for families in the District of Columbia**, from 32% to 51% in Montgomery County, Prince George's County, Arlington County, and Alexandria City, and from 43% to 68% for these families in Fairfax County
- **A family in Washington, D.C. with one adult, one preschooler, and one schoolage child requires over three times the D.C. minimum wage (\$6.60 per hour), or \$22.35 per hour, to meet basic family needs at a self-sufficient level.**
- **The rise in costs is primarily driven by housing and child care costs.** Housing costs have risen 21% for single adults and 18% for other selected families. Child care costs have increased between 20% and 38% (depending on the family type). Due to these growing costs, housing and child care comprise 55% of the total budget for families in the District of Columbia with two children (when one is a preschooler or younger).
- Although health care costs comprise 7% to 10% of all costs for families, **health care costs rose 70% since 1999 for a family of a single parent with one preschooler in Washington, D.C.**
- Depending upon the family type, **taxes have risen from 12% to 34%**. Tax credits have also increased, particularly the child tax credit, but not enough to offset the increased costs in the District.

Given these substantial and rising costs, the following chart shows the wage adequacy (combined with differing work supports) of a minimum wage job for a family with a single parent, one infant and one preschooler:

PANEL B: Wage Adequacy at \$7.00 (D.C. Minimum Wage effective 1/1/06)				
	Wages Only	Work Supports		
	#1	#2	#3	#4
	No Work Supports	Child Care	Child Care, Food Stamps, WIC & Medicaid or CHIP (DC Healthy Families)	Housing, Child Care, Food Stamps, WIC, & CHIP (DC Healthy Families)
TOTAL MONTHLY INCOME:	\$1,232	\$1,232	\$1,232	\$1,232
Monthly Costs:				
Housing	\$949	\$949	\$949	\$370
Child Care	\$1,624	\$61	\$61	\$61
Food	\$425	\$425	\$110	\$226
Transportation	\$114	\$114	\$114	\$114
Health Care	\$258	\$258	\$0	\$0
Miscellaneous	\$288	\$288	\$288	\$288
Taxes	\$141	\$141	\$141	\$141
Earned Income Tax Credit (-)				
Child Care Tax Credit (-)	\$0	\$0	\$0	\$0
Child Tax Credit (-)	\$0	\$0	\$0	\$0
TOTAL MONTHLY EXPENSES	\$3,799	\$2,236	\$1,664	\$1,201
SHORTFALL (-) or SURPLUS	(\$2,567)	(\$1,004)	(\$432)	\$31
WAGE ADEQUACY (Total Income/Total Expenses)	32%	55%	74%	103%

This chart clearly points to the shortfall in wages that low-income heads-of-households experience if they are making the minimum wage in the District, even if they are receiving the work supports that are modeled above.

Identifying and Preparing for High-Wage, Growth Occupations in the Area

To ensure that families are self-sufficient in the long term, jobseekers must be able to successfully compete for jobs that pay a self-sufficient wage. Jobseekers must identify, train for and acquire the experience necessary to qualify for high-wage occupations and industries in and around Washington, DC.

The following table shows the wages of the 15 occupations expected to grow the most for the period 2000 – 2010 in the D.C. Metro Area:

Table 11
Wages of Top Fifteen D.C. Metro Area* Growth Occupations by Projected Increase in Number of Jobs: 2000 - 2010

Occupation Title**	Projected Growth by Number of jobs from 2000 to 2010	Annual Projected Percent Growth Rate from 2000 to 2010***	Median Wage	
			Hourly	Annual****
Computer Software Engineers, Systems Software	16,210	5.96%	\$41.89	\$88,472
Computer Systems Analysts	16,070	3.35%	\$36.29	\$76,644
Combined Food Preparation and Serving Workers, Including Fast Food	13,922	3.10%	\$7.42	\$15,671
Computer Software Engineers, Applications	12,798	5.76%	\$37.81	\$79,855
Computer Support Specialists	12,247	6.06%	\$21.90	\$46,253
Management Analysts	12,196	1.89%	\$36.20	\$76,454
Cashiers	11,140	1.73%	\$8.38	\$17,699
Retail Salespersons	10,883	1.31%	\$9.36	\$19,768
Lawyers	10,731	2.27%	\$55.35	\$116,899
Customer Service Representatives	10,664	2.54%	\$13.87	\$29,293
Computer specialists (all other)	9,089	4.33%	\$30.37	\$64,141
General and Operations Managers	8,562	1.27%	\$44.92	\$94,871
Network and Computer Systems Administrators	8,552	5.91%	\$32.80	\$69,274
Teacher Assistants	8,467	3.10%	\$11.00	\$23,232
Office Clerks, General	7,548	1.50%	\$12.93	\$27,308

Building Blocks to Economic Self-Sufficiency for DC Area Residents

To address barriers to economic independence, the Self-Sufficiency Standard for the Washington, D.C. Metropolitan Area is a tool that can be used by policymakers, business leaders, service providers educators, and the non-profit sector to better inform the way they work with and serve low-income families in the Washington, D.C. Metro Area. Reaching economic self-sufficiency is a community-based problem, and the burden that area families have in making ends meet does not rest on the shoulders of any one group or individual.

- Businesses must pay fair wages to employees and provide crucial work supports, such as health care, to their employees.
- Government should provide access to education and training opportunities for low-wage workers and TANF recipients entering the workforce so that they can improve their skills and thus move up the economic ladder.
- When necessary, public assistance, such as Medicaid, Food Stamps, and child care subsidies, should be available to enable families to stay healthy and to be productive participants in the Washington D.C. Metro Area workforce.
- Individuals have a responsibility to work hard and to take hold of the opportunities that are available to them that will move them along the path to economic self-sufficiency.

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About Wider Opportunities for Women and the D.C. Metropolitan Area Self-Sufficiency Project:

In 1999, WOW and the Center for Women's Welfare developed the first Self-Sufficiency Standard for the D.C. Metropolitan Area. In 2004, a Self-Sufficiency Advisory Committee was formed to oversee the compilation of the update and to develop implementation strategies for the D.C. Standard. The committee is comprised of over 40 local organizations, and includes local government agencies, labor unions, research institutions, charitable foundations and nonprofit advocacy and service providers. The DC Self-Sufficiency Project is part of WOW's national Family Economic Self-Sufficiency Project (FESS) in place in 35 states and the District of Columbia and consisting of a network of over 2,000 community-based organizations.

Wider Opportunities for Women (WOW) works nationally and in its home community of Washington, D.C. to achieve economic independence and equality of opportunity for women and girls. For over 40 years, WOW has been a leader in the areas of nontraditional employment, job training and education, literacy, welfare to work and workforce development policy. WOW is recognized nationally for its skill training models, technical assistance and advocacy for women workers. For more information about WOW's programs, go to <http://www.WOWonline.org>, or call WOW at (202)464-1596.

Copies of the full report on which this fact sheet is based can be viewed at <http://www.sixstrategies.org>.

This report was prepared for Wider Opportunities for Women with a grant from the Freddie Mac Foundation. The Freddie Mac Foundation opens doors to hope and opportunity for children, youth and their families by helping them reach their full potential today so that they become participants in strong, vibrant communities tomorrow.