



## Building Self-Sufficient Families: Work Supports in the District of Columbia

The Washington, D.C. Metropolitan Area Self-Sufficiency Standard<sup>1</sup> measures how much income working adults in the District of Columbia and its surrounding suburbs need to meet their basic needs and those of their families. The Standard is calculated without subsidies of any kind and includes the costs of housing, food, transportation, child care, health care and taxes. The District of Columbia can utilize this information in strategies that create pathways to self-sufficiency for our families.

The D.C. Metro Area Self-Sufficiency Standard clearly demonstrates that low-wage work alone is not enough to make ends meet. When available and accessible, work supports can help a family attain the stability needed – be it child care, health care, or housing – to serve as a bridge toward economic independence.

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

### The Rise in Costs for District of Columbia Families

- Between 1999 and 2005, **overall living costs have increased between 21% and 27% for these four 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.

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

## Low-Wage Work Is Not Enough to Make Ends Meet

In many parts of the country including the Washington, D.C. Metropolitan Area, low-wage work does not pay Self-Sufficiency wages. In fact, there are huge gaps between the income families must have to meet their basic needs, the wages available to them, and the availability and accessibility of supports.

- With a minimum wage job, \$6.60 per hour, wages alone only provides 31% of the income needed for a single parent with one infant and one preschooler to meet their basic needs.
- Even with the “Way to Work Act” Living Wage proposal of \$9.25 per hour (with health benefits), the wages provide for only 42% of those basic needs for the same family.

## Work Supports Are a Bridge to Economic Independence

Public and private supports play a vital role in narrowing the gap between actual income and self-sufficiency. Public supports such as child care assistance, Food Stamps, Section 8 rental assistance, and/or public health insurance allow many families to satisfy basic needs on limited incomes while on the path to economic self-sufficiency. Thus, carefully targeted programs and tax policies can play an important role in helping families become self-sufficient. Unfortunately, the various work supports in the District of Columbia are not available to all who need them. For those who are not U.S. citizens, there are even more barriers to receiving the assistance needed to become self-sufficient.

- **The child care assistance work support for a single parent with one infant and one preschooler decreases child care costs by 84% from \$1,624 to \$263 per month.** With child care assistance, the wage needed to meet basic needs is reduced to from \$25.39 per hour to \$14.13 per hour. But, those currently enrolled in D.C.’s program represent only 53% of those eligible, with approximately 14,000 on the waiting list for assistance.
- **The combination of child care assistance, Food Stamps, WIC (Women, Infants and Children), Medicaid or CHIP (DC Healthy Families), and a minimum wage job allows a single parent with one infant and one preschooler to meet 71% of her basic costs.** Rather than having to earn \$25.39 per hour, this parent can make ends meet with a combination of work supports and wages at \$9.90 an hour.
- **Housing assistance reduces housing costs for a single parent with one infant and one preschooler from \$949 to \$315 per month.** Overall, with housing, child care assistance, Food Stamps, WIC, and health care assistance for the children (DC Healthy Families), this parent can meet her family’s basic needs by earning \$5.90 per hour. Housing assistance alone, when added to a work supports package, reduces the wage needed to meet basic costs by \$4.00, from \$9.90 to \$5.90. But, housing assistance remains limited considering the D.C. Housing Authority serves 10,000 households with vouchers, but there are 40,000 households on the waiting list.

## Building Supports to Self-Sufficiency for D.C. Families

- **Educate the community** about the true costs of living in D.C. and the relationship among these costs for families to make ends meet.
- **Make available and accessible work supports** like child care, transportation, and health care to enable job seekers and adult students to take advantage of existing educational and training opportunities.
- **Strengthen** the child care assistance program with stable funding and greater availability to working families in the District.
- **Support** affordable housing in the District of Columbia and ensure that the housing needs of working families are included in the Mayor’s Housing Task Force recommendations to D.C. Council.