

# THE SELF-SUFFICIENCY STANDARD FOR NEBRASKA 2010

## *Frequently Asked Questions and Answers*

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### **Q: WHAT IS THE SELF-SUFFICIENCY STANDARD FOR NEBRASKA?**

**A:** The Self-Sufficiency Standard for Nebraska defines the income working families need to meet their basic necessities without private or public assistance. Basic minimum needs include: housing, child care, food, transportation, health care, miscellaneous expenses (clothing, telephone, household items), and taxes (minus federal and state tax credits). The Standard is calculated for 152 different family types in each of Nebraska's counties.

### **Q: HOW IS THE SELF-SUFFICIENCY STANDARD CALCULATED?**

**A:** First, the basic costs for each family type (which vary by number and age of children, and by number of adults) are added in each county. Ten percent of this total is added for miscellaneous costs. Second, taxes and tax credits are calculated using formulas that calculate the local, state, and federal income and payroll taxes as well as sales tax (where applicable).

### **Q: WHERE DOES THE DATA COME FROM?**

**A:** In general, for each category, data comes from scholarly or credible sources, such as the U.S. Census Bureau; are updated routinely; and are age- and geographically-specific, as appropriate. Whenever available, the Standard uses government-calculated data representing minimally adequate costs, such as the USDA food budgets based on nutrition requirements, or HUD's Fair Market Rents for housing assistance.

### **Q: HOW IS THE SELF-SUFFICIENCY STANDARD DIFFERENT FROM THE OFFICIAL FEDERAL POVERTY LEVEL (FPL)?**

**A:** The Federal Poverty Level (FPL) is a four-decades-old calculation based on the cost of food, and assumes that food is one-third of a family's budget. The Standard is based on the costs of all basic needs of a working family—not just food, but also housing, child care, health care, transportation, miscellaneous costs, plus taxes and tax credits. Unlike the FPL's one-size-fits-all model, these costs vary, not just by the size of the family and number of children, as with the FPL, but also by the *age* of the children, as some costs, particularly child care, differ dramatically by age. Finally, while the FPL is the same no matter where one lives, the Standard varies by county in Nebraska.

### **Q: ARE THE SELF-SUFFICIENCY WAGES TOO HIGH?**

**A:** No. Because the Self-Sufficiency Standard is calculated using the real costs of goods and services purchased in the regular marketplace, it reflects the real expenses consumers face. The Standard is a no-frills budget that does not allow for entertainment, carry-out or fast food, savings, or emergency expenses such as car repairs. Nevertheless, many families lack a Self-Sufficiency level income and manage to survive. If they do, however, it is reasonable to assume that they are getting help meeting their needs with public or private subsidies, and/or they are foregoing one or more needs such as using less desirable child care, doubling-up or living in substandard housing, obtaining free food or doing without, or not obtaining needed health care.

### **Q: IS THE SELF-SUFFICIENCY STANDARD UNREALISTIC FOR MOST WORKERS?**

**A:** No. The Self-Sufficiency Standard sets a goal for workers. Achieving self-sufficiency is a process that involves not just finding a job with certain wages and benefits, but achieving income security over time. There are several ways—separately or in combination—that workers can achieve self-sufficiency. They can receive temporary work supports until their wages increase. In addition, they can obtain training and/or education that will prepare them for higher-wage jobs. Finally, they can combine low-wage jobs with self-employment initiatives.

## **Q: IS IT UNREALISTIC TO EXPECT EMPLOYERS TO PAY WORKERS THESE WAGES?**

**A:** Yes, sometimes it is unrealistic. Yet it is also reasonable to hold employers responsible for paying decent wages and providing benefits, such as health insurance and other benefits to their workers. At the same time, employers are only one of several stakeholders who have a role in ensuring that families have incomes sufficient to cover their costs. The government has a role in ensuring that job training and education, as well as work supports such as child care assistance, are affordable and accessible to families. Individuals are responsible for taking advantage of opportunities to invest in themselves and their potential.

## **Q: WHAT IS THE DIFFERENCE BETWEEN A “LIVING WAGE” AND THE SELF-SUFFICIENCY STANDARD?**

**A:** The Self-Sufficiency Standard calculates the amount of income a given family would need to cover all of their basic needs without public or private support.

“Living wage” ordinances require public entities—such as a city or county government, as well as sometimes private businesses contracting with the government—to pay their employees a “living wage.” Across the country, “living wages” have ranged anywhere from \$6.25 to \$12.00 an hour, with many requiring businesses to pay a higher wage if health insurance is not provided to the employee. The Self-Sufficiency Standard for Nebraska can serve as a strong data source for living wage campaigns because it provides evidence of the real cost of living in a community, and can provide a minimum or base for setting a “living wage” in a specific place.

## **Q: HOW IS THE SELF-SUFFICIENCY STANDARD BEING USED?**

**A:** The Standard has been used by government entities, advocates, and service providers to assess and to change policies and programs in a number of ways, including: as a benchmark for evaluation and program improvement, as a guideline for determining eligibility and need for services, as a counseling tool, to create online calculators, as a public education tool, and, as a guideline for wage-setting and living wage campaigns.

## **Q: WHO PRODUCED THE NEBRASKA STANDARD?**

**A:** *The Self-Sufficiency Standard for Nebraska 2010* was produced for the Nebraska Appleseed Center for Law in the Public Interest and the Nebraska Children and Families Foundation. The Standard was calculated and written by Dr. Diana Pearce at the University of Washington Center for Women’s Welfare.

## **Q: HAVE OTHER STATES CALCULATED SELF-SUFFICIENCY STANDARDS?**

**A:** Yes. In addition to Nebraska, the Standard has been calculated for 37 states as well as New York City and Washington D.C. Standards are available for Alabama, Arizona, California, Colorado, Connecticut, Delaware, Florida, Hawaii, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maryland, Massachusetts, Missouri, Montana, Nevada, New Jersey, New York, North Carolina, Oklahoma, Ohio, Oregon, Pennsylvania, South Dakota, Tennessee, Texas, Utah, Virginia, Washington State, West Virginia, Wisconsin, and Wyoming.

## **Q: WHERE CAN I GET MORE INFORMATION ON THE SELF-SUFFICIENCY STANDARD FOR NEBRASKA OR OTHER STATES?**

**A:** *The Self-Sufficiency Standard for Nebraska 2010* data tables and Methodology Appendix are available online at <http://www.selfsufficiencystandard.org>. For further information about the Nebraska Standard visit [www.neappleseed.org](http://www.neappleseed.org). Further information about the Standard in other states and related research and methodology can be found at <http://www.selfsufficiencystandard.org>. Information about national policy initiatives can be obtained by contacting the Wider Opportunities for Women Family Economic Security (FES) Project at <http://www.wowonline.org/ourprograms/fess>.