

Blueprint for Prosperity: 2007 Self Sufficiency Standard Summary and Policy Recommendations

Families in Florida are finding it ever more difficult to make ends meet thanks to spiraling housing costs, stagnating wages, and the high proportion of people without health insurance. For these struggling families, although they are not all poor by the government's official poverty measure, inadequate income means that they live in substandard or crowded housing; do not eat an adequate, balanced diet; fall behind in mortgage payments; or rack up debt on credit cards. They may rely on government support to help them purchase food, cover their children's health insurance, or pay the rent – but even then their wages may still be inadequate to meet basic needs.

The income a family needs in Florida in order to be able to cover all its costs depends on the size and composition of the family, on where in the state the family lives, and on which government supports, if any, it relies upon. To understand how these factors determine a family's costs, we have the “Self-Sufficiency Standard”.

The Self-Sufficiency Standard for Florida provides a measure that is customized to each family's circumstances, making it possible to determine what kind of income they need to earn in order to meet their basic needs. *The Self-Sufficiency Standard for Florida* includes the following basic costs: housing; childcare; food; transportation; healthcare; miscellaneous (clothing, household items, telephone, etc.); and federal, state and local taxes. Tax credits for which low-income families are eligible are also considered in calculating the Standard. The result is a measure set at a level that allows a family to fund all its needs from month to month (but not to save any money for a home, for a child's college fund, or for an unexpected emergency).

Key findings of *The Self-Sufficiency Standard for Florida*

- **Wages do not reflect what families with children need to get by.** A family with two adults and no children in Orange County only needs to earn \$7.07 an hour per person in order to be self-sufficient. However, if this family has a child, their required wage shoots up to \$9.53 an hour per person (before taking into account maternity leave, time off for doctor's visits, etc.). A one-income family¹ in Miami-Dade County making the Florida minimum wage has only about 32% wage adequacy, meaning that their salary falls \$2,470 short of meeting household basic needs on a monthly basis. This same family has a wage adequacy of 49% at a wage of \$10.27 an hour (the Miami-Dade living wage for employees with benefits), meaning they come up short by \$1,885 every month.
- **The government programs meant to supplement families' incomes do not do a sufficient job of helping families achieve wage adequacy.** There are several government programs meant to help families whose wages leave them unable to meet monthly household needs, such as subsidies for healthcare, childcare and food; however, even receiving all the work supports to which it is entitled (except housing assistance, which is simply too scarce to count on), a minimum wage family in Miami-Dade County still has only about 57% wage adequacy, meaning the household falls short by \$881 each month. Even a family making the Miami-Dade living wage of \$10.27 an hour with benefits has a wage adequacy of only about 79%, with all the same work supports.
- **For families with young children, childcare costs account for the major share of the family budget, followed by housing.** In Hillsborough County, childcare is the largest expense, at 30% of the total budget; housing accounts for 22% of the family budget. The parent in this family needs to make \$20.36 an hour in order to be self-sufficient, more than three times the Florida minimum wage.

¹ Unless otherwise noted, “family” refers in this summary to households of one parent, one preschooler, and one infant.

- **Working families pay a high portion of their incomes in taxes.** Federal income and payroll taxes and state and local sales taxes typically make up about 15% of a family's total expenditures (property taxes are figured into housing costs). In Duval County, for example, where a self-sufficiency wage is \$19.67 an hour, taxes account for \$532, or about 14%, of this wage.
- **The cost of living is highest in Palm Beach County,** where a family needs to earn \$52,845 annually – or \$25.02 an hour, almost four times the state minimum wage – to make ends meet.
- **The cost of living is lowest in Hamilton County,** where a family needs to earn \$26,998 annually – or \$12.78 an hour, almost twice the state minimum wage – to make ends meet.

Implications

Assuring families are better able to make ends meet will require a concerted, broad based community effort. Lawmakers and advocates will need to work together to address the myriad causes of wage inadequacy. *The Self-Sufficiency Standard for Florida* leads to a consideration of several policy recommendations that would make a substantial impact on income disparity in Florida. We call upon Florida residents from all sectors to consider the report and its implications, and to join together to create regional and statewide initiatives to address the need for policy reform. Here is a starting list of possible areas for reform:

- **Making work pay** by raising the minimum wage, providing families with paid medical leave, and providing better job training to increase opportunities for people to enter higher-paying jobs.
- **Ensuring that all Floridians have access to safe, affordable housing** by promoting and preserving policies that create and preserve rental and homeownership opportunities for low-income and middle-income families.
- **Increasing access to and funding for government support programs** such as children's health insurance and subsidized childcare, so that these programs really do ensure that low-wage workers are able to meet all their family's needs.
- **Enacting meaningful tax reform** that relieves low- and middle-income families of their disproportionate tax burden.
- **Adopting the Self Sufficiency Standard** as a benchmark for income adequacy, promoting its findings and updating the data regularly.

The Human Services Coalition will be refining these recommendations and working with other stakeholders to build a policy change agenda for the region and the state. For more information, monitor the organization's website (www.hscdade.org) and share your efforts and ideas. We will work together to ensure that every Florida family has a fair chance to become self-sufficient.

About the Report

The Self-Sufficiency Standard for Florida was produced in partnership between Wider Opportunities for Women (WOW), Dr. Diana Pearce at the University of Washington, and the Human Services Coalition of Dade County (HSC). This work is part of the national Family Economic Self-Sufficiency project, convened by WOW, to provide state-level advocates and governments with tools to help them strengthen government investments in low-income families.

For more information on *The Self-Sufficiency Standard for Florida*, please contact the Human Services Coalition of Dade County by mail at 260 N.E. 17th Terrace, Suite 200, Miami, FL 33132 by phone (305) 576-5001, or email at daniellaL@hscdade.org. For more information about the Self-Sufficiency Standard and its use around the country, please contact Wider Opportunities for Women by mail at 1001 Connecticut Ave, Suite 930, Washington, D.C. 20036 or by phone at (202) 464-1596.

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