

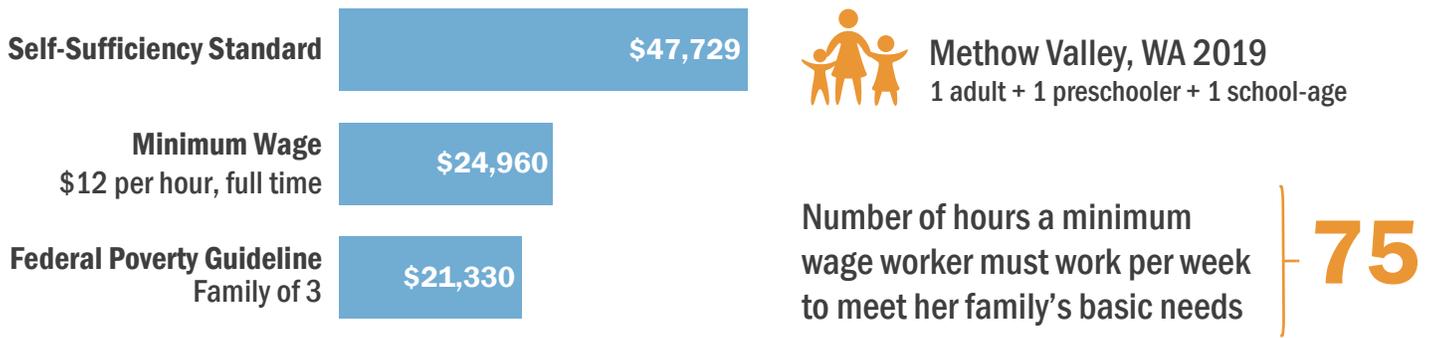
What it Really Takes to be Self-Sufficient in the Methow

The *Self-Sufficiency Standard* defines the amount of income necessary to meet the basic needs of working-age families, differentiated by family size, ages of children, and where they live. The Standard makes it possible to determine if families' incomes are enough to meet basic needs. The Standard budget is "bare-bone," covering the cost of basic needs—housing, child care, food, health care, transportation, and miscellaneous items, plus taxes and tax credits—at a minimally adequate level without the help of public subsidies (Basic Food, Medicaid) or private assistance (shared housing, free child care). A family earning a Self-Sufficiency Wage is on the road to economic independence.

The Self-Sufficiency Standard for Methow Valley, WA 2019

	1 Adult	1 Adult + 1 Preschooler	1 Adult + 1 Preschooler + 1 School-age	2 Adults + 1 Infant + 1 Preschooler	2 Adults + 1 Preschooler + 1 School-age	2 Adults + 1 Infant + 1 Preschooler + 1 School-age
Housing	\$721	\$879	\$879	\$879	\$879	\$1,176
Child Care	\$0	\$668	\$1,209	\$1,355	\$1,209	\$1,896
Food	\$249	\$378	\$570	\$696	\$767	\$850
Transportation	\$262	\$270	\$270	\$515	\$515	\$515
Health Care	\$141	\$511	\$530	\$577	\$585	\$596
Miscellaneous	\$137	\$271	\$346	\$402	\$396	\$503
Net-Taxes	\$216	\$167	\$173	\$245	\$226	\$321
Hourly (per adult)	\$9.81	\$17.86	\$22.60	\$13.27	\$13.00	\$16.64
Monthly	\$1,727	\$3,144	\$3,977	\$4,670	\$4,577	\$5,857
Annual	\$20,720	\$37,724	\$47,729	\$56,036	\$54,921	\$70,289
Emergency Savings Fund (per month)	\$52	\$116	\$151	\$87	\$85	\$108

A minimum wage job does not cover the cost of basic needs for families



How is the Self-Sufficiency Standard Calculated?

The Self-Sufficiency Standard is the amount needed to meet each basic need at a minimally adequate level, without public or private assistance. The Standard is calculated for over 700 family types for all Washington State counties. The data components and assumptions included in the calculations are briefly described below.



HOUSING. Housing costs are based on the U.S. Department of Housing and Urban Development Fair Market Rents (FMRs). FMRs include utilities, except telephone and cable, and reflect the cost of housing that meets basic standards of decency. FMRs are set at the 40th percentile, meaning that 40% of the decent rental housing in a given area is less expensive than the FMR and 60% is more expensive. FMRs within a multi-county metropolitan area are adjusted using Small Area FMRs. Sub-county areas are adjusted using American Community Survey data.



CHILD CARE. Child care includes the expense of full-time care for infants and preschoolers and part-time—before and after school—care for school-age children. The cost of child care is calculated from market-rate costs (defined as the 75th percentile) taken from a state-commissioned survey by facility type, age, and geographic location. It does not include extracurricular activities or babysitting when not at work.



FOOD. Food assumes the cost of nutritious food prepared at home based on the U.S. Department of Agriculture Low-Cost Food Plan. The Low-Cost Food Plan was designed to meet minimum nutritional standards using realistic assumptions about food preparation time and consumption patterns. The food costs do not allow for any take-out or restaurant meals. Food costs are varied by county using Feeding America's Map the Meal Gap data based on Nielsen scans of grocery receipts.



TRANSPORTATION. Transportation costs assume the expense of owning and operating a car. Per-mile costs are calculated from the American Automobile Association. Commuting distance is computed from the National Household Travel Survey. Auto insurance premiums are the average statewide premium cost from the National Association of Insurance Commissioners indexed by county using premiums from top market share automobile insurance companies. Fixed costs of car ownership are calculated using Consumer Expenditure Survey amounts for families with incomes between the 20th and 40th percentile. Travel includes commuting to work and day care plus one shopping trip per week.



HEALTH CARE. Health care costs assume the expenses of employer-sponsored health insurance. Health care premiums are the statewide average paid by workers, for single adults and for families, from the Medical Expenditure Panel Survey. A county index is calculated from rates for the second-lowest cost Silver plan via the state marketplace. Out-of-pocket costs are from the Medical Expenditure Panel Survey Insurance Component.



MISCELLANEOUS. Miscellaneous expenses are calculated by taking 10% of all other costs. This expense category consists of all other essentials including clothing, shoes, paper products, diapers, nonprescription medicines, cleaning products, household items, personal hygiene items, and telephone service.



TAXES AND TAX CREDITS. Taxes include federal income tax, payroll taxes, and state and local sales taxes where applicable. Tax credits calculated in the Standard include: the federal Earned Income Tax Credit (EITC), Child and Dependent Care Tax Credit (CCTC), and the Child Tax Credit (CTC).



EMERGENCY SAVINGS. Emergency savings is the amount needed to cover living expenses when there is job loss net of the amount expected to be received in unemployment benefits. The amount calculated takes into account the average tenure on a job and the average length of unemployment of Washington State workers. In two-adult households, the second adult is assumed to be employed so that the savings only need to cover half of the family's basic living expenses over the job loss period.