



## Women's Center for Education and Career Advancement

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### **2008 Summit on Economic Justice for Women, Atlanta, GA**

Workshop Materials Presented by Merble Reagon  
Executive Director, Women's Center for Education and Career Advancement

#### **Workshop: Building Lifelong Economic Security for Women**

Women who follow the rules of retirement planning nonetheless retire into poverty at a much higher rate than men. The cumulative effects of pay inequity, occupational segregation in low-wage jobs, and workplace policies that do not honor or acknowledge care-giving responsibilities, lead to impoverished female retirees. This workshop will focus on national and local strategies to combat these cumulative disadvantages. But the focus will be on how to begin building economic security in the early years of women's working lives. Based on a geographic measure of income adequacy, panelists will discuss economic security for women through advocacy work while taking into account costs such as housing, health care, transportation, dependent care and food.

**Presenters:** Joan Kuriansky; Ramsey Alwin; Merble Reagon; Martha Holstein

**Moderator:** Marian Watkins

# **The Self-Sufficiency Calculator and Self-Sufficiency Standard for New York City: Modeling the Economic Well-Being of Low-Wage Working Households**

## **OVERVIEW**

This document outlines the most significant findings from the accompanying economic modeling charts developed by the Self-Sufficiency Program at the Women's Center for Education and Career Advancement. The charts use the Self-Sufficiency Standard and the Self-Sufficiency Calculator for New York City to model the economic situation of working families in New York City at the following incomes:

- households earning New York State minimum wage (\$7.15/hour) working 20 hours, 30 hours and 40 hours per week (\$7,436, \$11,154 and \$14,872 per year, respectively);
- households earning 100% of the 2007 Federal Poverty Guidelines (\$17,170 for a family of three); and
- households earning 200% of the 2007 Federal Poverty Guidelines (\$34,340 for a family of three).

Each column in the charts displays likely expenses for different family types, ranging from a single adult to two adults and three children. Work supports modeled are Public Assistance, Food Stamps, Medicaid, Family Health Plus and Child Health Plus, subsidized child care, Earned Income Tax Credits, Child Tax Credits and Child and Dependent Care Tax Credits. Charts assume receipt of all modeled benefits and work supports for which the household is eligible.

There are many ways to read the models. For example, examining the three charts in Model A or Model B allows one to see how an increase in income affects work support eligibility across family types. Comparing charts across models, for example A-3 to B-3, allows one to compare the economic situation of families working at full-time minimum wage without affordable housing to those with affordable housing. Reading just one chart, C-1 for example, demonstrates the relationship between family size and work support eligibility and benefit amounts.

## **METHOD**

The household expenses modeled here are based on a bare bones budget, as described in the Self-Sufficiency Standard for New York City. They do not include spending on what might be considered "luxury" items (entertainment, cable TV, fast food, restaurants, new clothes) or other common household expenses such as debt repayment or savings.

Expenses are adapted from the Self-Sufficiency Standard for the City of New York, 2004, except housing. Housing expenses are set at either HUD 2007 Fair Market Rent for the New York City area or 30% of household income. Benefit eligibility is determined using the Self-Sufficiency Calculator for New York City and based on eligibility criteria for May 2007. Federal, State and local taxes and tax credits for working families are taken into account. A description of sources and assumptions follows each chart.

## **IMPACT OF WORK SUPPORTS**

### **Affordable housing is key to economic stability**

Each of the three different modeling scenarios (households earning 100% of poverty, households earning 200% of poverty and households earning minimum wage) was subjected to two different housing situations. One scenario assumes the household pays fair market rents and the other scenario assumes housing costs capped at 30% of income, a level that the Department of Housing and Urban Development generally considers "affordable" housing.

A comparison of the budgets in these two housing situations shows that affordable housing has a significantly positive impact on household budget shortfalls/surpluses, even though it leads to a reduction in Public Assistance and Food Stamps benefits. Households earning minimum wage and paying housing costs at Fair Market Rent (Model A) are unable to meet all of their household expenses, resulting in budget deficits. However, nearly all of the same families who have affordable housing (Model B) have break-even budgets or small budget surpluses.

Models C and D, modeling households at 100% and 200% of poverty respectively, illustrate a similar effect. At 100% of poverty, an adult and one child family without affordable housing has a \$8,012 per year shortfall (Chart C-1). With affordable housing, the same family has a surplus of \$2,729/year (Chart D-1). At 200% of poverty an adult with one child without affordable housing has a \$2,853/year shortfall (Chart D-1). With affordable housing, the same family has a surplus of \$3,799/year (Chart D-2). This shows that even families with little income may be able to achieve economic stability if they have access to affordable housing.

### **Public Assistance, Health Insurance, Child Care, and Food Stamps reduce budget shortfalls**

The models illustrate how work supports help to reduce budget shortfalls, although they do not solve people's financial difficulties. For example, at full-time minimum wage (Charts A-3 and B-3), one adult with two children is eligible for and assumed to be receiving subsidized child care. Without the subsidy, child care expenses would be \$1015 per month. With the subsidy child care expenses are reduced to \$144 per month—a savings of \$871. Similarly, Food Stamp benefits infuse \$4,276 (A-3) and \$4,416 (B-3) per year into the households' budget, reducing out-of-pocket food costs to \$2,996 and \$2,856, respectively.

However, work supports like childcare subsidies, Public Assistance and Food Stamps are often difficult to access. Application processes are long and complicated, requiring applicants to take days off work to wait in the offices. Accessibility poses additional barriers to self-sufficiency. For example, in much of the city, subsidized child care slots are not available to all who need them; according to the Administration for Children's Services (ACS) report *Rethinking Child Care*, in 2005, only 43,500 of the 275,000 children under 6 who were *income eligible* for ACS Child Care were actually receiving ACS care. Finding affordable housing is equally challenging. Market rate rentals, as shown in these charts, are out of reach even for many middle-income, while overwhelming demand and shrinking supply restrict availability of less expensive rent-stabilized units. Compounding the problem, New York City's public housing and Section 8 programs can not keep pace with the need; the New York City Housing Authority's waiting list for public housing hovers at nearly ten years, while the Section 8 program does not regularly accept applications from the general population.

Restrictive eligibility requirements also limit the availability of work supports for many working families. In 2007, families at 100% of Federal Poverty Guidelines—households considered poor even by the narrow Federal standards—are no longer eligible for Public Assistance in New York. This is a result of New York's stagnant Public Assistance standard of need and grant levels, which have not been raised since 1989, thus not keeping pace with actual increases in costs or with the incremental increases in the Federal Poverty Guidelines.

### **Higher Earnings Have the Potential to Reduce Budget Deficits**

As families experience a rise in income from 100% to 200% of poverty, their finances improve significantly. If we compare an adult and two children in Chart C-1 to the same family type in Chart D-1, we see that the family at 100% of poverty has a budget shortfall of \$6,592/year while the family at 200% of poverty has a shortfall of \$965/year. Yet at 200% of poverty many family types still experience large shortfalls because work supports fall away before they are able to meet their expenses without subsidies. In the same charts (C-1 and D-1), moving from 100% to 200% of

poverty, a family with one adult and three children loses \$5,151 in Food Stamps and is responsible for an additional \$3,972 in co-pays for health insurance and child care. Tax credits partially offset shortfalls for most families at 200% of poverty but are generally not available to meet monthly budget expenses.

### **Tax credits help balance budgets for some families**

The tax credits modeled here (Earned Income, Child and Dependent Care, and Child Tax Credits) clearly inject much needed funds into the budgets of low-income households. Families with children especially benefit from these work supports, gaining between \$2,300 and \$7,000 in our different scenarios. Nevertheless, tax credits alone do not stabilize the household economies of low-wage workers. For one thing, tax credits are received annually and cannot help meet monthly expenses. With the kinds of budget shortfalls these households face, it is unlikely that many will be able to bank tax credits and dole them out over the course of the year.

The models also show that annual tax credits do not normally offset the annual budget shortfall in families without subsidized housing, even when adults are working full-time and thus maximizing their tax credits. Nearly no combination of work supports (including tax credits), accomplishes break-even or surplus budgets in the absence of affordable housing.

### **SUMMARY**

This set of models shows that even with conservative expenses budgeted, most low-income households are not able to make ends meet and experience budget shortfalls—expenses greater than income—ranging from \$1,000 to \$13,000 per year. These are clearly unsustainable budgets. They require households to choose every month which necessities (food, health care, reliable child care, housing) they must postpone paying for or do without, thus jeopardizing the economic and emotional health of families and presenting a looming obstacle to job retention and long-term economic security.

Work supports like Food Stamps and public health insurance have a positive impact on budgets, as do tax credits directed toward low-income working families. However, the models show that *without affordable housing* most family types in all income ranges have a budget shortfall, even with the addition of other work supports and tax credits for which they are income eligible.

Substantial increases in earnings (such as the jump from 100% to 200% of the Federal poverty level) also have a positive impact on budget, as might be expected. However, the smaller increases that low-income families are likely to experience may actually lead to such substantial reductions in work supports that household budgets are negatively impacted.

**For more information, contact Merble Reagon, Executive Director ([mreagon@wceca.org](mailto:mreagon@wceca.org)) or Jennifer Shaffer, Manager of Self-Sufficiency Programs ([jshaffer@wceca.org](mailto:jshaffer@wceca.org)).**

**MODEL A**

**ANNUAL BUDGET SCENARIOS AT MINIMUM WAGE (WITH HOUSING AT FAIR MARKET RENTS)**

Chart A-1

<b>HOUSEHOLDS EARNING \$7.15/ HOUR (20 HOURS/ WEEK)</b>							
		<b>Adult</b>	<b>Adult + one child</b>	<b>Adult + two children</b>	<b>Adult + three children</b>	<b>Two Adults + three kids</b>	<b>Two Adults</b>
	<b>Income</b>	<b>\$7,436</b>	<b>\$7,436</b>	<b>\$7,436</b>	<b>\$7,436</b>	<b>\$14,872</b>	<b>\$14,872</b>
	Monthly Rent	\$988	\$1,189	\$1,189	\$1,462	\$1,462	\$1,069
<b>ANNUAL EXPENSES</b>	Yearly Housing	-\$11,856	-\$14,268	-\$14,268	-\$17,544	-\$17,544	-\$12,828
	Food Expense	-\$3,120	-\$5,196	-\$7,272	-\$9,348	-\$12,468	-\$6,240
	Transportation	-\$912	-\$912	-\$912	-\$912	-\$1,824	-\$1,824
	Misc	-\$1,706	-\$2,954	-\$3,777	-\$5,029	-\$5,363	-\$2,388
	Taxes	-\$569	-\$569	-\$569	-\$569	-\$1,138	-\$1,303
<b>ANNUAL WORK SUPPORT</b>	Public Assistance	\$0	\$2,649	\$4,923	\$6,540	\$4,255	\$0
	Food Stamps	\$1,860	\$3,408	\$4,878	\$6,216	\$6,509	\$1,822
	Health Care*	\$0	\$0	\$0	\$0	\$0	-\$3,084
	Child Care*	\$0	-\$144	-\$144	-\$144	-\$144	\$0
	Shortfall/Surplus	-\$8,867	-\$10,550	-\$9,705	-\$13,354	-\$12,845	-\$10,973
	Annual Tax Credits	\$484	\$3,413	\$4,015	\$4,015	\$6,942	\$0

Chart A-2

<b>HOUSEHOLDS EARNING \$7.15/ HOUR (30 HOURS/WEEK)</b>							
		<b>Adult</b>	<b>Adult + one child</b>	<b>Adult + two children</b>	<b>Adult + three children</b>	<b>Two Adults + three kids</b>	<b>Two Adults</b>
	<b>Income</b>	<b>\$11,154</b>	<b>\$11,154</b>	<b>\$11,154</b>	<b>\$11,154</b>	<b>\$22,308</b>	<b>\$22,308</b>
	Monthly Rent	\$988	\$1,189	\$1,189	\$1,462	\$1,462	\$1,069
<b>ANNUAL EXPENSES</b>	Yearly Housing	-\$11,856	-\$14,268	-\$14,268	-\$17,544	-\$17,544	-\$12,828
	Food	-\$3,120	-\$5,196	-\$7,272	-\$9,348	-\$12,468	-\$6,240
	Transportation	-\$912	-\$912	-\$912	-\$912	-\$1,824	-\$1,824
	Misc	-\$1,706	-\$2,954	-\$3,777	-\$5,029	-\$5,363	-\$2,388
	Taxes	-\$1,408	-\$853	-\$853	-\$853	-\$1,976	-\$3,159
<b>ANNUAL WORK SUPPORT</b>	Public Assistance	\$0	\$0	\$2,953	\$4,569	\$0	\$0
	Food Stamps	\$1,167	\$3,345	\$4,577	\$6,060	\$6,000	\$0
	Health Care*	-\$1,176	\$0	\$0	\$0	\$0	-\$3,084
	Child Care*	\$0	-\$144	-\$144	-\$144	-\$144	\$0
	Shortfall/Surplus	-\$7,858	-\$9,829	-\$8,543	-\$12,047	-\$11,010	-\$7,215
	Annual Tax Credits	\$101	\$3,708	\$6,023	\$6,023	\$6,188	\$0

Chart A-3

<b>HOUSEHOLDS EARNING \$7.15/ HOUR (40 HOURS/ WEEK)</b>							
		<b>Adult</b>	<b>Adult + one child</b>	<b>Adult + two children</b>	<b>Adult + three children</b>	<b>Two Adults + three kids</b>	<b>Two Adults</b>
	<b>Income</b>	<b>\$14,872</b>	<b>\$14,872</b>	<b>\$14,872</b>	<b>\$14,872</b>	<b>\$29,744</b>	<b>\$29,744</b>
	Monthly Rent	\$988	\$1,189	\$1,189	\$1,462	\$1,462	\$1,069
<b>ANNUAL EXPENSES</b>	Yearly Housing	-\$11,856	-\$14,268	-\$14,268	-\$17,544	-\$17,544	-\$12,828
	Food	-\$3,120	-\$5,196	-\$7,272	-\$9,348	-\$12,468	-\$6,240
	Transportation	-\$912	-\$912	-\$912	-\$912	-\$1,824	-\$1,824
	Misc	-\$1,706	-\$2,954	-\$3,777	-\$5,029	-\$5,363	-\$2,388
	Taxes	-\$2,343	-\$1,294	-\$1,138	-\$1,138	-\$3,528	-\$5,122
<b>ANNUAL WORK SUPPORT</b>	Public Assistance	\$0	\$0	\$982	\$2,599	\$0	\$0
	Food Stamps	\$0	\$2,452	\$4,276	\$5,759	\$4,216	\$0
	Health Care*	-\$1,176	\$0	\$0	\$0	\$0	-\$3,084
	Child Care*	\$0	-\$384	-\$144	-\$144	-\$1,488	\$0
	Shortfall/Surplus	-\$6,241	-\$7,684	-\$7,381	-\$10,885	-\$8,255	-\$1,742
	Annual Tax Credits	\$0	\$4,408	\$6,842	\$6,942	\$5,557	\$0

**SOURCES:** Housing costs taken from HUD's 2007 New York Metro Fair Market Rent Area guidelines. All other expenses (including taxes) taken from the Self-Sufficiency Standard for New York City. Food costs, health care, and child care are estimated by averaging costs for different aged children. Benefit Eligibility determined using the Self-Sufficiency Calculator for New York City. Charts assume non-elderly, non-disabled households. WIC/School Meals are not tested because eligibility depends on the age of the child. The annual average WIC benefit amount is \$537.

\*Estimated Expense After Benefit Eligibility

**MODEL B**

**ANNUAL BUDGET SCENARIOS AT MINIMUM WAGE (WITH HOUSING COSTS CAPPED AT 30% OF INCOME)**

Chart B-1

HOUSEHOLDS EARNING \$7.15/ HOUR (20 HOURS/ WEEK)							
		Adult	Adult + one child	Adult + two children	Adult + three children	Two Adults + three kids	Two Adults
	<b>Income</b>	<b>\$7,436</b>	<b>\$7,436</b>	<b>\$7,436</b>	<b>\$7,436</b>	<b>\$14,872</b>	<b>\$14,872</b>
	Monthly Rent	\$186	\$186	\$186	\$186	\$372	\$372
ANNUAL EXPENSES	Yearly Housing	-\$2,232	-\$2,232	-\$2,232	-\$2,232	-\$4,464	-\$4,464
	Food Expense	-\$3,120	-\$5,196	-\$7,272	-\$9,348	-\$12,468	-\$6,240
	Transportation	-\$912	-\$912	-\$912	-\$912	-\$1,824	-\$1,824
	Misc	-\$744	-\$1,752	-\$2,580	-\$3,504	-\$4,056	-\$1,548
	Taxes	-\$569	-\$569	-\$569	-\$569	-\$569	-\$1,303
ANNUAL WORK SUPPORT	Public Assistance	\$0	\$1,358	\$2,228	\$3,245	\$2,719	\$0
	Food Stamps	\$1,498	\$3,380	\$4,896	\$6,216	\$6,773	\$1,038
	Health Care*	\$0	\$0	\$0	\$0	\$0	-\$3,084
	Child Care*	\$0	-\$144	-\$144	-\$144	-\$144	\$0
	Shortfall/Surplus	\$1,357	\$1,369	\$851	\$188	\$839	-\$2,552
	Annual Tax Credits	\$484	\$3,413	\$4,015	\$4,015	\$6,942	\$0

Chart B-2

HOUSEHOLDS EARNING \$7.15/ HOUR (30 HOURS/ WEEK)							
		Adult	Adult + one child	Adult + two children	Adult + three children	Two Adults + three kids	Two Adults
	<b>Income</b>	<b>\$11,154</b>	<b>\$11,154</b>	<b>\$11,154</b>	<b>\$11,154</b>	<b>\$22,308</b>	<b>\$22,308</b>
	Monthly Rent	\$279	\$279	\$279	\$279	\$558	\$558
ANNUAL EXPENSES	Yearly Housing	-\$3,348	-\$3,348	-\$3,348	-\$3,348	-\$6,696	-\$6,696
	Food	-\$3,120	-\$5,196	-\$7,272	-\$9,348	-\$12,468	-\$6,240
	Transportation	-\$912	-\$912	-\$912	-\$912	-\$1,824	-\$1,824
	Misc	-\$852	-\$1,860	-\$2,688	-\$3,612	-\$4,284	-\$1,776
	Taxes	-\$1,408	-\$853	-\$853	-\$853	-\$1,976	-\$3,159
ANNUAL WORK SUPPORT	Public Assistance	\$0	\$0	\$1,299	\$2,316	\$0	\$0
	Food Stamps	\$494	\$2,987	\$4,835	\$6,216	\$5,989	\$0
	Health Care*	-\$1,176	\$0	\$0	\$0	\$0	-\$3,084
	Child Care*	\$0	-\$144	-\$144	-\$144	-\$144	\$0
	Shortfall/Surplus	\$832	\$1,828	\$2,071	\$1,468	\$906	-\$471
	Annual Tax Credits	\$101	\$3,708	\$6,023	\$6,023	\$6,188	\$0

Chart B-3

HOUSEHOLDS EARNING \$7.15/ HOUR (40 HOURS/ WEEK)							
		Adult	Adult + one child	Adult + two children	Adult + three children	Two Adults + three kids	Two Adults
	<b>Income</b>	<b>\$14,872</b>	<b>\$14,872</b>	<b>\$14,872</b>	<b>\$14,872</b>	<b>\$29,744</b>	<b>\$29,744</b>
	Monthly Rent	\$372	\$372	\$372	\$372	\$744	\$744
ANNUAL EXPENSES	Yearly Housing	-\$4,464	-\$4,464	-\$4,464	-\$4,464	-\$8,928	-\$8,928
	Food	-\$3,120	-\$5,196	-\$7,272	-\$9,348	-\$12,468	-\$6,240
	Transportation	-\$912	-\$912	-\$912	-\$912	-\$1,824	-\$1,824
	Misc	-\$972	-\$1,980	-\$2,796	-\$3,720	-\$4,500	-\$1,992
	Taxes	-\$2,343	-\$1,294	-\$1,138	-\$1,138	-\$3,528	-\$5,122
ANNUAL WORK SUPPORT	Public Assistance	\$0	\$0	\$0	\$1,387	\$0	\$0
	Food Stamps	\$0	\$1,983	\$4,416	\$6,084	\$3,982	\$0
	Health Care*	-\$1,176	\$0	\$0	\$0	\$0	-\$3,084
	Child Care*	\$0	-\$384	-\$144	-\$144	-\$1,488	\$0
	Shortfall/Surplus	\$1,885	\$2,626	\$2,563	\$2,618	\$990	\$2,554
	Annual Tax Credits	\$0	\$4,408	\$6,842	\$6,942	\$5,557	\$0

SOURCES: Housing costs capped at 30% of total income. All other expenses (including taxes) taken from the Self-Sufficiency Standard for New York City. Food costs, healthcare, and child care are estimated by averaging costs for different aged children. Benefit Eligibility determined using the Self-Sufficiency Calculator for New York City. Charts assume non-elderly, non-disabled households. WIC/School Meals are not tested because eligibility depends on the age of the child. The annual average WIC benefit amount is \$537.

\*Estimated Expense After Benefit Eligibility

## MODEL C

### ANNUAL BUDGET SCENARIOS AT 100% OF THE 2007 FEDERAL POVERTY LEVEL

Chart C-1

		Households at 100% of the 2007 Federal Poverty Level (with housing costs at fair market rents)						
		Adult	Adult + one child	Adult + two children	Adult + three children	Two Adults + three kids	Two Adults	
		<b>Income</b>	<b>\$10,210</b>	<b>\$13,690</b>	<b>\$17,170</b>	<b>\$20,650</b>	<b>\$24,130</b>	<b>\$13,690</b>
		Monthly Rent	\$988	\$1,189	\$1,189	\$1,462	\$1,462	\$1,069
<b>ANNUAL EXPENSES</b>	Yearly Housing	-\$11,856	-\$14,268	-\$14,268	-\$17,544	-\$17,544	-\$12,828	
	Food Expense	-\$3,120	-\$5,196	-\$7,272	-\$9,348	-\$12,468	-\$6,240	
	Transportation	-\$912	-\$912	-\$912	-\$912	-\$1,824	-\$1,824	
	Misc	-\$1,706	-\$2,920	-\$3,757	-\$4,922	-\$5,383	-\$2,398	
	Taxes	-\$1,171	-\$1,047	-\$1,430	-\$1,881	-\$2,298	-\$1,047	
<b>ANNUAL WORK SUPPORT</b>	Public Assistance	\$0	\$0	\$0	\$0	\$0	\$0	
	Food Stamps	\$1,392	\$2,737	\$4,021	\$5,151	\$5,564	\$2,107	
	Health Care*	-\$1,176	\$0	\$0	\$0	\$0	-\$3,084	
	Child Care*	\$0	-\$96	-\$144	-\$144	-\$192	\$0	
		Shortfall/Surplus	-\$8,339	-\$8,012	-\$6,592	-\$8,951	-\$10,015	-\$11,624
		Annual Tax Credits	\$198	\$4,185	\$6,625	\$6,328	\$6,034	\$0

Chart C-2

		Households at 100% of the 2007 Federal Poverty Level (with housing costs capped at 30% of household income)						
		Adult	Adult + one child	Adult + two children	Adult + three children	Two Adults + three kids	Two Adults	
		<b>Income</b>	<b>\$10,210</b>	<b>\$13,690</b>	<b>\$17,170</b>	<b>\$20,650</b>	<b>\$24,130</b>	<b>\$13,690</b>
		Monthly Rent	\$255	\$342	\$429	\$516	\$603	\$342
<b>ANNUAL EXPENSES</b>	Yearly Housing	-\$3,060	-\$4,104	-\$5,148	-\$6,192	-\$7,236	-\$4,104	
	Food	-\$3,120	-\$5,196	-\$7,272	-\$9,348	-\$12,468	-\$6,240	
	Transportation	-\$912	-\$912	-\$912	-\$912	-\$1,824	-\$1,824	
	Misc	-\$828	-\$1,908	-\$2,844	-\$3,792	-\$4,356	-\$1,524	
	Taxes	-\$1,171	-\$1,047	-\$1,430	-\$1,881	-\$2,298	-\$1,047	
<b>ANNUAL WORK SUPPORT</b>	Public Assistance	\$0	\$0	\$0	\$0	\$0	\$0	
	Food Stamps	\$747	\$2,302	\$3,798	\$5,145	\$5,496	\$1,357	
	Health Care*	-\$1,176	\$0	\$0	\$0	\$0	-\$3,084	
	Child Care*	\$0	-\$96	-\$144	-\$144	-\$192	\$0	
		Shortfall/Surplus	\$690	\$2,729	\$3,218	\$3,526	\$1,252	-\$2,776
		Annual Tax Credits	\$198	\$4,185	\$6,625	\$6,328	\$6,034	\$0

SOURCES: **Housing costs:** Chart 1 - taken from HUD's 2007 New York Metro Fair Market Rent Area guidelines; Chart 2 - equals 30% of total income. **All other expenses** (including taxes) taken from the Self-Sufficiency Standard for New York City. Food costs, health care, and child care are estimated by averaging costs for different aged children. **Benefit Eligibility** determined using the Self-Sufficiency Calculator for New York City. Charts assume non-elderly, non-disabled households. WIC/School Meals are not tested because eligibility depends on the age of the child. The annual average WIC benefit amount is \$537.

\*Estimated Expense After Benefit Eligibility

## MODEL D

### ANNUAL BUDGET SCENARIOS AT 200% OF THE 2007 FEDERAL POVERTY LEVEL

Chart D-1

		Households at 200% of the 2007 Federal Poverty Level (with housing costs at fair market rents)					
		Adult	Adult + one child	Adult + two children	Adult + three children	Two Adults + three kids	Two Adults
<b>Income</b>		<b>\$20,420</b>	<b>\$27,380</b>	<b>\$34,340</b>	<b>\$41,300</b>	<b>\$48,260</b>	<b>\$27,380</b>
Monthly Rent		\$988	\$1,189	\$1,189	\$1,462	\$1,462	\$1,069
<b>ANNUAL EXPENSES</b>	Yearly Housing	-\$11,856	-\$14,268	-\$14,268	-\$17,544	-\$17,544	-\$12,828
	Food Expense	-\$3,120	-\$5,196	-\$7,272	-\$9,348	-\$12,468	-\$6,240
	Transportation	-\$912	-\$912	-\$912	-\$912	-\$1,824	-\$1,824
	Misc	-\$1,706	-\$2,920	-\$3,757	-\$4,922	-\$5,383	-\$2,398
	Taxes	-\$3,642	-\$4,285	-\$5,712	-\$7,179	-\$8,639	-\$4,420
<b>ANNUAL WORK SUPPORT</b>	Public Assistance	\$0	\$0	\$0	\$0	\$0	\$0
	Food Stamps	\$0	\$0	\$0	\$0	\$0	\$0
	Health Care*	-\$1,176	-\$108	-\$216	-\$324	-\$324	-\$3,084
	Child Care*	\$0	-\$2,544	-\$3,168	-\$3,792	-\$4,464	\$0
Shortfall/Surplus		-\$1,992	-\$2,853	-\$965	-\$2,721	-\$2,386	-\$3,414
Annual Tax Credits		\$0	\$2,328	\$3,231	\$3,990	\$3,990	\$0

Chart D-2

		Households at 200% of the 2007 Federal Poverty Level (with housing costs capped at 30% of household income)					
		Adult	Adult + one child	Adult + two children	Adult + three children	Two Adults + three kids	Two Adults
<b>Income</b>		<b>\$20,420</b>	<b>\$27,380</b>	<b>\$34,340</b>	<b>\$41,300</b>	<b>\$48,260</b>	<b>\$27,380</b>
Monthly Rent		\$511	\$685	\$859	\$1,033	\$1,207	\$685
<b>ANNUAL EXPENSES</b>	Yearly Housing	-\$6,132	-\$8,220	-\$10,308	-\$12,396	-\$14,484	-\$8,220
	Food	-\$3,120	-\$5,196	-\$7,272	-\$9,348	-\$12,468	-\$6,240
	Transportation	-\$912	-\$912	-\$912	-\$912	-\$1,824	-\$1,824
	Misc	-\$1,140	-\$2,316	-\$3,360	-\$4,404	-\$5,076	-\$1,932
	Taxes	-\$3,966	-\$4,285	-\$5,712	-\$7,179	-\$8,639	-\$4,420
<b>ANNUAL WORK SUPPORT</b>	Public Assistance	\$0	\$0	\$0	\$0	\$0	\$0
	Food Stamps	\$0	\$0	\$0	\$0	\$0	\$0
	Health Care*	-\$1,176	-\$108	-\$216	-\$324	-\$324	-\$3,084
	Child Care*	\$0	-\$2,544	-\$3,168	-\$3,792	-\$4,464	\$0
Shortfall/Surplus		\$3,974	\$3,799	\$3,392	\$2,945	\$981	\$1,660
Annual Tax Credits		\$0	\$2,328	\$3,231	\$3,990	\$3,990	\$0

SOURCES: Housing costs: Chart 1 - taken from HUD's 2007 New York Metro Fair Market Rent Area guidelines; Chart 2 - equals 30% of total income. **All other expenses** (including taxes) taken from the Self-Sufficiency Standard for New York City. Food costs, healthcare, and child care are estimated by averaging costs for different aged children. **Benefit Eligibility** determined using the Self-Sufficiency Calculator for New York City. Charts assume non-elderly, non-disabled households. WIC/School Meals are not tested because eligibility depends on the age of the child. The annual average WIC benefit amount is \$537.

\*Estimated Expense After Benefit Eligibility

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