



## **Work Supports and the Quest for Self-Sufficiency**

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*How is the recession affecting the lives of economically vulnerable families raising young children in King County? To find out, Communities Count interviewed a diverse group of low- to middle-income parents.<sup>1</sup> In this post, we explore the economic borderland that few middle-class parents ever imagine they will inhabit. From the perspective of this unfamiliar world, we examine the essential role of social service benefits in helping families work their way to self-sufficiency.*

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### **The tables are turned**

After more than ten years as a social services counselor at a South King County school district, Diane found herself in an almost unimaginable role reversal. With her 3-year-old son and teenage daughter, Diane moved to a family emergency shelter – one of the same shelters to which she referred her clients.

### **How could this happen?**

In 2009, budget cuts reduced Diane’s previously stable, full-time employment to 12 hours a week. She started looking for work immediately but found that, in a rapidly contracting job market, her associate degree and years of experience didn’t seem to matter anymore. Also, as a part-time worker, she no longer qualified for the child-care subsidy that had enabled her to provide for her family with a job that paid \$12 an hour. Without child care for her son, scheduling job interviews was a challenge. Even at the unemployment office, a sign in the waiting room declared that children were not allowed.

For a while, Diane and her children lived with extended family, and she supplemented her earnings with unemployment benefits. She felt fortunate to get food support and health insurance for her children from the State’s Department of Social and Health Services (DSHS). But when unemployment ran out, she could no longer cover living expenses. That’s when her family moved to the shelter.

### **What does it take to be self-sufficient in King County?**

The Federal Poverty Level (FPL) is the current benchmark for establishing eligibility for government benefits programs. However, many experts criticize the FPL as outdated. The Self-Sufficiency Standard, created at the University of Washington, may more accurately reflect the real costs of meeting families’ needs. Unlike the FPL, this standard calculates “wage adequacy” by factoring in family size and composition, and adjusting for location (for example, the higher cost of living in East King County versus South King County).<sup>2</sup>

According to this wage-adequacy calculation, a King County working family with young children needs an income of about 300% of the FPL to cover basic needs such as housing, child care, food, health care, transportation, taxes, and miscellaneous expenses *without public or private assistance*. To be self-sufficient in South King County, Diane would have to make about \$50,000 per year (\$23.68 an hour, plus health insurance benefits).<sup>3</sup>

### Feelings of gratitude, shame, hope

Although Diane would rather be self-sufficient, she is grateful for community resources such as the family homeless shelter, food banks, and public library; and for DSHS food assistance and health insurance for her children. At times, though, she feels ashamed, especially if she senses disrespect from a service provider or when the process of applying for benefits is so cumbersome that it stumps even someone who works in the social work field.

Nevertheless, Diane has high hopes for the future. She is working closely with a case manager from the emergency shelter to look for employment and find affordable housing. She is also exploring ways to go back to school and get her bachelor’s degree. In fact, she and her daughter, who just qualified for the Running Start program, made a wager on who will get the first bachelor’s degree. Her son is enrolled in a Head Start program, and loves it. Although the road to self-sufficiency is still long and uncertain, the future feels brighter already.

*They give us \$200 and that helps us a lot. Is like a small blessing, you know, to reach into your pocket and realize, hey, you’re going to be able to buy groceries for the next four weeks for your wife and child. There are times when we have no money, but we have the food stamps so at least we have a way to eat.*

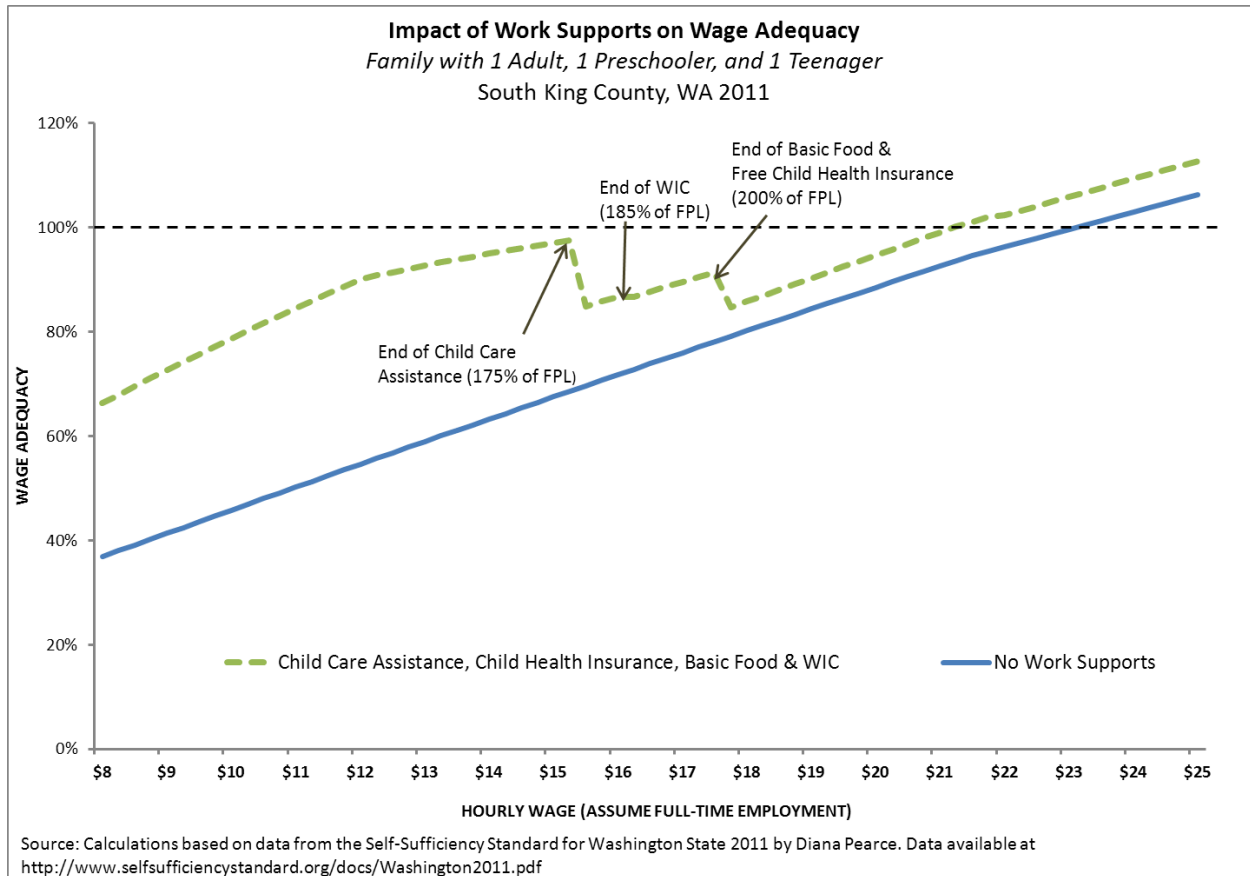
~ Young unemployed father in a 2-parent family (Communities Count interview)

### How work supports fall short

Several government benefits (also called *work supports*) help people on the road to self-sufficiency. The level of assistance varies with household income. For families with children, work supports in Washington State fall into five general categories: child care, children’s health insurance, food, housing, and tax credits. Three of these are depicted in the table below and on the wage-adequacy chart. Unfortunately, the gap between the FPL-based eligibility criteria and the actual costs of basic needs can be huge. *In reality, work supports go away, sometimes quite abruptly, long before the family is self-sufficient.*

Type of Work Support	Name of Program(s)	Eligibility Criteria
Child care assistance	<i>Working Connections Child Care</i>	<175% FPL (with co-pay based on income)
Children’s health insurance	<i>Apple Health for Kids</i>	<200% FPL for free health insurance (with income-based premium above 200% FPL)
Food	<i>Basic Food</i> : Supplemental Nutrition Assistance Program (SNAP), formerly called Food Stamps	<200% FPL (plus additional complex eligibility criteria for SNAP)
	<i>WIC</i> : Special Supplemental Nutrition Program for Women, Infants and Children	<185% FPL for WIC

An unintended consequence of these abrupt cut-off criteria is that families may actually be better off (closer to self-sufficient) if their income stays slightly *below* the eligibility level. Looking at the wage-adequacy chart, it's clear that a single mom without housing assistance (green dotted line) is much closer to the self-sufficiency standard if her full-time wages keep her just below 175% of the Federal Poverty Level (around \$15/hour). For Diane to become fully self-sufficient without any benefits, she would have to find a job paying an additional \$8.68 an hour (an instantaneous 58% jump) – highly unlikely even in a booming economy.



### Can we do better?

Eligibility guidelines and benefits for work supports change frequently and have been drastically affected by the State budget crisis. And the situation will probably get worse since additional budget cuts will affect DSHS programs in 2012. As the cost of living in King County increases, low- and middle-income wages are stagnating, so families feel the pain of even relatively modest cuts in work supports or increases in co-payments – *if they are lucky enough to qualify*.

In this time of ever-scarcer resources, it makes sense to re-evaluate the eligibility criteria and self-sufficiency incentives for work supports. For example, a gradual, income-based tapering of benefits would provide more rational incentives than arbitrary cut-offs that “reward” a pay raise with total cessation of benefits, immediately plunging families off a debt cliff (see chart), further than ever from self-sufficiency.

Many hard-working middle class families earn too much to qualify for any help, yet not enough to make ends meet. These parents regularly find themselves “robbing Peter to pay Paul.” Often they make choices that could undermine their family’s well-being – such as not seeking health care when sick or forgoing necessary dental care. Re-structuring work supports might offer these families a helping hand as well.

*People want to work, and people want to be productive members of society, but it’s really hard...  
Whatever incentives that the government can provide for working families I think will be only paid back in having stronger families and kids that have fewer problems.*

~ Mother in a 2-parent family with no work supports (Communities Count interview)

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<sup>1</sup> The 32 King County families we interviewed represent a broad range of racial, cultural, and socioeconomic diversity. We reached out to communities of color, recent immigrants, and residents with limited English proficiency. We interviewed both families with very low household income and those who earned up to median income (about \$68,000 for a family of four in 2010). Family structures include single-parent households, couples living in consensual unions, married couples, and extended families. We also interviewed social service providers from agencies such as Crisis Clinic, Hopelink, Multi Service Center, and Child Care Resources, as well as staff from community colleges that offer worker retraining or similar programs to help King County residents find jobs. We use fictional names to ensure confidentiality.

<sup>2</sup> Pearce, D. (October 2011). *The Self-Sufficiency Standard for Washington State 2011*. Viewed at <http://www.selfsufficiencystandard.org/docs/Washington2011.pdf>

<sup>3</sup> The Self-Sufficiency Calculator for Washington State. Accessed on October 26, 2011at <http://www.thecalculator.org/>