



## **2008 Self-Sufficiency**

**Central Pennsylvania Workforce Investment Area**

**Centre, Clinton, Columbia, Lycoming, Mifflin, Montour,  
Northumberland, Snyder, and Union Counties**



## Acknowledgments

The *2008 Self-Sufficiency* report was prepared by the Central Pennsylvania Workforce Development Corporation (CPWDC) for the Central Pennsylvania Workforce Investment Board.

- Self-sufficiency wages are provided by Pathways PA (*The Self-Sufficiency Standard for Pennsylvania, Editions 5 and 6*).
  - Self-sufficiency wages are provided by county. The regional self-sufficiency wage is calculated as a weighted average based on the total employment in each county.
- Employment and occupational wages are provided by Economic Modeling Specialists, Incorporated.
- Household income data is provided by DecisionData.
- Consumer Price Index information is provided by the U.S. Department of Labor's Bureau of Labor Statistics.
- Federal Poverty Level guidelines are provided by the U.S. Department of Health and Human Services.
- Welfare benefits data, including food stamps and cash assistance, are provided by the Department of Public Welfare.

The analysis presented in this report was conducted by the CPWDC on behalf of the Central Pennsylvania Workforce Investment Board as part of the Industry Cluster Research Initiative.

## Disclaimer

The Central Pennsylvania Workforce Development Corporation (CPWDC) cannot guarantee the accuracy of the data provided by the various agencies. This report merely analyzes the 2008 self-sufficiency wages in the Central Pennsylvania Workforce Investment Area (WIA), comprised of Centre, Clinton, Columbia, Lycoming, Mifflin, Montour, Northumberland, Snyder, and Union Counties.

CPWDC does not necessarily endorse the comments made by Pathways PA regarding the Federal Poverty Level (FPL) and the claims regarding the Self-Sufficiency Standard. Discussion regarding the FPL and the Self-Sufficiency Standard come from *The Self-Sufficiency Standard for Pennsylvania 2008-2009*. To view the entire report published by Pathways PA, please visit their website at <http://www.pathwayspa.org/>.



## Introduction

According to Pathways PA, “*the Self-Sufficiency Standard measures how much income a family of a certain composition in a given place needs to adequately meet its basic needs without public or private assistance.*” The Self-Sufficiency Standard can establish a family sustaining wage specific to most families throughout the U.S. by making real-world assumptions, varying data regionally and by family type, and including the net effect of taxes and tax credits.”

**This report focuses on the self-sufficiency wage for a family comprised of one parent and one pre-school aged child (ages 3 to 5) for the counties in the Central Region and the region as a whole.**

The Self-Sufficiency Standard can be used to:

- **Set guidelines and eligibility** for program eligibility, including training programs.
- **Evaluate the effectiveness** of workforce development programs in terms of wages
- **Target job training funds** to jobs that offer self-sufficiency wages
- **Direct job seekers** to jobs that pay self-sufficiency wages
- **Promote businesses** paying self-sufficiency wages

## Background

The Federal Poverty Level (FPL), or federal poverty measure, is the official measurement used by the federal government to determine income adequacy. Basically, families are categorized as “poor” if their income falls below the FPL and “not poor” if it is above the FPL. This poverty measure is used to determine eligibility for various poverty and work support programs.

According to Pathways PA, many problems exist with using the Federal Poverty Level as the measure of income adequacy. The most significant shortcoming is that the FPL is simply not high enough for most families in most places. Other methodological problems with the federal poverty measure include:

- The poverty measure is based on food only, not a “market basket” of basic needs.
- The demographic model of a two-parent family assumes a stay-at-home adult. In reality, additional costs are associated with families without a stay-at-home adult. According to the U.S. Bureau of Labor Statistics, both parents were employed in 62% of two-parent families in 2006.
- There is no distinction between families in which the adults are employed and families in which the adults are not employed.
- The poverty measure does not vary by geographic location.



While many families struggle to cover their basic needs, they often do not qualify as “poor” according to the official (federal) poverty measure. According to Pathways PA, a sophisticated measure of income adequacy is required to track and measure the rising costs of food, transportation, healthcare, and other household budget items, not an outdated measure of federal poverty. This is accomplished through the Self-Sufficiency Standard.

The Self-Sufficiency Standard provides a solution to the problems associated with the federal poverty measure, providing a “realistic measurement of the income necessary for a given family to meet their needs without public or private assistance.”

- The Standard is based on the individual cost of each basic need, allowing the cost to increase at its own rate.
- The Standard assumes that all adults work full-time, regardless of household composition.
- There are geographical variations for the costs associated with the Standard.
- While the federal poverty measure does account for cost variations by family-size and composition, the Standard also accounts for the ages of children.
- The Standard includes the net effect of taxes and tax credits.

The Self-Sufficiency Standard is calculated for 70 different family types for every county in Pennsylvania. The following components are used to calculate the Standard:

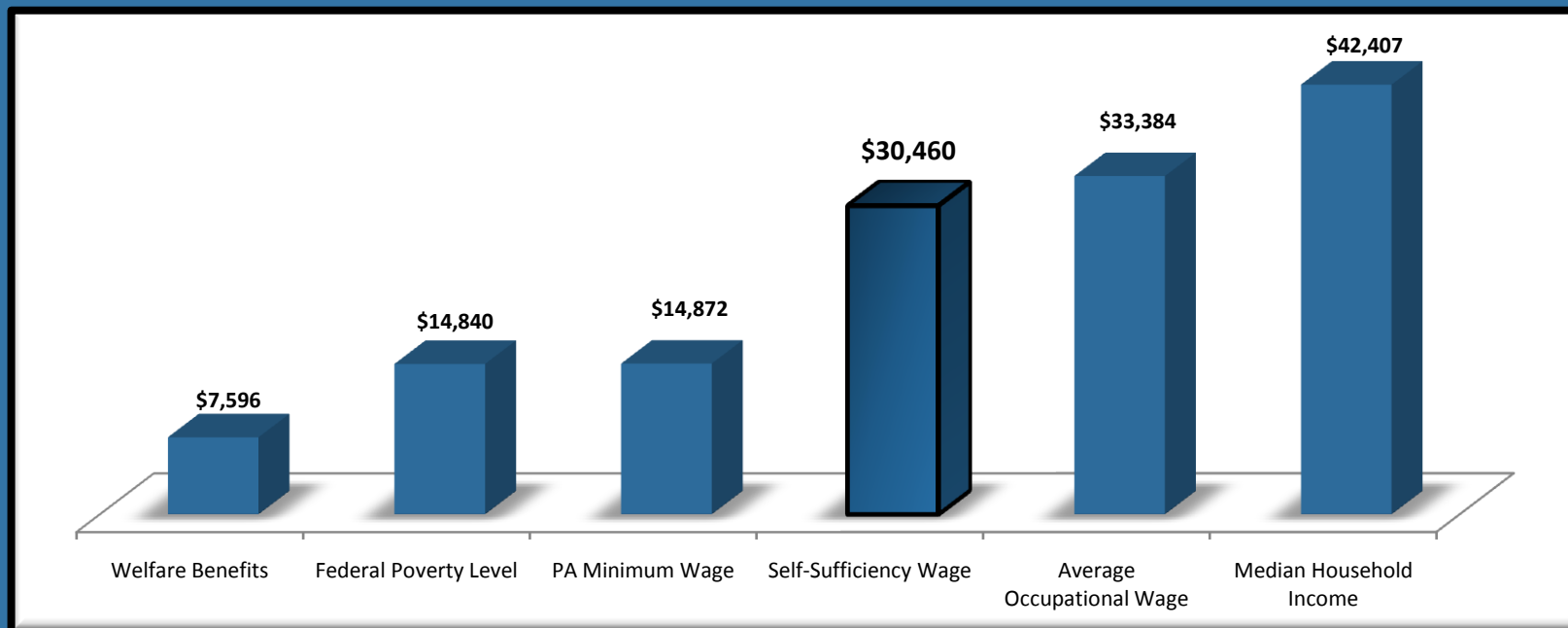
- Housing
- Child Care
- Food
- Transportation
- Health Insurance
- Taxes & Tax Credits
- Miscellaneous (clothing, diapers, telephone, and all other essentials)

Pathways PA stresses that even though the Self-Sufficiency Standard calculates a wage that is adequate without public benefits, public work supports are still vital for families in Pennsylvania. Public assistance for high-cost necessities (e.g., healthcare, child care, etc.) may be the only way for certain families to meet their basic needs. It is vital for individuals to seek the education, training, and jobs that provide career advancement opportunities necessary to achieve self-sufficiency.

## Results

The following tables and charts provide a scan of the Self-Sufficiency Standard for the counties in the Central Region (Centre, Clinton, Columbia, Lycoming, Mifflin, Montour, Northumberland, Snyder, and Union Counties) and the region overall.

## Central Region Wages



Welfare benefits defined as Cash Assistance and Food Stamp eligibility. Based on 2008 guidelines for a family of 2. Source: Department of Public Welfare. Does not include other assistance (housing, child care, etc.).

Federal Poverty Level based on 2008 poverty threshold for a family of 2 (one householder under 65 and one child under 18). Source: U.S. Census Bureau.

Pennsylvania minimum wage: \$7.15 per hour for 2008; annual estimate of \$14,782 based on a 2,080-hour work year.

Self-sufficiency wage based on 2008 estimates for one parent and one pre-school aged child. Source: *The Self-Sufficiency Standard for Pennsylvania 2008-2009*.

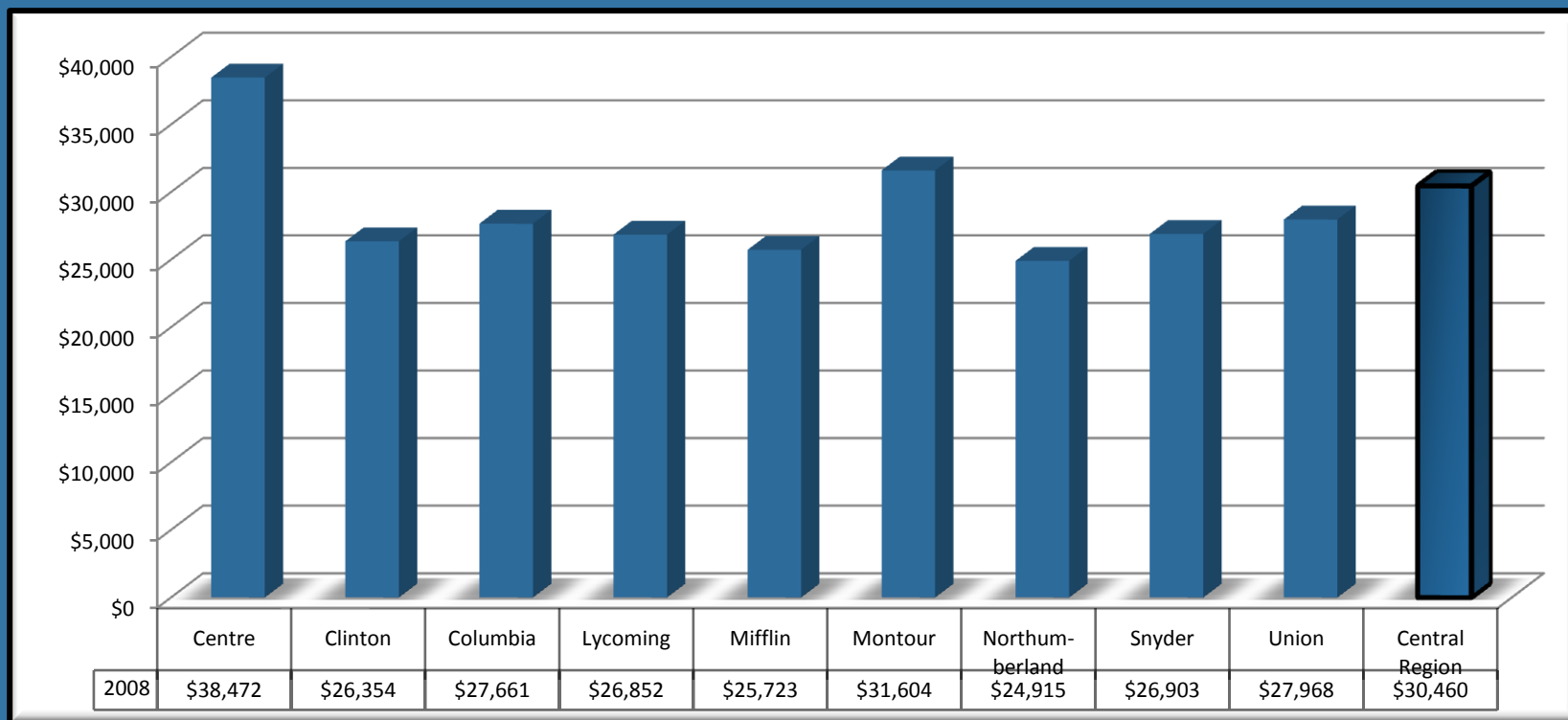
Average occupational wage based on 2007 estimates. Occupational wages do not include benefits. Source: Economic Modeling Specialists, Inc., December 2008.

Median household income: half of all households earn more and half earn less; based on 2008 estimates. Households can have more than one wage earner. Source: DecisionData.

This chart compares the 2008 self-sufficiency wage in the Central Region to other common wage measures. As evidenced by the chart, on average workers receive wages higher than the self-sufficiency wage. In fact, the average occupational wage is about 10% higher than the self-sufficiency wage. Furthermore, the median household income in the Central Region is about 39% higher. Of course, households have varying family compositions and the self-sufficiency wage changes according to family type.

## Central Region Self-Sufficiency (2008)

*One parent and one pre-school aged child*

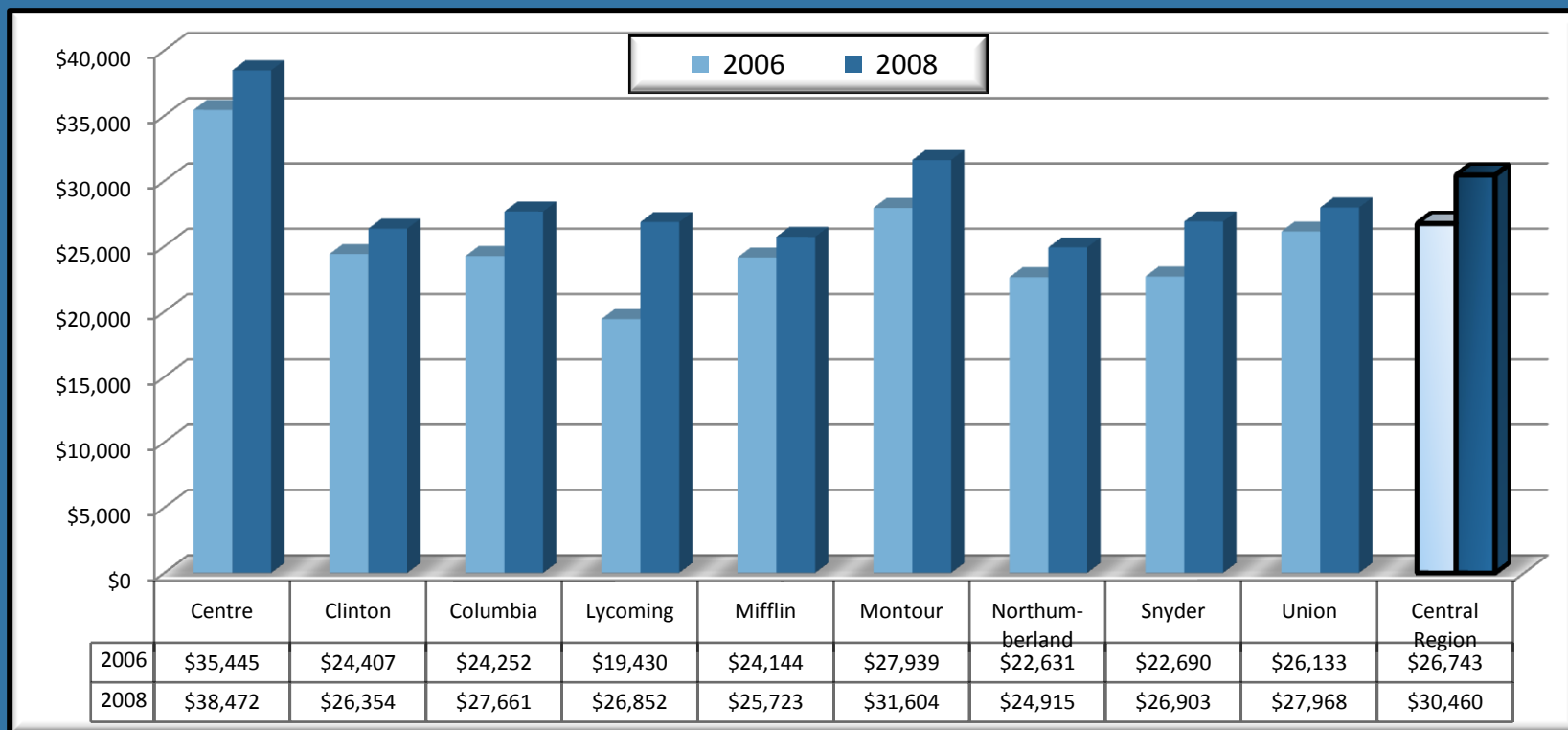


Self-sufficiency wages based on 2008 estimates for one parent and one pre-school aged child. Source: The Self-Sufficiency Standard for Pennsylvania (2008-2009).

**The 2008 self-sufficiency wage for one parent and one pre-school aged child in the Central Region is \$30,460, which equates to approximately \$14.64 per hour (based on a 2,080-hour work year).**

## Central Region Self-Sufficiency

*One parent and one pre-school aged child*



Self-sufficiency wages based on 2006 and 2008 estimates for one parent and one pre-school aged child. Source: The Self-Sufficiency Standard for Pennsylvania (Editions 5 and 6).

This chart identifies the 2006 and 2008 self-sufficiency wages in the Central Region. The self-sufficiency wage has increased for each county and the region as a whole. For 2008, self-sufficiency wages range from a low of \$24,915 in Northumberland County to a high of \$38,472 in Centre County.

The following table identifies the differences in the self-sufficiency wages between 2006 and 2008:

Self-Sufficiency <i>One parent and one pre-school aged child</i>				
County	2006	2008	Change	Percent
Centre	\$35,445	\$38,472	\$3,027	8.5%
Clinton	\$24,407	\$26,354	\$1,947	8.0%
Columbia	\$24,252	\$27,661	\$3,409	14.1%
Lycoming	\$19,430	\$26,852	\$7,422	38.2%
Mifflin	\$24,144	\$25,723	\$1,579	6.5%
Montour	\$27,939	\$31,604	\$3,665	13.1%
Northumberland	\$22,631	\$24,915	\$2,284	10.1%
Snyder	\$22,690	\$26,903	\$4,213	18.6%
Union	\$26,133	\$27,968	\$1,835	7.0%
<b>Central Region</b>	<b>\$26,743</b>	<b>\$30,460</b>	<b>\$3,717</b>	<b>13.9%</b>

Source: The Self-Sufficiency Standard for Pennsylvania (Editions 5 and 6)

Clearly, the self-sufficiency wage in each county increased between 2006 and 2008, which is expected due to inflation. It is typical for the prices for most goods and services to increase over time. Such increases are measured by the Consumer Price Index. Basically, the Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services. This report focuses on the CPI for the Northeast urban region of the nation.

By comparing the percent increases in self-sufficiency wages to the percent increases in CPI, it can be determined how the self-sufficiency wages have changed. Did they increase simply due to inflationary pressure as identified by the CPI, or did they increase to a larger extent, suggesting that income adequacy has increased at a greater rate than the market basket of goods and services used in calculating the CPI?

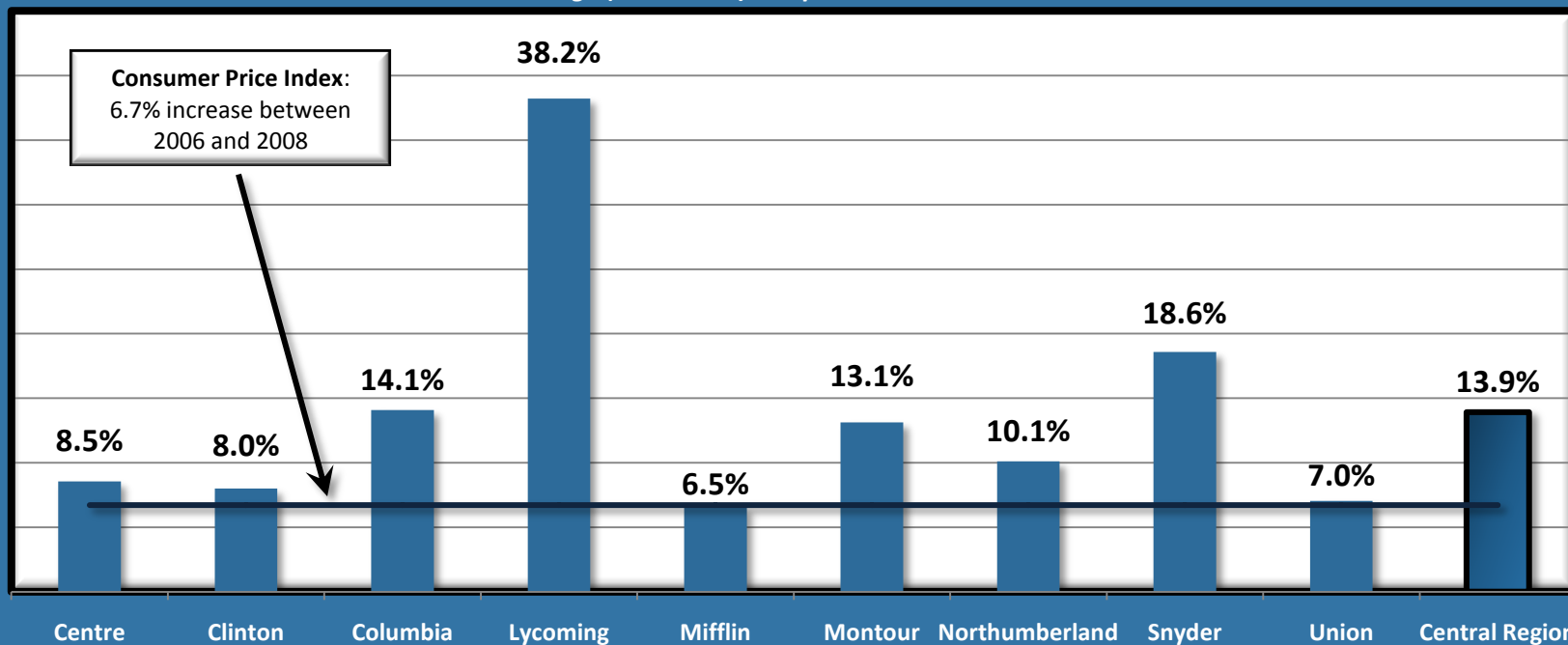
The following chart compares the percent increases in self-sufficiency wages with the percent increase in the Consumer Price Index:



## Central Region Self-Sufficiency

*One parent and one pre-school aged child*

*Percent change (2006-2008) compared to Consumer Price Index*



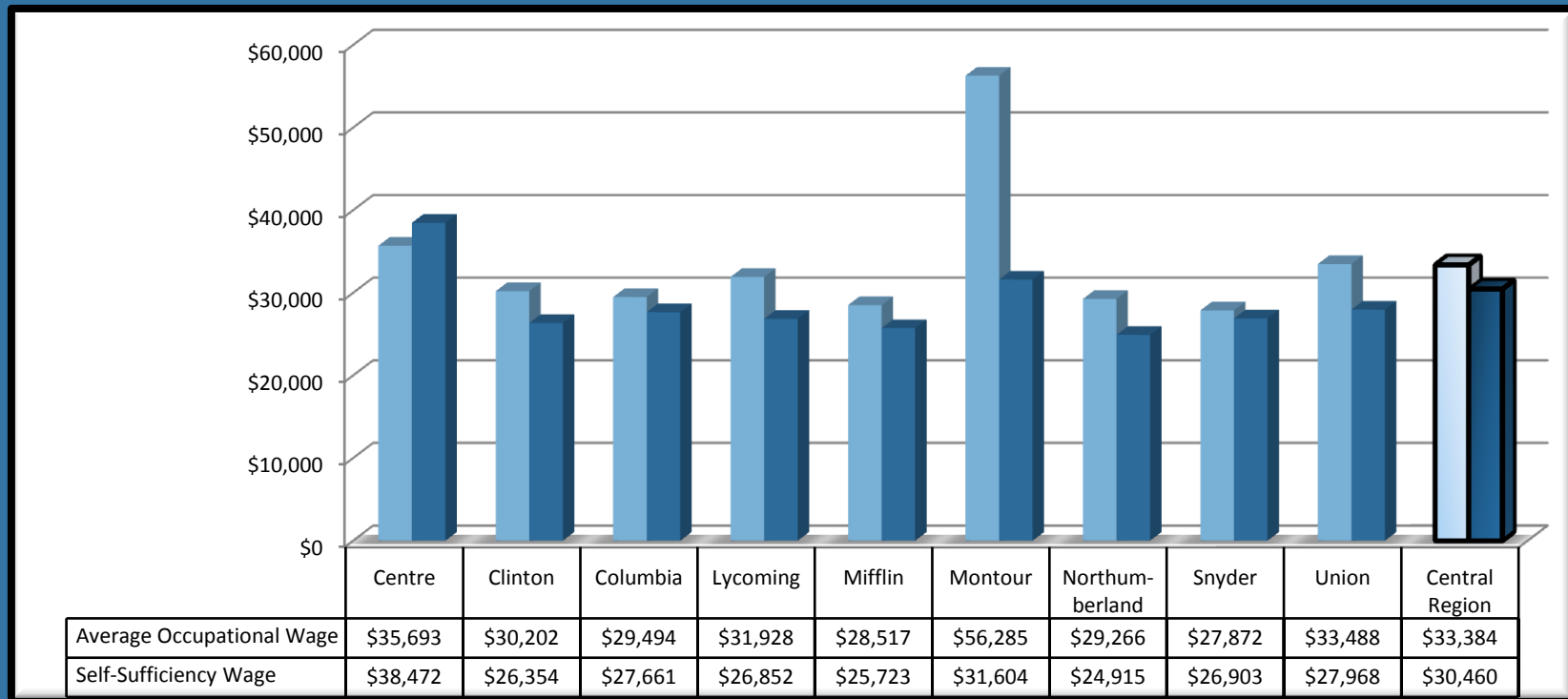
Percent change in self-sufficiency wages based on 2006 and 2008 estimates for one parent and one pre-school aged child. Source: *The Self-Sufficiency Standard for Pennsylvania (Editions 5 and 6)*.

Consumer Price Index based on Northeast urban region for all items. Percent change based on 2006 and 2008 annual estimates. Source: Bureau of Labor Statistics.

Between 2006 and 2008, the Consumer Price Index (CPI) in the Northeast urban region increased by about 6.7%. Overall, the self-sufficiency wage in the Central Region increased by 13.9%, over twice as much as the CPI. Only Mifflin County's self-sufficiency wage did not increase at a rate higher than the CPI. ***It appears that the rate of inflation according to the CPI underestimates the rising cost of basic needs for families with incomes at self-sufficiency levels.***

## Central Region Wages

■ Average Occupational Wage ■ Self-Sufficiency Wage



Average occupational wages based on 2007 estimates. Occupational wages do not include benefits. Source: Economic Modeling Specialists, Inc., December 2008.  
Self-sufficiency wages based on 2008 estimates for one parent and one pre-school aged child. Source: *The Self-Sufficiency Standard for Pennsylvania 2008-2009*.

This chart compares the 2008 self-sufficiency wage to the 2007 average occupational wage in each county and the region. On average, workers are earning higher wages than the self-sufficiency standard. Only Centre County's average occupational wage is lower than its self-sufficiency wage.



The following table identifies the differences between the average occupational wage and the self-sufficiency wage:

Average Occupational Wages Compared to Self-Sufficiency				
<i>One parent and one pre-school aged child</i>				
County	Average Occupational Wage	Self-Sufficiency Wage	Difference	Percent
Centre	\$35,693	\$38,472	-\$2,779	-7.2%
Clinton	\$30,202	\$26,354	\$3,848	14.6%
Columbia	\$29,494	\$27,661	\$1,833	6.6%
Lycoming	\$31,928	\$26,852	\$5,076	18.9%
Mifflin	\$28,517	\$25,723	\$2,794	10.9%
Montour	\$56,285	\$31,604	\$24,681	78.1%
Northumberland	\$29,266	\$24,915	\$4,351	17.5%
Snyder	\$27,872	\$26,903	\$969	3.6%
Union	\$33,488	\$27,968	\$5,520	19.7%
<b>Central Region</b>	<b>\$33,384</b>	<b>\$30,460</b>	<b>\$2,924</b>	<b>9.6%</b>

Average occupational wages based on 2007 estimates. Occupational wages do not include benefits. Source: Economic Modeling Specialists, Inc., December 2008. Self-sufficiency wages based on 2008 estimates for one parent and one pre-school aged child. Source: *The Self-Sufficiency Standard for Pennsylvania 2008-2009*.

A positive percent difference value indicates that workers, on average, are receiving wages higher than the self-sufficiency wage for a particular county. All counties (excluding Centre County) are paying average wages higher than their self-sufficiency wages for one parent and one pre-school aged child. Montour County pays significantly higher wages; average occupational wages are 78% higher than the self-sufficiency wage.

A negative percent difference value indicates that workers, on average, may not be meeting the self-sufficiency threshold, since occupational wages are lower than the self-sufficiency wage. Only Centre County falls into this category.

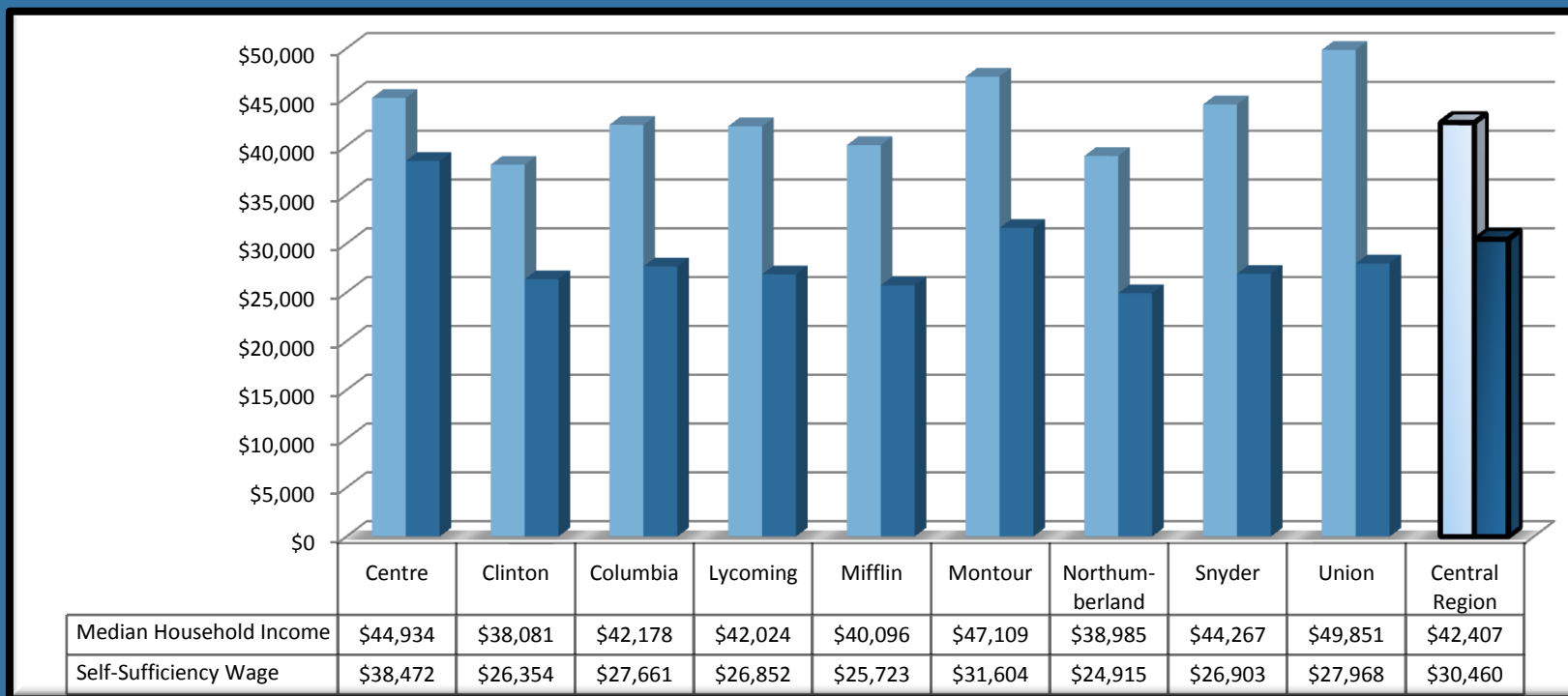
The following table compares the average annual wages for the 23 major occupational groupings to the self-sufficiency wage of one parent and one pre-school aged child in the Central Region. Positive percent difference values indicate average wages are higher than the self-sufficiency wage, and negative values indicate average wages are lower than the self-sufficiency wage. As evidenced by this table, of the top 5 employing occupations (indicated by bold italics), only management occupations pay average wages higher than the self-sufficiency wage. ***Food preparation and serving related, sales and related, office and administrative support, and production occupations, which combined employ about 42% of all workers in the Central Region, pay average annual wages below the self-sufficiency wage.*** It should be noted that occupational wages do not include benefits.

SOC	Occupational Grouping	Percent of Regional Employment	Average Annual Wage	Percent Difference from Self-Sufficiency
<b>11-0000</b>	<b>Management</b>	<b>7.1%</b>	<b>\$41,434</b>	<b>36.0%</b>
13-0000	Business and financial operations	3.4%	\$41,891	37.5%
15-0000	Computer and mathematical science	1.3%	\$55,744	83.0%
17-0000	Architecture and engineering	1.2%	\$54,142	77.7%
19-0000	Life, physical, and social science	0.7%	\$48,651	59.7%
21-0000	Community and social services	1.7%	\$33,717	10.7%
23-0000	Legal	0.4%	\$54,496	78.9%
25-0000	Education, training, and library	6.9%	\$59,134	94.1%
27-0000	Arts, design, entertainment, sports, and media	2.2%	\$27,664	-9.2%
29-0000	Healthcare practitioners and technical	4.7%	\$58,406	91.7%
31-0000	Healthcare support	2.8%	\$23,733	-22.1%
33-0000	Protective service	1.5%	\$46,862	53.8%
<b>35-0000</b>	<b>Food preparation and serving related</b>	<b>7.4%</b>	<b>\$18,782</b>	<b>-38.3%</b>
37-0000	Building and grounds cleaning and maintenance	3.9%	\$20,592	-32.4%
39-0000	Personal care and service	3.3%	\$19,594	-35.7%
<b>41-0000</b>	<b>Sales and related</b>	<b>12.6%</b>	<b>\$26,437</b>	<b>-13.2%</b>
<b>43-0000</b>	<b>Office and administrative support</b>	<b>13.7%</b>	<b>\$27,726</b>	<b>-9.0%</b>
45-0000	Farming, fishing, and forestry	0.7%	\$28,330	-7.0%
47-0000	Construction and extraction	5.4%	\$33,010	8.4%
49-0000	Installation, maintenance, and repair	3.8%	\$33,322	9.4%
<b>51-0000</b>	<b>Production</b>	<b>8.3%</b>	<b>\$29,765</b>	<b>-2.3%</b>
53-0000	Transportation and material moving	6.6%	\$29,099	-4.5%
55-0000	Military	0.5%	\$24,565	-19.4%
<b>Total</b>	<b>All Occupations</b>	<b>100.0%</b>	<b>\$33,384</b>	<b>9.6%</b>

Source: Economic Modeling Specialists, Inc., December 2008. Average occupational wages based on 2007 estimates (do not include benefits). Employment based on 2008 estimates.

## Central Region Wages

■ Median Household Income ■ Self-Sufficiency Wage



Median Household Income: half of all households earn more and half earn less; based on 2008 estimates. Households can have more than one wage earner. Source: DecisionData.  
Self-sufficiency wages based on 2008 estimates for one parent and one pre-school aged child. Source: *The Self-Sufficiency Standard for Pennsylvania 2008-2009*.

This chart compares the 2008 self-sufficiency wage to the 2008 median household income in each county and the region. Clearly, the median household income is higher in each county and the region. Households may include more than one wage earner and the family composition varies.



The following table identifies the differences between the 2008 self-sufficiency wage and the 2008 median household income:

Median Household (HH) Income Compared to Self-Sufficiency						
<i>One parent and one pre-school aged child</i>						
County	Very Low HH Income	Low HH Income	Median HH Income	Self-Sufficiency Wage	Difference	Percent
Centre	\$22,467	\$35,947	\$44,934	\$38,472	\$6,462	16.8%
Clinton	\$19,041	\$30,465	\$38,081	\$26,354	\$11,727	44.5%
Columbia	\$21,089	\$33,742	\$42,178	\$27,661	\$14,517	52.5%
Lycoming	\$21,012	\$33,619	\$42,024	\$26,852	\$15,172	56.5%
Mifflin	\$20,048	\$32,077	\$40,096	\$25,723	\$14,373	55.9%
Montour	\$23,555	\$37,687	\$47,109	\$31,604	\$15,505	49.1%
Northumberland	\$19,493	\$31,188	\$38,985	\$24,915	\$14,070	56.5%
Snyder	\$22,134	\$35,414	\$44,267	\$26,903	\$17,364	64.5%
Union	\$24,926	\$39,881	\$49,851	\$27,968	\$21,883	78.2%
<b>Central Region</b>	<b>\$21,204</b>	<b>\$33,926</b>	<b>\$42,407</b>	<b>\$30,460</b>	<b>\$11,947</b>	<b>39.2%</b>

Household income source: DecisionData; based on 2008 estimates

Self-sufficiency wage source: The Self-Sufficiency Standard for Pennsylvania (2008-2009); based on one parent and one pre-school aged child

**Very low household income:** defined as 50% of median household income, according to U.S. Department of Housing and Urban Development

**Low household income:** defined as 80% of median household income, according to U.S. Department of Housing and Urban Development

Difference based on median household income and self-sufficiency wage

As already described, the median household income is much higher than the self-sufficiency wage in each county and the region. In fact, Centre County has the smallest percent difference of 16.8%.

However, when households with lower incomes are considered, the gap decreases. For households with a “very low income,” defined as 50% of the median household income, self-sufficiency wages are actually higher.

### Conclusion

The Self-Sufficiency Standard is a real-world income adequacy measure of the necessities to support a family. It is important for companies to consider the self-sufficiency wage when setting wage levels for current workers and also attracting new applicants. It is vital, though, for incumbent workers and job seekers alike to seek the training and/or education necessary to be able to perform all job requirements for occupations that pay a self-sufficiency wage to support their families.

### Appendix A

Self-sufficiency wages (one parent and one pre-school aged child) and employment values

County	2006		2008	
	Self-Sufficiency Wage	Employment	Self-Sufficiency Wage	Employment
Centre	\$35,445	108,169	\$38,472	108,876
Clinton	\$24,407	18,576	\$26,354	19,500
Columbia	\$24,252	36,087	\$27,661	36,469
Lycoming	\$19,430	68,286	\$26,852	67,964
Mifflin	\$24,144	22,469	\$25,723	22,498
Montour	\$27,939	19,067	\$31,604	20,405
Northumberland	\$22,631	39,837	\$24,915	39,772
Snyder	\$22,690	23,411	\$26,903	23,128
Union	\$26,133	23,474	\$27,968	23,575
<b>Central Region</b>	<b>\$26,743</b>	<b>359,376</b>	<b>\$30,460</b>	<b>362,187</b>

Self-sufficiency wages based on estimates for one parent and one pre-school aged child. Source: *The Self-Sufficiency Standard for Pennsylvania (Editions 5 and 6)*.  
 Employment source: Economic Modeling Specialists, Inc., December 2008.

Regional self-sufficiency wage values are a weighted average based on the employment in each county.



**Appendix B**  
Occupational information

SOC	Occupational Grouping	Employment		2007 Average Wage	
		2007	2008	Hourly	Annual
11-0000	Management occupations	25,362	25,545	\$19.92	\$41,434
13-0000	Business and financial operations occupations	11,879	12,153	\$20.14	\$41,891
15-0000	Computer and mathematical science occupations	4,722	4,798	\$26.80	\$55,744
17-0000	Architecture and engineering occupations	4,376	4,387	\$26.03	\$54,142
19-0000	Life, physical, and social science occupations	2,503	2,557	\$23.39	\$48,651
21-0000	Community and social services occupations	6,211	6,276	\$16.21	\$33,717
23-0000	Legal occupations	1,458	1,478	\$26.20	\$54,496
25-0000	Education, training, and library occupations	24,795	24,976	\$28.43	\$59,134
27-0000	Arts, design, entertainment, sports, and media occupations	7,800	7,856	\$13.30	\$27,664
29-0000	Healthcare practitioners and technical occupations	16,730	17,104	\$28.08	\$58,406
31-0000	Healthcare support occupations	9,942	10,159	\$11.41	\$23,733
33-0000	Protective service occupations	5,575	5,582	\$22.53	\$46,862
35-0000	Food preparation and serving related occupations	25,844	26,649	\$9.03	\$18,782
37-0000	Building and grounds cleaning and maintenance occupations	13,859	14,117	\$9.90	\$20,592
39-0000	Personal care and service occupations	11,634	11,842	\$9.42	\$19,594
41-0000	Sales and related occupations	45,813	45,679	\$12.71	\$26,437
43-0000	Office and administrative support occupations	49,645	49,559	\$13.33	\$27,726
45-0000	Farming, fishing, and forestry occupations	2,410	2,410	\$13.62	\$28,330
47-0000	Construction and extraction occupations	19,906	19,526	\$15.87	\$33,010
49-0000	Installation, maintenance, and repair occupations	14,046	13,880	\$16.02	\$33,322
51-0000	Production occupations	30,660	30,014	\$14.31	\$29,765
53-0000	Transportation and material moving occupations	23,935	23,787	\$13.99	\$29,099
55-0000	Military occupations	1,855	1,854	\$11.81	\$24,565
<b>Total</b>	<b>All Occupations</b>	<b>360,960</b>	<b>362,187</b>	<b>\$16.05</b>	<b>\$33,384</b>

Source: Economic Modeling Specialists, Incorporated, December 2008. Annual wages based on a 2,080-hour work year. Occupational wages do not include benefits.





***For additional information, please contact:***

Central Pennsylvania Workforce Development Corporation  
1610 Industrial Boulevard, Suite 500 A  
Lewisburg, PA 17837  
570.522.0600 (P)  
570.522.0805 (F)  
[www.cpwdc.org](http://www.cpwdc.org)

