The Self-Sufficiency Standard

**Budget Worksheet Exercise**

**Step 1.**
Make a guess/estimate of the Self-Sufficiency Wage for a single parent with a preschooler and school-age child living in our community.

<table>
<thead>
<tr>
<th>Item Cost</th>
<th>Monthly Cost Estimate</th>
<th>Monthly Cost Actual*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Housing</strong></td>
<td>Rent for a 2-bedroom apartment</td>
<td></td>
</tr>
<tr>
<td><strong>Child Care</strong></td>
<td>1 preschooler &amp; 1 school-age child</td>
<td></td>
</tr>
<tr>
<td><strong>Food</strong></td>
<td>Home cooked meals only</td>
<td></td>
</tr>
<tr>
<td><strong>Transportation</strong></td>
<td>Commute costs + weekly grocery trip</td>
<td></td>
</tr>
<tr>
<td><strong>Health Care</strong></td>
<td>Employer provided + OOP costs</td>
<td></td>
</tr>
<tr>
<td><strong>Miscellaneous</strong></td>
<td>Telephone, clothing, etc.</td>
<td></td>
</tr>
<tr>
<td><strong>Taxes &amp; Tax Credits</strong></td>
<td>Sales, Payroll, Income</td>
<td></td>
</tr>
</tbody>
</table>

**Total**

- **Annual Wage = Total X 12**
- **Hourly Wage = Annual Wage / 2,112**
- **Emergency Savings (Monthly)**

*Actual costs as defined in the Self-Sufficiency Standard for North Carolina.

**Step 4.**
Use the Self-Sufficiency Standard for North Carolina to fill in the actual costs.

**Step 5.**
Compare! What is most surprising? For which cost category were you closest in your estimation? For which category were you the farthest? How close were you to your original Self-Sufficiency Wage estimate?
The budget exercise on the front of this sheet assumes a single parent with two children, one of whom is school-age (6-12 years old), and one of whom is a preschooler (3-5 years old). The adult works full-time, so she will need to cover the costs of working—transportation, taxes, and child care.

Below are other assumptions to include in your cost estimate:

**HOUSING.** For housing, assume that the family needs a 2-bedroom unit. Housing costs include the total of rent and all utilities not included in the rent (such as heat, gas, electric, water, sewer, etc., except telephone).

**CHILD CARE.** Assume full-time child care for the preschooler in a licensed child care center, and part-time before and/or after school care for the school-age child.

**FOOD.** Only include the cost of food eaten at home. Do not include pre-prepared, fast food, take-out, or restaurant food.

**TRANSPORTATION.** Do you assume public transportation is adequate to get to and from work and for errands in your community, or is a car necessary? If a car is necessary, include monthly car payments, registration and taxes, repairs and maintenance, insurance, gas, and oil (but not the initial purchase cost of the car). If public transportation is adequate, assume the cost of monthly passes for bus, train, and/or ferry fare as applicable.

**HEALTH CARE.** Assume that the family has health insurance coverage through their employer, and they pay whatever premium is required, plus out-of-pocket costs (e.g. prescriptions and co-pays).

**MISCELLANEOUS.** Include clothing, telephone, disposable diapers, personal items, household supplies (cleaning, paper products, stamps, etc.), entertainment, etc.

**TAXES.** Estimate taxes and tax credits, based on your own or other’s payroll deductions. Don’t worry about being “correct”—it is just an estimate.

**EMERGENCY SAVINGS.** For the emergency savings fund, assume the amount needed to cover living expenses minus 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 a job loss. Since the monthly emergency savings contribution requires additional earnings, the estimate includes the calculation of taxes that would be needed for the additional earnings at the Self-Sufficiency Standard level.

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**FOR MORE INFORMATION**

Information about the Self-Sufficiency Standard for North Carolina can be found at [www.unitedwaync.org/selfsufficiencystandard](http://www.unitedwaync.org/selfsufficiencystandard).