

Table 1
Methodological Comparison of Indiana Self-Sufficiency Standard and Economic Self-Sufficiency Measure

| Expense Item | The Indiana Self-Sufficiency Standard (Diana Pearce, Ph.D.) | Economic Self-Sufficiency (Dagney Faulk, Ph.D. and Jon Bingham, M.A.) |
|-------------------|---|--|
| Food | United States Department of Agriculture (USDA) Low Cost Food plan, varied by number and age of children and number and gender of adults. Refined further by using ACCRAs Cost of Living Index for seven Indiana Metropolitan Statistical Areas (MSAs). | USDA Low Cost Food plan, then deflated based on Midwest numbers from the Consumer Expenditure Survey. |
| Housing | 2005 Housing and Urban Development (HUD) Fair Market Rates (FMRs) for one, two and three bedroom apartments. Refined further by data from the Low Area Low-Income Housing Database for the nine PSA/MSAs. | 2005 HUD FMRs for one and two bedroom apartments. |
| Health Insurance | Employer-sponsored health insurance coverage assumed. 2003 data from Indiana Comprehensive Health Insurance Association. Assumes 20 percent premium payment. Refined further based on plan type (\$500 and \$1,000 deductible), family type, and region. | Assumes family purchases health insurance coverage. 2005 monthly premiums from ehealthinsurance.com for \$2,000 per person deductible, \$4,000 per family plan, and 30 percent fee after deductible is reached. |
| Childcare | Fiscal Year 2003–2004 Market Rates. Averaged infant and toddler rates for “infant.” Averaged three- and four-year-old rates with five-year-old rates for “preschool.” | Fiscal Year 2003–2004 market rates. Used preschool rate, before- and after-school rate, and a 10 percent discount for a second child. |
| Transportation | A single adult is assumed to own one car and two-adult families are assumed to have two cars. Does not include car payments. For private transportation costs, used insurance premiums in conjunction with the Federal Bureau of Labor Statistics’ consumer price index for vehicle expenses to determine the monthly costs of owning a vehicle. The auto insurance rates were calculated using the top market share company (Allstate) and then grouping into 21 categories. The premiums were collected assuming a 23-year-old female (with no traffic violations) and a married couple (also with no traffic violations). Assumed 12,000 miles of travel per year. | The calculations assume a \$250 car payment and that each family owns only one car. The premiums were based on 30-year-old adults with no children, 30-year-old adults with preschool children, and 35-year-old adults with school-age children. The premiums were collected using the Indiana minimum insurance requirements. |
| Taxes and Credits | Taxes include 2004 federal and state income tax, state sales tax, county tax rate, and county food and beverage tax, if applicable. Includes state and federal earned income tax credit, child tax credit, and childcare tax credit. | Taxes include 2004 federal and state income tax, state sales tax, county tax rate. Includes state and federal earned income tax credit, child tax credit, and childcare tax credit. |
| Other | Includes 10 percent of all other costs for telephone service, clothing, shoes, paper and cleaning products, diapers, etc. | Uses the 2002–03 Midwest Consumer Expenditure Survey, average expenditures by household reporting incomes between \$20,000 and \$29,000. Includes telephone service, television/cable, clothes, personal care items, cleaning supplies, etc. |

Source: Respective authors