

Californians for Economic Security & California Family Economic Self-Sufficiency Standard

The updated **2008 California Family Economic Self-Sufficiency Standard** helps policymakers make informed decisions that reflect the economic realities faced by California's working families

Rising Cost of Living Threatens Working Families

The 2008 California Family Economic Self-Sufficiency Standard reveals that the cost of meeting basic needs for a family comprised of one adult, one preschooler, and one school-age child has risen sharply since 2003:

- Cost of food is up 15%
- Child care costs have risen 31%
- Cost of health care grew by 36%

**Statewide median of 58 counties*

The recently updated 2008 *California Family Economic Self-Sufficiency Standard* (Self-Sufficiency Standard), released by *Californians for Economic Security (CFES)*, a project of the Insight Center for Community Economic Development, quantifies the costs of meeting the basic needs of California's working families. Calculated by Dr. Diana Pearce of the University of Washington, the *Self-Sufficiency Standard* is the only county-specific financial measure of its kind and is available for 156 different family compositions.

Addressing the Growing Income Expense Gap

The newly updated *Self-Sufficiency Standard* reveals that the Federal Poverty Level (FPL) covers only a fraction of the basic costs faced by

today's working families. Since 2003, the cost of food in California has risen 15% for a family with one adult and two children, while the cost of child care and health care has increased by 31% and 36%, respectively. Meanwhile, wages have remained stagnant, leaving more working families struggling to make ends meet.

The 2008 *Self-Sufficiency Standard* was updated to reflect these rising costs for all of California's 58 counties, making it the most accurate tool available to evaluate the economic health of working families. **Now more than ever, policymakers need an up-to-date and realistic measure to evaluate public programs. Given today's economy and California's fiscal crisis, every public dollar spent must be a dollar well spent.**

Self-Sufficiency Standard Up 43% in 5 Years

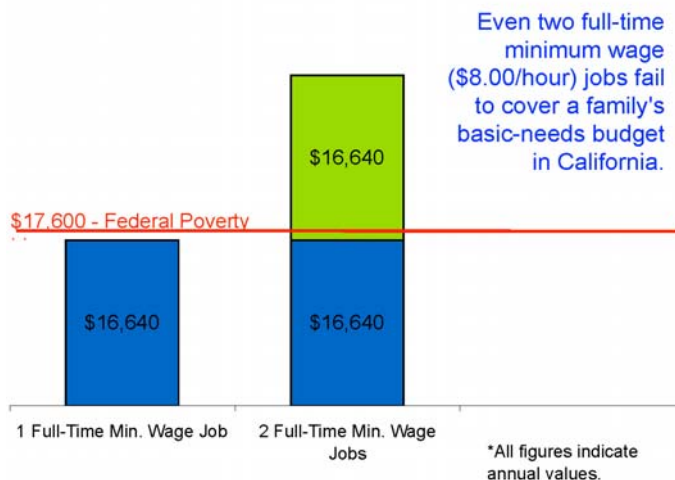
Due to the rising costs of basic items like food, housing, gas, health care, and child care over the last 5 years, California's working families now need much more income to make ends meet. **The Self-Sufficiency Standard reveals that since 2003, the median income needed for basic needs has risen 43% (from \$31,252 to \$44,768).¹**

Federal Poverty Level (FPL): A Measure of Income Inadequacy

The Federal Poverty Level (FPL) is commonly used to measure income adequacy and determine eligibility for many public programs. However, because the FPL falls below the *Self-Sufficiency*

Struggling to Make Ends Meet in California One Adult with One Preschooler and One School-age Child

\$44,768 - Statewide Median Self-Sufficiency Standard



¹ 43% median cost of living increase based on a family comprised of one adult, one preschooler, and one school-age child.

Standard, many families are caught in a policy gap – they earn too much to qualify for public programs, and yet do not earn enough to make ends meet. Moreover, the *Self Sufficiency Standard* shows that even with the recent increases in the California minimum wage, an adult with two young children would need at least two full-time jobs just to make ends meet.

Self-Sufficiency Standard & Effective Public Policy

Policymakers across the state and at all levels of government are using the *Self-Sufficiency Standard* to create responsible and effective public policy.

In 2003, former State Senator Richard Alarcón introduced **Senate Joint Resolution 15**, which challenged the State of California to develop a poverty index that corresponds with the *Self-Sufficiency Standard*. In 2007, the Los Angeles City Council passed a resolution in support of replacing the Federal Poverty Level with the more accurate and reliable *Self-Sufficiency Standard*. The coalition behind the *Self-Sufficiency Standard – Californians For Economic Security (CFES)* – was actively involved in drafting **S.B. 1639**, a bill that increased access to quality, language-specific education and training programs for low-income parents and foster youth in California. This bill was passed into law in 2004.

Locally, the Workforce Investment Boards of Sacramento, Long Beach, Pasadena, San Francisco, Santa Cruz, Contra Costa, Mendocino, San Bernardino, and Oakland have expanded their eligibility criteria for receiving intensive case management and training services to include workers with income levels up to the *Self-Sufficiency Standard*.

Having an accurate and realistic measure of working families' basic economic needs continues to be necessary as national and local policy debates intensify and resources become increasingly scarce. Although the long run goal is to replace the Federal Poverty Level with the *Self-Sufficiency Standard*, **the *Self-Sufficiency Standard* can immediately be used to more accurately examine the economic needs of California's working families.**

CFES – A Coalition for Change

Californians For Economic Security (CFES) is a statewide, research-driven initiative and part of a national effort to ensure that California's working families and retired elders have enough income to meet their most basic needs and move toward economic security. *CFES* is guided by a statewide steering committee and provides education, advocacy, and outreach to policymakers, advocates, foundations, and direct service providers. *CFES* is led by the Insight Center for Community Economic Development (formerly NEDLC), a national research, consulting, and legal organization based in Oakland, California.

Selected Steering Committee Members:

- California Association of Food Banks
- California Commission on the Status of Women
- California Partnership
- Community Action Partnership of Riverside County
- Community Services Planning Council, Sacramento
- Fresno County Economic Opportunities Commission (EOC)
- Lawyers' Committee for Civil Rights
- LIFETIME
- Mendocino County Health & Human Services Agency
- 9 to 5 National Association of Working Women
- Orange County United Way
- Parent Voices
- Sacramento Employment & Training Agency
- San Bernardino County Department of Workforce Development
- United Way of the Bay Area
- Women's Initiative for Self Employment

For more information on *CFES* or the *Self-Sufficiency Standard*, go to www.insightccd.org, or contact Jenny Chung or Susie Smith by phone at 510.251.2600, or email at jchung@insightccd.org or ssmith@insightccd.org.