



United Way of the Bay Area

STRUGGLING TO MAKE ENDS MEET IN THE BAY AREA

FINANCIAL SELF-SUFFICIENCY REPORT 2015

Acknowledgements: Report by Sonali Joshi and India Swearingen at United Way of the Bay Area with analysis from b3 consults principal Betsy Block and research support from the University of Washington Center for Women's Welfare in collaboration with Rise Together.

ABOUT UNITED WAY OF THE BAY AREA

United Way of the Bay Area is on a mission to end the cycle of poverty in the Bay Area. The organization harnesses the collective power of nonprofits, government, corporations, labor and thousands of individuals to create change through giving, advocating and volunteering. Every year, its programs—SparkPoint, Earn It! Keep It! Save It!, 211, MatchBridge and Community Schools—help more than 250,000 Bay Area residents. United Way of the Bay Area connects people to food and shelter, puts people back to work, brings tax dollars back to our community, helps youth succeed in school and in the workplace, and moves people towards financial stability. Founded in 1922, the organization serves Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo and Solano Counties. For more information, visit uwba.org.

ABOUT RISE TOGETHER

Rise Together is an initiative of more than 100 businesses, government agencies, community/faith-based organizations and nonprofits that are working together to cut Bay Area poverty in half by 2020. The Rise Together action plan focuses on three key drivers of financial success: basic needs, education and jobs, and addresses economically vulnerable young families, men and boys of color, immigrants, seniors and female-headed households. For more information, visit risetogetherbayarea.org.

ABOUT THE CENTER FOR WOMEN'S WELFARE

Under the direction of Dr. Diana Pearce, the University of Washington Center for Women's Welfare collaborates with a range of government, non-profit, women's, children's and community-based groups to address income inadequacy.





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EXECUTIVE SUMMARY

Though the Great Recession officially ended in June 2009, global income inequality is at an all-time high in 2015, and many Americans are still struggling to make ends meet. Despite an economy that is seemingly booming, 29% of San Francisco households—more than 657,000 families—were still living below the Self-Sufficiency Standard as of 2012. The Self-Sufficiency Standard measures the actual cost of living for different households of working age in each county, including housing, food, healthcare, taxes and child care.

United Way of the Bay Area is on a mission to break the cycle of poverty among Bay Area families by providing all individuals and families access to basic needs, education and jobs. We published the first edition of this Struggling to Make Ends Meet report in 2000 to call attention to the disturbing extent of poverty in our community and help identify solutions to the issue. This 2015 report includes updated, post-recession data, as well as a detailed analysis of the groups in our community who are struggling most and the top barriers they face in reaching financial self-sufficiency.

Through this analysis, three key findings emerged to help explain the more than 657,000 Bay Area households struggling despite the post-recession recovery:

- Wages of low-income workers are not keeping up with the rising cost of living.
- The support provided by public programs is inadequate.
- Low-income households are disproportionately affected by a variety of barriers that hinder their ability to reach self-sufficiency.

Additionally, we found that these five demographic groups are most likely to live below self-sufficiency in the Bay Area:

- Households with young children
- Households headed by a single mother
- Households headed by a man of color
- Households headed by a senior citizen
- Households headed by an immigrant

OTHER KEY FINDINGS FROM THIS REPORT INCLUDE:

Latino households struggle the most. More than half of Latino families live below self-sufficiency (54%), while only 19% of white families do. Latinos account for 32% of all households living below self-sufficiency in the Bay Area.

Low-income households are behind on education. In 42% of the households living below self-sufficiency, the head of household has a high school diploma or less. Twenty-four percent have at least a college degree. More than 80% of Latina and African American heads of household who live below self-sufficiency do not have a college degree.

Full-time employment isn't enough to make ends meet. Half of the heads of households who live below self-sufficiency (49%) work full-time, year-round, and 77% have at least one worker (including both full- and part-time).



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THE DIFFERENCE BETWEEN POVERTY AND SELF-SUFFICIENCY

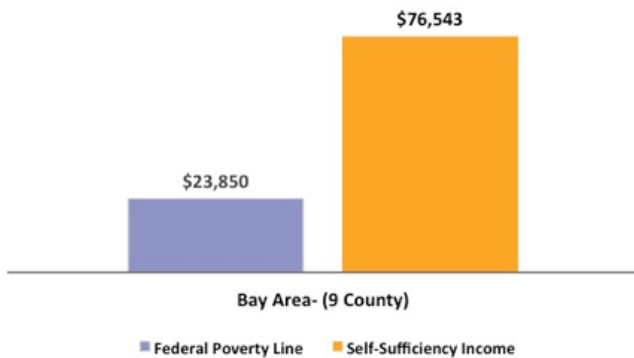
What does it mean to be living below self-sufficiency, as opposed to living in poverty? The Federal Poverty Level doesn't tell the whole story about who is struggling in the Bay Area because it's calculated using national averages. Because the cost of living in the Bay Area is so much higher than the national average, the Self-Sufficiency Standard developed by the Center for Women's Welfare is a much more accurate predictor of need than the Federal Poverty Level for California households.

For senior citizens, the Elder Index (created by Wider Opportunities for Women) is a more accurate predictor of need than the Federal Poverty Level, as it considers the specific income needs of those who are 65+ years old. The Elder Index is the only county-specific measure of the minimum income necessary to cover a retired adult's basic expenses.

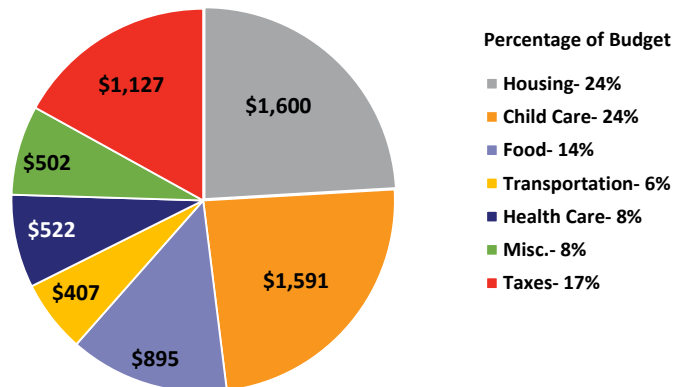
The Self-Sufficiency Standard and Elder Index both calculate a bare-bones budget based on estimated living costs for geographic areas at the county level. While the Federal Poverty Level is the same for a family of four in both New York and Nebraska, the Self-Sufficiency Standard and Elder Index take into consideration the large amount of variance in average expenses by region.

The Federal Poverty Level for a family of four is \$24,250 per year. But according to the Self-Sufficiency Standard, a San Francisco family with two adults and two children would need to earn more than three times that amount to cover all basic needs—\$79,092 annually.

2014 Annual Income Comparison
(2 adults, 2 children)



Average Monthly Expenses
for a Bay Area Family of 4



*For a family of four with two adults, one preschooler and one school-age child

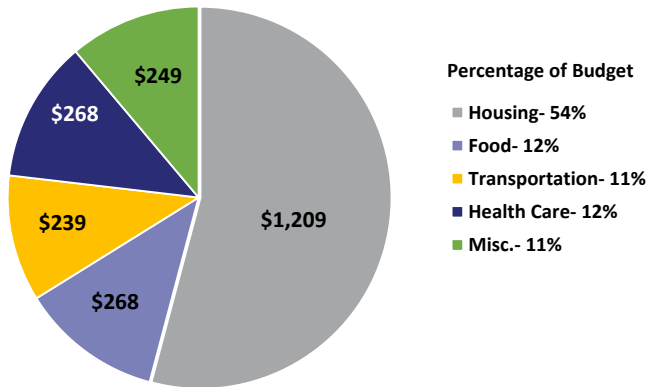


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The Federal Poverty Level for an individual is \$11,770. But according to the Elder Index, the minimum income necessary to cover a retired adult's basic expenses ranges from \$24,385 in Solano County to \$29,438 in San Mateo County.

It's clear that in the Bay Area, even families who are well above the Federal Poverty Level can be struggling significantly to pay for basic needs like food, housing and health care. The high cost of living in this region must be taken into account when measuring a family's ability to be financially self-sufficient.

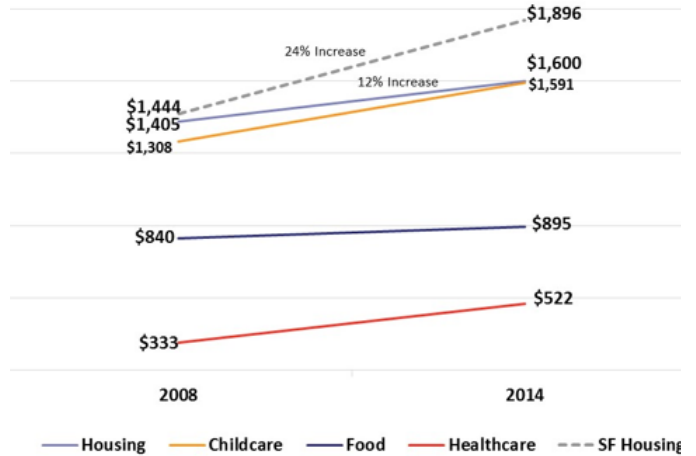
Average Monthly Expenses for a Bay Area Senior (no dependents)



THE COST OF LIVING HAS INCREASED SHARPLY

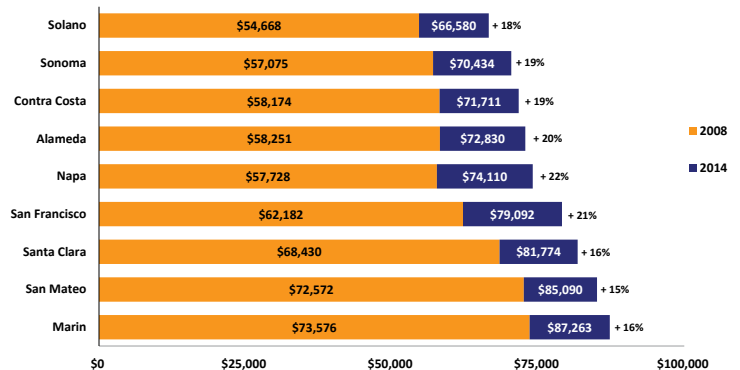
The San Francisco Bay Area has long been a pricey place to live. But as another technology boom began to take off around 2010, the cost of living shot up abruptly. San Francisco was disproportionately affected, with 24% increase in average housing costs since 2008—twice as high as the average increase across the Bay Area.

Monthly Change in Expenses for a Family of 4 (2 adults, 2 children)



Across the nine Bay Area counties, monthly expenses have increased by an average of 18% (equivalent to nearly \$1,200 per month) since 2008. Since then, Napa and San Francisco have experienced the greatest annual increase in living expenses, though Marin and San Mateo had the highest cost of living in the Bay Area in 2014.

Self Sufficiency for a Family of 4 (change from 2008)



WAGES AREN'T KEEPING UP WITH THE COST OF LIVING

Despite the radical increase in the cost of living over the last few years, wages have changed very little, leaving low-income workers struggling to pay for their basic needs. Between 2007 and 2012, the average middle- to high-income worker saw their average hourly wage increase by 16%, but those living below the Self-Sufficiency Standard saw an increase of just 7%.

Wages Have Increased More for Families Above the Standard Than Those Below

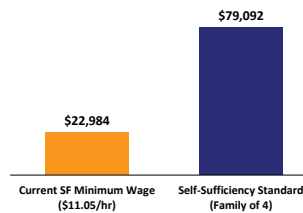


MAKING ENDS MEET REQUIRES 4 MINIMUM WAGE JOBS

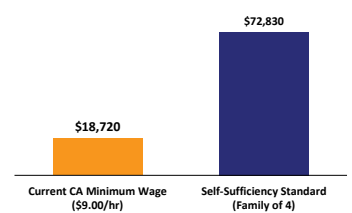
Of the 657,000+ Bay Area households living below self-sufficiency, 77% have at least one person who has worked during the year. But many low-wage workers are struggling to pay the bills even after working two or more full-time jobs because the cost of living has become so prohibitively expensive.

According to the Self-Sufficiency Standard, a San Francisco household with two adults, one preschooler and one school-age child would need to earn \$79,092 annually to cover the cost of basic needs. This would require four full-time minimum wage jobs at the 2015 rate of \$11.05 (or one job with an hourly rate of \$41). While San Francisco's vote to increase the minimum wage to \$15 by 2018 is a major win for low-income earners, this wage still falls short of the income most families need to live above the Self-Sufficiency Standard.

Making Ends Meet in San Francisco



Making Ends Meet in Alameda County



In Alameda County, a household with two adults, one preschooler and one school-age child would need to earn \$72,830 annually to cover the cost of basic needs. That would also require four full-time minimum wage jobs at Alameda's current rate of \$9 per hour. Note: beginning in March of 2015, Oakland's minimum wage will increase to \$12.25.



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PUBLIC ASSISTANCE ISN'T FILLING THE GAP

Seventy percent of struggling Bay Area households have incomes above the Federal Poverty Level, making them ineligible for public assistance, despite the gap between their earnings and the cost of the family's basic needs. For households that do qualify for and utilize programs like food stamps*, the amount of assistance provided still leaves them far from a self-sufficient income.

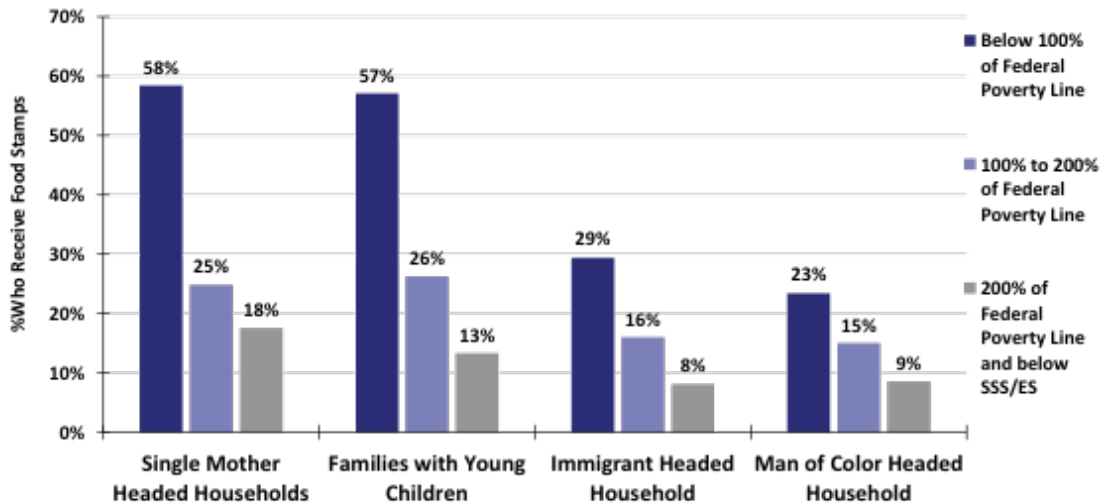
For example, a family of four can qualify for up to \$649 per month (or \$7,788 per year) in food stamps if they earn less than \$31,000 per year. But even with a total annual income of \$38,788, that family would still be more than \$40,000 short of the Self-Sufficiency Standard in San Francisco: \$79,092.

USE OF PUBLIC BENEFITS VARIES GREATLY BY HOUSEHOLD TYPE

Many of the residents with the greatest need for public benefits do not qualify for aid because of their immigration status. For example, the Supplemental Nutrition Assistance Program (SNAP), also known as food stamps, is available only to U.S. citizens (and eligible, lawfully-present non-citizens, such as refugees).

This is one of the reasons why households headed by immigrants use food stamps at about half the rate of families with young children. It is also possible that language proficiency and cultural stigmas influence the uptake of food stamps, but additional research is needed to understand why the usage of public assistance varies so greatly by household type.

Usage of SNAP (Food Stamps)



* Approximately two thirds of SNAP and about half of TANF use is reported. Poverty rates for all children are 2.2 percentage points lower with the under-reporting correction and are 3.5 percentage points lower for African-American children.



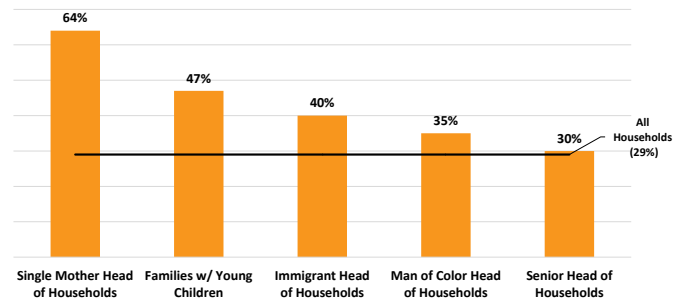
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THE FIVE CRITICAL POPULATION GROUPS

Because the five critical population groups we mentioned earlier are more likely to live below self-sufficiency compared to the average population, supporting these individuals is key to making progress in the fight against poverty. If our community can help two-thirds of these households, along with a small percentage of all other households in the Bay Area, it is possible to cut local poverty in half by 2020. The five critical population groups include:

- Households with young children
- Households headed by a single mother
- Households headed by a man of color
- Households headed by a senior citizen
- Households headed by an immigrant

Critical Populations Endure Poverty at Higher Rates than the General Population

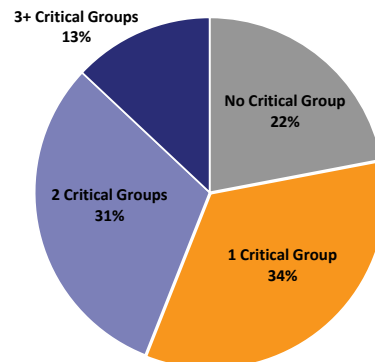


CRITICAL POPULATIONS OVERLAP

Creating an unduplicated count of each group and understanding the overlap between groups was an essential part of our analysis. To achieve an unduplicated count, a household is counted in the first population, and excluded from subsequent counts. Over three-quarters of all Bay Area households living below the Self-Sufficiency Standard fall into one or more critical population groups. The more critical population categories represented by a head of household, the more likely it is that the family lives below self-sufficiency. For example, households that represent three of the critical population groups (such as a household led by an immigrant single mother with a child under 5 years old) live below self-sufficiency at nearly twice the rate of households that only represent one critical population group. Other example include:

- 72% of men of color who are heads of household are also immigrants
- 32% of immigrants who are heads of household also have young children
- 47% of single mothers who are heads of household also have children under age five

77% of Those Living Below Self-Sufficiency Fall Into 1 or More Critical Population Groups





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CRITICAL POPULATIONS OVERLAP

Critical Population households that are...	% of duplication from the population on the left				
	Headed by Single Mother	Have Young Children	Headed by a Immigrant	Headed by a Man of Color	Headed by a Senior
Headed by Single Mother		47%	42%	N/A	1%
Have Young Children	27%		58%	40%	0%
Headed by a Immigrant	13%	32%		49%	10%
Headed by a Man of Color	N/A	32%	72%		9%
Headed by a Senior	1%	0%	32%	19%	

TOP BARRIERS TO SELF-SUFFICIENCY FOR THE 5 CRITICAL POPULATIONS

Each of the critical population groups experiences unique resource limitations and barriers to self-sufficiency. Three of the most common challenges include:

Achievement/opportunity gap in education: With the exception of senior heads of household, roughly half of all critical population group members who live below self-sufficiency have only a high school degree or less.

% of Critical Population households that have...	Headed by Single Mother	Have Young Children	Headed by Immigrant	Headed by Man of Color	Headed by Senior	Total Population Below SS
High School Diploma or Less	47%	50%	57%	55%	40%	43%
Some College or Associates	37%	30%	23%	26%	32%	33%
College Graduate and Above	16%	20%	20%	19%	28%	24%
Total	100%	100%	100%	100%	100%	100%

Low wages: Among all critical population group members who live below self-sufficiency, at least 80% have incomes that fall short of their Self-Sufficiency Standard by \$10,000 or more.

% of Critical Population households that make...	Headed by Single Mother	Have Young Children	Headed by Immigrant	Headed by Man of Color	Headed by Senior	Total Population Below SS
Less Than \$5,000	5%	6%	8%	9%	9%	11%
\$5,000 or More, Less Than	5%	5%	8%	9%	11%	11%
\$10,000 or More, Less Than	15%	10%	20%	22%	43%	24%
\$20,000 or More	75%	79%	64%	60%	37%	53%
Total	100%	100%	100%	100%	100%	100%



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TOP BARRIERS TO SELF-SUFFICIENCY FOR THE 5 CRITICAL POPULATIONS

Lack of citizenship and/or English fluency: With the exception of households headed by single mothers and seniors, critical population group householders who live below self-sufficiency face English language proficiency and citizenship challenges at high rates.

% of Critical Population households that...	Headed by Single Mother	Have Young Children	Headed by Immigrant	Headed by Man of Color	Headed by Senior	Total Population Below SS
Speak English Very Well	72%	60%	34%	48%	80%	68%
Speak English Less Than Very Well	28%	40%	66%	52%	20%	32%
Total	100%	100%	100%	100%	100%	100%
Have Citizenship	75%	62%	47%	58%	95%	75%
Do Not have Citizenship	25%	38%	53%	42%	5%	25%
Total	100%	100%	100%	100%	100%	100%

RACIAL BREAKDOWN OF CRITICAL POPULATION HOUSEHOLD TYPES

In the Bay Area, 54% of Latino households live below self-sufficiency, while 19% of white families do. In fact, Latinos account for 32% of all Bay Area households living below self-sufficiency. In four of the five critical population groups, Latinos are represented at the highest rate. While the Bay Area has a relatively small population of African Americans, this group lives below self-sufficiency at a rate of 41%, compared to 27% of Asians and 19% of whites.

% of Critical Population households that are...	Headed by Single Mother	Have Young Children	Headed by Immigrant	Headed by Man of Color	Headed by Senior	Total Population Below SS
Asian Pacific Islander	16%	21%	40%	37%	21%	31%
Black or African American	20%	8%	2%	9%	7%	10%
Latino	41%	50%	48%	53%	11%	23%
White	22%	20%	10%	N/A	60%	35%
Other	1%	1%	0%	1%	1%	1%
Total	100%	100%	100%	100%	100%	100%

A CLOSE LOOK AT THE CRITICAL POPULATIONS

HOUSEHOLDS HEADED BY A SINGLE MOTHER

While financial stability is a concern in many single-parent households, single moms experience financial hardship at the highest rate among the five critical population groups. Since 2007, the Bay Area has seen a 13% increase in the number of single mothers living below self-sufficiency. These households now live below self-sufficiency at more than twice the rate of the general population.



FEMALE HEADS OF HOUSEHOLD

- 47% have a high school diploma or less
- 75% are \$20,000 or more from being self-sufficient
- 1 in 4 struggle with English
- 61% are Black or Latino
- 64% of single mother-led households are not financially self-sufficient

Education and Language Barriers

- 47% of single-mother householders in the Bay Area have a high school diploma or less. Only 16% have a college degree.
- Language is a barrier for 28% of single mothers who live below self-sufficiency.

Single Mothers are the Farthest from Self-Sufficiency

- Nearly 75% of single-mother households have annual incomes that fall short of their Self-Sufficiency Standard by \$20,000 or more.
- Roughly 85% of single-mother households spend more than 30% of their income on housing, a key indicator of financial stress.
- 36% percent of single-mother households use CalFresh, California's Supplemental Nutrition Assistance Program (food stamps), representing the highest CalFresh participation among all five critical population groups.

HOUSEHOLDS WITH YOUNG CHILDREN



FAMILIES WITH YOUNG CHILDREN

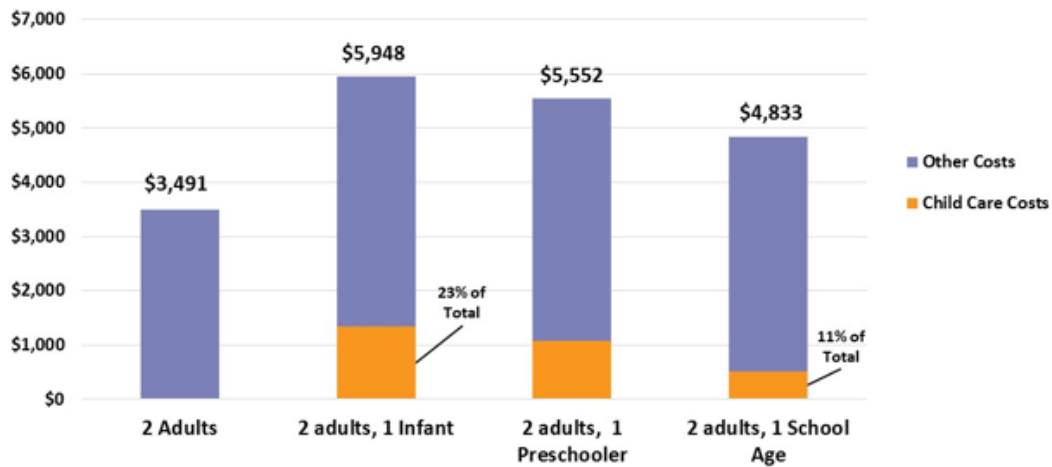
- 50% have a high school diploma or less
- 79% are \$20,000 or more from being self-sufficient
- 2 in 5 struggle with English
- 71% are Latino or Asian
- 47% of Bay Area households with children under five years old are not financially self-sufficient

HOUSEHOLDS WITH YOUNG CHILDREN

The costs associated with raising an infant are immense—a child under 5 years old adds over \$30,000 in annual expenses until he/she reaches school age. That alone would require the earnings of more than one full-time, minimum wage job. These costs are based on increased food and housing costs, as well as the cost of keeping a child in a licensed child care facility.

Across the Bay Area, child care expenses average \$1,340 for each month of a child’s infancy. For a family with two adults and one infant, child care costs account for 23% of the total household budget. Once that child reaches school age, average monthly expenses fall by more than half to \$517 per month, which accounts for 11% of the family budget.

Child Care Expenses Are Highest for Families with Infants



Education, Language and Citizenship Barriers

Latino households make up half of the Bay Area families with young children who live below self-sufficiency. The language, education and citizenship barriers faced by Latinos make it especially difficult for families to reach self-sufficiency:

- Half have a high-school diploma or less
- Nearly 40% speak English “less than very well”
- Nearly 38% are not citizens

HOUSEHOLDS HEADED BY A MAN OF COLOR

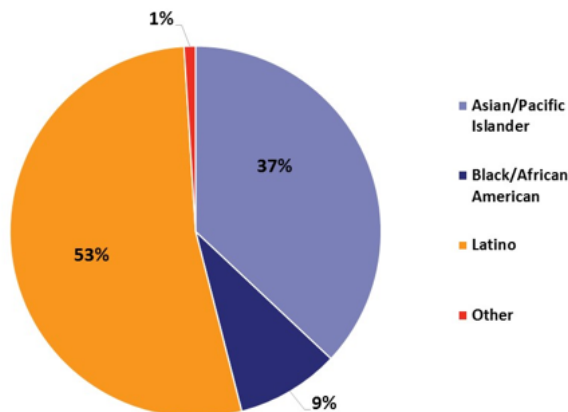
More than one-third of Bay Area households headed by a man of color are struggling to make ends meet. While Latino and Asian/Pacific Islander make up the majority of households led by men of color in the Bay Area, it is Latino and African-American-led households that live below self-sufficiency at the highest rate.



MEN AND BOYS OF COLOR

- 55% have a high school diploma or less
- 60% are \$20,000 or more from being self-sufficient
- 1 in 2 struggle with English
- 90% are Black or Latino
- 35% of households headed by men of color are not financially self-sufficient

% of Struggling Men of Color Headed Households



Education and Employment Barriers

- 47% of men-of-color householders work full-time, year-round, earning an average wage of \$14.86 per hour (roughly \$29,000 annually). Almost 80% are supporting at least one child, and 17% are single fathers.
- Black men without a high school diploma or equivalent are more likely to be found in prison (26% than working a regular job (19% unemployment rate in 2010).
- Men of color in the Bay Area have the highest unemployment rate amongst their counterparts. According to the Bureau of Labor Statistics, the unemployment rate for black men in San Francisco averaged 18% between 2009 and 2012, compared to 8% for white men.

Male-Headed Households are Undercounted

One of the challenges of analyzing male-headed households of color is the inability to measure those who are in foster care, incarcerated or in a marginal living situation that the Census is unable to capture at a household level. The California Department of Corrections and Rehabilitation offers the most recent look—in 2012, African Americans made up 30% of males in prison in California, and it is likely that many of these are living below self-sufficiency.

1 Neal, D. and Rick, Armin. (2014). The Prison Boom and the Lack of Black Progress after Smith and Welch. http://home.uchicago.edu/~arick/prs_boom_201309.pdf.

2 Waid, Miki. "Social Security Keeps Americans of All Ages out of Poverty: State-Level Estimates, 2010–2012". American Association for Retired Persons Public Policy Institute.

HOUSEHOLDS HEADED BY AN IMMIGRANT

Communities of color are especially likely to be living below self-sufficiency if the head of household was born outside of the United States. Currently, 40% of immigrant-headed households live below the Self-Sufficiency Standard.



IMMIGRANTS

- 57% have a high school diploma or less
- 64% are \$20,000 or more from being self-sufficient
- 2 in 3 struggle with English
- 90% are Latino or Asian
- 40% of immigrant-led households are not financially self-sufficient

Language, Citizenship, Employment and Education Barriers

- The income inadequacy amongst Asian/Pacific Islanders is likely associated with immigration and language barriers. Thirty-five percent of the Asian/Pacific Islander households living below self-sufficiency are linguistically isolated (meaning that no one in the house who is 14 years old or older speaks English only, or speaks English “very well.”) Twenty-seven percent of these heads of household lack citizenship.

2 Waid, Miki. “Social Security Keeps Americans of All Ages out of Poverty: State-Level Estimates, 2010–2012”. American Association for Retired Persons Public Policy Institute. http://www.aarp.org/content/dam/aarp/research/public_policy_institute/econ_sec/2014/social-security-keeps-americans-out-of-poverty-AARP-ppi-econ-sec.pdf

- Amongst Latino households living below self-sufficiency, 28% are linguistically isolated, and 52% of householders are not U.S. citizens. This indicates that citizenship status and the challenge of finding legal employment are major barriers that impede Latino families’ ability to reach self-sufficiency.
- Immigrant-led households utilize public benefits at about half the rate of non-immigrant led households, likely due to barriers of citizenship, language and culture.
- 40% of immigrant householders work full-time, year round, but the average wage is only \$13.68.
- 57% of immigrant householders have a high school degree or less, and only 20% have a college degree.

HOUSEHOLDS HEADED BY A SENIOR (AGE 65+)

As seniors age and exit the workforce, they spend a much greater portion of their income on basic necessities like housing and health care. Additionally, losing a spouse and outliving retirement benefits/savings can drastically hurt a senior’s ability to make ends meet .

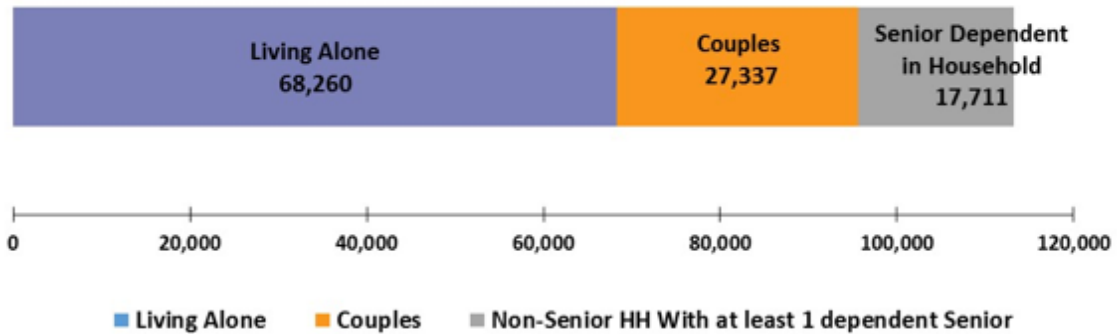


SENIORS

- 40% have a high school diploma or less
- 37% are \$20,000 or more from being self-sufficient
- 1 in 5 struggle with English
- 81% are White or Asian
- 30% of senior households are not financially self-sufficient

HOUSEHOLDS HEADED BY A SENIOR (AGE 65+)

Most Seniors that Struggle are Living Alone

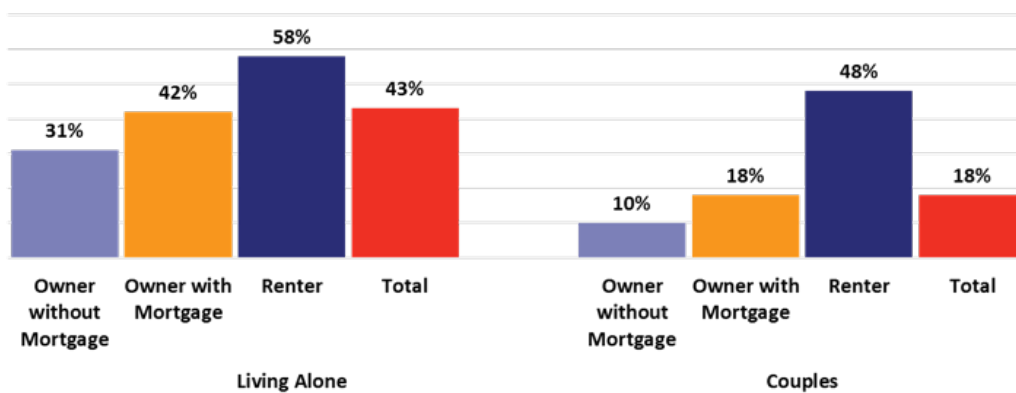


Income, Language and Housing-Related Barriers

- 95,597 seniors (30% of all senior households in the Bay Area) struggle to cover the cost of basic needs.
- For 83% of senior-led households, housing expenses account for more than 30% of their annual income—this is by far the biggest housing burden among all critical population groups.
- 21% of Bay Area seniors who live below self-sufficiency are Asian/Pacific Islander and 20% do not speak English fluently.

Seniors who live alone and seniors who rent their homes are the most likely to live below self-sufficiency. Bay Area seniors who fit both categories live below the Elder Index at a rate of 58%. That number falls to 48% for couples who rent, and to 10% for couples who own with no mortgage.

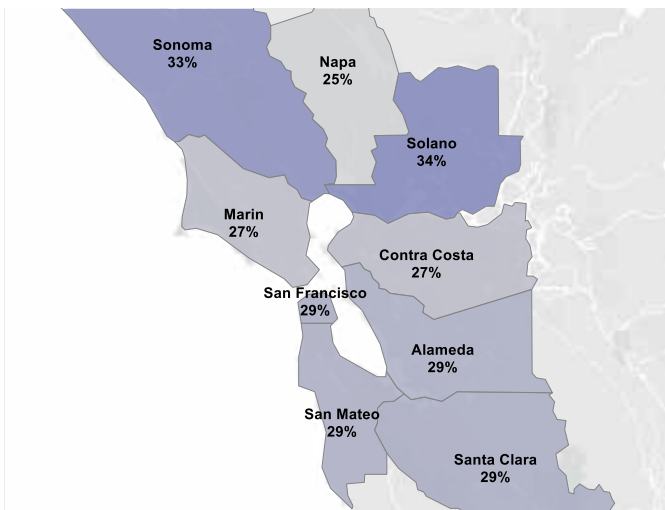
Seniors Who Rent and/or Live Alone are More at Risk



WHERE PEOPLE ARE STRUGGLING THE MOST

Since 2007, no county in the Bay Area has seen a decrease in the number of households living below self-sufficiency. More research is needed to fully understand why, but the failure of wages to keep up with the rising cost of living is certainly part of the reason.

Percentage of Residents Living Below Self-Sufficiency in Each County



Regional differences also vary by household composition. An examination of the percentage of households living below the Self-Sufficiency Standard in each county reveals that:

- Single-mother-led households fare best in San Francisco and Napa, and worst in San Mateo and Sonoma
- Families with young children fare best in San Francisco and worst in Sonoma
- Immigrant-led households fare best in Santa Clara and worst in Sonoma and Solano
- Households led by men of color fare best in Santa Clara and worst in Marin and Sonoma
- Senior-led households fare best in Marin and worst in San Francisco

Increase in Bay Area Households Living Below Self-Sufficiency, 2010-2012

Some counties have struggled more than others over the last few years. Between 2010 and 2012, Solano County saw the greatest increase in the percent of households living below self-sufficiency: 15%. Among all Bay Area counties, Solano also has the highest percentage of total households living below self-sufficiency: 34%.

	% of Households 2010	# of Households 2010	% of Households 2012	# of Households 2012	% Increase
Solano	29.0%	34,992	34.2%	40,002	15%
San Mateo	26.1%	60,279	29.0%	66,067	10%
Contra Costa	24.4%	78,069	26.9%	87,133	9%
Marin	25.2%	22,879	27.4%	24,349	8%
San Francisco	27.4%	78,937	29.0%	85,117	6%
Santa Clara	29.0%	156,494	29.2%	156,935	1%
Alameda	29.1%	137,826	28.8%	136,296	-1%
Sonoma	34.5%	55,607	32.7%	51,021	-6%
Napa	33.4%	14,085	25.6%	10,227	-31%
Total	28.7%	639,169	29.1%	657,147	2%



United Way of the Bay Area

WHERE DO WE GO FROM HERE?

Cutting Bay Area poverty in half by 2020 is an audacious goal. Thankfully, leaders of local nonprofits, government agencies and businesses of all sizes understand the importance of getting involved in this movement. More than 100 organizations have joined Rise Together, a cross-sector collaborative that's working to make this goal a reality.

Learn more and get involved at risetogetherbayarea.org.

Based on what we now know about the barriers to self-sufficiency faced by the five critical population groups, we're also calling on the Bay Area community to come together in support of the following four strategies to help more of our neighbors reach self-sufficiency.

1. CLOSE THE EDUCATION GAP WITH COMMUNITY SCHOOLS

Poverty and academic achievement are inextricably linked. Children who spend a year or more in poverty account for 38% of all children, but they account for 70% of all children who do not graduate from high school.

We can no longer rely on an education system that assumes that all children have the same support and resources outside of the classroom. Community Schools, which offer services like food pantries, dental care and parenting classes, are proving that we can help level the playing field by addressing student challenges that are often believed to be beyond the reach of schools. Educators, policymakers and social service organizations should continue to explore funding and partnership opportunities with Community Schools so that more of our children can get a quality education and be adequately prepared to succeed in college and in life.

2. PASS IMMIGRATION REFORM

The Public Policy Institute of California estimates that 563,000 undocumented immigrants are living in the San Francisco Bay Area. Unable to work legally, many of these workers are forced into low-wage jobs without benefits or paid sick time. Their legal status also makes them vulnerable to exploitation and wage theft, which can keep families trapped in a cycle of poverty.

Granting temporary work permits to undocumented immigrants would increase their earning potential and decrease their likelihood of experiencing unfair or unsafe working conditions. Additionally, allowing undocumented immigrants to acquire legal employment would increase tax revenue substantially, which could help support vital social safety net programs like food stamps and Medicare.





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3. RAISE THE MINIMUM WAGE

In November of 2014, San Francisco and Oakland residents voted to raise the minimum wage. The voter support rates in these cities of 76 and 80 percent, respectively, illustrate just how widely it is agreed that the rising cost of living in the Bay Area demands higher hourly wages. Other cities should follow the lead of San Francisco and Oakland by developing plans to transform their own local minimum wages into a living wage.

4. STRENGTHEN THE SAFETY NET

Roughly 70% of Bay Area households with incomes below the Self-Sufficiency Standard have incomes above the Federal Poverty Level. Most of these households are in a “policy gap,” with incomes too high (above the FPL) to qualify for most public assistance programs, but too low to adequately meet basic needs. While householders are unable to earn enough to meet the rising costs of basic living, they struggle to make ends meet without the aid of “safety net” programs.

The national poverty rate would be twice as high as it is now without the social safety net. While these programs cannot and should not be expected to offset the need for an economy that works for everyone, it is critical to have support in place for the 80% of Americans who will experience financial hardship at least once during their lives.

In February of 2014, the government enacted \$8.6 billion in cuts to the Supplemental Nutrition Assistance Program (SNAP). This was a huge step in the wrong direction—the recession may be over officially, but millions of families are still struggling to make ends meet. In the face of life events such as a job loss, divorce, disability or a new child, Americans need to be able to count on safety net programs that can help them get back on their feet. We must reform and invest in programs like SNAP, the Earned Income Tax Credit and Social Security if we are serious about cutting poverty.



To learn how you can get involved in the fight to end the cycle of poverty in the Bay Area, visit uwba.org and risetogetherbayarea.org to join our mailing list.

APPENDIX A: THE SELF-SUFFICIENCY STANDARD AND ELDER INDEX

The Self-Sufficiency Standard was developed to provide a more accurate, nuanced and up-to-date measure of income that is adequate for basic needs. The Self-Sufficiency Standard reflects the realities faced by today's working families such as child care and health care costs. The Standard uses available, credible data (routinely from federal government or national, non-partisan institutions) to calculate the bare-bones cost of living by family composition in each county. It does not include any restaurant or take-out food, savings, credit card or loan payments or emergency funds. The budget varies by household type e.g., a household with a preschooler has different child-care costs than one with two school-aged children.

The Self-Sufficiency Standard assumes that all adults (18 to 64) work to support their households and therefore incur work-related costs. Those whose householders report having a disability that prevents them from working are also excluded from the sample. For example, according to the 2011 Standard, a realistic budget to meet the basic needs for a family of four with two adults, one preschooler and one school-age child ranges from \$64,949 in Solano County to \$86,629 in Marin County. In contrast, the Federal Poverty Level for this same family is set, regardless of location, at \$22,350.

The Elder Index establishes the same measure of income for the basic needs of households led by adults over age 65. Similar to the Self-Sufficiency Standard, it looks at actual costs faced by today's elders, using available, credible data to calculate the cost of living for seniors in every county. The Elder Index is used nationwide at a county-by-county level. For example, according to the index, a realistic budget in 2011 to meet the needs of an elder couple who still has a mortgage ranges from \$40,910 in Solano County to \$49,488 in Marin County.



For detailed information on methodology, please refer to the Methodology Appendix: The Self-Sufficiency Standard for California 2014 at <http://www.insightcced.org/uploads/cfes/2014/MethodologyAppendix-2014.pdf>.

APPENDIX B: TECHNICAL DEFINITIONS OF CRITICAL POPULATION

The technical definitions for Critical Populations is as follows, based on both fields available through the American Community Survey Public Use Micro Sample files (ACS-PUMS) and fields calculated by the University of Washington Center for Women’s Welfare.

Single Mother Households: Single Mother Households refer to those family households where the head of household is a woman. The Household Type field in the Household level record with the value “Other family household: Female householder, no husband present.” This predominantly indicates family households that include children under 18, and a small percentage of family households that do not include children under 18.



Households with Young Children: In the dataset created for the University of Washington, they inspect all the person level records for a household and determine if, in the household, the age of the youngest child is less than 6 (or 5 and under). Based on this variable, a household is considered to have a young child.

Head of Household is Foreign Born: At the household level, the Census asks Nativity for the head of household – either US or Foreign Born. If the head of household is Foreign Born, the household is part of this group. This grouping does not take into consideration citizenship status.

Men & Boys of Color (Head of Household is a man of color): In the dataset created for the University of Washington, they calculate a combined race and ethnicity field to look at Hispanic households, alongside non-Hispanic African American, Asian/Pacific Islander, White and other. This variable refers to any household where the head of household is NOT White/Non-Hispanic.

Senior-led Households: A household where the head of household is 65 or older is included in senior-led households. As noted in the report, all households led by a senior use the Elder Index to calculate their economic security and only includes those households for which a budget exists – i.e. no more than 2 adults in a household, and no children are present. This represents the majority of senior-led households.

APPENDIX C: CRITICAL POPULATIONS ANALYSIS METHODOLOGY

The methodology for this report builds on the methodology for the Self-Sufficiency Standard developed by the University of Washington’s Center for Women’s Welfare. Detail on how this Standard is developed and used can be found at selfsufficiencystandard.org.

The major difference for this report is that for households where the head of household is 65 or older, the Elder Index is applied to only those households. (When UCLA calculates the Elder Index, it also looks at individual seniors in households led by non-seniors). To do this, the University of Washington created a unique data set for UWBA that additionally included seniors and UWBA applied the standard and calculated rates across both non-senior and senior households. This report is the first to attempt a holistic count including these two household types. The Self-Sufficiency Standard defines 152 different family types, and the elder-index has 6 types, resulting in a total of 158 family types with unique budgets for each county in California.

The American Community Survey for 2012 was used for this analysis, along with the Self-Sufficiency Standard for 2011 and the Elder Index for 2011. The standards were adjusted using the Consumer Price Index to adjust the budget thresholds to a 2012 amount.

KEY DEFINITIONS

Household (the sample unit for this study): one or more persons residing together in a housing unit, consisting of a family, unrelated individuals or both.

Householder: the adult in whose name the housing unit is rented or owned. When there are two or more owners/renters, the householder is the person who has designated themselves as such on the American Community Survey. Some characteristics of the householder, e.g., race/ethnicity, may not reflect the entire household.

Senior Household: the householder is aged 65 or older.

KEY ASSUMPTIONS

The sample unit for the study is the household, not the individual or the family. Some households do contain multiple families, or non-family members. Regardless of the composition of the household, the budget is applied assuming all members of the household share in income and expenses.

The Self-Sufficiency Standard assumes that the first two adult household members work and includes all their work-related costs (e.g., transportation, taxes, child care) in the calculation of expenses. Therefore, to be consistent, the population sample in this report excludes those household members not expected to work—that is, those who report having a disability that prevents them from working and/or those who are elderly are excluded, as is their income, when determining household size, household composition and total income. Individuals living in institutions, such as group homes, are also excluded.





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