

EMBARGOED UNTIL:  
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CONTACT  
Erin Fogg – 415.306.3103  
erin@kathleenrussell.com

Steve Burdo – 415.459.9211 x 25  
stephen@kathleenrussell.com

## L.A.'s Working Families Struggle to Make Ends Meet

### County-Specific Measure Proves as Costs Rise and Wages Stagnate, L.A. Families Cannot Meet Basic Needs

The updated *2008 California Family Economic Self-Sufficiency Standard* (Self-Sufficiency Standard) reveals that due to rising costs and stagnant wages, many working families in L.A. County and throughout the state are struggling to afford their most basic needs. An adult with a preschooler and a school-age child in Los Angeles County must work more than three full-time minimum wage jobs to make ends meet.

"Today, America's working families face rising prices of fuel, food, and the staples of daily life. Parents are being forced to choose between putting food on the table and filling up their gas tank - and local and national leaders must take action to tackle this challenge head-on," says L.A. Mayor Antonio Villaraigosa. "The Family Self-Sufficiency Standard gives us an up-to-date, realistic picture that reflects the basic costs of daily life, and it will help policymakers make informed decisions that benefit all of our families and lay the foundation for economic success in the future."

As a result of the rising cost of living, **the *Self-Sufficiency Standard* for Los Angeles County has increased by \$8,979 to \$51,371 a year for a family consisting of one adult, one preschooler, and one school-age child, while the minimum wage has increased by only \$2,600, leaving families well below what they need to make ends meet.** Together with stagnant wages and limited state resources, the rising cost of living has widened the gap between what many working families have and what they need to survive in Los Angeles and around the state.

The minimum wage, calculated at \$16,640 a year for a full-time job, leaves working families well below the threshold of what they must earn in order to meet their most basic needs.

The *Self-Sufficiency Standard* is based on the costs families face on a daily basis – housing, food, child care, health care, transportation, and other necessary basic costs – and is calculated for 156 different family compositions. Moreover, the *Self-Sufficiency Standard* uses geographically specific data to provide a county-specific measure of the true cost of living for working families. In contrast, the Federal Poverty Level (FPL), which is the more commonly-used measure for income adequacy, is a four-decade-old, one-size-fits-all measure based solely on the cost of the basic food budget needed to meet minimum nutritional requirements. Yet, the FPL is used to allocate state and federal resources to local communities and to determine income eligibility for many public programs. As a result, many families earn too much to qualify for public programs, and yet do not earn enough to make ends meet.

MORE

"The Self-Sufficiency Standard is critical to the growing movement to update the Federal Poverty Guidelines to a realistic standard that takes into account regional costs of living," says L.A. City Councilmember Richard Alarcón. "With more Californians struggling to make ends meet, we need accurate and reliable tools like the county-specific Self-Sufficiency Standard to help us build a California economy that works for everyone."

"Our communities are suffering due to a lack of well-paying jobs and rising costs," says Cathy Deppe, a teacher and organizer with 9to5, National Association of Working Women. "Everyday we see more and more families falling behind financially, and as a result, they are forced to make tough decisions on which essentials they can and cannot afford, leaving them between a rock and an economic hard place."

Calculated by Dr. Diana Pearce at the University of Washington, the *Self-Sufficiency Standard* is a peer-reviewed measure that accurately assesses the financial needs of California's working families. The *Self-Sufficiency Standard* methodology uses widely accepted and credible national and state data sources such as the U.S. Census Bureau and the U.S. Department of Housing and Urban Development (HUD). Geographically relevant data is used for each county in California, reflecting local market rates for items such as housing, food, health care, child care, and transportation.

"The *Self-Sufficiency Standard* is fact-based and completely customizable, making it ideal for use by policymakers, service providers, advocates, and families alike," says Jenny Chung of the Insight Center for Community Economic Development, a national research, consulting, and legal organization located in Oakland, CA. "This newly updated data provides an accurate tool that legislators can use to evaluate existing and future policy decisions, direct service providers can use to better evaluate their communities' unique needs and secure necessary funding, advocates can use to express their priorities, and families can use to plan for the future."

Tuesday's release will feature the newly updated data for every county in California. Data will be available online at [www.insightcced.org](http://www.insightcced.org).

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*Californians For Economic Security (CFES)* is a statewide, research-driven coalition dedicated to ensuring that California's working families and retired elders can live with dignity and economic well-being. A statewide steering committee guides the overall direction of and identifies policy priorities—drawn from the *Self-Sufficiency Standard* data—to help close the gap between families' income and the rising cost of living in California. CFES is part of a national effort organized by Washington, D.C.-based Wider Opportunities for Women (WOW) in 36 states.

*CFES* is a project of the Insight Center for Community Economic Development (formerly NEDLC), a 39-year old, national research, consulting, and legal organization dedicated to building economic health and opportunity in vulnerable communities. The Insight Center utilizes a wide array of community economic development strategies including: industry-focused workforce development, individual and community asset building, connecting early care and education to economic development, providing legal support to California's legal service programs and community-based organizations, and advocating for the adoption of the Self-Sufficiency Standard as a measure of income adequacy and an alternative to the Federal Poverty Level.

For more information on *CFES* or the *Self-Sufficiency Standard*, contact Jenny Chung by phone 510.206.3171 or 510.251.2600 x124, or email at [jchung@insightcced.org](mailto:jchung@insightcced.org).