

“I see one-third of a nation ill-housed, ill-clad, ill-nourished...

The test of our progress is not whether we add more to the abundance of those who have much; it is whether we provide enough for those who have too little.”

*Franklin Roosevelt's second inaugural speech, from January 20, 1937*

# “How Much is Enough in San Diego County?: Introducing Californians for Economic Security”

## San Diego Grantmakers Briefing

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**INSIGHT**

CENTER FOR COMMUNITY  
ECONOMIC DEVELOPMENT

# Presentation Overview

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- What is Insight Center and CFES?
- What's wrong with our current poverty measure?
- What does it really cost to live in San Diego? Introducing the Family & Elder Standards
- How have these tools been used?
- Expanding the Impact – Future Directions
- Discussion – Q&A

# Introduction

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Founded in 1969 as  
the *National Economic Development and Law  
Center, the **Insight Center for  
Community Economic Development*** is  
a national research, legal and consulting  
organization dedicated to building  
economic health and opportunity in  
vulnerable communities

# Introduction

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We work in collaboration with foundations, nonprofits, educational institutions and businesses to develop, strengthen and promote programs and public policy that:

- *Lead to good jobs*—jobs that pay enough to support a family, offer benefits and the opportunity to advance
- *Strengthen early care and education systems* so that children can thrive and parents can work or go to school
- Enable people and communities to *build financial and educational assets*

# Introduction

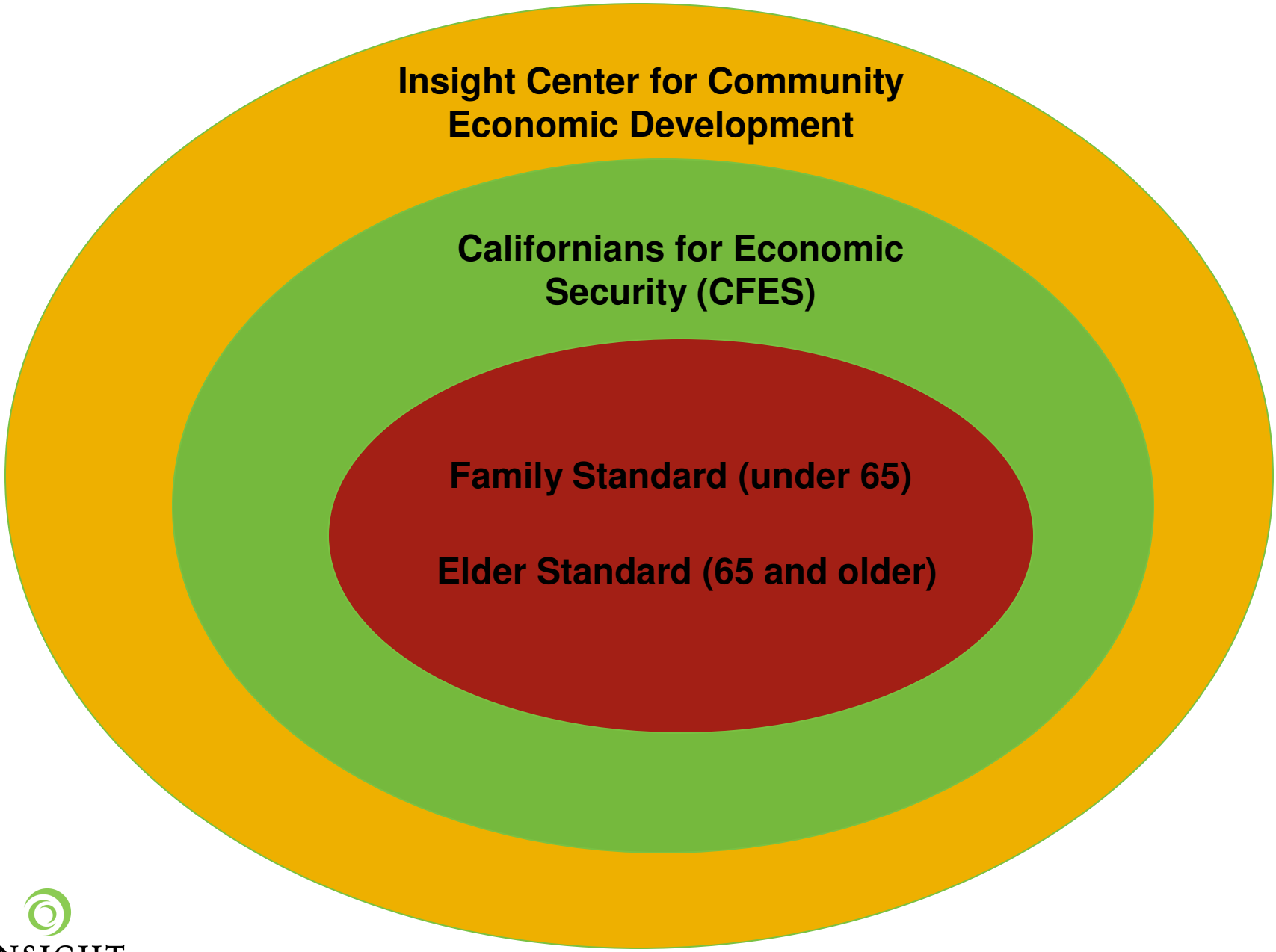
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## *CFES Vision:*

All Californians will be able to meet their basic needs and advance to economic security

## *CFES Mission:*

Catalyze a paradigm shift in the State of California to more accurately reflect the *real* needs of working families and retired seniors



# What Are the Issues We Address?

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- Californians on the edge
  - **Three out of ten families (over 3 million)** in California have incomes too low to pay for basic needs
    - About 22% in San Diego metro area
- Hourglass economy
  - Growing economic inequality – “rich getting richer, poor getting poorer”
- Policy Gap & Budget Woes
  - Where’s the safety net for low-wage workers?
  - Where’s the safety net for elders with little savings?

# CFES Strategies

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- **Grassroots/Ground up:**
  - Public education campaigns
  - Local Tools
    - Family Economic Self-Sufficiency Standard
    - Elder Economic Security Standard Index
    - Self-Sufficiency Calculator
  - Organizing, Coalition-building, Local Advisory Boards
  - Local policy and program change
- **Top Down:**
  - Policy Advocacy at state and federal level

# Who Supports Our Work?

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- Health Care Foundations
  - The California Endowment
  - The California Wellness Foundation
- Area Agencies on Aging
  - AIS
  - County & City of LA
  - Council on Aging – Silicon Valley
- Local & Community Foundations
  - United Way of the Bay Area
  - The California Community Foundation
  - Y&H Soda Foundation
  - Walter & Elise Haas Fund
  - San Francisco Foundation
- Others: The Women's Foundation of California, California Policy Research Center, Wider Opportunities for Women, UC-Program on Access to Care

*The national project is funded with generous support from the Retirement Research Foundation and The Atlantic Philanthropies.*

# Reasons for Diversity of Support

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- Demonstrate need to boards
- Provides planning tools for public agencies
- Enables foundations to evaluate impact of own grantmaking
- Define (more concretely) a framework embraced by many foundations (e.g. UWBA, Y&H Soda)
- Opportunity for deeper partnerships

# What's Wrong with our Current Poverty Measure?

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To understand where we are, we need to understand where we've come from...



# ***War on Poverty* required “hard” numbers...**

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- To measure progress required a standard methodology
- Number calculated as poor had to be high enough to demonstrate a problem
- But not so high as to be insurmountable



# The Federal Poverty Line

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- Developed in 1963-64, by Mollie Orshansky of the Social Security Administration
  - 1955 Food Survey = 1/3 of *after tax* income on food
  - USDA thrifty food plan (designed for temporary or emergency use) x 3 = poverty
- Varied by family size, but not age
- Same amount in every state

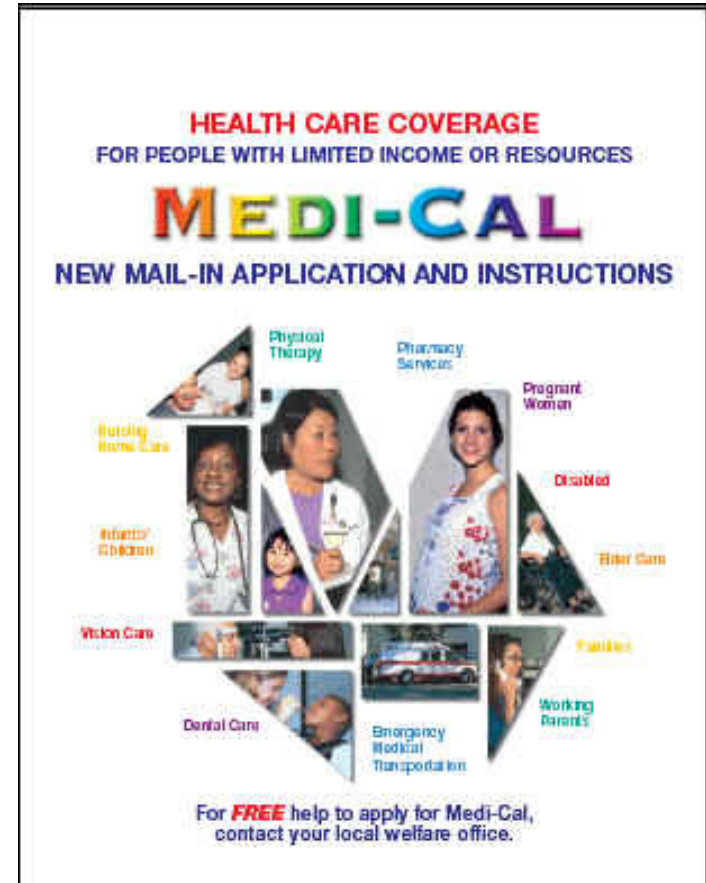
# Measure Now Widely Used

- To track trends
- Evaluate economic policy
- Discussed in presidential campaigns
- Implicitly, as a Yardstick to evaluate policies



# Eligibility & Public Funding

- Many public programs now use the poverty line for eligibility
- Funding to local areas is determined by population below poverty line



# Summary:

## Why We Need to Change

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- Based on 1950's consumption patterns
- Incorporates outdated and inadequate food measure
- Does not account for regional differences in cost of living
- Measure of deprivation, not stability
- The inflation adjustment (CPI)
  - Does not reflect costs experienced by elders
  - Does not reflect increased standard of living



# A New Way: Family and Elder Standards

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- National, statewide, and local data-driven coalitions to help families and seniors make ends meet
- Part of a national movement, with grass-roots component
- Guided by state and regional steering committees

# CA *Family* Economic Self-Sufficiency Standard

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- County-specific cost-of-living index for people under 65
- Income needed for housing, food, health care, child care, transportation, other basic needs
- 156 family types
- Based on public data sources
- Used by:
  - Policymakers
  - Direct service providers
  - Advocates
  - Labor unions
  - Foundations
  - Public agencies
  - Working families

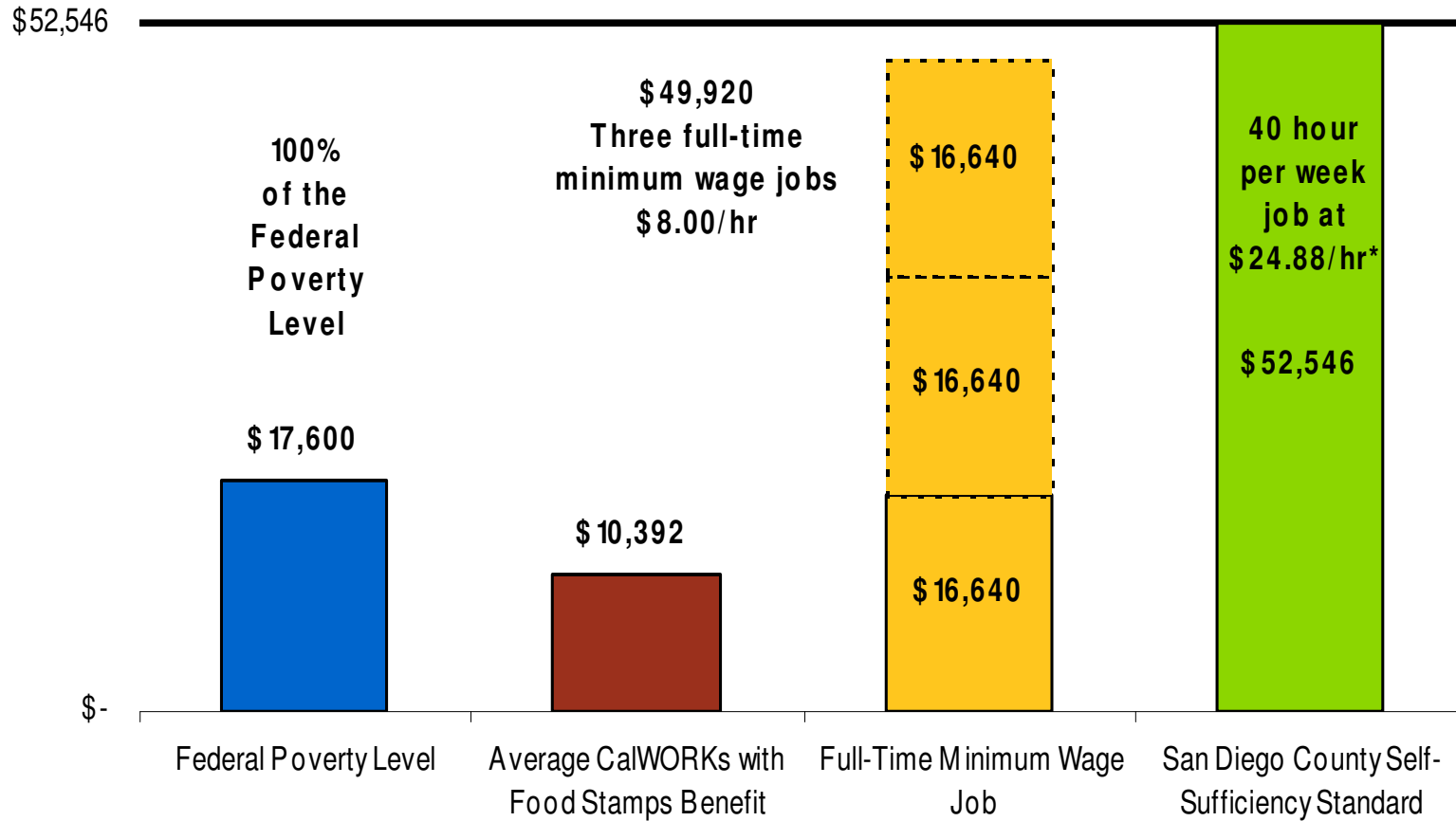


Item	Actual Monthly Cost
<b>Housing</b>	\$1355
<b>Child Care</b>	\$1142
<b>Food</b>	\$530
<b>Transportation</b>	\$242
<b>Health Care</b>	\$287
<b>Misc.</b>	\$356
<b>Taxes/credits</b>	+ \$733
<b>TOTAL Annual</b>	<b>\$52,546</b>
<b>Hourly Wage Needed</b>	<b>\$24.88/hour</b>

**San Diego  
Self-  
Sufficiency  
Standard:**  
adult +  
preschooler &  
schoolage child

# San Diego County (2008)

## One Adult with One Preschooler and One School-age Child



\* Note : The Self-Sufficiency Standard includes the net effect of the addition of the Child Care and Child Tax Credits and the subtraction of taxes.

# CA Elder Economic Security Standard Index

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- Builds on the work of the Family Economic Self-Sufficiency Standard
- County-specific cost-of-living index for retired people 65 and older
- Income needed for housing, food, health care, transportation, other basic needs
- Individual and Couple
- 3 Housing Types
- Based on public data sources

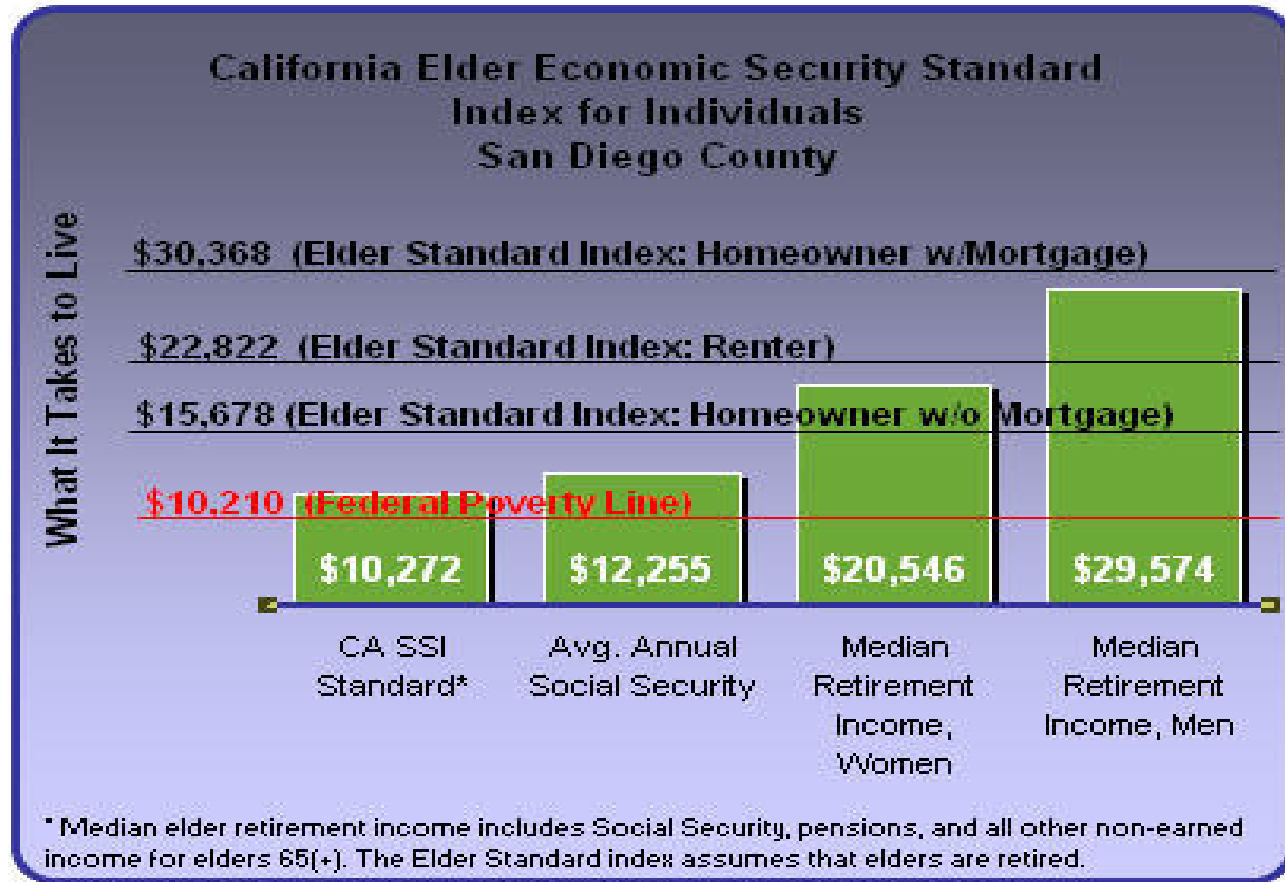


# Elder Standard Index

## San Diego and Humboldt Counties

Monthly Expenses	San Diego County		HUMBOLDT	
	Owner w/o Mortgage	Renter, One Bedroom	Owner w/o Mortgage	Renter, One Bedroom
Housing	\$398	\$993	\$368	\$551
Food	\$248	\$248	\$231	\$231
Transportation	\$202	\$202	\$202	\$202
Health Care = Good	\$241	\$241	\$378	\$378
Miscellaneous @ 20%	\$218	\$218	\$236	\$236
<b>Elder Standard Index Per Month</b>	<b>\$1,306</b>	<b>\$1,902</b>	<b>\$1,415</b>	<b>\$1,598</b>
<b>Elder Standard Index Per Year</b>	<b>\$15,678</b>	<b>\$22,822</b>	<b>\$16,985</b>	<b>\$19,176</b>

# San Diego Elder Standard vs. Other Benchmarks



# How the Standards Are Used

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- As a **counseling tool** for clients and students;
  - Chabot Community College (Hayward) and Berkeley City College use the Family Standard & Calculator with students who are receiving CalWORKs to help them find the benefits for which they are eligible
  - Intake/case management (e.g. Linkages program)
- As a **benchmarking tool** for client progress toward self-sufficiency;
  - Riverside Community Action Partnership and their local faith-based organization partners use the Family Standard to help families with short-term and long-term financial planning and budgeting

# How the Standards Are Used

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## As grantmakers...

- Demonstrate need to boards
- Build capacity of grant partners
- Evaluate impact of own grantmaking
- Define (more concretely) a framework embraced by many foundations (e.g. UWBA, Y&H Soda)
- Opportunity for deeper partnerships

# How the Standards Are Used

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- **As priority-setting criteria** for funding streams and program agendas;
  - United Way of the Bay Area has adopted the Self-Sufficiency Standard as a tool to prioritize and measure the effectiveness of funding strategies.
- **As eligibility criteria** for services
  - Workforce Investment Boards in Long Beach, Pasadena, and San Bernardino have adopted a self-sufficiency measure for service eligibility, which enables more low-wage workers to access training.

# How the Standards Are Used

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As a **budget & evaluation tool** for advocates and policymakers

- Make case to protect against cuts (e.g. LAO's office),
- Future funding to expand services,
- Proportional planning

As a **program development and planning tool**  
(e.g. Senior Community Centers)

- Develop new funds
- Show impact of current programs
- Proof of more families and seniors in need
- Get “credit” for people already serving

# Building the Movement: Expanding the Impact of CFES

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## Future Directions...

### 1. Statewide policy development

- Adopt these Standards to evaluate the impact of existing policies and measure economic needs of older adults California
- Promote savings and asset accumulation opportunities for younger workers
- Eliminate asset limits
- Housing – intergeneration links

# Building the Movement: Expanding the Impact of CFES

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## 2. Expand Southern California Coalitions

- Roll-Out Plan for SD (like LA already)
- Increase SD presence in statewide/nat'l work
- Build relationships with state and local leaders (e.g. Ducheny, Budget Committee Chair, Saldana)
- Pilot use in SD planning, evaluation

## 3. Unite family and elder economic security coalitions

## 4. Expand research

# The Continuum of Economic Security

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- **(1) Striving – Basic Needs Unmet**
  - Below Standard
- **(2) Surviving – Basic Needs Met**
  - At Standard
- **(3) Thriving – Basic Needs Exceeded**
  - Above Standard

# Contact Information

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For more information on CFES, contact:

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**Statewide average and county-specific Family and Elder Standards can found at:**

[www.insightcced.org](http://www.insightcced.org)