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Wider Opportunities for  
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California Hunger Action  
Coalition

## NEWS RELEASE

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## ***Basic Costs of Living Skyrocketing for Working Adults in California***

*New report finds that many workers need double the minimum wage to survive*

LOS ANGELES, CA -- According to a new study, the cost of living and working has risen dramatically all over California, putting the squeeze on low-wage workers in our state. The report reveals that in Los Angeles County, a single parent with a preschool-age child requires an hourly wage of over \$17 per hour -- \$35,977 per year -- just to pay for basic household needs.

Local, state and national leaders gathered in Los Angeles this morning to react to this new report and to discuss its implications for local working families. ***The Self-Sufficiency Standard for California for 2003***, released by the National Economic Development & Law Center (NEDLC), the California Hunger Action Coalition (CHAC) and Wider Opportunities for Women (WOW), calculates the minimum income required for California's working families to pay for child care, transportation, housing, health care, food, and taxes on a county-by-county basis, without any public or private subsidies. The Self-Sufficiency Standard for California was developed by Dr. Diana Pearce of the University of Washington in conjunction with WOW and NEDLC.

"More and more Californians are having a desperate time making ends meet. We need to focus on building a California economy that works for everyone. That's why this report is one of the most important documents for our state right now," said State Senator Richard Alarcón, one of the endorsers of the project. "It shows us how much a person needs to earn in order to pay for food, housing, transportation and other basic needs for themselves and their families. This information will help guide the state to create the types of jobs needed for all Californians to be self-sufficient."

Basic costs of living have increased up to 70% in San Francisco since 1996; in Sacramento, housing costs alone have increased 51% since 2000. The study finds that the income required to maintain a household at a bare-bones level far exceeds the income generated through a minimum wage job and the low-wages paid to many workers in the state—creating a dramatic divide between the have's and have not's in California.

"Unfortunately, many families do not earn self-sufficiency wages, particularly if they have recently entered the workforce," said Dr. Diana Pearce, the report's lead author. "They cannot afford their housing and food and child care, much less their other basic needs, forcing them to make painful choices between necessities, or to accept substandard or inadequate child care, insufficient food, or substandard housing."

A separate study released in June 2003 by NEDLC, WOW and the University of Washington found that three out of ten Los Angeles area households had incomes too low to pay for these basic needs. Even in families with a full-time, year round worker, more than one out of four households in California have incomes below economic self-sufficiency.

## Add One

Rebecca Lynn, a working parent, knows this hardship firsthand: "One month, I ended up having to use almost all of our food money in order to keep our gas and electric on, and knew that we'd be facing the same situation again the next month. That's when I found the local food bank. I found out that we made too much to qualify for Food Stamps but I was able to get food from a local food pantry for my family in a month where I had only \$100 to feed the four of us."

Situations like Rebecca's will be exacerbated by budget cuts at the state level, particularly with proposed rollbacks in food stamps, health care and welfare programs. "The state budget crisis is not the only one we need to worry about. Everyday, in millions of households across the state, there are parents sitting down to resolve their own budget crises. These crises have real human consequences that will only be exasperated if, in resolving the state budget crisis, our leaders do not proceed thoughtfully," said Jessica Bartholow of the California Hunger Action Coalition, one of the sponsors of the report.

Moving hard-working, California families towards economic self-sufficiency calls for a significant reinvestment in working families and communities across the state. "The solution will not be simple, but the first step starts with closing the 'policy gap' that fails to address the needs of working poor people in our state," says Tse Ming Tam of the National Economic Development & Law Center. "Low-wage workers need policies that increase their earnings -- such as investment in better wages, education and job training, as well as work supports like child care. Low-wage workers also need asset-building policies to help families save money so that the next generation will not have to endure another cycle of poverty."

"Many California families are truly operating 'in the red' -- even though they may be working full time, their wages are too low to catch up with rising costs," said State Assemblymember Paul Koretz of West Hollywood, another endorser of the report. "I know the Self-Sufficiency Standard is a powerful tool for change, and I hope to use it to benefit working families all over Southern California and our state."

Although the problem of skyrocketing costs is daunting in California, it is part of a nationwide epidemic that is leaving many working families behind. "We've seen this mismatch between what working families need to get by and what they can earn in the marketplace in now 35 states," said Maureen Golga of WOW. "We need to create a fair economy in California and across the country that ensures families who work hard are able, at minimum, to put a roof over their heads, feed their children, and provide for their family's safety and well-being."

The **National Economic Development and Law Center** (NEDLC), founded in 1969, is a national non-profit public interest group that specializes in community economic development. Since 2001, NEDLC has managed the Californians for Family Economic Self-Sufficiency (CFESS) coalition. CFESS is comprised of community-based organizations and agencies interested in promoting public policies and programs that help families move from poverty to economic self-sufficiency. For more information, go to [www.nedlc.org](http://www.nedlc.org).

**Wider Opportunities for Women** (WOW) is a 39 year-old national women's employment organization that works to achieve economic independence and equality of opportunity for women and girls. WOW leads the Family Economic Self-Sufficiency Project, which puts tools—such as the Self-Sufficiency Standard—in the hands of state and local advocates and policymakers in 35 states to improve programs and policies for low-income women. For more information, go to [www.WOWonline.org](http://www.WOWonline.org).

The **California Hunger Action Coalition** (CHAC) is a broad-based membership organization of food program providers, consumers, and anti-hunger advocates from throughout the state. United in their belief that access to adequate, nutritious and safe food is a fundamental human right, the coalition advocates for freedom from hunger for all Californians. For more information, go to [www.hungeraction.net](http://www.hungeraction.net).

At the release of this report, a broad coalition has come together to issue a call for reinvestment in California's families. The 40+ endorsers represent women, Latinos, labor unions, children's advocates, law enforcement, food banks and anti-hunger advocates from all over California. Senators Richard Alarcón, Gilbert Cedillo and Sheila J. Kuehl and Assemblymembers Judy Chu, Wilma Chan, Paul Koretz, John Laird and Sally Lieber have officially endorsed the report.

**NOTE:** *The Self-Sufficiency Standard for California for 2003* is available at [www.nedlc.org](http://www.nedlc.org), including county-specific tables.

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