

Press Release



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10-COUNTY REPORT REVEALS THREE FULL-TIME, MINIMUM-WAGE JOBS NEEDED FOR BAY AREA FAMILIES TO BE SELF-SUFFICIENT

***High School Dropouts Four-Times More Likely to Have Inadequate Income,
Compared to Those With College Education***

SAN FRANCISCO, December 8, 2009 – United Way's report, "Struggling to Make Ends Meet," released today, reinforces the plight of the Bay Area's working poor by revealing that local families require three full-time, minimum wage jobs to pay for basic necessities, when measured by the California Self-Sufficiency Standard. The report indicates higher education continues to be a key indicator to achieving self-sufficiency. Nearly 60% of 168,556 Bay Area households headed by someone who did not complete high school have incomes below the Standard, compared to 15% of householders with a Bachelor's degree or at least some college.

Based on the most recently available U.S. Census data from 2007, United Way's report, "Struggling to Make Ends Meet," shows that hard times preceded the recession for a significant number of Bay Area families. Even before the global economic crisis, having a job was not a guarantee of adequate income: 86% of Bay Area households with incomes below the Standard had at least one worker. In more than half (56%) of Bay Area households with incomes below the Self-Sufficiency Standard, the adult head of that household was employed full time, either part of the year or year round, and still did not earn enough income to make ends meet.

"This report raises important questions about how we can better serve the thousands of low-wage workers and families who were already struggling before the recession, whose situations are undoubtedly more precarious now," said Anne Wilson, CEO of United Way of the Bay Area. "While United Way continues to support programs that provide emergency food, rent and utility assistance, we are also working hard to build pathways out of poverty for hardworking families, to ensure they are not left behind in the economic recovery. Low-wage workers must have access to education and training opportunities that will enable them to earn higher wages, advance up career ladders, support their families, and contribute to our region's success over the long term."

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Other key findings from the report:

- Families headed by single women are almost two times more likely than two-parent households to have incomes below the Standard.
- Latino and African American households are disproportionately likely to have incomes below the Standard – 43% of Latino households and 38% of African American households in the Bay Area have insufficient incomes to meet their essential needs compared to 14% of White households.
- The largest groups of struggling householders are Latino (149,943) and White (146,608); however, Latinos are more than three times as likely as Whites to fall below the Standard, due to more limited access to high-paying jobs and career ladders.

“We know that traditional safety net approaches no longer even come close to addressing the challenges faced by low-wage families,” said Carole Leigh Hutton, president and CEO, United Way Silicon Valley. “Through programs like 2-1-1, Bank on California and Earn It! Keep It! Save It!, United Way is bringing together resources that empower low-wage workers and their families to become financially stable and independent.”

The Self-Sufficiency Standard, part of a state and national movement to reform the way poverty is measured and understood, calculates the actual cost of living on a county-by-county basis, using the costs of housing, food and shelter, as well as the work-related costs of transportation, child care and taxes. The Standard represents a basic-needs budget that excludes common expenditures, such as credit-card and loan payments, retirement savings and emergency expenses. It also assumes that all adults in the household work to support their families. In contrast to the Standard, the 40-year-old Federal Poverty Level, which identifies only 7% of Bay Area residents as “poor,” is based on the cost of food and does not take into account wide variations in the cost of living in different counties.

The full United Way report, “Struggling to Make Ends Meet,” which contains detailed information for Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Santa Cruz, Solano and Sonoma counties, is available at www.liveunitedca.org. The Bay Area report is based on a statewide report, “Overlooked and Undercounted 2009,” produced by the Center for Women’s Welfare of the University of Washington’s School of Social Work, under the direction of Diana Pearce, on behalf of United Way and Insight Center for Community Economic Development.

About United Ways of the Bay Area

The Bay Area region is served by United Way of the Bay Area, United Way Silicon Valley, United Way Santa Cruz and United Way of the Wine Country. The organizations help children achieve their potential, promote financial stability for low-wage adults and strive to improve health for everyone. United Way convenes partners across sectors, advocates for policy change, runs community programs, engages volunteers, and educates residents about the issues most vital to a resilient community. For more information, visit www.liveunitedca.org.

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