



PROMOTING FAMILY ECONOMIC SECURITY in the San Francisco Bay Area Region

A report prepared by the *Insight Center for Community Economic Development* on behalf of Rise Together Bay Area



ABOUT RISE TOGETHER BAY AREA

Rise Together Bay Area is a 10-year initiative to measurably cut poverty and grow prosperity for residents struggling to make ends meet in the 9-County San Francisco Bay Area region of California. Over 180 Rise Together partners across government, philanthropy, business, and nonprofit sectors are working collectively to implement the Roadmap to Cut Bay Area Poverty, which frames support for the economic and social mobility of vulnerable populations (including single mothers, young families, men and boys of color, immigrants and seniors) in their progress toward self-sufficiency through the key drivers of basic needs, education, jobs/economic and policy supports and strategies.

For more information, visit risetogetherbayarea.org.



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The Insight Center for Community Economic Development is a national research, consulting, and legal organization dedicated to building economic health and opportunity in vulnerable communities. The Insight Center recognizes that successful communities define themselves by their strengths, capabilities, and assets. We believe this way of thinking is the foundation of any successful community development strategy.

We build on this foundation in multiple ways, including: identifying and supporting economically productive community assets such as high quality early childhood; tailoring education and job-training policies and programs to align worker skills with the sectors that need them; supporting inclusive business practices; advocating for policies that encourage wealth building through removal of structural impediments; assembling networks of experts who recognize the value of both an income and asset-based perspective and can influence opinion and legislative action; and directly engaging the untapped human capital that has been bottled up, neglected or simply overlooked.

For more information, visit www.insightcced.org.



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For more information, visit diversity.berkeley.edu/haas-institute.



ABOUT APPLIED SURVEY RESEARCH

Applied Survey Research (ASR) is a non-profit, social research firm dedicated to helping people build better communities by collecting meaningful data, facilitating information-based planning and developing custom strategies. The firm was founded on the principle that community improvement, initiative sustainability and program success are closely tied to assessment of needs, evaluation of community goals and development of appropriate responses.



ACKNOWLEDGMENTS

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Other valued contributors to this work include Betsy Baum Block, Melanie Hopson, India Swearingen, Lyndsey Tu, Ann Mathieson, and Oscar Chavez.

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EXECUTIVE SUMMARY

INTRODUCTION

This report was commissioned by Rise Together Bay Area to move forward our ambitious goal of significantly increasing the number of Bay Area households living at or above the Self-Sufficiency Standard within a decade. The body of information contained herein is the result of research and analysis by the Insight Center for Community Economic Development and includes economic microsimulations from the Insight Center, mapping from the Haas Institute for a Fair and Inclusive Society, qualitative data gleaned from community convenings co-hosted by Rise Together Bay Area and its affiliates/key partners in each of the 9 Bay Area counties, and a targeted literature review by Applied Survey Research.

The findings and proposals in this report, which build on existing research and analysis, serve to document and articulate in new and compelling ways the extent to which our economy is out of balance in the Bay Area, the diversity and sharp inequity among struggling populations throughout the region, the clear need for a collective approach to meaningfully address such a complex problem, a set of strategies and policies with the potential to significantly increase Bay Area prosperity, and the urgency of a call to action. The report concludes with prioritized “Headline Strategies” from among a menu of proposed programmatic and policy directions, and further steps needed to “build out” the local and regional collective capacity of stakeholders and support implementation and shared measures of the progress of the Rise Together initiative.

Key Findings

- Poverty in the Bay Area is widespread. Populations whose success is critical if we are to share in broad regional prosperity (including female-headed households, young families, men and boys of color, immigrants and seniors) are disproportionately affected by economic insecurity.
- Prosperity is related to race and place. Mapping and community input illuminate the disparities in access to opportunity and stark economic inequities between communities of color living on the brink and affluent Bay Area neighborhoods. The critical populations mentioned above are unevenly distributed throughout the region and within subregions in the Bay Area, both between neighborhoods and “hidden” amidst affluent communities.
- Prosperity cannot be meaningfully addressed, built, and shared using official measures such as the Federal Poverty Thresholds. More realistic measures, such as the Self-Sufficiency Standard and Elder Economic Security Index, must be used to guide and measure the actions taken.
- Key drivers of success (basic needs, education and jobs/economy) are symbiotically entwined. There is no single strategy that will move large numbers of residents, particularly struggling populations, to economic security, especially within the timeframe of a decade or less.
- That said, there are strong indications that a comprehensive approach, employing a package of economic interventions that can be customized to build on the strengths of residents by both specific population needs and proximity to economic security, is likely to measurably increase shared prosperity in the Bay Area.
- **Specifically, our study documents that the combination of higher minimum wages, better education and more affordable housing could move almost 150,000 Bay Area households to or above the Self-Sufficiency Standard.**
- There are evidence-informed and effective strategies and policy efforts scattered across the Bay Area which, if expanded, could meaningfully increase the economic security and mobility of Bay Area individuals and families struggling to make ends meet.
- A menu of these services and policies, from which a set of “Headline Strategies” has been prioritized, is supported by criteria that helped Rise Together’s Steering Council understand and incorporate the interplay among and between strategies and policies in moving forward their pro-prosperity agenda.
- Further research is needed to document the additional strategies and policies that appear to fit with the initial package to be incorporated into Rise Together’s ongoing Action Plan to create expanded and sustainable levels of shared prosperity throughout the region.

Background

In 2010 United Way of the Bay Area published *Struggling to Make Ends Meet*, which documented poverty in the Bay Area and in particular, its impact on struggling populations. While economic insecurity was not new, the Great Recession, which ravaged the Bay Area (as well as the US and much of the world), lent a new sense of scope and urgency to the long-standing issue of poverty. In addition, there was a growing sense that a collective action/impact approach, involving multiple sectors and nontraditional partners, was needed to meaningfully address this complex social problem.

To that end, representatives of philanthropy, government, business and nonprofit sectors came together to form Rise Together Bay Area. In 2011, their founding Steering Council set forth a challenge: to cut Bay Area poverty in half in a decade or less. This admittedly audacious goal was grounded in data and scores of community conversations across the Bay Area, resulting in over 180 individuals and organizations formally endorsing the “Roadmap to Cut Bay Area Poverty,” which outlines the numbers and critical populations struggling to make ends meet, key drivers of success in moving individuals and families toward economic security, key metrics of progress and the importance of a social movement that moves public will and resources toward the goal of increasing prosperity for all.

Next Steps

A draft of this study was presented to the Rise Together Steering Council, whose members prioritized among proposed services and policies to develop a set of Headline Strategies. These strategies will be incorporated into Rise Together’s ongoing Action Plan, which calls for the formation of regional work groups and committees to promote, expand and measure the collective action of Rise Together and our partners toward our goal of increasing prosperity throughout the Bay Area. The Headline Strategies are:

- Raise the **minimum wage** to at least \$15 across the region and advocate for related supports such as minimum hours and set schedules.
- Enact a refundable **State Earned Income Tax Credit**.
- Fund universal, quality, affordable **child care and preschool**, both as a work support for the current workforce and as a developmental/education support for the success of our economy’s future workforce.
- Promote and expand **social enterprises** such as subsidized employment, especially focused on the **safe return/re-entry** of those formerly incarcerated to lead productive lives in their communities.
- Champion education strategies that lead to high school graduation and completion of college or post-secondary training in high-wage jobs, such as **linked learning** that supports career pathways and emphasizes not just access but support to sustain educational and vocational endeavors to completion.
- Focus on expanding the overall availability of **affordable housing stock**. In addition, promote **shared housing** and **rapid re-housing** as strategies that increase disposable income and stability for individuals and families, maintain the ability of seniors to age in place, and ensure that Bay Area communities remain diverse, vibrant and cohesive.

This study is intended for wide public use, and includes a Data Library and access to over 110 maps created for Rise Together. These data and tools can be used for program design, support for funding, developing local and regional strategies, and more deeply understanding and incorporating the relationships between race, place and economic/social mobility.

INTRODUCTION

BAY AREA ECONOMIC SECURITY

You would be hard-pressed to find many Bay Area residents who would disagree that our economy is out of balance, and that many people just cannot get ahead, no matter how hard they try. While our highly prosperous region creates wealth for a few, almost one in three households struggles not only to make ends meet, but even to attain the very basic needs of adequate food and housing. This unprecedented level of disparity and inequality moves us to ask, “What would the Bay Area be like if everyone had access to the abundance of resources located here?”

Rise Together Bay Area’s 19-member Steering Council, representing philanthropy, non-profits, government and business, has stepped up to support local efforts by establishing a regional framework to confront what is arguably the most urgent and critical social challenge of our time: helping at least 385,000 Bay Area households, currently not paid enough to sustain their families, to achieve their goal of economic security. This result demands nothing less than the transformative change—jobs, quality education, a strong safety net and policies that change the rules to restore the balance of our economy—that is only possible when a diverse coalition of influential and action-oriented community residents and leaders work collectively to ensure that we all have the opportunity to provide for those we love and set our kids on a path to a bright future.

As part of this work, Rise Together commissioned a study to help shape and guide our efforts to ensure opportunity for all Bay Area residents. Our study found that Bay Area families struggling to make ends meet lack economic security and that their wellbeing is strongly influenced by race and place. It realigns efforts to create a prosperous region in which all San Francisco Bay Area residents can have reliable, sustainable, fair and equitable pathways for accessing both the range of opportunities presently available and those emerging opportunities unfolding from the new economy.

This study draws on the work of three key institutions working on innovative solutions in the field: The Insight Center for Economic Development (Insight Center), The Haas Institute for a Fair and Inclusive Society (HIFIS), and the Urban Institute. Specifically, this research engages and builds upon the California Family Economic Security analysis from The Insight Center, Opportunity Mapping from HIFIS, policy microsimulation inspired by the Urban Institute’s TRIM3 research¹, a targeted literature review developed by Applied Survey Research (ASR), and hundreds of community voices comprising qualitative data to develop a menu of “Headline Strategies”² for Rise Together Bay Area.

This study, like others emerging from the field, takes a broader approach in its analysis by engaging a regional scope, using a series of critical indicators, and holding the findings and the goals to higher standards than those typically found in conventional poverty and economic development research. This approach, along with the work it draws upon, makes this study groundbreaking in its spatial, analytical, and aspirational elements.

By bringing together multiple approaches to understand the realities of the 9 counties comprising the Bay Area³, we have established a new understanding of “opportunity”⁴, and what opportunity means to key community constituents, in the region. Moreover, we expect that the work generated from this research will not only increase understanding of how the region’s prosperity can be more equitably accessible to a broader range of individuals, families, neighborhoods and communities, but also help show ways in which increased social and economic mobility in turn benefits the entire Bay Area as a regional economic engine of prosperity.

1 More information about the organizations and their work can be located at <http://www.insightcced.org/>, <http://diversity.berkeley.edu/haas-institute>, and <http://www.urban.org/>.

2 “Headline Strategies” refers to impactful programmatic and/or policy solutions that could have the greatest impact in the shortest time (3-6 years) for the largest numbers of critical populations identified by Rise Together. A menu of prospective “Headline Strategies” has been developed for this report, and is included in Section VI of this report.

3 Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma Counties

4 “Opportunity . . . includes the structures and environmental conditions which contribute to community stability and individual advancement, such as sustainable employment, high quality educational institutions and experiences, healthy and safe communities, stable and safe housing or health care. Expanding and maintaining access to opportunity means deliberately connecting people to the critical resources needed to excel and succeed in our society.” From “Can Opportunity Be Defined?” <http://kirwaninstitute.blogspot.com/2007/06/can-opportunity-be-defined.html>.

The narrative and analyses are presented in ways that can be accessible to a wide range of practitioners, policymakers, advocates, organizers, funders, elected officials, service providers and community members, including low-income residents seeking greater opportunity and mobility.

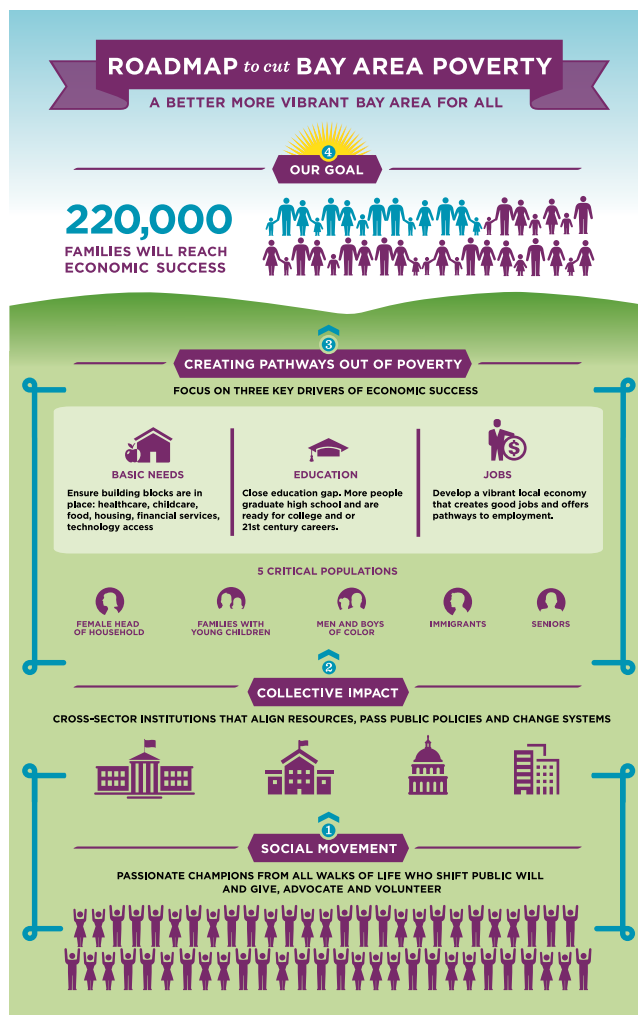
Rise Together Bay Area

In 2010, United Way of the Bay Area led a comprehensive research and community input process that resulted in the formation of a cross-sector, multi-county Steering Council that came together with the goal of identifying and implementing strategies that could support over 200,000 Bay Area households in achieving economic security by 2020.

This regional collective impact effort now includes over 180 organizational partners from throughout the Bay Area who believe that economic insecurity is unacceptable and who are working together to find and implement impactful solutions to this complex problem. Rise Together Bay Area (Rise Together) utilizes a “collective impact⁵” approach that is grounded in building strong coalitions that are both data- and community driven. This cross-sector approach actively engages business, philanthropy, government and non-profits within the region.

The Rise Together Bay Area Action Plan, laid out in the Roadmap to Cut Bay Area Poverty (Roadmap) outlines the basic steps the Rise Together Steering Council identified to create a better, more vibrant Bay Area for all.

This effort will require a broad social movement that includes passionate champions from all walks of life who can help shift political will and public opinion and to donate funds, advocate for and volunteer in these efforts.



Rise Together Bay Area’s collective impact approach engages individuals and organizations across sectors to align resources, promote anti-poverty/pro-prosperity public policies, scale effective programs and change systems.

These efforts are centered on three economic drivers and focused on five critical populations in the Bay Area. The three key drivers of economic success represent the fundamental and essential elements of economic security, the steps toward economic security and basic elements where public policy can intervene to support individuals and families. The five critical populations are struggling groups in our communities who have been structurally and systemically locked out of economic opportunity, in part due to exclusion or disconnection from the clusters of prosperity in various parts of the region.

Key Drivers of Economic Success

• Basic Needs

Family economic success requires addressing the basic building blocks of economic success. These include: food, housing, healthcare, child care, transportation, financial services and access to technology.

• Education

In order to increase family economic success, class and race-based educational achievement gaps must be closed; more people must graduate from high school and access opportunities to education and pathways

⁵ FSG defines collective impact as the commitment of a group of actors from different sectors to a common agenda for solving a complex social problem. This framework lays out five conditions that must be present for success: a common agenda, shared measurement, mutually reinforcing activities, continuous communication and backbone support. See <http://www.fsg.org/OurApproach/WhatIsCollectiveImpact.aspx>.

that prepare them for college and 21st century careers.

- **Jobs & Economy**

Family economic success also depends on a vibrant local economy that creates good jobs and offers pathways to employment.

Five Critical Populations

- Single female-headed households
- Families with young children
- Men and boys of color
- Immigrants
- Seniors

In the Bay Area we are fortunate to be home to an exceptionally robust civil society, represented by the wide range and numerous non-profit and community-based organizations working to address issues of economic security, with an innumerable set of approaches. There are rich histories, storied models, and long standing infrastructures and partnerships involving philanthropic foundations, the public and private sectors, community- and faith-based organizations, community engagement efforts, and social movements. The work of every partner organization engaged in Rise Together is critically important as a part of the network of entities working for equitable economic development.

At the same time, it has become increasingly clear that a very focused and coordinated regional approach to increasing economic security could catalyze and exponentially increase the chances to meaningfully and sustainably increase economic security in the Bay Area. Toward that end, and in order to identify and select a few, impactful “headline” strategies and align these rich and diverse efforts, Rise Together commissioned this study to ground its efforts in community involvement and shared measurement. Our study features an innovative, mixed methodological approach which allows for an approximation of findings in order to offer more specific and sustainable answers to the many complex questions regarding regional, coordinated, progressive efforts for economic security.

This report includes:

- An economic security **analysis** of the region focused on the five critical populations using the Self-Sufficiency Standard⁶ as the key measure of family economic security;
- Demographic and opportunity **maps** that provide a spatial guide to the location of opportunity, as defined by an opportunity index that takes into account 18 indicators (see Appendix B) of social and economic opportunity in the region; and
- A county-specific, qualitative section informed by community members and community advocates.
- Five **microsimulations** within the key drivers of economic success:
 1. Higher minimum wages
 2. Reducing renters’ housing cost burden⁷
 3. Increased educational attainment
 4. Transitional jobs
 5. A combined intervention package showing the cumulative effects of the four policy interventions listed above;
- A targeted **literature review** outlining impactful strategies that could, if scaled, measurably increase the number of individuals and families moving to economic security.
- A menu of prospective services and policies, drawn from this and other research, from which a set of **Headline Strategies** has been developed.

⁶ The Family Economic Self-Sufficiency Standard (Self-Sufficiency Standard) measures the minimum income necessary to cover all of a non-elderly (under 65 years old) individual or family’s basic expenses—housing, food, child care, healthcare, transportation, and taxes—without public or private assistance. The California Self-Sufficiency Standard is available for all 58 counties across the state as well as for 157 different family structures.

⁷ Housing Cost-burdened households are households paying more than 30% of their income for housing (US Department of Housing and Urban Development).

ECONOMIC SECURITY

ECONOMIC SECURITY IS...

Rise Together Bay Area is committed to supporting the social and economic mobility of the region's current residents and their efforts to stay in their communities, thereby improving the overall economic stability and prosperity of the Bay Area region. However, exponentially-rising housing costs, continued economic marginalization and inaccessibility of opportunity for many communities have had tragic and negative results for many Bay Area individuals and families.

Rise Together Bay Area understands that expanding access to prosperity in the Bay Area means creating pathways to access that prosperity by its residents, and making sure they are not forced to flee the region or relocate in areas in or outside the region with even less opportunity and/or institutional support.⁸ Toward that end, one shorter-term goal is to rapidly maximize the number of Bay Area households that can achieve at least a basic level of economic security. Specifically, this approach calls for addressing key factors currently preventing families and specific populations from achieving economic security in the Bay Area.

The key components of economic security are worth close consideration as we continue to improve the measures we use to define prosperity. **Economic security is⁹:**

- *Forward-looking, goal-oriented, and inclusive.* It measures a positive level of wellbeing that is aspirational.
- *Dependent on modern living structures.* It corresponds to the rise and fall of the cost of living.
- *Multi-dimensional and intergenerational.* It creates space for community members to live today, plan for tomorrow and build for future generations.
- *A combination of critical structural determinants of opportunity and economic wellbeing.* Health, education, employment, income and wealth are essential to achieving positive life outcomes.
- *Spatial.* Place matters. Neighborhoods high in opportunity structures can be assets, but they can also be a liability when residents are unable to access those opportunities.
- *Rooted in policy.* Policy choices shape opportunity and economic wellbeing.

These broad concepts create an umbrella under which we can gather the best of the collective and diverse efforts comprising Rise Together Bay Area organizations to better-articulate, align and address efforts to improve economic security in the Bay Area.

The general model of economic security used here goes beyond the official measures of poverty (i.e. Federal Poverty Thresholds and Guidelines)—which are commonly criticized as inadequate—and instead is based on a more accurate measure that captures a robust understanding of economic security informed by the work of Rise Together organizations as well as key scholars and practitioners leading national debates and policy around these issues. Therefore, we use the **Self-Sufficiency Standard** (the Standard), outlined below, as the measure of economic security of Bay Area households. With this broader, inclusive, and holistic approach we are better able to define—and achieve—meaningful economic security.

THE OFFICIAL MEASURE OF POVERTY

There are two official measures of poverty used by the federal government: Federal Poverty Thresholds and Federal Poverty Guidelines. The U.S. Census compares households' pre-tax cash income to the Federal Poverty Thresholds for each household type in order to calculate *poverty rates*.

The Federal Poverty *Guidelines* are a simplification of the Federal Poverty Thresholds and used to determine financial eligibility for a broad array of public programs. As a point of contrast throughout this report, we will refer to the Federal Poverty Guidelines (commonly referred to as the Federal Poverty Level or FPL).¹⁰

⁸ Kneebone, E. & A. Berube. (2013). "Confronting Suburban Poverty in America." Washington D.C.: The Brookings Institute Press.

⁹ Case, A. (2014, November). "Economic Security Is . . . : Evidence from many measures tells a common story about economic security." Paper presented at the ARNOVA Conference, Denver, CO.

¹⁰ For an analysis of poverty in the Bay Area, see Silicon Valley Institute for Regional Studies. (2015, March). "Poverty in the San Francisco Bay Area." <http://>

There is widespread agreement among researchers and others that the Federal Poverty Thresholds (Thresholds), which are the U.S. government’s official, primary measures for judging income adequacy in the United States, are inadequate.¹¹

Common critiques include:

- The federal government’s methodology for calculating the Federal Poverty Thresholds is outdated and insufficient, since it is based solely on 1950s spending patterns for food, without taking into account any other expenses.
- The Thresholds are very low when compared to median incomes and are not indexed to the cost of living. As a result, the Federal Poverty Thresholds which represented 50 percent of median income for a family of four in 1959, represented only 30 percent of median income for that same family in 2007.¹² In relative terms, the Thresholds have dramatically eroded over time.
- The Thresholds capture only pre-tax, cash income which means they do not enable policymakers or others to evaluate how public policy (i.e. the safety net, taxes, or tax credits) impacts poverty.
- The methodology does not reflect local variation in the cost of living or cost differences by family composition.

2014 Poverty Guidelines for the 48 Contiguous States and D.C.

Persons in Family/Household	Poverty Guideline
1	\$11,670
2	\$15,730
3	\$19,790
4	\$23,850
5	\$27,910
6	\$31,970
7	\$36,030
8	\$40,090

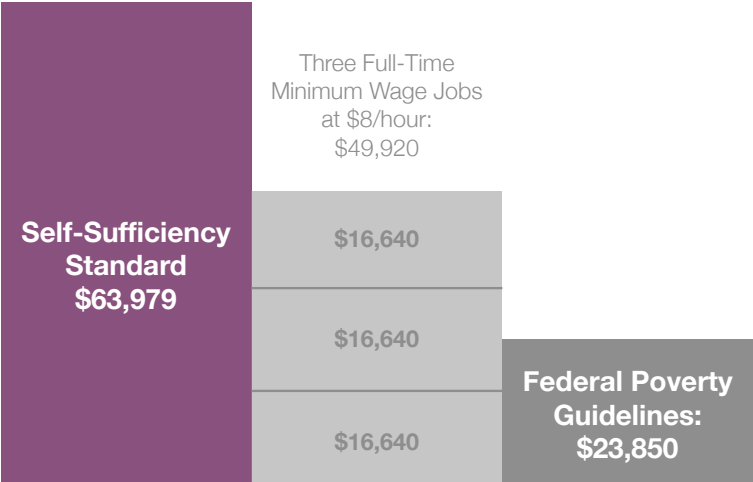
* For families/households with more than 8 persons, \$4,060 is added for each additional person.
Source: U.S. Department of Health and Human Services

MEASURING ECONOMIC SECURITY

Over the years, researchers, policymakers, advocates and others have developed a host of alternative metrics that measure poverty and/or economic security.¹³ As stated above, Rise Together uses the Self-Sufficiency Standard (the Standard) to measure the economic security of Bay Area households. The Standard is calculated for 37 states, Washington, D.C. and New York City. The Self-Sufficiency Standard for California uses publicly available data sources to calculate the income needed for working families to meet their basic needs in every county in California and for 156 family types. The Standard is based on a basic needs budget that includes the cost of housing, food, healthcare, child care, transportation and taxes.¹⁴

According to the most recent Self-Sufficiency Standard for California (2014), the average income required by a family of four (two parents with a preschooler and a school-age child) to cover their basic expenses in the Bay Area is \$76,543. This is almost \$12,000 more than the average for the state (just under \$64,000 a year)

Average 2014 California Self-Sufficiency Standard
Two Adults with One Preschooler & One School-age Child



www.jointventure.org/images/stories/pdf/poverty-brief-2015-03.pdf.
11 In recognition of the limitations of the official poverty measure the U.S. Census recently released a Supplemental Poverty Measures (SPM) and calculated new national and state level poverty rates using an improved methodology. The SPM is based on recommendations made by an elite panel of researchers and measurement experts who were appointed by the National Academy of Sciences at the request of Congress in the mid-nineties. The SPM, however, is not yet used for determining eligibility for public programs or federal funding formulas to localities.
12 The Center for American Progress Task Force on Poverty. (2007). "From Poverty to Prosperity: A National Strategy to Cut Poverty in Half." Washington, D.C.: Center for American Progress. http://www.americanprogress.org/wp-content/uploads/issues/2007/04/pdf/poverty_report.pdf.
13 See Kent, A. (2013). "Measuring Up: Aspirations for Economic Security in the 21st Century." Oakland, CA: Insight Center for Community Economic Development. http://www.insightcced.org/uploads/besa/Insight_MeasuringUp_FullReport_Web.pdf
14 See Pearce, D. (2011). "The Self-Sufficiency Standard for California 2011." Seattle, WA: The Center for Women’s Welfare. School of Social Work, University of Washington. <http://www.selfsufficiencystandard.org>

and equivalent to *four full-time minimum wage jobs*.¹⁵

CRITICAL POPULATIONS AND ECONOMIC SECURITY

The Bay Area is a prosperous region, known for its dynamic tech industry and diverse economic vitality. It is also known for its disproportionately high cost of living. As a result of the high cost of living, almost 30% of all households in the Bay Area struggle to meet their basic needs.

While a broad array of Bay Area residents have been affected by tough economic times, there are groups of people who are systemically and disproportionately locked out of economic security due to societal, institutional and social marginalization. Rise Together Bay Area has identified five of these “critical populations” as priority groups for its economic security efforts: female-headed households, families with young children, men and boys of color, immigrants and seniors.¹⁶ These are groups who face disproportionate threats to their economic wellbeing. Their economic security must be addressed in order to not only support individuals, families and communities facing dire circumstances but in order to achieve broader stability and prosperity for the region as a whole. It benefits us all to ensure that prosperity is shared, inclusive and equitable.



For each of the critical populations, we measured the “distance” of their households from economic security in three increments: within \$10,000 of the Self-Sufficiency Standard, between \$10,000 and \$20,000 away from the Standard, and \$20,000 or more from the Standard. The pictographs in each section below show the proportion of households of each of the critical population falling at different “distances” from the Standard threshold for economic security. Households \$10,000 or less below the Standard are faring best among those who are economically insecure. Another group falls between \$10,000 and \$20,000 below the Standard. Households at \$20,000 or more below the Standard are struggling the most to make ends meet.¹⁷

¹⁵ See Insight Center for Community Economic Development. <http://www.insightcced.org/communities/besa/besa-ca/ca-sss.html>.

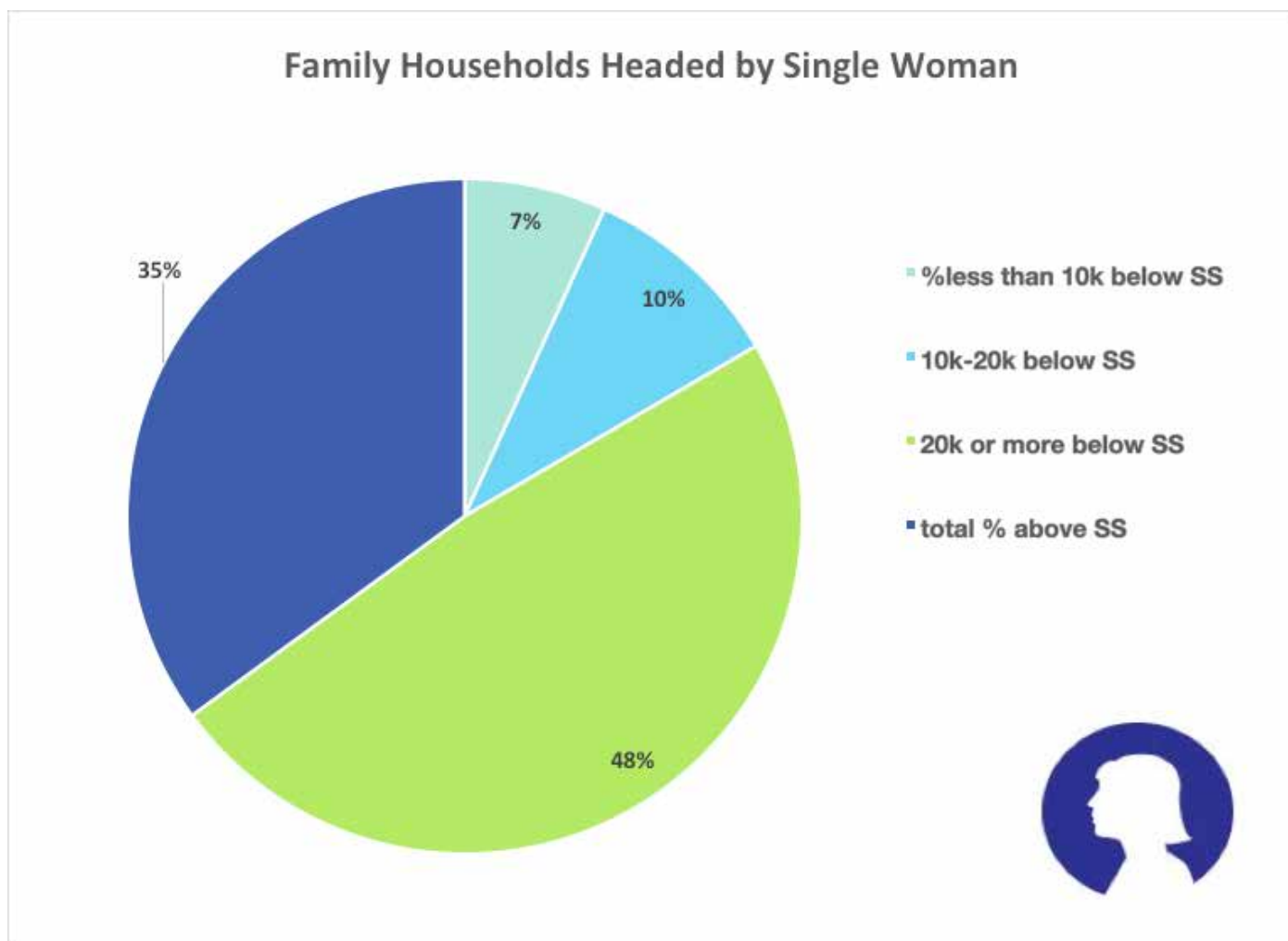
¹⁶ Please note that these categories are not mutually exclusive. For definitions of the critical populations and how these were defined for later sections of this report, see Appendix A.

¹⁷ Note that in this section, demographic maps which spatially depict percentages of critical populations living below the Standard are also displayed. There is an explanation of the mapping included in this report, along with additional examples of available maps, in the following section.

Single Female-Headed Households

The chart above illuminates an immediately alarming statistic: 2 out of 3 female-headed households in the Bay Area fall below the Standard, and almost half of households headed by single females fall at least \$20,000 below the Standard, the furthest from economic security. Households with children, regardless of the head of household, face acute economic stressors and responsibilities. The disproportionate impact is clearly represented here among single female-headed households.

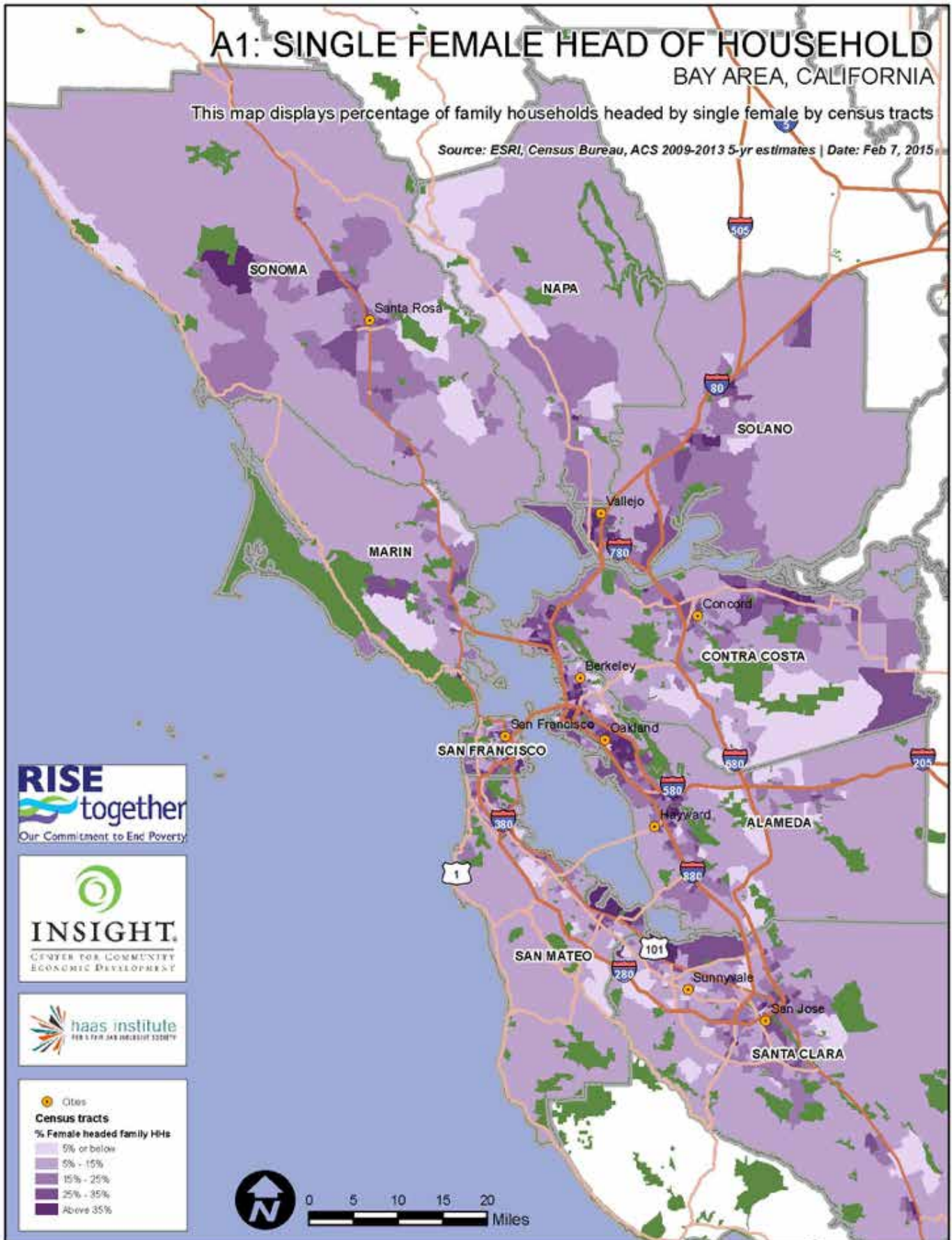
Map A1 shows concentrations of single female-headed households throughout the Bay Area.



A1: SINGLE FEMALE HEAD OF HOUSEHOLD BAY AREA, CALIFORNIA

This map displays percentage of family households headed by single female by census tracts

Source: ESRI, Census Bureau, ACS 2009-2013 5-yr estimates | Date: Feb 7, 2015



RISE
together
Our Commitment to End Poverty

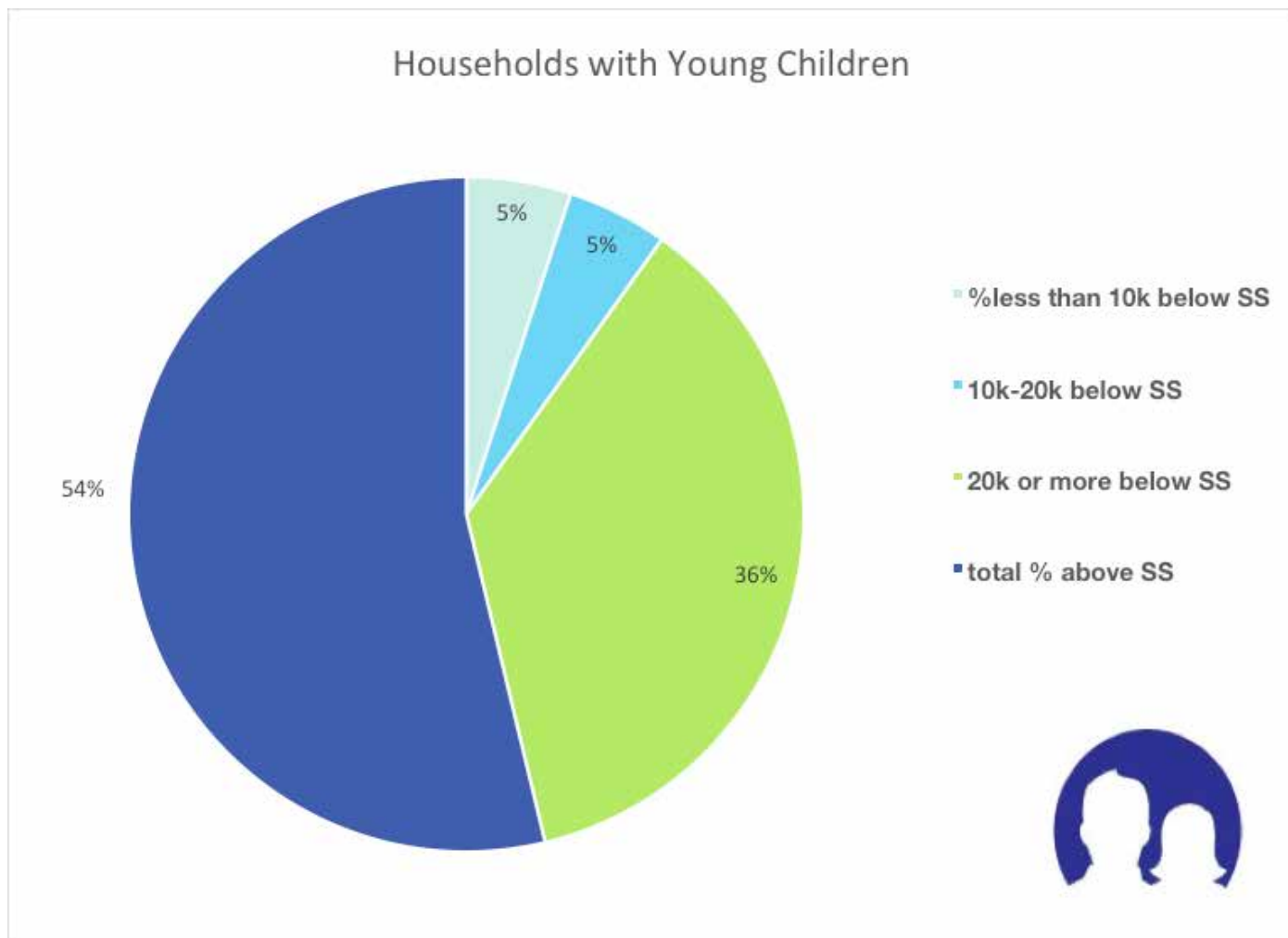
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Families with Young Children

Among the critical populations, single female-headed households and households with young children struggle the most. Almost half of all households with young children fall below the threshold for economic security. As a point of reference, the Federal Poverty Guidelines for a family of 4 is \$52,693 below the Standard for a family comprised of 2 adults, a preschooler, and a school-age child. One out of ten households with young children falls within \$20,000 of the Standard (5% fall within \$10,000 and 5% fall between \$10,000 and \$20,000). Yet, as with single female-headed households, the largest concentration—36%—of households with young children are concentrated at \$20,000 or more from the Standard. Only about half (54%) of households with young children in the Bay Area have economic security.

Map B1 shows concentrations of households with young children throughout the Bay Area.

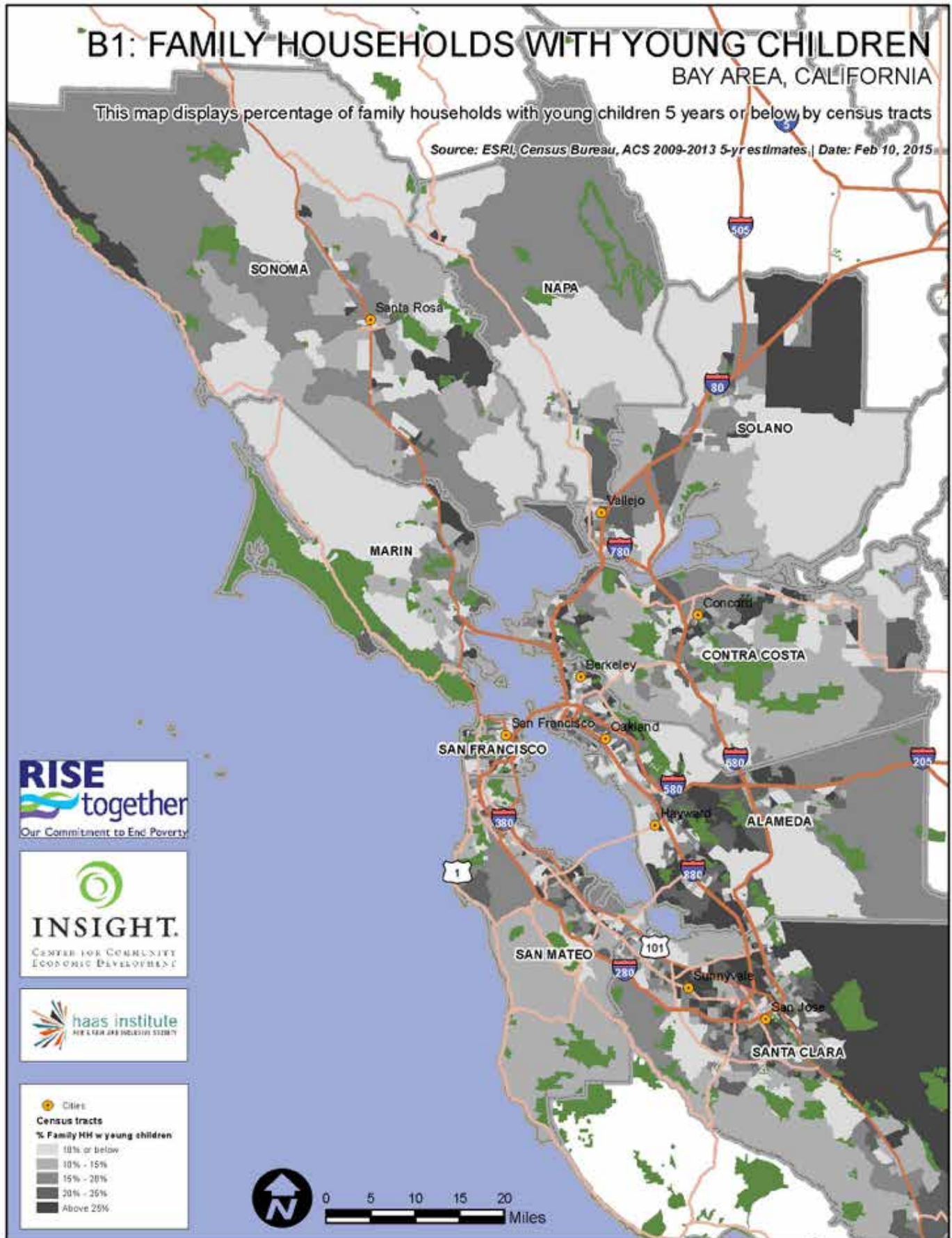


B1: FAMILY HOUSEHOLDS WITH YOUNG CHILDREN

BAY AREA, CALIFORNIA

This map displays percentage of family households with young children 5 years or below by census tracts

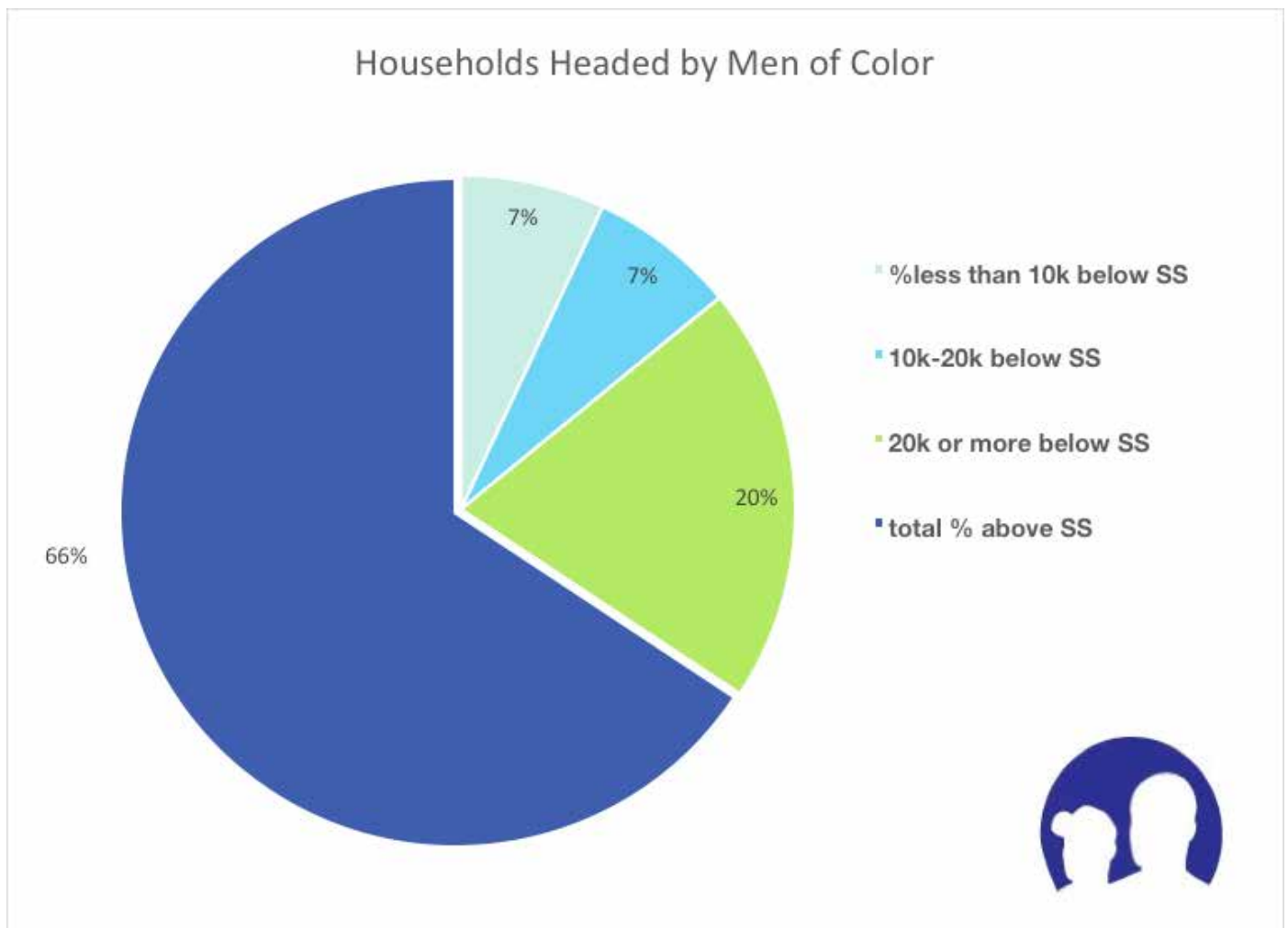
Source: ESRI, Census Bureau, ACS 2009-2013 5-yr estimates | Date: Feb 10, 2015



Households Headed by a Man of Color

One-third of households headed by men of color are also struggling to make ends meet. Seven percent of these households are within \$10,000 of the standard and another 7% are between \$10,000 and \$20,000, but one out of five of these households are over \$20,000 from the Standard. Only two-thirds of households headed by men of color have economic security.

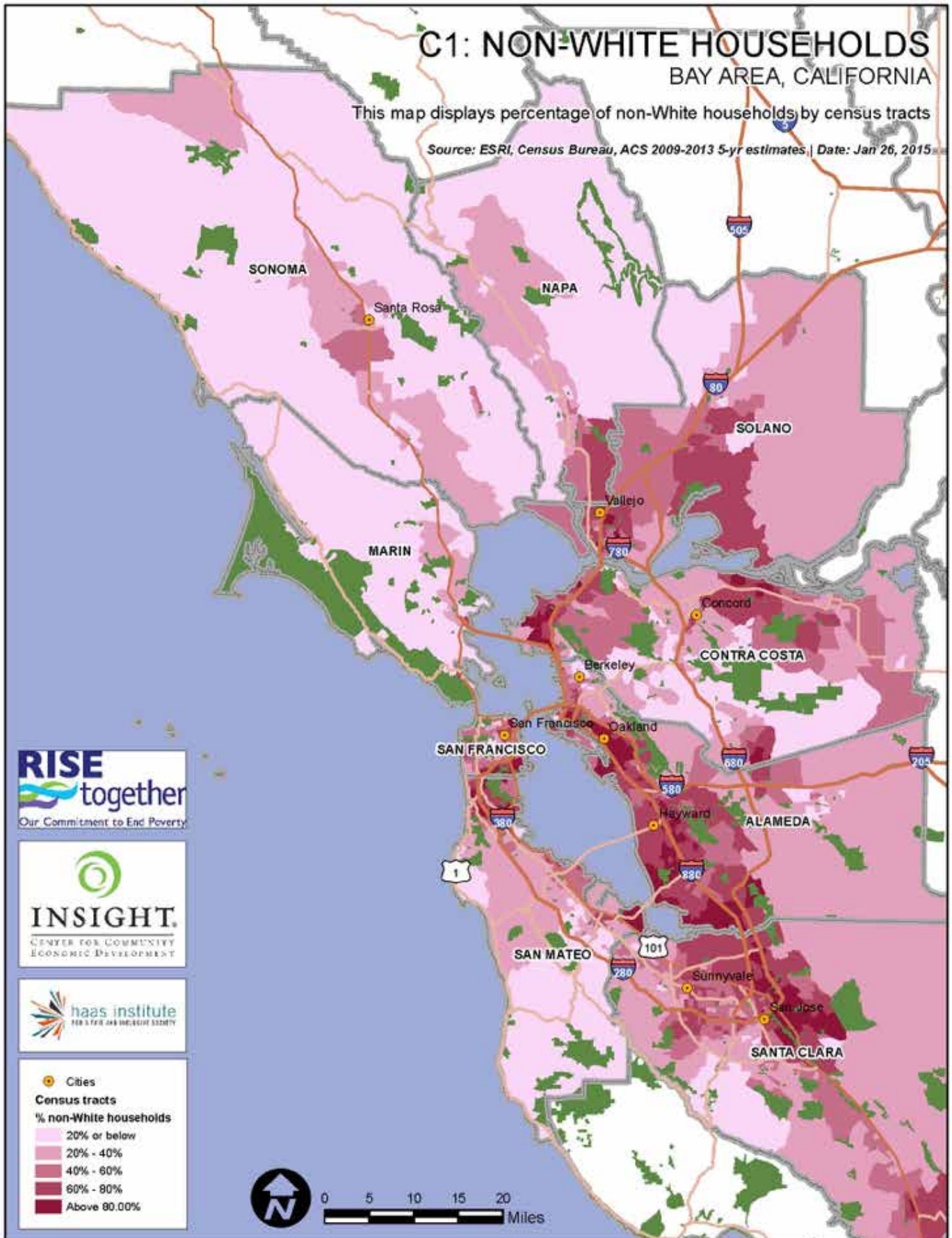
Map C1 shows concentration of non-white households throughout the Bay Area.



C1: NON-WHITE HOUSEHOLDS BAY AREA, CALIFORNIA

This map displays percentage of non-White households by census tracts

Source: ESRI, Census Bureau, ACS 2009-2013 5-yr estimates | Date: Jan 26, 2015



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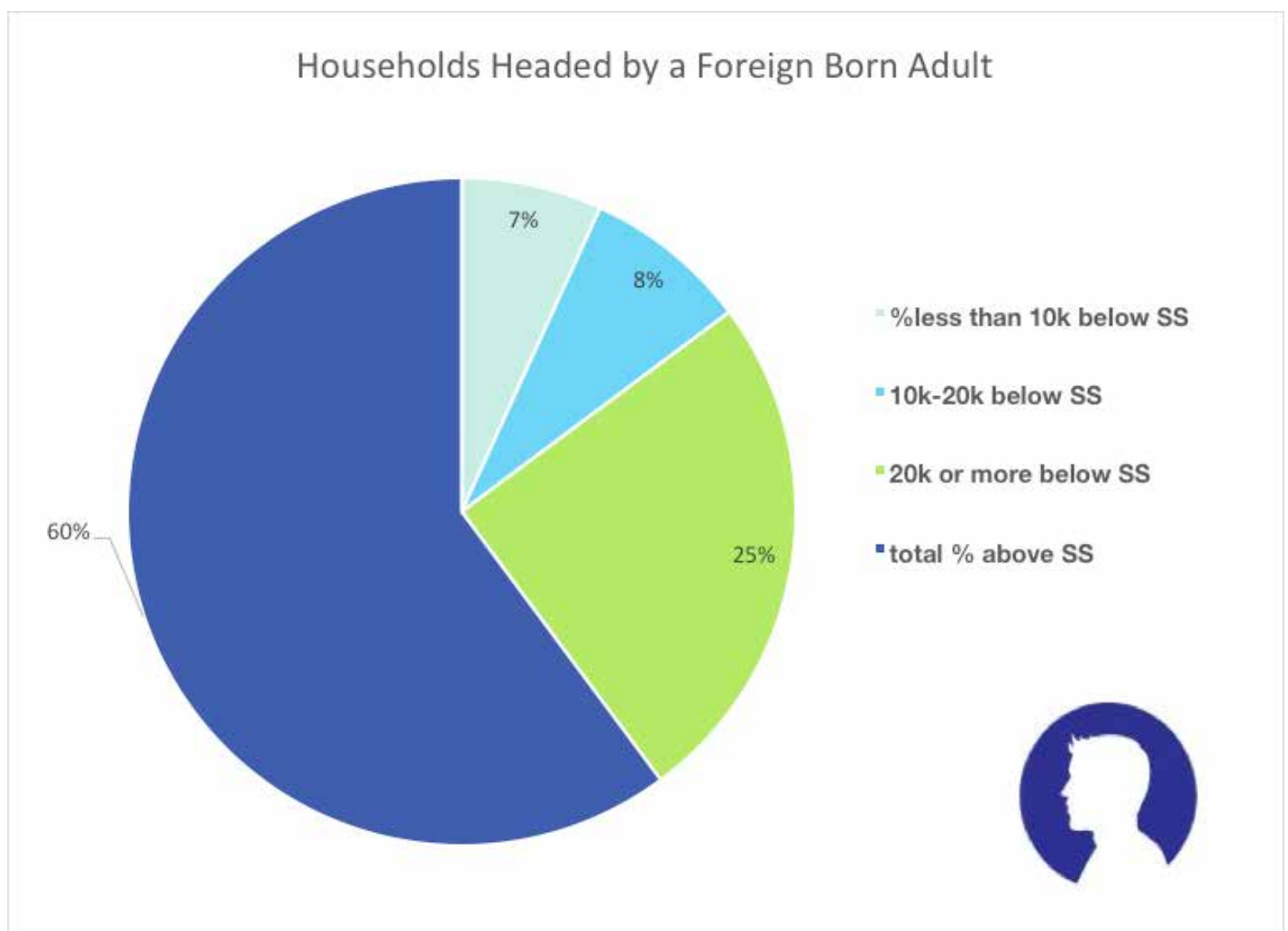
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Immigrant-Headed Households

Forty percent of immigrant-headed households do not have economic security.¹⁸ A quarter of these households are concentrated in the furthest category from the Standard—more than \$20,000 from economic security. The other 15% below the Standard are almost evenly distributed, 7% within \$10,000 and 8% between \$10,000 and \$20,000 from the Standard.

Map D1 shows the distribution of the foreign-born adult population in the Bay Area.

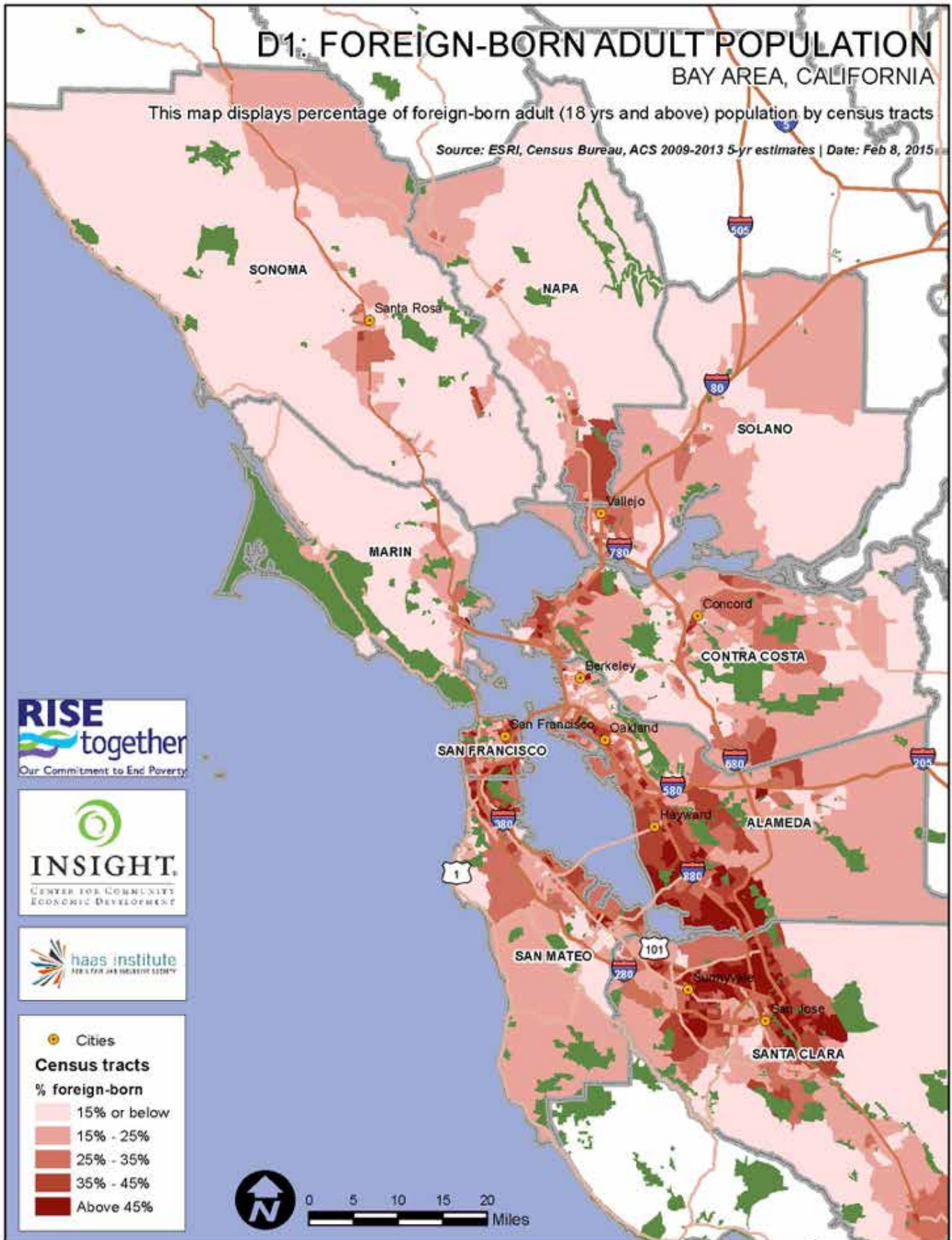


¹⁸ There is overlap between households headed by immigrants and those headed by men of color.

D1: FOREIGN-BORN ADULT POPULATION BAY AREA, CALIFORNIA

This map displays percentage of foreign-born adult (18 yrs and above) population by census tracts

Source: ESRI, Census Bureau, ACS 2009-2013 5-yr estimates | Date: Feb 8, 2015



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Senior-Headed Households

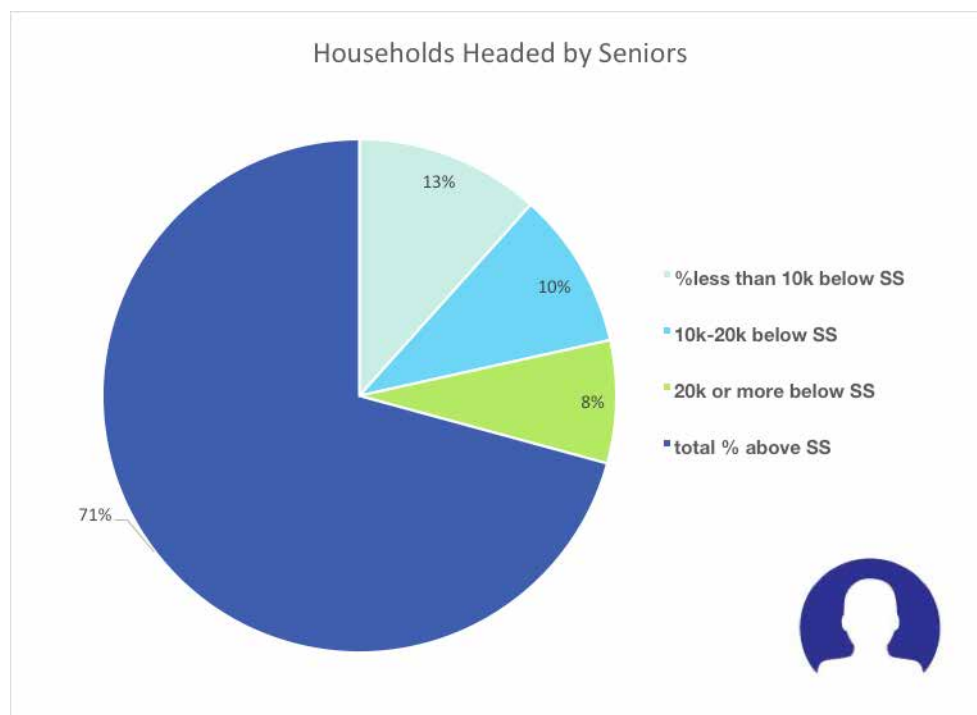
Households headed by seniors show a different dynamic than the other critical populations. We know that seniors have different costs associated with their living expenses; in particular, higher costs of healthcare and fixed incomes create unique issues for seniors. This is why the Insight Center, and this report, use the Standard's counterpart, the Elder Economic Security Index (EESI) to measure the economic security of seniors.¹⁹ Using the EESI to measure the economic security of older adults over the age of 65, we find that almost half (47%) of California Seniors struggle to make ends meet.

For all other critical populations, the majority of households on the brink are concentrated in the range of \$20,000 or more below the Standard. By contrast, 71% of Senior-headed households meet the Standard's basic threshold for economic security, which is on par with all Bay Area households. That said, over one quarter (29%) of these households are living below the Standard.

Another key difference for households headed by seniors has to do with their "distance" from economic security. Senior households struggling to make ends meet are significantly more evenly distributed among these three categories: 13% are within \$10,000 of economic security, 10% are between \$10,000 and \$20,000 below the Standard and only 8% fall into the category furthest from economic security, \$20,000 or more below the Standard.²⁰

It is significant to note that this data examines the economic security of *households headed by seniors and does not include the economic security of seniors residing in households where they are not the head of household.*²¹ The data suggest several possibilities: first that the risk of economic insecurity for senior headed households increases with age. Fixed incomes in retirement and increasing costs of healthcare may push elders who were once able to meet their households' basic needs into more precarious economic situations forcing them to either make difficult decisions about their household budgets, requiring them to move to less expensive locations or move in with relatives. Second, senior households seem to reflect a similar range of income as the Bay Area in general. However, the data presented here do not allow us to identify the ways in which baby boomers and wealthier white seniors may skew the numbers.

Map E1 shows concentrations of households headed by seniors throughout the Bay Area.



¹⁹ For this report, however, we used only the Standard across in order to standardize our discussion of economic security across the Bay Area and for the five critical populations. To learn more about the EESI see <http://www.insightccd.org/communities/besa/cal-eesi.html>.

²⁰ The pie chart above represents more than 100% of the senior population due to rounding up of percentages.

²¹ This holds true for all critical populations whose economic security is examined in this report.

E1: HOUSEHOLDS WITH SENIOR (65+) HEAD OF HOUSEHOLD BAY AREA, CALIFORNIA

This map displays percentage of households with a person 65 years or above as householder by census tracts

Source: ESRI, Census Bureau, ACS 2009-2013 5-yr estimates | Date: Feb. 10, 2015



MAPS

The maps created for this study provide compelling visual representations of poverty and inequality, within and across our region, allowing us to readily identify and investigate relevant spatial patterns and relationships. By bringing together data on the location of the critical populations and the Self-Sufficiency Standard with Opportunity Maps, we create new opportunities for understanding the complex dynamics involved in expanding economic security in the Bay Area (See maps S1 and O1).

A representative selection of the over 110 maps that are now available with this report were presented to Rise Together stakeholders in all 9 Bay Area counties in a series of community forums designed to engage stakeholders and develop qualitative analysis from their perspectives. These maps have been and will continue to be used as a tool to develop and strengthen the coalition-building efforts of the Rise Together Initiative.

The maps are provocative, and may raise as many questions as they answer. They are not definitive. For example, during the Contra Costa Workgroup session, maps were used to elicit community members' and advocates' understanding regarding what they considered the most critical needs in their neighborhoods. The majority of stakeholders who attended these presentations and engaged in conversations about the maps, and how they portray opportunity, all expressed a sense of feeling affirmed with respect to what they already knew about their communities. In at least one of the county presentations, however, there was surprise and concern expressed by some community members whose understanding of their communities did not coincide with the representations presented in the maps. It made for lively and stimulating conversations, which we expect will ultimately advance both our Rise Together regional work and the work of local coalitions and partners.

Again, note that these maps are not definitive; they rely on the quality of data available for mapping, and they represent only a snapshot of relationships and patterns that are constantly changing. Nevertheless, they add an important dimension to our economic security work.

OPPORTUNITY MAPS

Opportunity mapping is a research tool used to understand the spatial dynamics of potential for economic security, mobility and prosperity. "Opportunity" is measured by a combination of indicators related to housing, health, education and employment (see Appendix C for a full list of indicators). Using a visual display of data that is overlaid upon the region's geography, opportunity maps use location-specific information and mapping to better explain both the specific challenges and assets communities are dealing with in their neighborhoods. These structures and individuals' access to them have a significant impact on people's quality of life and life chances.

Mapping "opportunity" (as measured with this methodology) achieves two important goals: first, mapping shows the *location* of opportunity, where structures converge to create high opportunity spaces. Second, they show the distribution of critical populations in higher and lower opportunity locations, which helps to identify what actions and policies are required to increase residents' chances for accessing economic security and mobility in those places where the indicators show low rates of opportunity.

Because this is a regional project, we mapped opportunity at the census tract level and overlaid the location of the critical populations. This report includes regional opportunity maps showing the distribution of the critical populations (see Appendix B). In order to provide more detail, county maps can be found on-line at www.risetogetherbayarea.org/maps.

Residents of the Bay Area region may generally understand that we have a remarkably uneven spatial distribution of opportunity; even so, most are taken aback when presented with the precise and compelling evidence of inequality represented by our opportunity maps. Clear disparities are readily visible among and between the region's counties, cities, and neighborhoods. For example, some cities in the region, such as Berkeley, Fremont, San Francisco and San Mateo, have "high" opportunity in a majority of their census tracts (See Appendix B). By contrast, places such as Hayward, Oakland, Richmond and Vallejo have greater concentrations of "low"

opportunity census tracts. Even within census tracts, there are areas spanning a wide spectrum of opportunity—from areas with very high rates of opportunity to those with very low opportunity rates.

The Opportunity Maps allow us to approximate better answers to the questions we posed in our research. While (as suspected) lower opportunity areas correlate significantly with higher proportions of critical populations living below the Self Sufficiency Standard, we also found that the relationship between the spatial distribution of opportunity and access to that opportunity is not straightforward.²²

Opportunity maps point toward our primary challenge: to facilitate connections to opportunities for residents in areas of “low” opportunity, and in particular for our critical populations. In other words, we must find ways to increase the “web of opportunity” in order to improve the life chances of all those living in spatial proximity to opportunity as well as to increase opportunity in places where it is currently lacking.

²² For example, there is not a direct relationship between living in a census tract with high opportunity and the ability for individuals to access that opportunity. Even in high opportunity areas, not everyone can access opportunity equally due to societal structures related to class, race and gender.

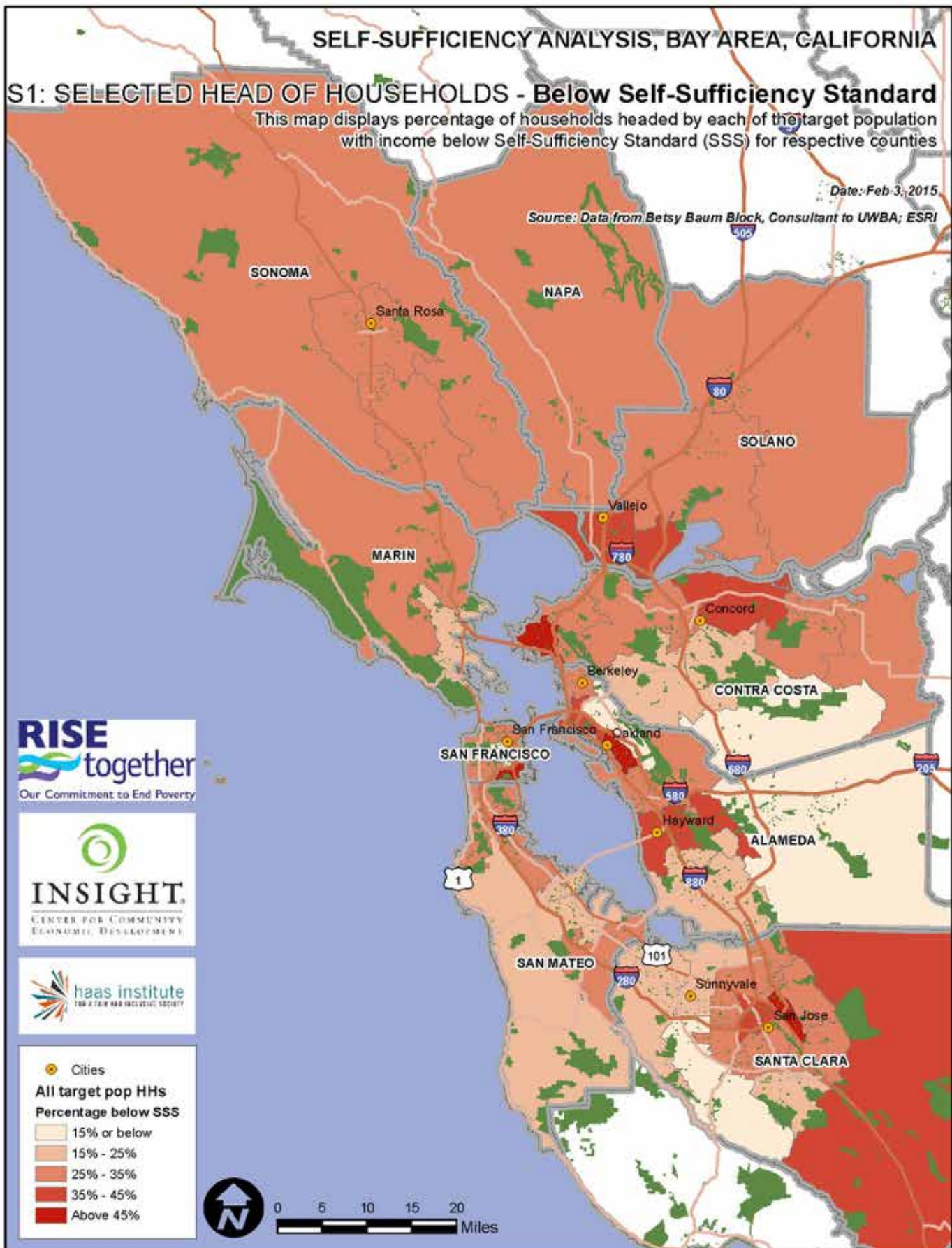
SELF-SUFFICIENCY ANALYSIS, BAY AREA, CALIFORNIA

S1: SELECTED HEAD OF HOUSEHOLDS - Below Self-Sufficiency Standard

This map displays percentage of households headed by each of the target population with income below Self-Sufficiency Standard (SSS) for respective counties

Date: Feb 3, 2015

Source: Data from Betsy Baum Block, Consultant to UWBA; ESRI

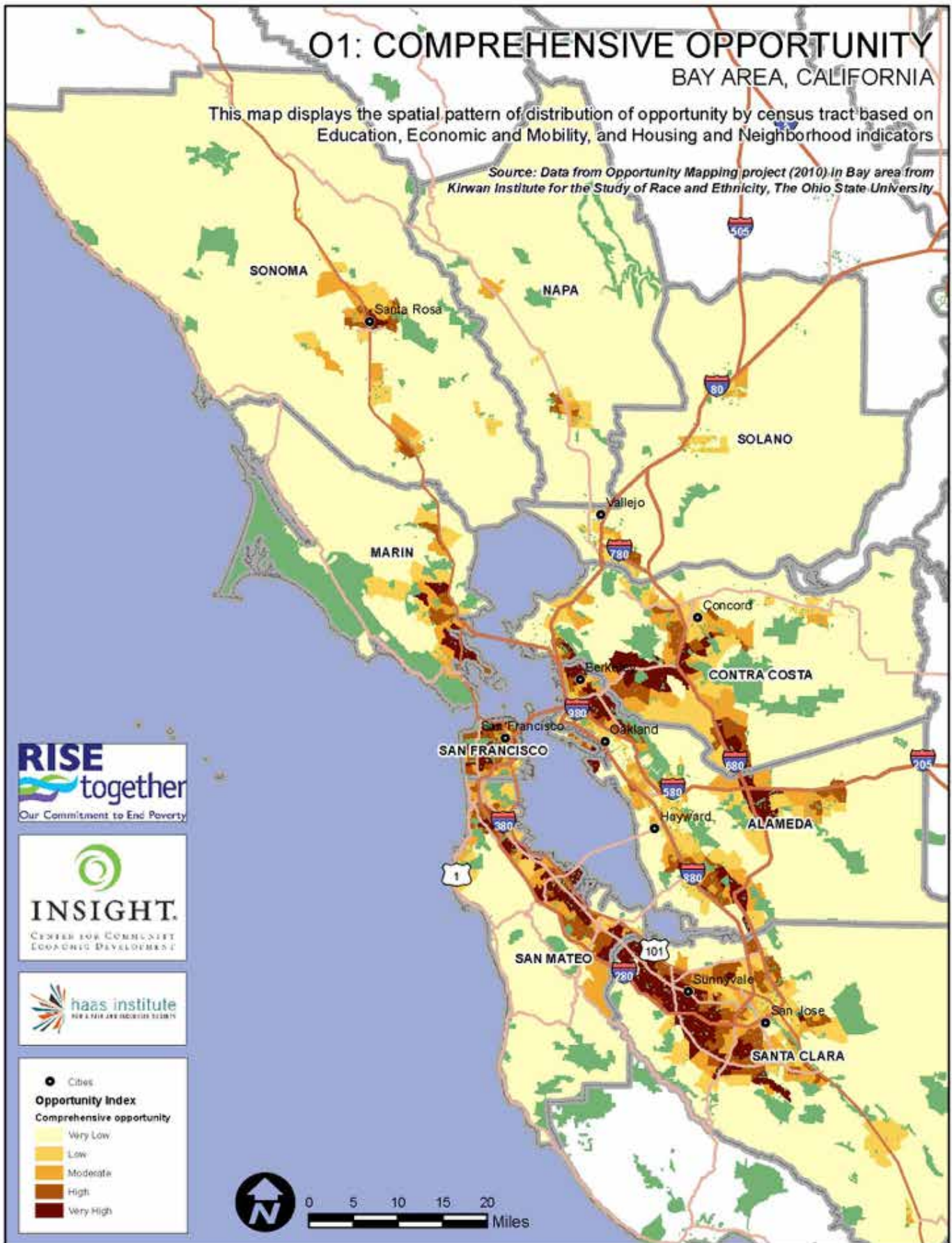


O1: COMPREHENSIVE OPPORTUNITY

BAY AREA, CALIFORNIA

This map displays the spatial pattern of distribution of opportunity by census tract based on Education, Economic and Mobility, and Housing and Neighborhood indicators

Source: Data from Opportunity Mapping project (2010) in Bay area from Kirwan Institute for the Study of Race and Ethnicity, The Ohio State University



COMMUNITY ENGAGEMENT

We gathered qualitative data through meetings with participants in convenings co-hosted by Rise Together and local affiliates/key organizations in each of the 9 Bay Area Counties, and through a professionally-facilitated, half-day workgroup session in Contra Costa. The use of the county convenings and the workgroup are consistent with a mixed methods approach that combines and synthesizes quantitative data with qualitative insights. Most of the research presented in this report is quantitative (opportunity maps and policy microsimulations) and is designed to assess the scope of challenges facing the five critical populations as well as the impact of potential policy and programmatic interventions. The qualitative data complements our findings by providing nuance to the complexity of factors involved in expanding economic security. It also helps address the limitations of any single policy lever or set of interventions.

COUNTY CONVENINGS

Over a span of two months, Rise Together co-hosted a series of convenings in each of the 9 Bay Area counties. The goals were: 1) to engage local stakeholders and community members; 2) to solicit feedback on the preliminary findings of the economic microsimulations and opportunity mapping; and 3) to discuss strategies to improve social and economic mobility for the Rise Together critical populations at the county and regional levels. Rise Together collaborated with local partners and coalitions to identify a diverse set of participants representing non-profit, government, philanthropy and business sectors.

Rise Together developed a “placemat” as a tool to guide small group discussions and systematically capture information across each of the counties. The “placemat” included four key questions/prompts in relation to each of Rise Together’s three key drivers; Basic Needs, Education and Jobs.

The four questions were as follows:

1. Were there any findings that you were particularly surprised by? What additional questions did the data raise?
2. What are the top 3 local strategies addressing Basic Needs, Education, Jobs?
3. What is unique about this issue in our county?
4. What could we do regionally that will most benefit our county?

Results were compiled into a matrix with an eye toward recurring themes. A final matrix (Appendix D) was created capturing key themes, sentiments, programs or strategies that were repeated more than once and more often in excess of three times, across multiple counties.

Regional Takeaways

The Bay Area is a diverse region with rural, urban and suburban counties. Each county deals with unique challenges and manifestations of economic instability. A theme that was articulated in each of the convenings was the high cost of living throughout the region—particularly as it relates to housing. Another theme that individuals across the region highlighted was “hidden poverty”—despite the popular representation of the Bay Area as an affluent area, the individuals most impacted by economic insecurity and the issues and challenges they face are often overlooked, or simply ignored. A final prevalent theme was mobility—Bay Area residents move within and through multiple counties to access affordable housing, jobs and services—leading to a need for greater regional coordination among providers, services and supports.

The following table includes a synopsis of themes, recommendations and strategies that were mentioned in multiple counties associated with each key driver.

Basic Needs	Education	Jobs/Economy
<ul style="list-style-type: none"> • Increase housing subsidies and access to affordable housing and scale innovative housing strategies. • Support families with access to affordable and reliable child care. • Capitalize on and replicate greater coordination of services displayed through community/ wrap-around schools and family resources centers. 	<ul style="list-style-type: none"> • Replicate Cradle to Career models to increase collaboration and coordination between schools and local/regional industry. • Consolidate and integrate educational services available to individuals throughout their life from preschool to vocational training and continuing education and ensure affordability and accessibility. • Expand for specialized education strategies and programs to support under-represented communities (ESL, veterans, re-entry/"safe return" populations). 	<ul style="list-style-type: none"> • Acknowledge the number of people commuting between counties for work and capture the regional nature of the workforce. • Develop specialized training programs to prepare workers for growing industries and are targeted to individuals that are hard-to-employ or those facing barriers to employment. • Encourage greater inter- and intra- county coordination and collaboration from minimum wage campaigns to working with the WIBS.

CONTRA COSTA WORKGROUP

As referenced above, in addition to holding convenings in each of the 9 Bay Area counties that attracted over 275 participants whose input is summarized in this report, we conducted a professionally facilitated workgroup in Richmond, CA in order to better understand intergenerational narratives, neighborhood variability across the metro region and non-spatial barriers to economic opportunity in Richmond/Contra Costa County. This workgroup also allowed us to elicit valuable qualitative feedback on our analysis of the economic conditions of the regions and the target populations and possible best practices.

The goals of the workgroup were:

1. Present data (microsimulations, maps and more) to key stakeholders, community members and Rise Together partners.
2. Supplement quantitative analysis and economic microsimulations with qualitative insights generated by stakeholders, target population community members and Rise Together partners on data and findings.
3. Present and elicit feedback on best practices for service provision or policy interventions.

Workgroup Responses

Participants were sorted into 4 small discussion groups to discuss the materials. As expected, there was broad consensus around key responses. The first set of workgroup questions was designed both to elicit key information but also to provide an internal context and foundation for the remainder of the discussion.

1. What do you see as the most critical need for people in your neighborhood/community? (e.g., jobs, transportation, housing, healthcare?)

The most common response focused on both jobs and access to jobs, including skills acquisition and job and vocational training. In one workgroup, a participant said, "You need to teach people to be independent, and stand on their own two feet." Employment issues, quality jobs/wages and skills mismatch were the most salient themes in these workgroups.

Beyond that, housing, criminal justice and transportation were major areas of concern. Two of the four discussion groups emphasized criminal justice issues as a pressing concern for their neighborhoods—calling out police brutality and the inequities in the system, and the way in which people struggling to make ends meet are treated differently within these systems. Two of the four discussion groups also emphasized the need for better or improved transportation systems, especially with respect to getting to classes or training opportunities as well as the costs of commuting out of Richmond. Two of the groups also emphasized the need for affordable housing.

2. What anti-poverty services/programs do you think are working? (rank top 5)

The responses to this question were, in some cases, idiosyncratic to the participants and the locale. Programs that had several representatives present, for example, were mentioned by multiple groups. In general, though, job training, pre-apprenticeship programs and local hiring policies were consistently cited as the most successful programs and policies. Notably, standard income supplement programs, such as CalFresh and Social Security benefits, were not cited.

3. What anti-poverty services/programs do you think are not working, and why? (Choose no more than 5).

Two consistent concerns heard across discussion groups were that existing programs and service delivery models lacked targeted outreach or sufficient outreach and that they were not tailored to the existing job market. Several groups noted that existing programs may be excellent, but that residents could not take advantage of them because they lacked knowledge of them. Relatedly, there was concern that many of the training programs were not teaching the skills that are needed in the current workforce. Or, if they were teaching the technical knowledge, they were not providing the “soft skills” required to obtain the job in the application and interview process. Participants noted that it was not just the array of existing programs that mattered, but their relevance and their outreach model.

The second set of workgroup questions focused on eliciting feedback based upon a presentation on the concept of economic security and the policy simulation results.

1. What surprised you about the impact of each policy or the degree of economic insecurity in your community?

Three groups emphasized the value of seeing the actual data visually and numerically, not just their own perceptions of the situation. In general, however, the workgroups expressed surprise regarding how many households live both below the Standard and the FPL, and how limited the impact of some of the key policies would be. As one participant said, “What surprised me is what it would take to bring everyone up.” They saw the number of households living below the Standard and FPL as a daunting challenge.

Some participants expressed skepticism about the Self-Sufficiency Standard as a goal or target. As one group member noted, both as a note of skepticism as well as to contextualize the simulation results, “You can’t apply anti-poverty policy and expect middle class results.”

2. Based on the simulation results, which policies/services seem most worth pursuing?

Groups recognized the value of the minimum wage, but acknowledged that a \$15 minimum wage may be insufficient, and that while it affected more households, its impact was not necessarily deep. Most groups came to realize that no single policy or intervention would be sufficient to the goals of moving critical populations above the Standard threshold for economic security. The key conclusion seemed to be that we need a combination of interventions to make the biggest impact.

3. Which policies should be simulated in the future (rank top 5)?

The most consistently identified policy was a child care subsidy or support for future economic microsimulations (see next section) to quantify the potential benefit of child care or other economic supports. Some groups felt that free or deeply subsidized child care might have the greatest impact on the target populations and in their community.

Another policy that was recommended by multiple groups was the effect of local hiring mandates or targeted hires in their community. Groups also felt that they would like to see local analysis, not just county-wide or Bay Area wide impacts.

Another consistent suggestion was to simulate the effects of vocational programs, trades and skilled labor, not just a transitional jobs program.

ECONOMIC MICROSIMULATIONS

SIMULATED ECONOMIC INTERVENTIONS

We created a series of hypothetical scenarios used to test policy and practice (“economic microsimulations”). This section on economic microsimulations is modeled after a series of studies conducted by the Urban Institute which have consistently found that great advances in economic security can be made when a set of policy changes are implemented together. They draw these conclusions from their studies on policy microsimulation in places such as Wisconsin and New York City.²³

The simulations conducted by the Insight Center for this report, in conjunction with the maps, the analysis of the critical populations’ proximity to the Self-Sufficiency Standard, the qualitative data gathered from the 9 county convenings and the Richmond workgroup and the literature review, were used to identify and develop the menu of proposed “headline strategies” presented in the following section.

These services and policies directly address an aspect of each of the Key Drivers of Economic Success outlined in the Roadmap. They maximize their impact by addressing the needs of a combination of individuals whether they are employed, unemployed or underemployed.

- Housing is both a critical Basic Need (as identified in the Roadmap) and a significant driver of the cost of living in the Bay Area. We simulated how reducing the housing cost burden²⁴ for renters would impact the economic security of households in the Bay Area.
- Within the Roadmap’s key driver Education we modeled an increase in educational attainment. We modeled what the impact on household income would be if 80% of 25 to 34 year olds without a high school diploma completed high school or the equivalent, one-third of this group went on to obtain an Associate’s degree and one-third obtained a Bachelor’s degree.
- In the area of Jobs/Economy we modeled two policy solutions—a \$15 minimum wage and a transitional jobs program—in order to affect households with people receiving minimum wage and households with people who are currently unemployed and underemployed. A \$15 minimum wage represents an increase of only \$2.75 above the current minimum wage in Oakland and by 2018, San Francisco will raise its minimum wage to \$15. Similarly, by ordinance, the City of Richmond’s minimum wage will be \$12.30 by 2017.

The interventions were also chosen with shorter-term impact in mind. In other words, they were chosen based on what could have the broadest impact within 3 to 6 years.

When choosing which interventions to explore, we also took into account political will and existing momentum currently moving particular issues. We asked, how likely is this intervention to be implemented? Finally, the methods we used are complex (see Appendix F) because we attempted, as far as possible, to create realistic outcomes that might approximate as closely as possible, how economic security might shift for Bay Area households impacted by these interventions were they implemented (e.g., we did not assume that every Bay Area resident lacking a high school diploma would achieve a Bachelor’s degree).

The findings summarized below are the results of simulating the impact across the 9 Bay Area counties if the following interventions were made (both separately and as a package):

²³ This section on economic microsimulations is modeled after a series of studies conducted by the Urban Institute which have consistently found that great advances in economic security can be made when a set of policy changes are implemented together. They draw these conclusions from their studies on policy implementation in places such as Wisconsin and New York City. While our research is modeled after those studies, there are a few key differences: we did not use Urban’s TRIM3 software to conduct our analysis. Due to our simplified methodology, the microsimulations presented here are not as sophisticated. However, this research remains unique and compelling because we use the Self-Sufficiency Standard in our analysis to introduce a significantly more ambitious benchmark for setting a basic level of economic security, a benchmark well above others, including the Supplemental Poverty Measure (SPM). See e.g. Giannarelli, L. Lippold, K. & Martinez-Schiferl, M. (2012, June). “Reducing Poverty in Wisconsin: Analysis of the Community Advocates Public Policy Institute Policy Package.” Washington, D.C.: Urban Institute. <http://www.urban.org/UploadedPDF/412604-Reducing-Poverty-in-Wisconsin.pdf> and Giannarelli, L. Wheaton, L., & Morton, J. (2015). “How Much Could Policy Changes Reduce Poverty in New York City?” Washington, D.C.: Urban Institute. <http://www.urban.org/UploadedPDF/2000136-How-Much-Could-Policy-Changes-Reduce-Poverty-in-New-York-City.pdf>

²⁴ Housing Cost-burdened households are households paying more than 30% of their income for housing (US Department of Housing and Urban Development).

- Set a \$15 minimum wage for the region
- Reduce renters' housing cost burden
- Increase educational attainment
- Implement a transitional jobs program
- An intervention package that simulates the joint impact of all four interventions listed above.

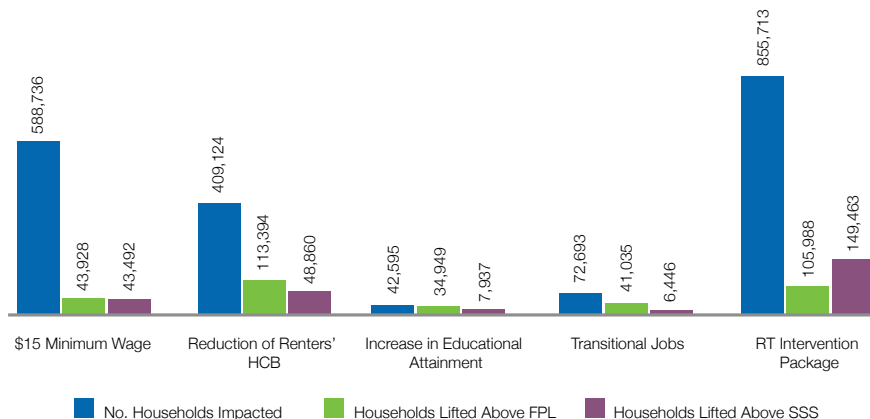
Overall, we found that implementing a set of 4 interventions has the potential to help about 150,000 households in achieving economic security.

Results of Simulated Economic Interventions

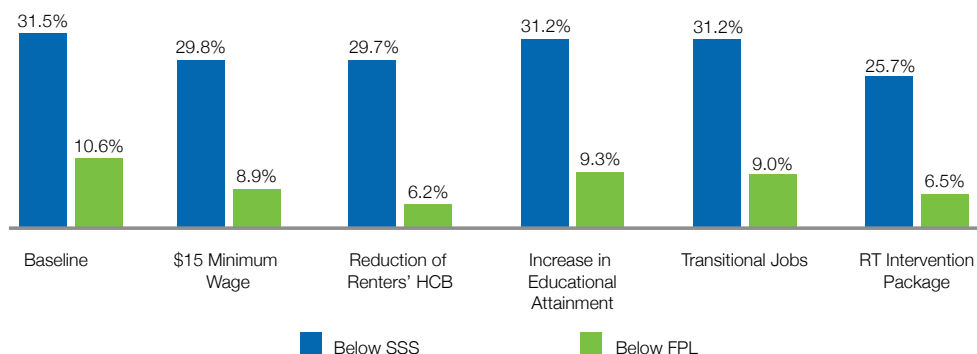
The increased graduation rate and the transitional jobs program both decreased the number of households living below the Self Sufficiency Standard, but only slightly—from 32% to 31.8%. The \$15 minimum wage and the reduction of renters' housing cost burden brought 1.7% and 1.8% respectively, above the Standard. Reducing renters' housing cost burden also had the most significant impact on the population below the FPL, reducing the percentage of those households from 10.6% to 6.2%.

The impact on households by simulations varied across interventions. Among the individual interventions, the \$15 minimum wage and the reduction of renters' housing cost burden impacted the largest number of households at 588,736 and 409,124 households, respectively. Reducing renters' housing cost burden also moved the largest number of households above the Standard threshold: 46,860 households attained economic security. These incremental changes resulted from implementing each policy separately; **the Rise Together Intervention Package made the most significant impact by increasing the percent of households above the Standard by almost 6%, and helping almost 150,000 Bay Area households reach a level of economic security at or above the Self-Sufficiency Standard.** Altogether, over 800,000 households were positively impacted to some degree by the RT Intervention Package.

Impact on Households by Simulation

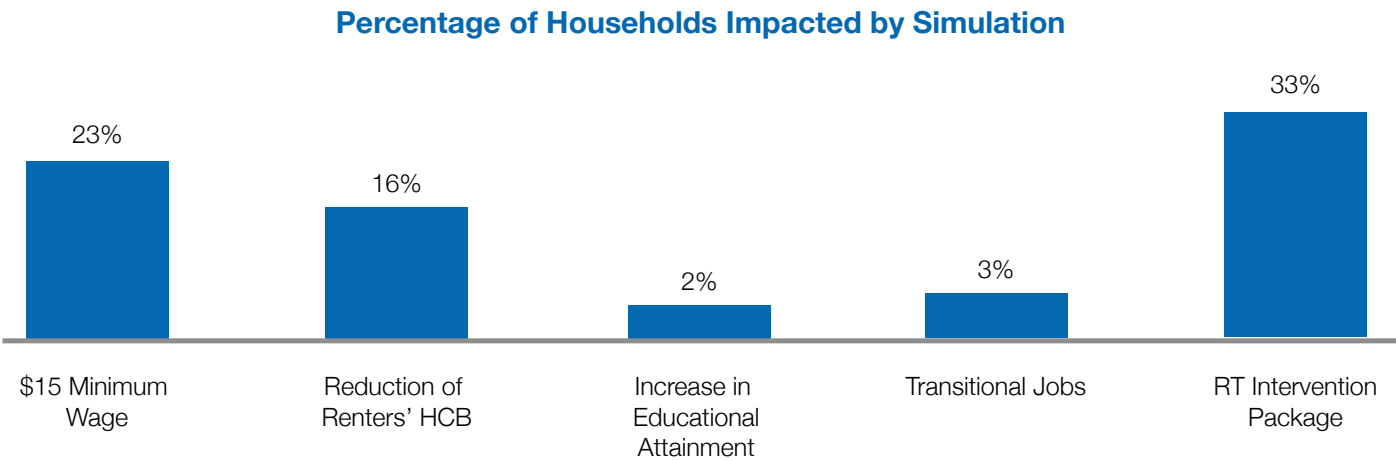


Percentage of Households Above and Below the SSS and FPL



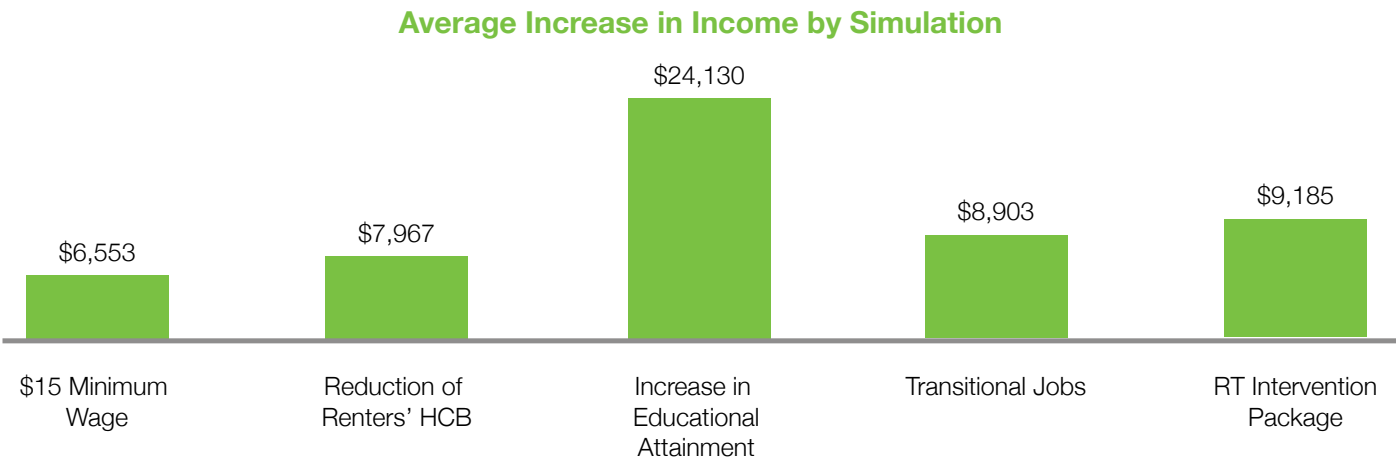
The charts above enumerate the households in the Bay Area that would potentially be impacted by the interventions we modeled. It is important to remember that households fall along a continuum of economic security, that individual households have individual needs, and those needs are not static, but change over time.

The percentage of Bay Area Households dropped from 10.6% below the Federal Poverty Thresholds to 6.5% of households. Similarly, the percentage of households below the Self-Sufficiency Standard dropped from 31.5% to 25.7%.



The chart above shows the percentage of households impacted by each simulation. **The RT Intervention Package impacted almost a third of all Bay Area households—33%.** The individual interventions that impacted the largest percentage of households were the \$15 minimum wage simulation which impacted about 1 out of every 5 households or 23% of Bay Are households and the reduction of renters’ housing cost burden which impacted 16% of Bay Area households. The percentage of households impacted by the increase in educational attainment and the transitional jobs program were 2% and 3%, respectively.

The chart below shows the average impact of each policy simulation as measured by an increase in household income. For all of the simulations, including the RT Intervention Package, the average increase in income ranges



from \$6,553 to \$9,185 annually.

What is truly striking, though not surprising, about this chart is the average increase in income for households with increased educational attainment. The average size of the effect was large in comparison to the other policy solutions. Those households saw an average increase of \$24,130 annually. However, the increase in educational attainment had a very limited scope in terms of the number of households it affected—only 42,595.

Finally, while the RT Intervention Package impact on income may seem modest, collectively these increases represent an infusion of almost \$8 billion into the Bay Area's regional economy.

INTERVENTION IMPACTS ON CRITICAL POPULATIONS

The Rise Together Intervention Package increased the economic security for every critical population except seniors at a higher rate than for the total population: an increase of 7-9% for the critical populations as compared to a 5.8% increase in economic security for total households in the Bay Area. Reducing renters' housing cost burden was the single policy solution with the largest impact for critical populations, in particular for single female-headed household and households headed by men of color. Notably, for seniors, reducing their rental housing cost burden was more impactful than the RT Intervention Package. None of the simulations brought more than 1% of households headed by seniors above the Standard except for reducing the housing cost burden, which increased economic security of for seniors by 2.5%.

Among the critical populations, the numbers of households impacted by the each of the policy interventions followed the same pattern as for the total Bay Area households with the exception, again, of senior households which experienced a greater impact from the rental subsidy than from the minimum wage. Furthermore, although almost half a million senior households were impacted by the RT Intervention Package, very few households (less than 5,000) were brought above the Standard threshold for economic security. In contrast, reducing senior renters' housing cost burden brought over 13,000 households (out of almost 200,000 senior-headed households living below the Standard) over the Standard threshold.

The average income increases resulting from individual simulations for the critical populations, except senior households, mirror the average income increases for total Bay Area households. However, the RT Intervention Package positively impacts the average income of critical population households by \$1,000-\$2,000 more than it does for total households. Senior households are, again, the exception. Senior households realize a smaller average increase in income for every simulation except transitional jobs. The transitional job intervention likely shows a larger impact due to the fact that many seniors are retired and therefore not working. However, some seniors may also want to work (or work more) and may experience age discrimination in the workplace. Nevertheless, older adults should have the option to retire with dignity and continue to make ends meet irrespective of their desire to work.

HEADLINE STRATEGIES

This section brings together a set of options for aligning Rise Together partner support around headline strategies for increasing economic security in the Bay Area. These options emerged from the extensive research (mapping, economic microsimulations, qualitative data from community involvement and literature review) undertaken as part of this project. In addition, the interventions explored below were carefully measured against multiple criteria, which are set forth later in this section. Some challenges addressed by the potential headline strategies below may be more effectively pursued via programmatic changes, such as scaling existing successful programs, while others may best be pursued in the realm of policy and (at least initially) require advocacy as opposed to replication.

The table below shows a basic description of the interventions explored via the various approaches used for this project. The discussion includes excerpts from the literature review prepared for Rise Together Bay Area by ASR (See Appendix G for full text of literature review).

Microsimulations

- Affordable rental housing stock
- Increased educational attainment
- \$15 regional minimum wage; transitional jobs program

Literature Review

- Shared housing; rapid re-housing
- Cradle to Career/Promise Neighborhood Programs; Linked Learning
- Child care subsidies; State EITC; Social entrepreneurship

Qualitative Data

- Housing Subsidies
- Cradle to Career; Career pathways; Adult education (and ESL)
- Affordable child care; Regional Occupational Programs; Training and ongoing education; Re-entry/Safe return programs

BASIC NEEDS - HOUSING

The interplay between basic needs and economic security is strong. In the United States, nearly a quarter of adults are making less than \$27,000 each year and are in jobs that provide them with no healthcare benefits or paid time off.²⁵ Rise Together estimates that approximately 657,000 households in the Bay Area struggle to meet basic needs.²⁶

Perhaps the most well-documented challenge to economic security in the Bay Area is the cost of housing. This single issue also has some of the most extensive implications for Bay Area residents, affecting economic security directly. For example, from 2008 to 2012, the average cost of rent increased in San Francisco by 32%. As of 2014, 32% of families in California spent over half of their income on housing;^{27, 28} *and 40% of Bay Area residents pay more than 30% of their income for housing.*²⁹

The indirect costs of this burden with respect to transportation, environmental impact, health implications, loss of community as residents are priced out of their neighborhoods and time costs permeate the very culture of the Bay Area. While access to basic needs supports differs from county to county, it is clear that housing is a prevalent issue in the Bay Area and must be addressed for families living on the brink to move toward increased economic security. Moreover, when Bay Area residents move from a higher-priced county to a lower-priced county, they can lose not only their family/community support system but also end up in an area with even less infrastructure to support their needs.³⁰

25 United Way's income strategies and approaches. (2010). United Way Worldwide.

26 United Way of the Bay Area (2014). "Struggling to Make Ends Meet" report.

27 United Way of the Bay Area (2014). "Struggling to make ends meet on minimum wage: Self-Sufficiency brief." http://uwba.org/files/galleries/Minimum_Wage_Brief.pdf

28 Viveiros, J., & Sturtevant, L. (2014). "The housing affordability challenges of America's working households," Center for Housing Policy.

29 Harvard Joint Center for Housing Studies <http://Harvard-cga.maps.arcgis.com/apps/StorytellingTextLegend/index.html?appid=18d215dd-b20946a4a16ae43586bf0b52>

30 Kneebone, E. & A. Berube. (2013). "Confronting Suburban Poverty in America." Washington D.C.: The Brookings Institute Press.

Reducing renters' housing cost burden in the Bay Area to no more than 30% of their income would affect over 400,000 households in the Bay Area. It would help bring over 100,000 households above the Federal Poverty Thresholds and almost 50,000 households above the Standard.

The simulation reducing renters' housing cost burden was modeled after the possibility of a policy intervention such as a rental subsidy. However, research shows that the rental market adjusts upward in cost when rental subsidies are introduced. Furthermore, because other remedial policies are curtailed by lack of housing supply and spatial and environmental constraints on building, as is any large scope expansion of the Section 8 Housing Choice Voucher Program, we sought programmatic alternatives—shared housing and re-housing—to addressing renters' housing cost burden in the Bay Area.

Two potential interventions rose to the forefront of our research on addressing the need to reduce renters' housing cost burden: “shared housing” and “rapid re-housing.” These are outlined below.

Shared Housing

Shared housing is a promising and effective strategy to create affordable housing opportunities by decreasing the amount of income that families and individuals need to spend on housing. Shared housing services intentionally match people who have space in their homes (a key demographic being “house-rich, cash-poor” seniors who want to age in place) with people who need a home (individuals and families either working or with stable means to pay reasonable rents). Rent may be paid in cash, in exchange for chores, or both.

California currently has eight successful home-sharing programs supported by the National Shared Housing Resource Center, including two in the Bay Area (San Mateo County's HIP Housing and Episcopal Senior Communities' *Match-up Home Sharing* program).³¹ Other Bay Area counties practice some form of home-sharing.

Shared housing is not an emergency housing solution, nor is it a global solution to the housing problem. Nevertheless, shared housing is a workable and timely antidote to the current expanding dynamic of seniors with space needing support to age in place, and families and individuals who would otherwise be priced out of the local housing market. Furthermore, it helps to build intergenerational community and is more environmentally sustainable than building more low density housing.

Background: There are many policies and programs in place to aid families struggling to make ends meet with housing, such as HUD's Section 8 housing vouchers as well as affordable housing communities across the nation. Unfortunately, funding for these programs is so inadequate that they do not come close to meeting the need. The wait time for Section 8 vouchers can stretch to years, which does not allow for any immediate support for individuals or families living on the brink.³² In addition to the long waitlists, many landlords have strict income requirements for tenants. For example, many landlords require that the renter have an income that surpasses at least 2 times the rent, a requirement that very few people who qualify for Section 8 can meet.³³ This is especially true for seniors who struggle to make ends meet; in California, more than half of seniors have incomes below 200 percent of the U.S. Census's Supplemental Poverty Measure—a higher threshold of economic security than the Federal Poverty Guidelines.³⁴

The concept of shared housing goes back decades. In 1991, the Russell Sage Foundation looked at shared housing among female heads of households. The study showed that the total income from public benefits minus the cost of housing and food was higher for mothers in shared housing. Mothers in private housing, despite higher welfare benefits, had less money left over each month for other expenses than the mothers in shared housing.³⁵ Shared housing has been effective for seniors as well, leading to an increase in their disposable income. The shared housing program instituted by the Affordable Living for the Aging in Los Angeles found that senior, home-sharers in L.A. reported spending approximately \$500 per month on rent compared to the local fair market rent

31 National Shared Housing Resource Center. (2015). Shared housing program directory <http://nationalsharedhousing.org/program-directory/>

32 HIP Housing. (2015). Resources and FAQ <http://hiphousing.org/resources-faq/>

33 Beltramo, J. (2003). “Affordable housing for people with extremely low incomes in the Sacramento area.” Sacramento Self Help Housing.

34 Levinson, Z., Damico, A., Cubanski, J., & Neuman, T. (2013). “A state-by-state snapshot of poverty among seniors: Findings from analysis of the supplemental poverty measure.” The Henry J. Kaiser Family Foundation.

35 Edin, K. (1991). “Surviving the welfare system: How AFDC recipients make ends meet in Chicago.” *Social Problems*, 38, 462-474.

price of \$800 a month.³⁶

According to the National Shared Housing Resource Center, various match-up or shared housing programs across the country each match, on average, 71 families and individuals a year to home-sharing opportunities. They also report that nationally, 35% of shared housing matches involve some sort of service delivery in exchange for reduced rent, further increasing the disposable income for the person renting.³⁷ *HIP Housing* has a significantly higher than average placement rate housing about 250 individuals and families annually. It also had an ongoing complement of over 700 people home-sharing in 2011, and had an 11% increase in people served from 2009 to 2011. To date, HIP Housing's Home-Sharing Program has served 55,000 people in San Mateo County since 1979.³⁸

This strategy has been successful in many different counties and communities. Note that a potential limitation to address in regards to shared housing is the implicit tax imposed on shared housing by many federal assistance programs. For example, Supplemental Security Income (SSI), Supplemental Nutritional Assistance Program (SNAP), and Section 8 benefits are all decreased for someone in a shared housing situation. Many programs also reduce the benefits for eligible individuals living with non-eligible individuals.³⁹ In addition, Shared housing programs must be designed to avoid overcrowding which can put children at risk of poor health and food insecurity.⁴⁰

Re-Housing

Rapid re-housing is another basic needs strategy that has been successful in many communities. This service provides immediate, short-term assistance to get individuals and families back into permanent housing by solving the immediate crisis of homelessness and then connecting them with resources and services to address their other needs.⁴¹ The cost of moving a single adult into permanent housing via a rapid re-housing program was over \$13,000 less than the cost of a single adult moving into permanent housing via a transitional housing program. Rapid re-housing programs also had lower rates of families or individuals returning to homelessness.⁴²

Background: The fundamental element of rapid re-housing programs, which is different than that of transitional housing programs, is the "Housing First" concept. Rapid re-housing programs place a priority on getting individuals or families housed first, and then on addressing other factors that may have contributed to their homelessness such as behavioral health, income, employment and child-care needs. The philosophy behind this approach is that these issues can be most effectively addressed after a person or family is in stable housing.⁴³ Studies have shown that the longer amount of time spent unhoused, the greater number of negative effects on adults and children.

In 2014, Alameda County released an evaluation of their rapid re-housing program which was implemented from 2009 to 2012 using federal stimulus funds. The majority of people served—75%—were single adults and female heads of household. The mean annual income for adult participants was \$14,000—well below the HUD income limits. The rapid re-housing program was very successful with 88% of clients still residing in permanent housing at the time of exit. While more long-term data could be useful in order to better identify what makes rapid re-housing a successful bridge to permanent housing, it appears to be effective in providing immediate and short-term stabilization. Short term stabilization enables individuals or families to focus energy on addressing other needs such as unemployment or mental health which can benefit them in the long run and make it easier to maintain stable housing.⁴⁴ Similar results were found in the Philadelphia Rapid Re-Housing Study where the odds of a household returning to homelessness were 42% lower for families who were in rapid re-housing.⁴⁵

36 National Shared Housing Resource Center and Affordable Living for the Aging. (2011). *Strategies for scaling shared housing: Best practices, challenges & recommendations*.

37 Ibid.

38 HIP Housing. (2012). "HIP Housing 2011-2012 40th anniversary annual report."

39 He, Y., O'Flaherty, B., & Rosenheck, R. (2008). "Is shared housing a way to reduce homelessness? The effect of household arrangements on formerly homeless people." Columbia University: Department of Economics.

40 Children's Healthwatch. (2011). "Overcrowding and frequent moves undermine children's health".

41 U.S. Department of Housing and Urban Development. (2014). *Rapid Re-Housing Brief*.

42 Myers-Lipton, S. (2015). "Ending Extreme Inequality: An Economic Bill of Rights to Eliminate Poverty." Paradigm Publishers: Boulder, CO. 62-64.

43 National Alliance to End Homelessness. (2014). "Rapid Re-Housing: A history and core components."

44 EveryOneHome. (2014). "Homelessness prevention and Rapid Re-Housing program: Lessons from Alameda County implementation."

45 Taylor, J. (2014). "Housing assistance for households experiencing homelessness." Cloudburst Consulting Group.

While rapid re-housing is a very promising strategy, it is not without challenges. Cost and funding are the most significant challenges to rapid re-housing programs. While HUD and other federal agencies provide funding for rapid re-housing programs across the country, it is still expensive. It is also a challenge for rapid re-housing programs to build strong, working relationships with landlords in the communities they serve. Landlords who are unwilling to accept rapid re-housing clients and financial assistance such as Section 8 vouchers make it difficult for programs such as these to be successful. Many communities have been able to work through this challenge by highlighting the program strategies that address landlords' concerns, such as having the program available to mediate any conflict, requiring rapid re-housing renters to attend "smart" renters' classes, and having case managers conduct regular home visits with clients.⁴⁶

EDUCATION

Education and economic security are deeply entwined. Poor education and lack of educational opportunity have the capability to keep individuals on the lowest rung of the income ladder, while strong educational support and high educational attainment can boost individuals farther up this ladder.

Education is strongly correlated with health, employment and earnings. **In 2012, the median annual income for young adults aged 25-34 years with bachelor's degrees was 57% higher than their peers who completed high school and 105% higher than their peers who did not complete high school.**⁴⁷ Children of families without college degrees are at risk for being paid in the bottom fifth of income as adults, but can reduce this risk substantially by earning a college degree.⁴⁸

Unfortunately, there are multiple obstacles to college enrollment and graduation for students of families struggling to make ends meet which result in lower rates of college graduation compared with children from higher income families.⁴⁹ Among the obstacles to college enrollment and higher educational attainment are high school graduation, the completion of college prerequisite coursework (e.g., A-G course requirements for the University of California) and the lack of solid training and relevant coursework to potential career pathways.

In some ways an intervention addressing educational attainment is at once the most promising and the most problematic. The education microsimulation as it was modeled randomly selected 80% of all adults 25-34 in the labor force with less than a high school diploma for an increase in educational attainment. One third were assigned a high school diploma, one third were assigned an Associate's degree, and one third were assigned a Bachelor's degree. These randomly selected individuals were also randomly assigned an employment status (employed or unemployed) based on the employment rate of individuals of their same gender, race, ethnicity and simulated educational attainment. Finally, the randomly selected individuals were assigned a simulated wage and salary income based on the average wage and salary income of individuals of their same gender, race, ethnicity, simulated educational attainment and simulated employment status. The simulation thus takes into account gender, race and ethnic disparities in employment and wages.

This simulation approximates local and state goals with respect to increasing high school rates. Increasingly, however, it is clear that the graduation rates are not the only important target for addressing educational achievement in the Bay Area, and more broadly. Rather, without addressing inequality within and among schools and school districts, we will not make significant progress toward an educated, work-ready population. This is one of the most pressing and significant challenges facing our region and state.

While it is incredibly important to keep in mind that education is no longer the great equalizer it was once believed to be,⁵⁰ the potential impact of increased educational attainment remains salient. Although the impact of the microsimulation was *narrow*—impacting only 42,595 households in the Bay Area—it was also deep, registering an

46 National Alliance to End Homelessness. (2014). Rapid Re-Housing landlord benefit checklist.

47 Institute of Education Sciences. (n.d.). National Center for Education Statistics: Fast Facts. <http://nces.ed.gov/fastfacts/display.asp?id=77>

48 Haskins, R. (2012, June). "Combating Poverty: Understanding New Challenges for Families." Brookings Institute. <http://www.brookings.edu/research/testimony/2012/06/05-poverty-families-haskins>

49 Ibid.

50 Hamilton, D. et al. (2015). "Umbrellas Don't Make It Rain: Why Studying and Working Hard isn't Enough for Black Americans." Insight Center for Community Economic Development.

average increase in income of \$24,130. **This represents a potential infusion of over a billion dollars into the local economy.**

Below we examine two important programmatic approaches to educational achievement and attainment: “Cradle to college to career” programs, and “contextualized learning.”

Cradle to Career Models

Education centered or education focused comprehensive Cradle to Career neighborhood-based models such as the *StriveTogether*⁵¹ and federally funded *Promise Neighborhoods*⁵² Initiatives have multiple benchmarks along the pre-K to career path, including some associated with high school graduation, college readiness and college graduation. *StriveTogether* communities use a collective impact approach to develop and sustain local cradle to career partnerships for the purpose of creating education ecosystems that support children and youth from early childhood to successful entry into the workforce. *StriveTogether* is based on four principles: engage the community, eliminate locally defined disparities, develop a culture of continuous improvement and leverage existing assets. Two Bay Area counties (Marin and Sonoma) have adopted the “Cradle to Career” framework and are pursuing locally-prioritized strategies within this model.

Background: Nationwide, the high school graduation rate has declined about four to five percent since its peak of 80% in the late 1960s, and graduation rates have been lower for Black and Latino students (about 65%) compared with white students (over 80%).⁵³ The pattern of relatively lower high school graduation rates among Black and Latino students compared with white and Asian students is mirrored in the San Francisco Bay area.⁵⁴ Moreover, in 2009, only 24% of Bay area high school graduates had completed the A-G course requirements (demonstrating college readiness) with “C” or better grades, and A-G course completion was lowest for Black, Latino, and Native American male students.⁵⁵

Improving high school graduation rates likely requires implementation of multiple policy strategies, often across school districts, which target the predominant causes identified within a school district or school. Such strategies may address any number of educational barriers for students along the pre-K to 12th grade education continuum such as student or family socioemotional development, behavioral health issues, learning disabilities, exposure to violence and foster care or juvenile/criminal justice systems involvement. Cradle to Career initiatives do just that, with communities analyzing and prioritizing local needs and interventions to measure within this framework. The Fresno StriveTogether evaluation demonstrated higher high school and college graduation rates since initiation of the effort.

High school graduation may not equate with college readiness in terms of meeting admission requirements or having the skills to succeed with college level coursework. Currently, students can fulfill state and district requirements for high school graduation in California yet may lack the necessary coursework for admission to the University of California (coursework known as A-G requirements).⁵⁶ To address this issue, districts have considered making successful completion of A-G coursework part of the requirements for high school graduation. San Jose Unified School District (SJUSD) was among the first districts locally to implement this change in policy. Districts such as San Francisco, Oakland and San Jose allow students to graduate if their grades in the A-G courses are D or higher, rather than a C grade as required for admission by the University of California. As yet, data do not indicate that implementation of A-G policies has resulted in increased dropout rates, particularly when schools provided early and sufficient academic supports. Moreover, incorporation of Career Technical Education into A-G courses may ensure that some level of technical education is maintained.

51 The StriveTogether theory of action (2015). StriveTogether. <http://strivetogether.org/approach>

52 Promise Neighborhoods Institute (2015). <http://www.promiseneighborhoodsinstitute.org/>

53 Heckman, J.J. and P. A. La Fontaine (2007, December). “The American High School Graduation Rate: Trends and Levels,” National Bureau of Economic Research Working Paper No. 13670. And, Heckman, J.J. and P. A. La Fontaine (2008). “The Declining American High School Graduation Rate: Evidence, Sources, and Consequences,” NBER Reporter, Research Summary. No.1.

54 California Postsecondary Education Commission. (2015). Public high school graduation rates. <http://www.cpec.ca.gov/StudentData/HSGradReport.asp?Area=RegionE>

55 California Postsecondary Education Commission. (2015). Public high school A-G completion rates. <http://www.cpec.ca.gov/StudentData/AtoGReport.ASP>

56 Freedman, J., Friedmann, M., Poter, C., & Schuessler, A. (2012). “Raising the bar: Understanding and assessing A-G college readiness requirements as high school graduation standards.” Silicon Valley Education Foundation.

The *Promise Neighborhoods* community approach surrounds children living in struggling communities with high-quality, coordinated health, social, community and educational support from cradle to college to career with effective schools at the center of the model. Like *StriveTogether*, Promise Neighborhoods are driven by community collaboration, capacity building, data-based decision making and continuous learning. Place-based models such as *StriveTogether* and Promise Neighborhoods can work well in neighborhoods where bringing multiple resources to a central location such as a school can significantly increase family access to services. In neighborhoods with lower rates of local school enrollment, such a strategy may be more challenging. Communities implementing *StriveTogether* and Promise Neighborhoods have demonstrated improvements on multiple targeted community indicators. Comprehensive strategies such as these can have sustained positive impacts over time but also can require several years of development and implementation before results are seen across the education-to-career continuum.

Contextualized Education

Intergenerational economic mobility varies at the local level and correlates with school quality, suggesting that solutions for increasing economic and social mobility lie with place-based strategies that include well-integrated career pathways linking education, training and employment.⁵⁷ *When education is coupled with job training tailored to the individual and local labor market as well as a quality job search, employment rates and earnings more than double.*⁵⁸

Contextualized education is a strategy occurring in both high school and higher educational settings that combine academia with relevant career skills and employment pathways. Connecting education and work for youth and young adults, especially opportunity youth,⁵⁹ can help participants develop skills necessary for future employment, avoid negative behavior and gain motivation when they see the relevance of education to their future careers.⁶⁰

Linked Learning is one evidence-based contextualized educational approach that is being implemented across dozens of school districts in California, including districts in San Jose, Berkeley and Oakland. *Linked Learning* integrates academic and technical classroom content along with workplace experience to improve student engagement, academic achievement, high school graduation rates and successful transitions to a range of postsecondary options, especially among struggling and opportunity youth. *Linked Learning* students select a career pathway of their choice. Career pathways are comprised of four core elements to promote student success: rigorous college preparatory academics (typically meeting A-G course requirements), career-based learning in classrooms, work-based learning in workplaces and integrated student supports such as counseling and subject tutoring.

An evaluation of a 9 district pilot of *Linked Learning* in California, including Oakland, found that program participants were more likely to stay in their school district, earn more credits, and be on track to complete their recommended A-G course requirements for 10th grade than other students.⁶¹ The evaluation also found that 7% more *Linked Learning* students were enrolled in college compared to their peers. Youth of color and English Language Learners enrolled in the program had higher credit accumulation and test score outcomes than their non-enrolled counterparts. While *Linked Learning* has been successful in the Bay Area, program implementation requires strong partnerships between educators and employers to create meaningful yet feasible work-based learning opportunities for pathways. These programs also require intense technical assistance and support. There is a statewide California alliance of program partners, technical assistance providers and funders in place to address these challenges.⁶²

57 Hendren, C.R., N., Kline, P., & Saez, E. (2014). "Where is the land of opportunity? The geography of intergenerational mobility in the United States." *The Quarterly Journal of Economics*, 129, 1553-1623.

58 Bernstein, J. (2007). "Is education the cure for poverty? The American Prospect. <http://prospect.org/article/education-cure-poverty>

59 Opportunity youth are young people between the ages of 16 and 24 who are neither enrolled in school nor participating in the labor market.

60 United Way of the Bay Area. (2014). "Reconnecting Opportunity Youth to careers through work-based learning."

61 Guha, R., Caspany, K., Stites, K., et al. (2014). "Taking stock of the California linked learning district initiative: Fifth-year evaluation report executive summary." SRI International.

62 <http://linkedlearning.org/about/linked-learning-in-california/>

JOBS/ECONOMY

The 2014 Self-Sufficiency Brief from United Way of the Bay Area showed that, in San Francisco, **a family with two adults and two children (preschool and school-age) would need to be working the equivalent of four full-time, minimum wage jobs to meet the Self-Sufficiency Standard.**⁶³ For many families and individuals struggling to make ends meet, finding even one full-time minimum wage job is nearly impossible because of the numerous barriers to entering the workforce (such as lack of work experience, conviction of a crime, lack of a high school diploma, poor literacy and numeracy, a disability and unstable housing) as well as institutional barriers such as lack of transportation, part-time schedules and unpredictable variance in schedules from week to week. Moreover, struggling populations, such as men and boys of color, some individuals who have immigrated to the United States and female heads of household, are at a particular disadvantage when it comes to finding a job to help support themselves and their families because of the increased employment barriers they face.

Minimum Wage

It is well documented that the real value of the minimum wage has been declining steadily since reaching its peak in 1968. Indeed, if the federal minimum wage had kept up with inflation and increases in productivity over the last 50 years, it would be \$25.50 per hour today.⁶⁴

In the Bay Area minimum wage ranges from the state minimum wage of \$9.00 per hour to \$12.25 in the City of Oakland. Santa Clara County also boasts the most comprehensive living wage ordinance for employees of county contractors—\$19.06 per hour plus benefits.

San Francisco's minimum wage will increase to \$15 per hour in 2018 yet in order for a single adult to meet their basic needs in San Francisco, they currently require a full time job paying at least \$15.66 per hour. If Senate Bill 3 is signed into law, California's state minimum wage will rise to \$13 per hour in mid-2017.

Municipalities throughout the Bay Area currently have a level of momentum with respect to increasing the minimum wage that the region should not ignore. A regional minimum wage of \$15 per hour could:

- impact 588,736 households
- infuse the regional economy with over \$3.8 billion dollars

Current local momentum and wins in the Bay Area—via both referendum such as those in Oakland and San Francisco, as well as by ordinance, such as in the City of Richmond—with respect to minimum wage increases should be capitalized upon and scaled to a regional movement.

Recent research by the Political Economy Research Institute at the University of Massachusetts, Amherst shows that the fast food-industry could successfully implement a \$15 minimum wage without shedding jobs. This is significant because the fast food industry employs almost half of all minimum wage employees.

California State Earned Income Tax Credit (EITC)

Twenty-five states and Washington D.C. currently offer state-level EITCs, which supplement the federal EITC. Payouts and eligibility requirements vary from state to state. California has not yet adopted a state EITC. Assembly Bill 43, introduced by Assembly member Mark Stone in December 2014, proposes to create a state refundable Earned income Tax Credit (EITC).

Background: More than a quarter of families in the United States do not have enough savings to live for more than 3 months at or above the federal poverty level if they were to experience a financial crisis (e.g., losing their income, medical emergency, etc.).⁶⁵ According to the Center on Budget and Policy Priorities, the federal EITC “is the single most effective tool” in the nation for reducing poverty among working families with children; state EITCs have been expanding this tool.⁶⁶ Moreover, the federal EITC is a benefit that can increase savings for many

63 United Way of the Bay Area. (2014). “Struggling to make ends meet on minimum wage: Self-Sufficiency brief.”

64 Pollin, R. and J. Wicks-Lim. (2015). “A \$15 U.S. Minimum Wage: How the Fast-Food Industry Could Adjust Without Shedding Jobs.” Political Economy Research Institute. <http://www.peri.umass.edu/236/hash/6e68011c89cf49f210e4183f49b8f735/publication/643/>

65 Golonka, S., & Hoffman, L. (2008). “State strategies to reduce child and family poverty.” NGA Center for Best Practices.

66 Williams, E., & Mai, C. (2014). “State earned income tax credits and minimum wages work best together.” Center on Budget and Policy Priorities.

families and individuals living on the brink because it is refundable, meaning that when the tax credit is higher than the actual amount of taxes owed, the difference is then given as a tax refund.⁶⁷ Seventy-one percent of eligible individuals and families in California receive the federal EITC, a higher participation rate than that for CalWORKs and CalFresh.

About 3 million Californians currently receive a federal EITC. The federal EITC is one of the biggest social safety net programs for Californians⁶⁸ which suggests that a state EITC could be very effective in increasing disposable income for Californians, especially young families with children, working families and individuals and female heads of households.

In 2012, the Urban Institute pointed out that states like California, Colorado and New York can look toward one another with regard to policies for families struggling to make ends meet, as all three are county-administered states.⁶⁹ Currently, New York has a successful state EITC and Colorado has reintroduced the state EITC (it was suspended) which is expected to become payable this year.⁷⁰ New York State's (NYS) EITC is effective because it is refundable and provides an incentive to work as families who work gain the greatest benefit from the EITC. In 2009, the NYS EITC was received by over 880,000 families and individuals which totaled approximately \$95 million in EITC tax credits across the state.⁷¹ Research has also shown that EITC income support is linked to positive impacts on children in families living on the brink including better school performance and attendance, as well as better health outcomes.⁷²

While a large body of research supports both the federal EITC and the creation of state EITCs, the policy does face some challenges. First, federal or state EITC can be claimed only by individuals or families with valid social security numbers, eligible children or by individuals without children if they are within the ages of 25 and 65 years. Thus, there are significant numbers of struggling populations (e.g., undocumented individuals, individuals who have recently immigrated or are in the immigration process and do not yet have a social security number, individuals under the age of 25) who do not benefit from an EITC. In addition, the benefit for individuals without dependents is set so low as to be of negligible benefit, especially in states with higher costs of living, such as California.

Child Care

Expanding the Child Care and Development Fund (CCDF) child care subsidy program to serve families at the income limit of 150% of Federal Poverty Guidelines would double the number of families qualifying to receive this subsidy to 358,000.⁷³

Expanding the Child Tax Credit (CTC) is another way to help increase family income available for child care. If the CTC was made completely refundable and expanded to include a full credit for all families making below \$16,330, then 4.4 million new individuals would start to receive a refund and 8 million families would receive, on average, about \$1,497 more for their CTC per family.⁷⁴

Background: For two critical populations facing the most economic insecurity in the Bay Area—female-headed households and households with young children—child care costs can be an insurmountable barrier to work. For example, child care costs represent the second largest budget item among families with young children as calculated in the Self-Sufficiency Standard. On average, the Standard imputes monthly child care cost in the 9 Bay Area counties at \$1,074 per month.

Adults residing in households with acute responsibilities such as single female-headed households and

67 Sykes, R. (2012). "Making work pay in New York: The Earned Income Tax Credit." Empire Center for New York State Policy.

68 Danielson, C. (2014). "The Earned Income Tax Credit in California." Public Policy Institute of California.

69 Kantor, S. (2012). "Six states experiment with new tactics and tools to streamline low-income families' access to work support benefits." Urban Institute.

70 Taxes for Working Families. (2015). "Earned Income Tax Credit." <http://www.taxcreditsforworkingfamilies.org/state/colorado/>

71 Sykes, R. (2012). "Making work pay in New York: The Earned Income Tax Credit." Empire Center for New York State Policy. Empire Center for New York State Policy.

72 Sherman, A., Trisi, D., & Parrott, S. (2013). "Various supports for low-income families reduce poverty and have long-term positive effects on families and children." Center on Budget and Policy Priorities.

73 Children's Defense Fund. (2015). "Ending child poverty now."

74 Children's Defense Fund. (2015). "Ending child poverty now."

households with young children often have difficulty maintaining a job. Having two parents work outside the home can also be challenging because of inadequate access to affordable, quality child care. Nationwide, 40% of single working mothers with children spend at least half of their income on child care expenses.⁷⁵

Lack of adequate child care also has a significant economic impact beyond the family. In 2013, Child Care Aware of America pointed out that **U.S. businesses lose \$3 billion each year because of employee absenteeism due to issues with child care.**

Current government policies and subsidies in place to help fund affordable child care do not come close to meeting the needs of eligible families. While the cost for expanding these programs is significant (expansion and reform to the CCDF subsidy would cost over \$5 billion and changes to the CTC could cost over \$12 billion) there are also significant benefits to the economy, including increased tax revenue paid by working parents, increased buying power of families and reduced cost to businesses from employees with child care issues.

Social Enterprise

Today, there are an increasing number of programs designed to help individuals find, obtain and retain jobs. These programs are extremely important because they provide access to work for people who otherwise might be unable to obtain a job due to structural and systemic barriers. Social enterprises not only provide access to work, they also provide training to ensure that people develop useful skills and personal supports to employees so that they are able to successfully work and maintain other priorities such as a family. Moreover, well-designed social enterprises targeted to the “safe return” of parolees and probationers (many of whom are directed to critical populations such as men and opportunity youth of color and female-headed households) to productive capacity in their communities are proving effective in the Bay Area. These programs are also expanding thanks to state (AB109) funding and local control.

Social enterprises may also be supported by venture philanthropy organizations that provide funding, expertise on social enterprise and networks to help social enterprises achieve their mission of hiring and assisting individuals facing barriers to work, while at the same time maintaining a successful business and turning a profit.⁷⁶ Research on social enterprises all over the world suggests that social enterprises contribute to national growth and income and can “foster social cohesion, enhance the level of trust within society and the economy, and contribute to the accumulation of social capital.”⁷⁷

Background: Our research, and in particular the microsimulations, seeks to include impact to households that incorporate unemployed and underemployed individuals by simulating the impact of a transitional jobs program. This intervention showed modest impact. It had neither the broad impact of the minimum wage simulation; transitional jobs impacted only 72,693 households. Nor did it have the deep impact of the increased educational attainment simulation; transitional jobs increased the average household income of households impacted by \$8,903. This nevertheless represents an increase of \$647,185,779 into the local economy.

Social enterprises such as those supported by the Roberts Enterprise Development Fund (REDF) have already been established across California and the Bay Area. Mathematica examined the impact and effectiveness of 7 California social enterprises set-up through REDF. This report found that 80% of individuals employed by a social enterprise received work supports and over 90% received job readiness and skills training through their Social Enterprise. Approximately two-thirds of employees received supports that helped with life-stability (e.g., food security, financial education, public benefits aid, support to avoid relapsing into unhealthy behaviors such as drug use or criminal activity), and a similar percentage of employees continued to receive supports even after they left the social enterprise.⁷⁸

Working for a social enterprise was linked to housing stability—there was a 38% increase in the number of employees who had stable housing after one year of beginning their social enterprise job. Employee satisfaction

75 Golonka, S., & Hoffman, L. (2008). “State strategies to reduce child and family poverty. NGA Center for Best Practices.”

76 REDF. (2015). “Who we are.” <http://redf.org/who-we-are/>

77 Borzaga, C., Galera, G., & Nogales, R. (2008). “Social Enterprise: A new model for poverty reduction and employment generation.” United Nations Development Programme and EMES European Research Network Project. Pp. 1-215.

78 Mathematica and REDF. (2015). “Economic self-sufficiency and life stability one year after starting a social enterprise job.”

was also high, with 96% feeling as though they were satisfied that their job positively contributed to society. Approximately two-thirds were satisfied with the challenge of the job, salary and level of responsibility and three-fourths reported satisfaction with the support received, hours of work and job security. Also, the majority of employees who chose to leave their social enterprise, left for another job or training opportunity or because they were working at a different social enterprise. Finally, the report suggests that monthly wage and salary income for social enterprise employees increased significantly, from an average of \$216 to \$777.⁷⁹

While social enterprises have been successful in the Bay Area and globally in areas like Australia and the U.K., no strategy is without challenges. The first challenge is that a social enterprise is a business; both the social and business agendas must be equal priorities. Maintaining both the social goals, such as helping people with barriers to work access and maintain a job and financial goals, such as making a profit, for a social enterprise can be difficult to achieve, especially without adequate support. Numerous studies have also shown that unrealistic financial expectations can be a problem for social enterprises. It often takes time for them to break even, much less turn a profit. This is not only a financial difficulty, but it can also overwhelm a business and lead to a change or diversion from the social mandate of the enterprise.⁸⁰

OTHER SIGNIFICANT AREAS OF CONCERN

The issues and potential strategies outlined in this section of the report are not, and are not meant to be, all-inclusive. Rise Together's evaluation was targeted to strategies that:

- could show a measurable reduction in poverty in 3-6 years;
- aligned with the needs of Roadmap "critical" or "vulnerable" populations; and
- are already being practiced to some extent in the Bay Area.

That said, our research, including qualitative data, highlighted a number of significant needs that are beyond the scope of this report, but are acknowledged here as important, and which could be the focus of future research.

Healthcare continues to be a significant issue raised by community members and advocates alike. Although we made great gains through the Affordable Care Act (ACA), we know that everyone is not yet covered and that coverage does not guarantee access to a doctor or other healthcare practitioners. Also, undocumented immigrants are not covered by the ACA and represent an important critical populations whose healthcare and other needs must be addressed in order to ensure the economic security of the Bay Area.

Transportation and Transit-Oriented Development emerged as a significant concern that spans the key drivers of economic success. Accessible transportation is a key element in housing, education, employment and workforce development.

Finally, programs and policy that more intensively address the **economic security of formerly incarcerated people** are also a critical component for ensuring shared prosperity for the Bay Area region.

PRIORITIZING HEADLINE STRATEGIES

The Rise Together Steering Council had the difficult but necessary task, given resource and capacity constraints, of prioritizing among the strategies outlined above. This task was made more complex due to the documented interplay between and among strategies and the differing potential benefits of various strategies between and within critical populations. All these factors underscore the need for a comprehensive approach that takes into account the multi-dimensional nature of the work to increase economic security. Steering Council members were guided in their selection process by the following criteria:

Achievability:

- This strategy can show a measurable result in a timeframe of 3-6 years ("foundational" strategy)
- This strategy already exists or has momentum in the Bay Area
- There are resources or the realistic potential of resources to expand this strategy

⁷⁹ Ibid.

⁸⁰ The Benevolent Society. (2013). "The benefits and challenges of running a social enterprise."

Efficacy:

- This strategy can move the needle on poverty (some, and even more in combination with other strategies)

Early Wins:

- This strategy can show a measurable result in a timeframe of 12-24 months (“thrust” strategy)

Rise Together Value/Regionality:

- This strategy is a good fit with collective action
- There are local champions/coalitions actively working on this strategy
- This strategy addresses a regional, not just local, need

X-Factor:

- This strategy is innovative and/or will energize/motivate stakeholders
- More than one of our research components referenced this strategy

After a robust discussion and careful consideration, the Steering Council reached consensus on a set of principles and strategies for Rise Together’s highest level of support. These are outlined below.

- Raise the **minimum wage** to at least \$15 across the region and advocate for related supports such as minimum hours and set schedules.
- Enact a refundable **State Earned Income Tax Credit**.
- Fund universal, quality, affordable **child care and preschool**, both as a work support for the current workforce and a developmental/education support for the success of our economy’s future workforce.
- Promote and expand **social enterprises** such as subsidized employment, especially focused on the **safe return/re-entry** of those formerly incarcerated to lead productive lives in their communities.
- Champion education strategies that lead to high school graduation and completion of college or post-secondary training in high-wage jobs, such as **linked learning** that supports career pathways and emphasizes not just access but support to sustain educational and vocational endeavors to completion.
- Focus on expanding the overall availability of **affordable housing stock**. In addition, promote **shared housing** and **rapid re-housing** as strategies that increase disposable income and stability for individuals and families, maintain the ability of seniors to age in place and ensure that Bay Area communities remain diverse, vibrant and cohesive.

Headline Strategies will be utilized to champion efforts already planned or in place across the Bay Area, in ways that take advantage of Rise Together’s unique space as a regional hub and resource for growing prosperity. Next steps are addressed in the following section of this report.

CONCLUSION & NEXT STEPS

Rise Together partners imagine a future wherein at least half of the Bay Area families currently struggling to make ends meet have accessed and capitalized on opportunities to move toward economic security by achieving a sustainable living at or above the Self-Sufficiency Standard. In this future, the conversation about “poverty” has changed to one of “growing shared prosperity” for *everyone* in the Bay Area region. There is less “othering,” labeling and stereotyping of people who work to provide for those they love. We have “changed the rules” by enacting new policies and improving systems to better align with our core American values of fairness and equity. We compensate people’s real contribution to the economy with fair wages and benefits, and have reduced the numbers of residents disenfranchised by inequity and disparity. In pursuit of this future, we intend to use this report to move our anti-poverty/pro-prosperity agenda forward in specific, measurable ways.

The findings in this study, which build on existing research and analysis, serve to document and articulate in new and compelling ways the depth and breadth of Bay Area poverty, the diversity and sharp inequity among struggling populations throughout the region, the clear need for a collective approach to meaningfully address such a complex problem and the urgency of a call to action. Through a targeted review of the literature, economic microsimulation, mapping and qualitative data gathering, this project brought together a wealth of resources to narrow down the number of potential strategies around which Rise Together Bay Area’s partners can focus and align.

The report contains criteria for prioritizing from among of a menu of proposed programmatic and policy directions. From this menu, the Steering Council selected a set of “Headline Strategies” with the potential to significantly increase the numbers of Bay Area residents living at or above the Self-Sufficiency Standard. The Headline Strategies align with existing evidence-informed and effective services and policies scattered across the Bay Area which, if expanded, could meaningfully expand the economic mobility of Bay Area individuals and families currently struggling to make ends meet. Moreover, the menu from which the Headline Strategies were prioritized is supported by criteria that helped Rise Together’s Steering Council understand and incorporate the interplay among and between them in moving forward our anti-poverty/pro-prosperity agenda.

In 2015-16, Rise Together will launch regional work groups for each of its Roadmap “key driver” areas, and expand its work to strengthen local efforts and promote and scale impactful components of Headline Strategies across the region. In addition, committees to strengthen Rise Together’s commitment to policy, shared measure and social movement will be established.

While we recognize this report is the beginning of a larger and longer process of distilling and refining Headline Strategies, this research represents a tremendous amount of data and community resources we have only begun to mine in the effort to bring 328,500⁸¹ Bay Area households into economic security. More will be revealed as we “unpack” this wealth of data to learn more specifically about supports that best supports struggling populations, especially taking into consideration their proximity to economic security.

Further research is needed to document the additional strategies and policies that fit with the initial package to be incorporated into Rise Together’s ongoing Action Plan to build local and regional community capacity to act collectively to reduce poverty and implement shared measures of progress for accountability and learning.

⁸¹ This number represents half the households living below the Self-Sufficiency Standard in the 9 Bay Area counties, according to the 2014 United Way of the Bay Area “Struggling to Make Ends Meet” report. Rise Together’s Roadmap to Cut Bay Area Poverty (to cut poverty “in half”) goal was set at 220,000 households in 7 counties in 2012. While the updated raw number is appreciably higher, the number and proportion of households living below the Standard in the Bay Area has held steady, with the increase here largely due to the addition of Santa Clara and Sonoma Counties to the Rise Together initiative.