LONG BEACH ECONOMIC DEVELOPMENT & OPPORTUNITY

Long Beach Workforce Innovation Network

Policy: P-WIOA-SSS-3.A	SELF-SUFFICIENCY STANDARD
	Effective Date: February 19, 2019 Revision Date: February 3, 2026 Approved By: Jaime Gutierrez, Executive Director

PURPOSE

The purpose of this policy is to provide guidance and establish the self-sufficiency standard for Workforce Innovation and Opportunity Act (WIOA) Adults and Dislocated Worker participants.

BACKGROUND

In accordance with WIOA Section 134(c)(3)(A)(i), individuals who receive training must be unlikely or unable to obtain or retain employment that leads to economic self-sufficiency or wages comparable to or higher than wages from previous employment through career services alone. Additionally, they must be in need of training services to obtain or retain employment that leads to economic self-sufficiency or wages comparable to or higher than wages from previous employment. Under WIOA sec. 134(d)(1)(A)(x) local areas have the flexibility to adjust the State standard for economic self-sufficiency for local considerations.

POLICY

Long Beach Workforce Innovation Network (LBWIN) has adopted a self-sufficiency model that is to be utilized in determining eligibility for WIOA Adult and Dislocated Worker participants in need of training services to obtain or retain employment that leads to self-sufficiency.

Self-Sufficiency Standard

In previous years, LBWIN's self-sufficiency standard was based on The Self-Sufficiency Standard for California (Diana Pierce and Wider Opportunities for Women) produced by the National Economic Development and Law Center (2003), as well as the Lower Living Income Standard Level (LLSIL) annually updated by the Department of Health and Human Services. Though generally helpful, the formula was not an accurate measure of working families' actual income needs.

Beginning July 1, 2015, self-sufficiency was based on the "Basic Family Wage" income levels for Los Angeles County enumerated in the report from the California Budget Project, Making Ends Meet: *How much Does It Cost to Raise a Family in California*. This report estimated typical costs of housing and utilities, childcare, transportation, food, health coverage, payroll

and income taxes, and miscellaneous expenses for four hypothetical families: a single adult, a single working parent with children, a two-parent family with children and one working parent, and two working parents with children. This report was last updated in 2017.

For PY 2025-2026, the Long Beach Workforce Innovation Network will base self-sufficiency on the Economic Policy Institute's (EPI's) *Family Budget Calculator* https://www.epi.org/resources/budget/. This calculator measures the income a family needs in order to attain a modest yet adequate standard of living by estimating community-specific costs for various family types (i.e., one or two adults with zero to four children) in the Los Angeles/Long Beach/Glendale metro area.

Compared with the federal poverty guidelines and the Supplemental Poverty Measure, EPI's family budgets provide a more accurate and complete measure of economic security.

In calculating these income levels, EPI's calculator considers the following:

Housing Costs: Based on the Department of Housing and Urban Development's fair market rents, which represent rents (shelter rent plus utilities) at the 40th percentile (i.e., the dollar amount below which 40 percent of standard quality rental units are rented) for privately owned, structurally safe, and sanitary rental housing of a modest nature with suitable amenities. Rents for studio apartments were used for one-person families, one-bedroom apartments were used for two-adult families, two-bedroom apartments were used for families with one or two children, and rents for three-bedroom apartments were used for families with three children.

Food Costs: Estimates are drawn from the USDA's Center for Nutrition Policy and Promotion (USDA 2024), which provides national standards for the cost of nutritious diets at four different levels: Thrifty, Low-Cost Plan, Moderate-Cost Plan, and Liberal Food Plan. This analysis uses the USDA Low-Cost Plan, which assumes that almost all food is bought at a grocery store and then prepared at home.

Child Care Expenses: Based on costs of center-based childcare and family-based care for 4-year-olds and school-age children, as reported by the Child Care Aware of America. It is assumed that all families in urban areas use center-based care for one-child families, the assumption is the child is 4 years old. For families with more than one child, it's assumed the additional children are ages 8, 12, and 16, respectively.

Transportation Expenses: A combination of the costs of auto ownership, auto use, and transit use. Transportation cost data was provided by the Center for Neighborhood Technology (CNT). CNT created a modified version of transportation costs from its Housing and Transportation Affordability Index to account for differences in family types.

Healthcare Expenses: Include insurance premiums and out-of-pocket costs, and assume families purchase insurance through the health insurance exchanges created by the Affordable Care Act. Data on premiums come from the Kaiser Family Foundation and the U.S. Department of Health and Human Services (HHS). Out-of-pocket medical costs are calculated from HHS's Medical Expenditure Panel Survey.

Other Necessities: This includes apparel, personal care, household supplies (which include items ranging from furnishings to cleaning supplies to phone service), reading materials, and school supplies. The costs for these items come from the Bureau of Labor Statistics Consumer Expenditure Survey, and use data reported for households in the second (from the bottom) fifth of household income distribution.

Taxes: Calculated from the National Bureau of Economic Research's Internet TAXSIM, an online tool that calculates information on federal personal income taxes, state income taxes, and federal Social Security and Medicare payroll taxes.

PROCEDURES

LBWIN staff should use the Economic Policy Institute's (EPI's) *Family Budget Calculator* for determining self-sufficiency for WIOA customers, unless otherwise updated.

https://www.epi.org/resources/budget/

REFERENCES

- WIOA Section 134(c)(3)(A)(i) and 134(d)(1)(A)(x)
- Title 20 CFR 680.210
- Economic Policy Institute. (2022). *Family budget calculator: Technical documentation*. https://www.epi.org/publication/family-budget-calculator-documentation/

INQUIRIES

For questions or assistance related to this policy, please contact LBWIN staff at 562.570.3748.