

MAKING ENDS MEET **2014**

When wages fail to meet
basic costs of living
in San Diego County



Adam: husband, father, restaurant cook \$12 /hour

A study of the wages needed in San Diego County to reach the **Self-Sufficiency Standard** – a realistic measure of essential living expenses – and a demographic profile of San Diegans whose incomes fall below that level

More than **300,000** households in San Diego County have incomes too low to cover basic expenses.

83% of them have at least one person working.

Most of these economically insecure households aren't counted in the official poverty rates. Their incomes are above Federal Poverty Thresholds but below the region's high cost of living.

These families – more than a third of local working-age households – often must make difficult choices because they can't afford food, rent, healthcare or other basics. The local economy suffers when they must double up on housing with other families, go without services such as child care or car repairs, and can't spend in local stores. Many are forced to rely on public benefits such as food stamps when employers don't pay enough to cover the costs of living.

Self-Sufficiency Standard:

A monthly budget for no-frills living, without public or private assistance

Average Monthly Costs in San Diego County	1 Adult	1 Adult + preschooler	2 Adults + infant	2 Adults + infant + preschooler
Housing	\$1,032	\$1,354	\$1,354	\$1,354
Child Care	\$0	\$1,003	\$1,293	\$2,297
Food	\$270	\$410	\$655	\$771
Transportation	\$290	\$299	\$567	\$567
Health Care	\$137	\$398	\$456	\$466
Miscellaneous	\$173	\$346	\$432	\$545
Taxes	\$402	\$788	\$982	\$1,328
Child Care Tax Credit (-)	\$0	(\$50)	(\$50)	(\$100)
Child Tax Credit (-)	\$0	(\$83)	(\$83)	(\$167)
TOTAL household income needed monthly	\$2,305	\$4,465	\$5,606	\$7,062
TOTAL income needed yearly	\$27,655	\$53,580	\$67,277	\$84,739
Hourly wage needed per adult working 40 hours/week	\$13.09	\$25.37	\$15.93 each	\$20.06 each

For links to more data on other family types, see www.onlineCPI.org/MakingEndsMeet

Methodology

Average monthly budgets were calculated using the Self-Sufficiency Standard, a methodology developed by Dr. Diana M. Pearce, University of Washington School of Social Work. The budgets include costs in San Diego County, based on data from sources such as the U.S. Department of Housing and Urban Development (HUD), the U.S. Department of Agriculture (USDA), and the Census Bureau. Estimates of populations falling below the Self-Sufficiency Standard are based on analysis of the Census Bureau's American Community Survey Public Use Microdata for San Diego County. All calculations are based on data from 2012, the most recent year for which all required data is available. For more detailed methodology, see www.onlineCPI.org/MakingEndsMeet

Paychecks in the region are lagging behind costs.

Even with full-time work, about **1 in 4**

households can't make ends meet.



Lisette: mom, commuter, legal assistant \$11 /hour

Among all households in the county with at least two people working, 26.7% had total income below the Self-Sufficiency Standard. That's 108,553 households unable to make ends meet despite earning two or more paychecks.

Even among households headed by someone working a full-time, year-round job, 23.5% had incomes below the Self-Sufficiency Standard.

More than half of employees in the region's tourism industry live with insufficient income.

The five industries in the county with the highest percentage of employees living below the Self-Sufficiency Standard, in order of size, are: Tourism (primarily hotels and restaurants), Retail, Construction, Other Services and Agriculture.

San Diego area industries with highest share of employees living below the Self-Sufficiency Standard

Industry	Total # workers in region	% Below Standard	Description of industry
Agriculture	13,395	65.2%	Farmworkers, forestry, fishing, mining
Tourism	153,979	52.0%	Hotels, restaurants, amusements, recreation
Other services	68,750	49.2%	Repairs, maintenance, cleaning, personal care, misc.
Construction	83,119	40.9%	Construction of buildings, homes, roads, other infrastructure
Retail sales	149,981	37.7%	All stores, online shopping, gas stations, other retail sales

38% of all working-age households can't make ends meet, up from 30% pre-recession.

The Great Recession continues for many in San Diego County. The latest data show that 300,667 of the region's 796,354 households headed by someone under age 65 are living below the Self-Sufficiency Standard. That's an increase of 71,472 more families with insufficient incomes than in 2007, the year before the recession began.

Who lives below the Self-Sufficiency Standard in San Diego County?

	Total #	#Below Standard	%Below Standard
All households in San Diego County*	796,354	300,667	37.8%
One or more workers in household	733,141	249,017	34.0%
Two or more workers in household	405,956	108,553	26.7%
Householder working full-time, year-round	483,795	113,841	23.5%
One or more children in household	335,711	170,363	50.7%
No children in household	460,643	130,304	28.3%
Single mother with children	74,383	53,852	72.4%
Single father with children	27,971	15,627	55.9%
Married couple with children	233,357	100,884	43.2%

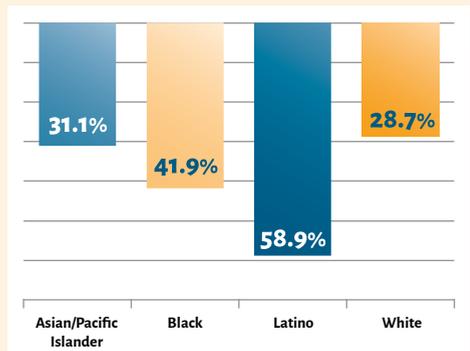
*All data in this table refer to households headed by someone under age 65

Women and children are most likely to have insufficient income.

- Half (50.7%) of all households with children have incomes too low to make ends meet. That's nearly double the rate for households with no children (28.3%).
- Among single-parent households, a staggering 72.4% of single mothers and 55.9% of single fathers had incomes too low to support their families.

All racial groups are affected, with the heaviest burden on Latinos.

While income differed significantly by race and ethnicity, at least a quarter of households in each of the four largest groups in San Diego County have incomes below the Self-Sufficiency Standard.



How do people get by with insufficient income?

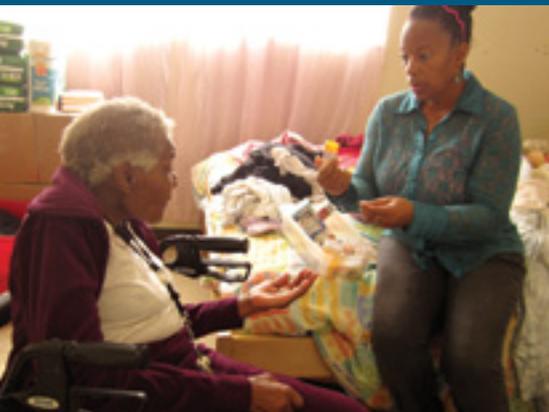
Adam Carcione, cook

At work, Adam Carcione prepares gourmet, organic meals for strangers. At home, he struggles to afford healthy food for his 3-year-old son.

After 14 years in the restaurant industry, Adam makes \$12 an hour as a cook at a large, highly successful San Diego restaurant. His wife, Leeanna, works part-time as a pastry chef and is training to become a court reporter. Unable to afford rent in San Diego, they live with her mother.

Besides dreaming of their own apartment, they put off car repairs, rarely buy new clothes, and can't eat out at restaurants like the ones where they work.

"We're not on aid, but we would be if we weren't living with my mother-in-law," Adam said. "We're not really getting by."



Theresa: Grandmother, homecare provider \$9.85 /hour

Theresa Blackwell, caregiver

At least twice every day, Theresa Blackwell drives to the North Park apartment of one of her clients to make sure the disabled, 80-year-old woman eats and takes her prescriptions. For all three of her clients, Theresa cooks, cleans, drives them to doctor appointments, and handles shopping and whatever else they need.

She is paid \$9.85 an hour by In-Home Supportive Services, a state/county program that keeps elderly and disabled

people in their homes instead of costly institutions. Making only about \$12,000 a year, Theresa must rely on food stamps and subsidized rent. She wishes she could take her two young grandsons to the movies and buy "a car made in this century."

"My car needs work and I can't afford it. I only buy clothes at thrift stores," she said. "I shouldn't have to live this way."

Lisette Orosco, legal assistant

A full-time legal assistant at a Sorrento Valley law firm, Lisette Orosco is paid \$11 an hour. A big chunk of each paycheck goes into her gas tank, for her daily commute from the home in Chula Vista she shares with two roommates and her own two children.

Lisette and her children, ages 6 and 4, share a bedroom. She said she can't afford to move to their own place. It's a challenge just to buy clothes and shoes for her growing son and daughter. She goes without health insurance, has a low-interest car loan from Jewish Family Services, and receives about \$500 a month in food stamps.

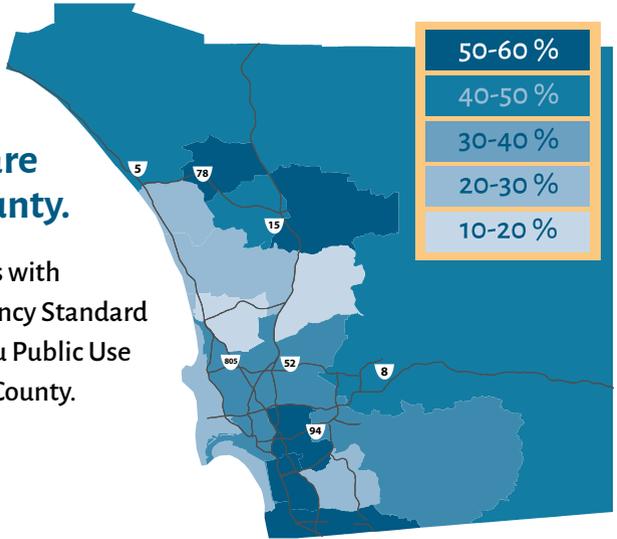
"I would rather be completely self-sufficient, but without food stamps I wouldn't be able to survive," she said.



Among households headed by someone working **full-time all year**, **23.5%** have incomes too low to meet costs in San Diego County.

Households with insufficient income are spread across the county.

The percentages of households with income below the Self-Sufficiency Standard are displayed by Census Bureau Public Use Microdata Areas in San Diego County.



Official poverty rates don't reflect the true extent of economic distress.

The official rate of 15% poverty in San Diego County doesn't include 205,642 of the local households living below the Self-Sufficiency Standard – who make up 25.8% of all working-age households in the county. Their incomes exceed Federal Poverty Thresholds but are insufficient to cover the cost of basic necessities in the region.

The Federal Poverty Thresholds, which vary by family size but not geographical location, use a 1960s methodology based on the cost of food, without accounting for regional differences or costs such as housing, childcare, healthcare and taxes.

Measure of annual income needed	1 Adult	1 Adult + preschooler	2 Adults + infant	2 Adults + infant + preschooler
Self-Sufficiency Standard for San Diego County	\$27,655	\$53,580	\$67,277	\$84,739
Federal Poverty Thresholds, 2012	\$11,720	\$15,825	\$18,480	\$23,283

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