



## ISSUE BRIEF

August 28, 2007

# Earnings, Poverty and Income Inequality in San Diego County

Analysis of regional data from the US Census Bureau  
2006 American Community Survey

Real median earnings for all workers in San Diego County dropped by 3.9% from 2005 to 2006, including earnings from wages and self-employment.

San Diego County has 105,225 households living below the federal poverty level and thousands more with incomes insufficient for the county's high cost of living.

A new local measure shows a large income gap between rich and poor in the county. The 20% of households with the highest incomes claimed half (49%) of all income in the county, while the lowest-earning fifth of households got less than a 4% sliver of the pie.

## Key Findings

### Earnings in San Diego County

- Average earnings for full-time workers fell by 3.9% in 2006, after adjusting for inflation. Nationally, it was the third consecutive year of declining earnings.
- Among the county's 995,021 full-time, year-round workers, the average annual earnings were \$55,700. There were 214,160 full-time workers who earned less than \$25,000 a year.
- Across occupations, women working full-time year-round during 2006 earned 20% less than male workers.

### Income in San Diego County

- San Diego County has considerable income disparity, the census data reveals in its first county-by-county use of the Gini ratio, the standard international measure of income inequality. The 20% of households with the highest incomes claimed half (49%) of all income in the county, while the lowest-earning fifth of households got less than a 4% sliver of the pie.
- Inequitable income distribution creates a "teardrop" economy, bulging at the bottom with low-income individuals and families.
- Racial and ethnic income disparities persist, with disproportionately lower income for Hispanic and African-American households.
- Median household income in the county was \$59,591 in 2006, 2.4% above the 2005 level in real dollars.

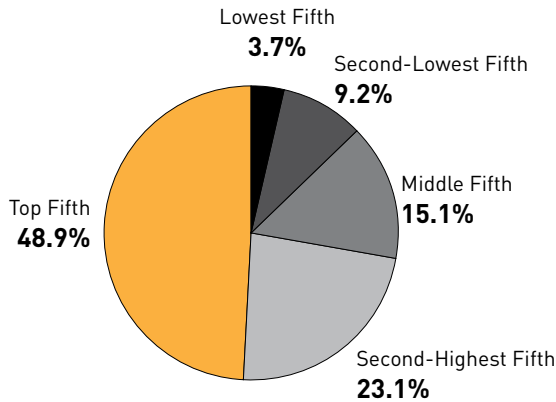
### Poverty in San Diego County

- In 2006, 331,370 individuals in San Diego County live below the federal poverty level, a poverty rate of 11.7%. There are 105,225 households in the county with incomes below the federal poverty level, which is widely acknowledged to be far less than real poverty.
- More than a quarter (27.6%) of families headed by single mothers live in poverty; they are twice as likely to be impoverished as any other family type.
- Poverty rates in the county vary by city from 6% in Carlsbad to 15% in Vista.

## Income in San Diego County

The county's median household income—the level higher than half the households and lower than half—was \$59,591 in 2006, 2.4% above the inflation-adjusted 2005 level of \$56,954.

### Share of the Pie: Distribution of Aggregate Income by Quintile

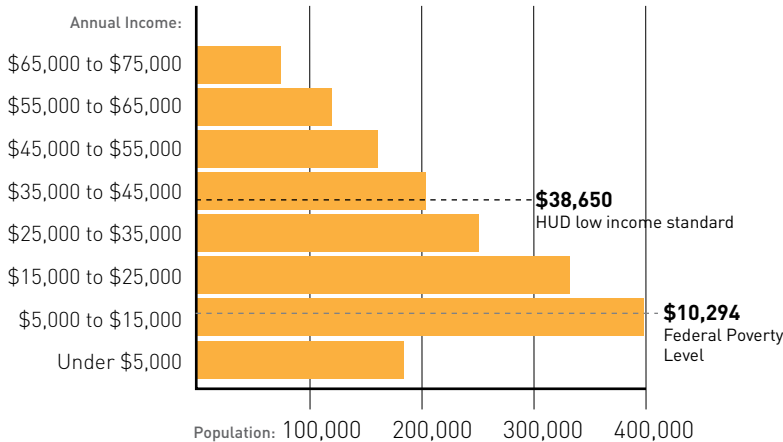


### Share of Total Income

Distribution of total income in the county, measured for the first time this year, was highly uneven. The 20% of households with the highest incomes claimed half (49%) of all income in the county, while the lowest-earning fifth of households got less than a 4% sliver of the pie.

The Census Bureau's first county-by-county use of the Gini ratio, the standard international measure of income inequality, also reveals considerable income disparity in San Diego County. The county's Gini ratio\* was 0.451, comparable to the statewide and national ratios.

### San Diego County Income Distribution up to \$75,000 a year\*

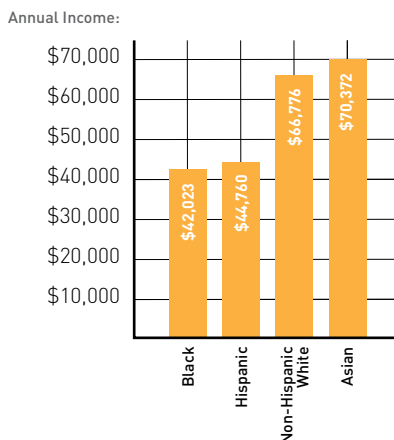


### Income Distribution

Income in San Diego County is distributed in a teardrop shape. Among county residents who have any income, 91% have income below \$75,000 a year. The Census Bureau does not provide comparable data for the huge income range above \$75,000, which accounts for only 9% of county residents with income, or 164,000 people.

The US Housing and Urban Development (HUD) low-income threshold is \$38,650 a year for a 1-person household.

### Median Household Income by Race



### Racial Disparity

A wide racial disparity persists in the county. The median income for Hispanic households was only 75% of the overall median, and Black households 70%, while median income for White and Asian households exceeded the overall countywide level.

\*The Gini ratio, developed by Italian statistician Corrado Gini, assigns a higher number the more unequally income is distributed. A measure of 0 indicates perfect equality; i.e., all people have equal shares of income, while a 1 indicates perfect inequality; i.e., one person has all the income and the rest have none.

## Poverty in San Diego County

There are 331,370 individuals in San Diego County living below the federal poverty level, a poverty rate of 11.7%. This includes 109,507 children and 104,270 working adults.

The federal poverty level (FPL) is set nationally according to family size (in 2006: \$10,295 for a single adult and \$20,615 for a family of four) and is widely acknowledged to be far less than the real poverty level based on the high cost of living in cities such as San Diego. CPI has calculated that a single person needs an income of \$26,000 to meet basic living expenses in this county.<sup>1</sup>

Forty four percent (44.5%) of adults in poverty were working either full-time or part-time.

### Households in Poverty

	# in poverty	% in poverty
<b>Families in Poverty</b>	<b>55,484</b>	<b>8%</b>
Married Couples with children	17,244	7%
Married Couples with no related children	7,300	3%
Single Dads with children	4,027	14%
Single Moms with children	22,401	28%
Single Adults without children	4,512	7%
<b>Other Households in Poverty</b>	<b>49,741</b>	<b>12%</b>
Female Householder	28,637	12%
Male Householder	21,104	16%

### Families in Poverty

There are 105,225 households in the county with income below the federal poverty level, including 55,484 families (defined by the Census Bureau as people living together who are related by marriage, birth or adoption) and 49,741 other households.<sup>2</sup>

More than a quarter (27.6%) of families headed by single mothers live in poverty; they are twice as likely to be impoverished as any other family type.

### Poverty Rates by City in San Diego County

Carlsbad	6.0%
Oceanside	10.0%
Chula Vista	11.0%
Escondido	13.5%
San Marcos	13.1%
San Diego	13.4%
Vista	15.2%
El Cajon	15.8%

### Poverty by City

Cities within the county vary in the percentage of population living below the official federal poverty level.

### Full-time Workers in San Diego County

Workers in San Diego County	<b>955,021</b>	...
Workers earning less than \$50,000	544,536	57.02%
Workers earning less than \$25,000	214,160	22.42%

<sup>1</sup> Making Ends Meet, 2005

<sup>2</sup> There are 49,741 households in poverty in the county they're not defined as "families" by the Census Bureau. This includes single adults and people living together who are not related by marriage, birth or adoption.

## Employment and Earnings in San Diego County

Among the county's 995,021 full-time, year-round workers, the average annual earnings were \$55,700. There were 214,160 full-time workers who earned less than \$25,000 a year, while 544,536 earned less than \$50,000.

Average real earnings for full-time workers fell by 3.9% in 2006, as earnings from wages and self-employment were unable to catch up with the rate of inflation. Nationally, it was the third consecutive year of declining earnings.

### Median Earnings By Industry By Gender

	Total Employment	Male	Female	% Gender Difference
Retail trade	147,600	\$40,095	\$28,475	29%
Accommodation and food services	132,300	\$23,072	\$22,012	5%
Educational services	120,300	\$56,968	\$44,103	23%
Government (excluding education)	118,500	\$52,582	\$46,572	11%
Professional, scientific, and technical services	110,600	\$77,317	\$54,914	29%
Health care and social assistance	103,700	\$52,436	\$36,464	30%
Manufacturing	103,600	\$55,254	\$39,612	28%
Construction	92,600	\$40,624	\$39,514	3%
Administrative & support & waste management services	86,300	\$26,390	\$31,678	-20%
Finance and insurance	53,300	\$70,570	\$46,849	34%
Other services (except public administration)	48,900	\$36,120	\$23,292	36%
Wholesale trade	45,100	\$50,776	\$45,540	10%
Information	37,200	\$66,636	\$48,810	27%
Real estate and rental and leasing	30,400	\$47,184	\$42,239	10%
Arts, entertainment, & recreation	23,900	\$35,583	\$31,358	12%
Transportation & warehousing	21,900	\$42,438	\$45,044	-6%
Management of companies & enterprises	16,900	\$65,222	\$42,177	35%
Agriculture, forestry, fishing & hunting	11,000	\$21,099	\$14,189	33%
Utilities	6,400	\$73,324	\$46,070	37%
Mining	500	...	...	...
<b>All Industries</b>	<b>1,311,000</b>	<b>\$47,395</b>	<b>\$38,120</b>	<b>20%</b>

### Earnings by gender

Across occupations, women working full-time year-round during 2006 earned 20% less than male workers. Among large industries in the county, the gender gap was largest (29%) in retail trade, while women working in accommodation and food services had the lowest median income.

## About CPI

The Center on Policy Initiatives is a nonprofit research and policy action center established in 1997. CPI focuses on economic and social justice issues affecting working people in the San Diego region. All CPI research publications are available at [www.onlineCPI.org](http://www.onlineCPI.org).