



San Diego Snapshot: Making Ends Meet

***Living and working in San Diego
has never been more expensive***

A look at the cost of living for working families

Introduction

The cost of living in San Diego continues to grow beyond the means of working families who help operate our local economy. Increasing costs in housing, health care and utilities have stretched family budgets to their limits. Despite the economic growth of the past two decades, low-wage and middle-income workers are finding it harder to get by in San Diego, where the costs for basic needs are rising beyond affordability. Unless we begin to consider new strategies to fight the crisis of working poverty, the current economic downturn will further exacerbate San Diego's affordability crisis. In previous studies, the Center on Policy Initiatives (CPI) looked at the kinds of jobs our economy was creating and whether those jobs and wages were adequate to support working families. This snapshot of San Diego looks at the other side of a families' financial situation - the rising costs of basic needs that define a decent standard of living in San Diego. We look at the real cost of living in San Diego for various family types and calculate the wages that workers need to make in order to support their families' basic needs.

Making Ends Meet in San Diego - Our Findings

For the purpose of this study CPI defined family basic needs as housing, utilities, food, clothing and personal care, transportation, childcare, healthcare, and telephone service. Tables 1 and 2 describe detailed costs of these essential needs for families of different sizes in San Diego. We used primarily local data from published surveys done by private and public agencies. We have taken a very conservative approach, excluding items that most families today might consider essential, namely, entertainment, cable television, homeowner/renter insurance, life insurance, and savings.

Despite these exclusions we found that:

- A single person without dependents would need to earn \$12.48 an hour at a full-time job to meet their basic needs in San Diego.
- A single parent with an infant would need to earn \$18.12 an hour at a full-time job in order to earn an income that would meet basic family needs.
- A single parent with two school-age children would need to earn \$25.04 an hour to earn enough to meet basic family needs.
- In a two-parent family with one infant, both adults would have to earn \$10.99 an hour to meet basic family needs.
- In a two-parent family with two school-aged children, the adults would each need to earn \$13.05 an hour to meet basic family needs.

This analysis, along with our previous studies, show that many jobs created by the San Diego economy do not pay the wages needed to meet a family's basic needs.

Conclusion

This study underscores the urgency for policy makers and advocates to address the types of jobs our region is creating as well as the rising cost of living and its effects on working families in San Diego. Low-wage workers, and even middle-income earners, have been the hardest hit by the spiraling costs of the most basic needs. We hope policy makers and advocates will use this information to develop an economic development strategy that promotes the well being of families and communities; this is based on the premise that work should pay enough to support a decent standard of living for working San Diego families.



Ginger, Bus Monitor

Ginger is a single mom working as a bus monitor at the Neighborhood House Association Head Start Program. She has a college degree in hazardous materials management and took the job in the hopes of getting her foot in the door. Three years later, Ginger

is earning about \$11.00 per hour.

Ginger is unable to afford to pay for family coverage offered by the health plan she is enrolled in. Her two daughters use the Healthy Families program, which is \$24 dollars a month. With her rent and utilities at around \$1100 every month, her housing expenses are much more than half of her take-home pay.

Given her schedule and her obligations to her daughters, it's also too hard to swing another job for extra income. She has to take her daughter to a bus that takes her to school, drop the other daughter off at daycare and then be at work by 6:00 AM. She believes the agency needs to pay its employees more or at least give them health care coverage.

“By the time I get home at 7 PM I don't have much energy left and even if I did, I couldn't afford the additional expense of childcare if I were to work a night shift at NHA.”

Basic Family Budgets: One Adult, No Children

\$25,950.22/year
\$12.48/hour

Basic Family Budgets: One Adult Families

Elements/ Costs	1 Adult + 1 Infant	1 Adult + 1 Schoolage	1 Adult + 1 Preschool + 1 Schoolage	1 Adult + 2 Schoolage
Rent + Utilities	\$939.00	\$1,175.00	\$1,175.00	\$1,636.00
Food	\$259.20	\$304.00	\$409.20	\$570.00
Transportation	\$285.61	\$285.61	\$285.61	\$285.61
Childcare	\$793.83	\$390.37	\$1,149.70	\$758.00
Healthcare	\$241.31	\$241.31	\$243.88	\$243.88
Phone	\$80.50	\$80.50	\$80.50	\$80.50
Clothing & Personal Care	\$112.77	\$107.45	\$145.07	\$155.05
Household Supplies	\$107.14	\$102.08	\$137.82	\$147.30
Basic Monthly Needs	\$2,819.35	\$2,686.32	\$3,626.78	\$3,876.34
Total Income	\$33,832.21	\$32,235.82	\$43,521.38	\$46,516.11
Taxes				
California	(\$99.00)	(\$51.00)	(\$52.00)	\$154.00
Federal	\$1,374.00	\$1,231.00	\$1,331.00	\$1,858.00
Social Security	\$2,588.00	\$2,466.00	\$3,329.00	\$3,558.00
Total Taxes	\$3,863.00	\$3,646.00	\$4,608.00	\$5,570.00
Gross Annual Earnings	\$37,695.15	\$35,882.11	\$48,129.69	\$52,086.37
Hourly Self-sufficiency Wage	\$18.12	\$17.25	\$23.14	\$25.04

Basic Family Budgets: Two Adult Families

Elements/ Costs	2 Adults + 1 Infant	2 Adults + 1 Schoolage	2 Adults + 1 Preschool + 1 Schoolage	2 Adults + 2 Schoolage
Rent + Utilities	\$1,175.00	\$1,175.00	\$1,175.00	\$1,636.00
Food	\$444.90	\$489.70	\$594.90	\$631.30
Transportation	\$401.52	\$401.52	\$401.52	\$401.52
Childcare	\$793.83	\$390.37	\$1,149.70	\$758.00
Healthcare	\$246.31	\$246.31	\$246.31	\$246.31
Phone	\$94.49	\$106.93	\$106.93	\$106.93
Clothing & Personal Care	\$136.92	\$121.90	\$159.41	\$163.99
Household Supplies	\$130.08	\$115.81	\$151.44	\$155.79
Basic Monthly Needs	\$3,423.04	\$3,047.53	\$3,985.21	\$4,099.84
Total Income	\$41,076.47	\$36,570.41	\$47,822.48	\$49,198.12
Taxes				
California	\$57.00	(\$47.00)	\$35.00	\$124.00
Federal	\$1,445.00	\$842.00	\$928.00	\$1,213.00
Social Security	\$3,142.00	\$2,798.00	\$3,658.00	\$3,764.00
Total Taxes	\$4,645.00	\$3,593.00	\$4,621.00	\$5,100.00
Gross Annual Earnings	\$45,721.22	\$40,163.20	\$52,443.94	\$54,298.53
Hourly Self-sufficiency Wage (1)	\$21.98	\$19.31	\$25.21	\$26.11
Hourly Self-sufficiency Wage (2)	\$10.99	\$9.65	\$12.61	\$13.05



Center on Policy Initiatives

3727 Camino del Rio South, Suite 100
San Diego, CA 92108
(619) 584-5744
(619) 584-5748 fax
www.onlinecpi.org



Data Sources

Rent and utilities are derived from the Dept. of Housing and Urban Development Fair Market Rents (FMR).

Food costs are from the USDA Low-Cost Food Plan.

Transportation: Average weekday commuting distance from SANDAG; average weekend commuting distance from the California Budget Project for state-wide averages; and the Economic Policy Institute for factor increase for additional adults. Cost per mile from IRS Publications, Tax Topic 510 - Business Use of Car.

Childcare figures from the YMCA Childcare Resource Service Provider Market Rate study for San Diego.

The premiums for employer-provided healthcare are from the 2003 Medical Expenditure Panel Survey; the cost of private insurance is from the Kaiser Permanente Private Insurance Calculator and the formula from the Economic Policy Institute methodology.

Phone Costs are from the 2003 Consumer Expenditure Survey from the Bureau of Labor Statistics, and adjusted for inflation.

Clothing and Personal Care and Household Expenses based on percentages of household budget from 2003 Consumer Expenditure Survey from the Bureau of Labor Statistics, and adjusted for inflation.

Institute for Taxation and Economic Policy did the tax calculations using the 2004 tax regulations based on the assumption that all filers would use standard tax deductions. California tax figures assume the use of dependent care credit and the renter's credit. Federal tax numbers include the EITC where appropriate.

About the Center on Policy Initiatives

The Center on Policy Initiatives (CPI) was established in 1997 to promote higher standards of living for poor and moderate-income families through research, policy development, public education and effective advocacy.

CPI believes that a fair economy is one in which economic opportunities are universally accessible. Specifically, a healthy community is one that offers good jobs, democratic workplaces, affordable health care, quality childcare, affordable housing, and secure retirement benefits.