



California Budget
& Policy Center

Making Ends
Meet:

The Cost to Support a Family in California

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SILICON VALLEY CHILDREN'S ADVOCACY
NETWORK

MOUNTAIN VIEW, JANUARY 18, 2018

calbudgetcenter.org

What Are Families' Basic Expenses?



Key Themes

- Estimating families' basic budgets.
- Basic family budgets in Silicon Valley.
- Why are families struggling to make ends meet?
- Public supports can help.
- Policy choices make a difference.



Estimating Families' Basic Budgets



Sources for Family Budget Estimates

Basic needs at modest quality, accounting for local cost of living wherever feasible:

- **Housing** – Fair Market Rents from US Department of Housing and Urban Development.
- **Food** – Low Cost Food Plan from US Department of Agriculture.
- **Child Care** – Licensed Family Child Care Home rates from California Department of Education.



Sources for Family Budget Estimates

- **Health Care** – Average employee contribution for employer-offered health insurance premiums for California employers paying modest wages, plus median other out-of-pocket medical expenses, from Medical Expenditures Panel Survey.
- **Transportation** – Average car maintenance, license and fees, and gas expenses from national Consumer Expenditure Survey, adjusted for local commute times.



Sources for Family Budget Estimates

- **Miscellaneous** – Average expenses for clothing, housekeeping supplies, personal care items, education, and phone services from national Consumer Expenditure Survey, plus allowance for basic DSL internet and minor other expenses.
- **Taxes** – Federal and state payroll taxes, and federal and state income taxes (excluding refundable tax credits), calculated based on totals of other budget items.



Basic Family Budgets: How Much Does It Cost to Support a Family in Silicon Valley?



Santa Clara County

Monthly Family Budgets

	Two-Working-Parent Family	Two-Parent Family (One Working)
Housing and Utilities	\$2,220	\$2,220
Food	\$773	\$773
Child Care	\$1,628	\$463
Health Care (Employer-Based)	\$638	\$638
Transportation	\$567	\$437
Miscellaneous	\$787	\$787
Taxes	\$1,175	\$759
MONTHLY TOTAL	\$7,788	\$6,076
ANNUAL TOTAL	\$93,451	\$72,914

Note: These budgets represent the total income required to cover a family's basic needs through earnings only, without government supports. All family types except "single adult" are assumed to have two children, one preschool-aged and one school-aged.. Amounts correspond to calendar year 2017. Numbers may not sum due to rounding.



Santa Clara County

Monthly Family Budgets

	Single-Parent Family	Single Adult
Housing and Utilities	\$2,220	\$1,507
Food	\$577	\$268
Child Care	\$1,628	\$0
Health Care (Employer-Based)	\$611	\$162
Transportation	\$437	\$304
Miscellaneous	\$463	\$361
Taxes	\$1,040	\$525
MONTHLY TOTAL	\$6,796	\$3,126
ANNUAL TOTAL	\$83,715	\$37,516

Note: These budgets represent the total income required to cover a family's basic needs through earnings only, without government supports. All family types except "single adult" are assumed to have two children, one preschool-aged and one school-aged.. Amounts correspond to calendar year 2017. Numbers may not sum due to rounding.



San Mateo County

Monthly Family Budgets

	Two-Working-Parent Family	Two-Parent Family (One Working)
Housing and Utilities	\$3,018	\$3,018
Food	\$773	\$773
Child Care	\$1,800	\$474
Health Care (Employer-Based)	\$589	\$589
Transportation	\$567	\$437
Miscellaneous	\$787	\$787
Taxes	\$1,475	\$1,007
MONTHLY TOTAL	\$9,009	\$7,085
ANNUAL TOTAL	\$108,109	\$85,020

Note: These budgets represent the total income required to cover a family's basic needs through earnings only, without government supports. All family types except "single adult" are assumed to have two children, one preschool-aged and one school-aged.. Amounts correspond to calendar year 2017. Numbers may not sum due to rounding.



San Mateo County

Monthly Family Budgets

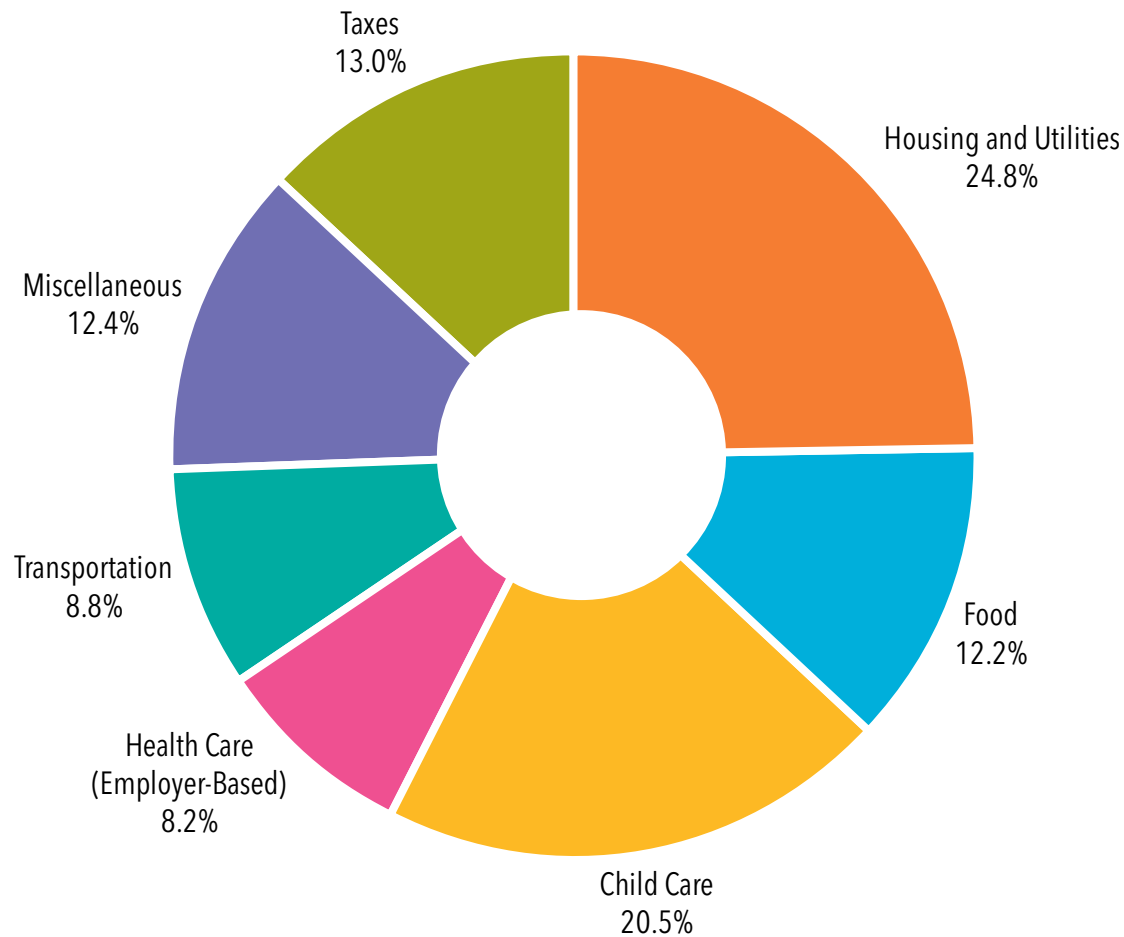
	Single-Parent Family	Single Adult
Housing and Utilities	\$3,018	\$1,915
Food	\$577	\$268
Child Care	\$1,800	\$0
Health Care (Employer-Based)	\$564	\$150
Transportation	\$437	\$304
Miscellaneous	\$463	\$361
Taxes	\$1,510	\$648
MONTHLY TOTAL	\$8,370	\$3,645
ANNUAL TOTAL	\$100,440	\$43,745

Note: These budgets represent the total income required to cover a family's basic needs through earnings only, without government supports. All family types except "single adult" are assumed to have two children, one preschool-aged and one school-aged.. Amounts correspond to calendar year 2017. Numbers may not sum due to rounding.



Two-Working-Parent Family Budget

Statewide Average Annual Total = \$75,952



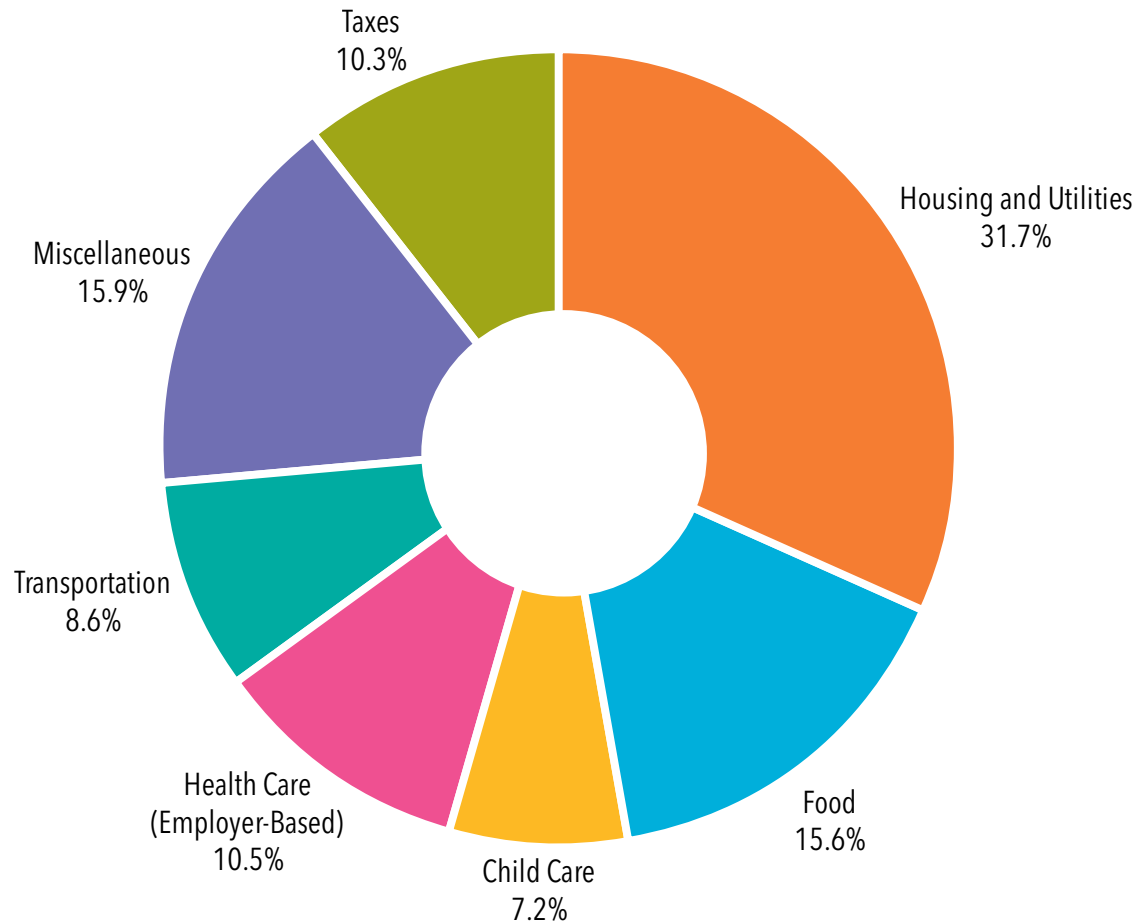
Note: Statewide average family budget calculated by averaging all county family budgets, weighted by county population.

Source: Budget Center Making Ends Meet 2017 analysis



Two-Parent (One Working) Family Budget

Statewide Average Annual Total = \$59,338



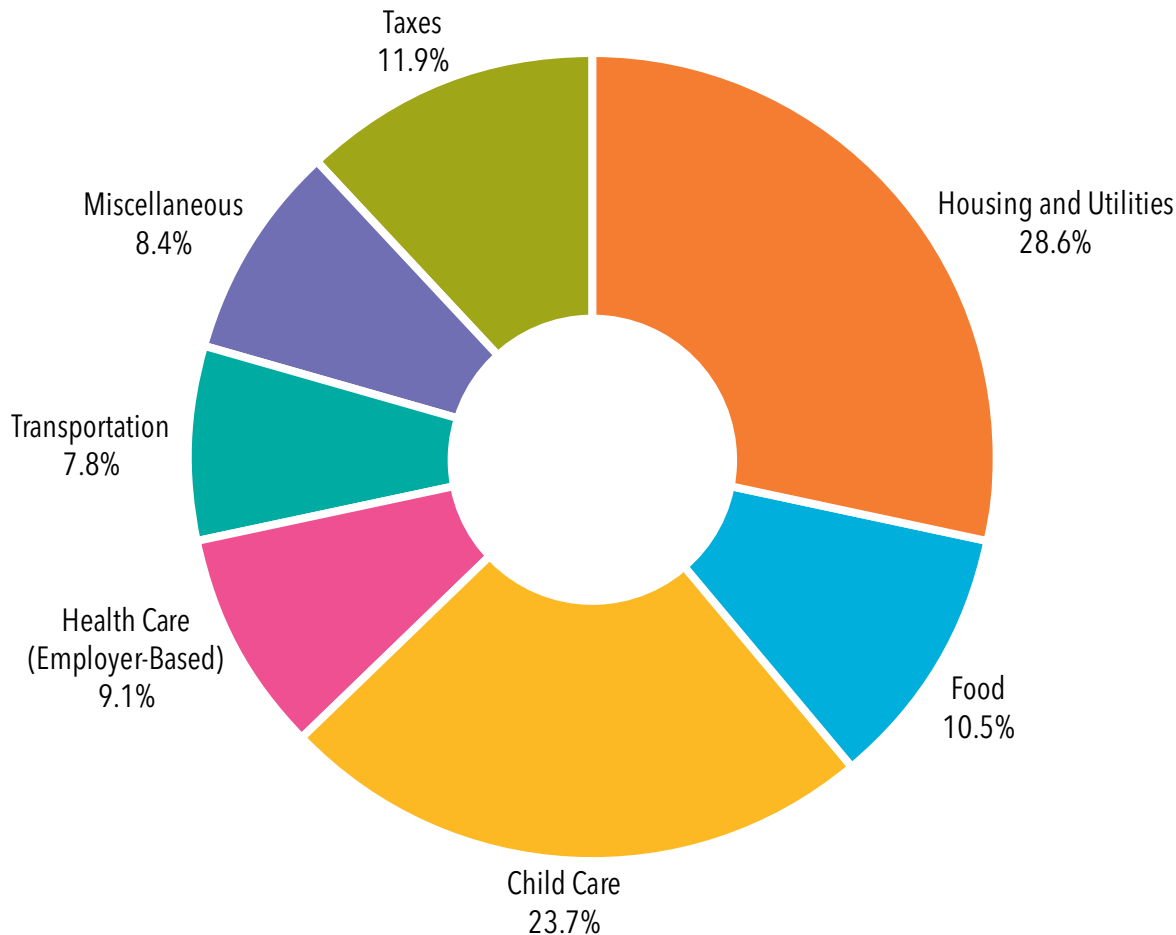
Note: Statewide average family budget calculated by averaging all county family budgets, weighted by county population.

Source: Budget Center Making Ends Meet 2017 analysis



Single-Parent Family Budget

Statewide Average Annual Total = \$65,865



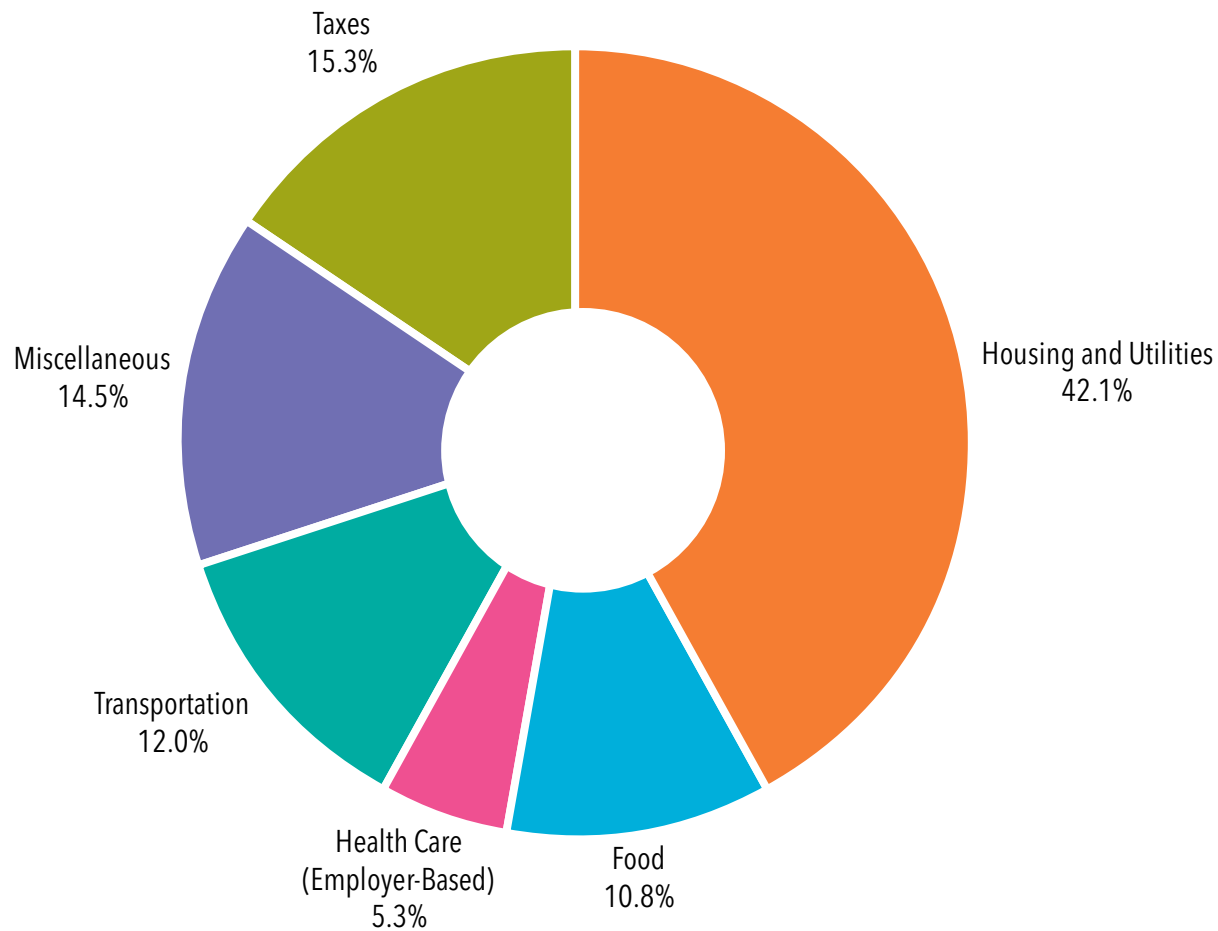
Note: Statewide average family budget calculated by averaging all county family budgets, weighted by county population.

Source: Budget Center Making Ends Meet 2017 analysis



Single Adult Budget

Statewide Average Annual Total = \$29,824



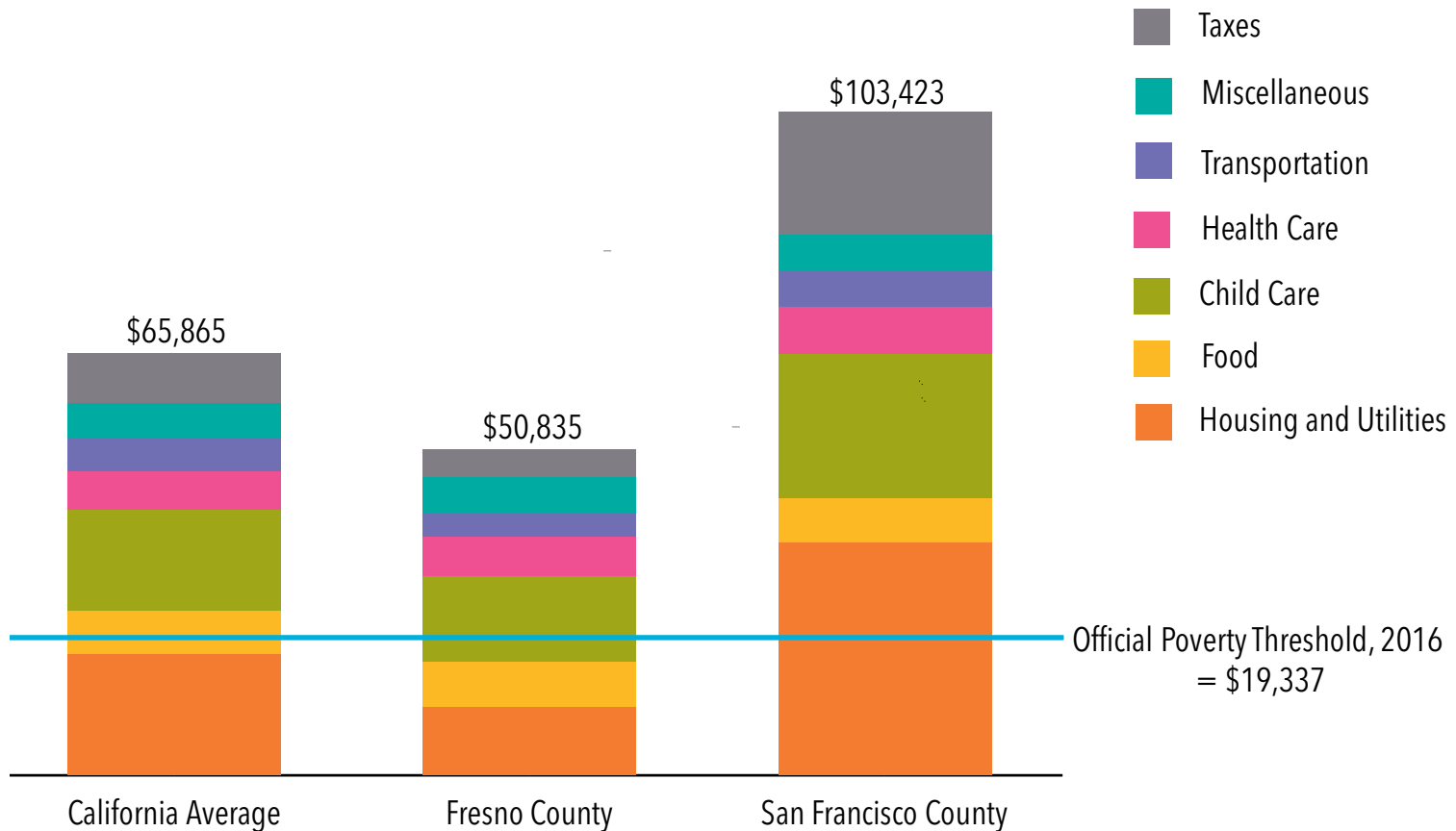
Note: Statewide average family budget calculated by averaging all county family budgets, weighted by county population.

Source: Budget Center Making Ends Meet 2017 analysis



Official Poverty Thresholds Are Much Lower Than the Basic Cost of Living for Families in California

Annual Basic Family Budget for a Single-Parent Family With Two Children, 2017



Note: Assumes one preschool-age and one school-age child and a single parent working full-time.
 Source: Budget Center *Making Ends Meet* 2017 analysis and US Census Bureau

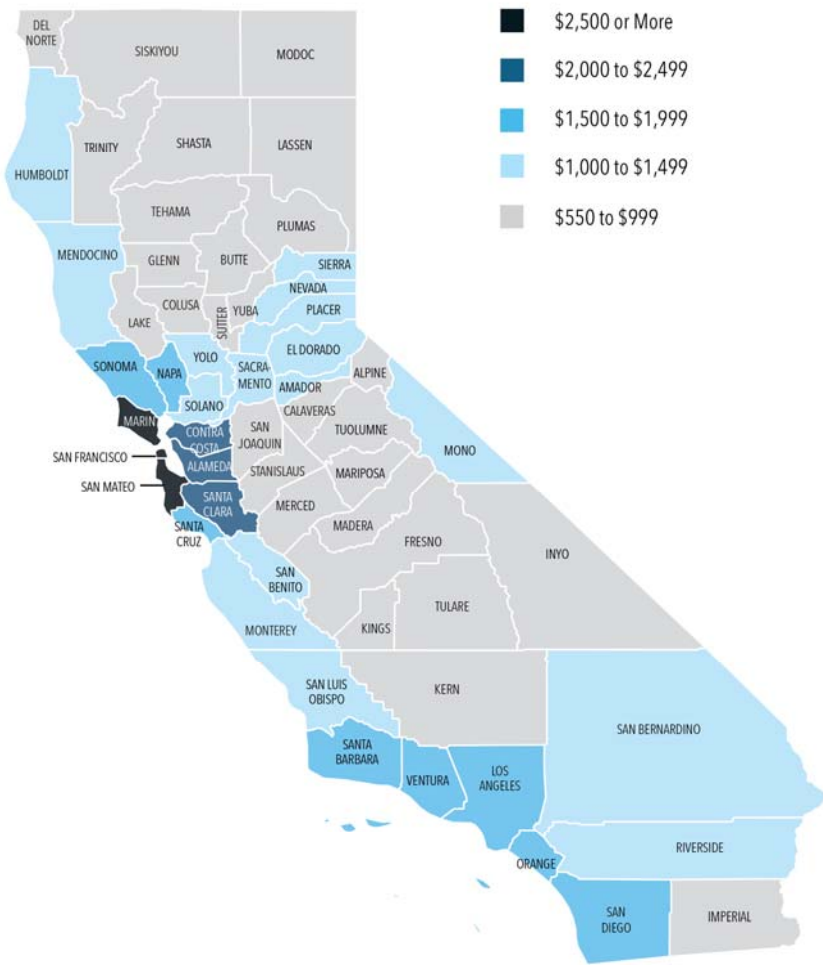


Why Are Families Struggling to Make Ends Meet?



Rents Are Highest in California's Coastal Urban Areas

Fair Market Rent for a Two-Bedroom Apartment, 2017

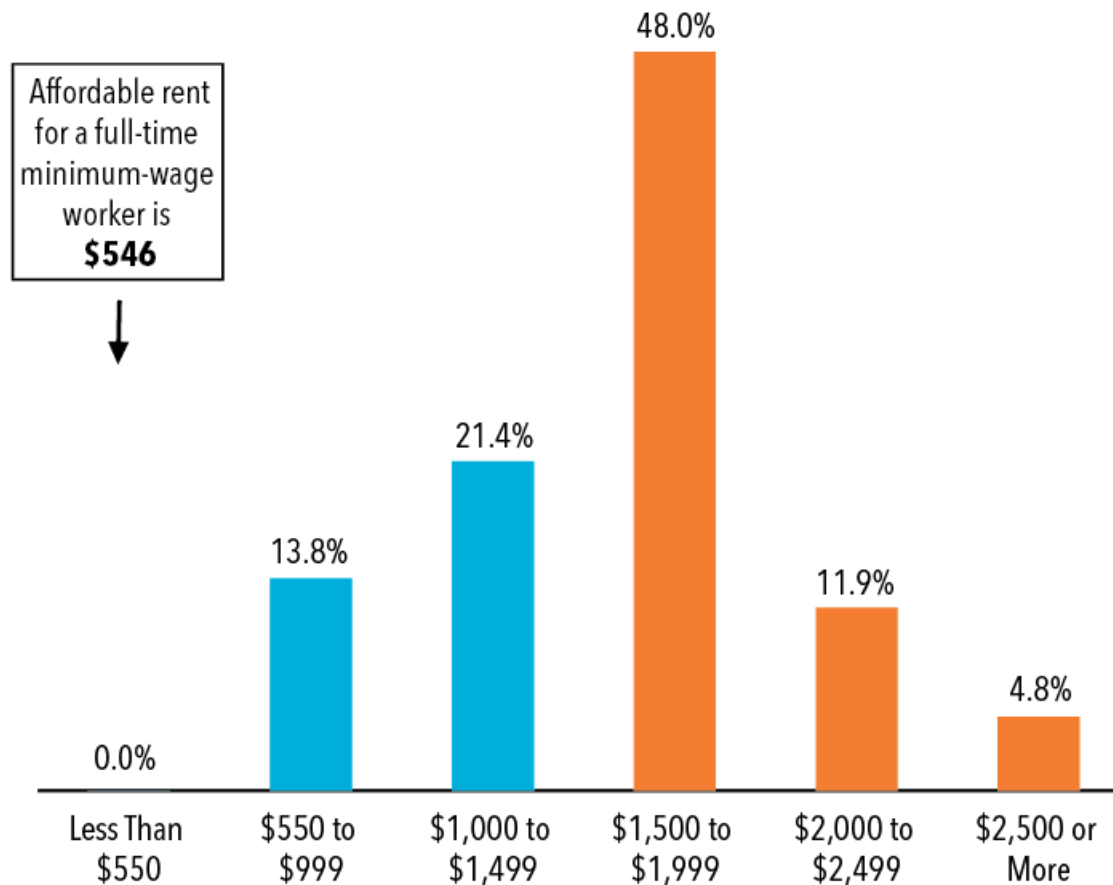


Source: US Department of Housing and Urban Development



Nearly Two-Thirds of Californians Face Two-Bedroom Apartment Rents of \$1,500 or More Per Month

Percentage of State Population by Fair Market Rent for a Two-Bedroom Apartment, 2017



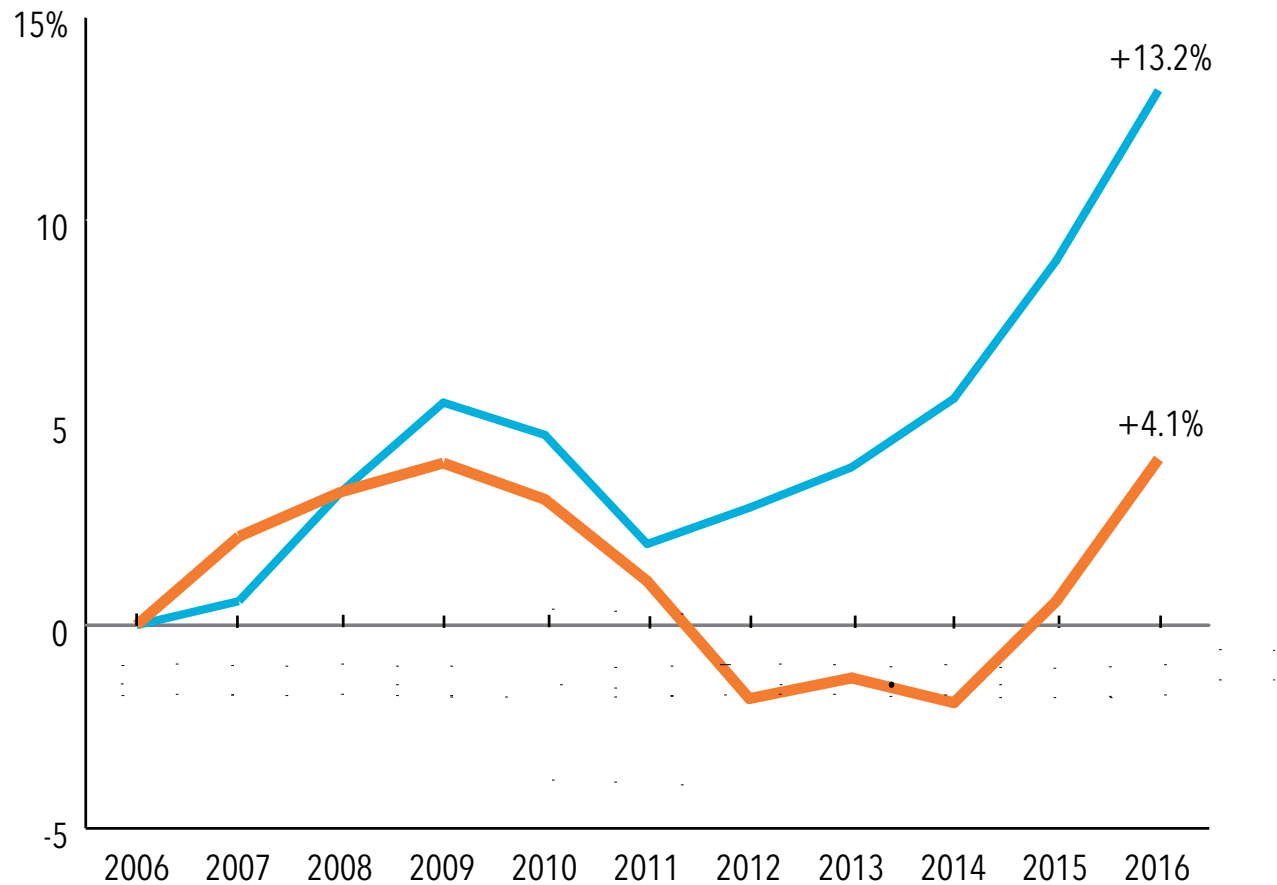
Source: Budget Center analysis of data from Department of Finance and US Department of Housing and Urban Development



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Workers' Earnings Have Not Kept Pace With Rents in California

Percent Change in Inflation-Adjusted Median Rent and Median Annual Earnings Since 2006



Note: Median annual earnings for individuals working at least 35 hours per week and 50 weeks per year. Excludes workers with \$0 or negative total earnings.

Source: Budget Center analysis of US Census Bureau, American Community Survey data



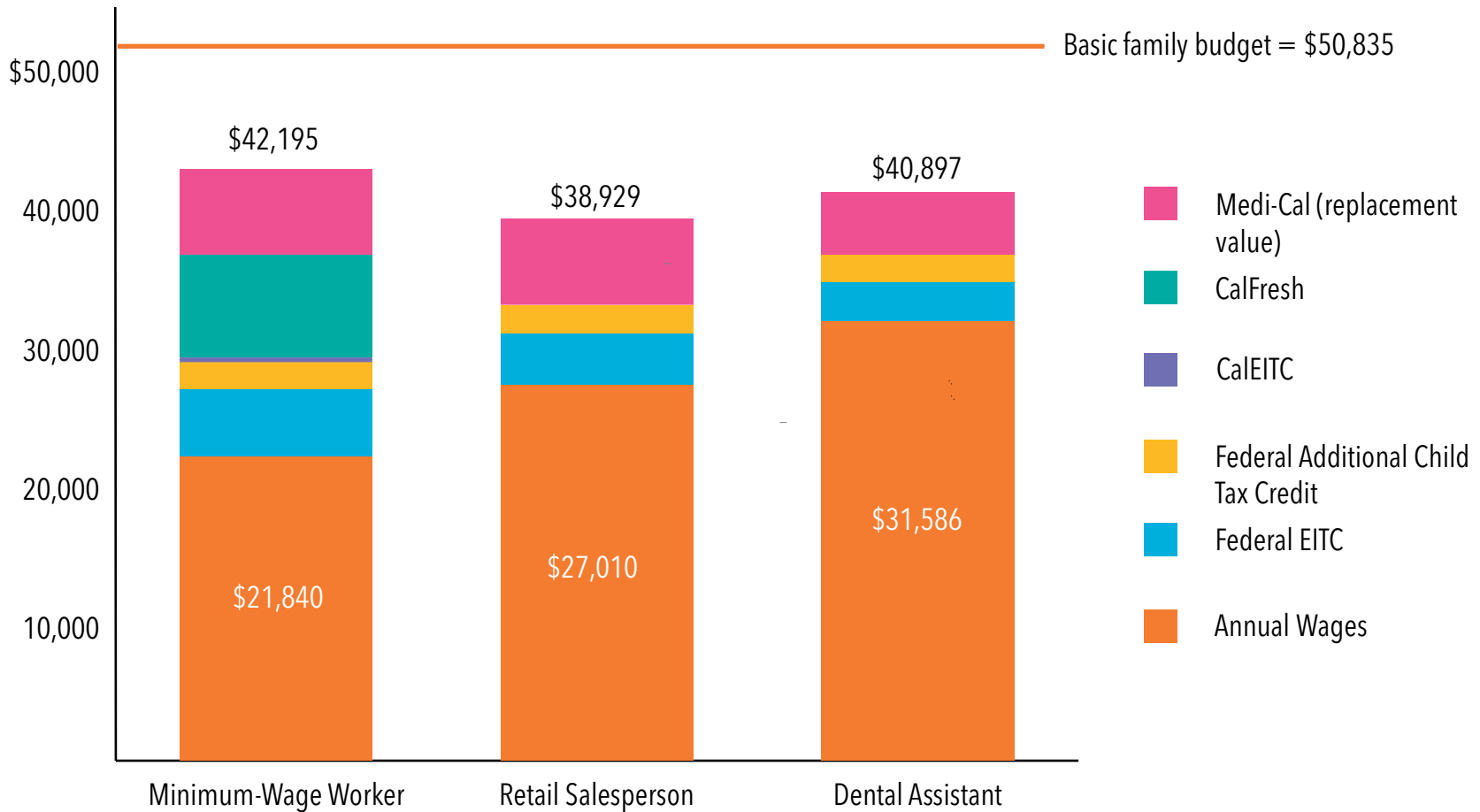
Public Supports Help Families Meet Basic Needs

But they don't go as far in high-cost areas.



Where Cost of Living Is Low, Public Supports Substantially Help Single-Parent Families Meet Basic Needs

Single-Parent Family Income With Addition of Key Public Supports, Fresno County



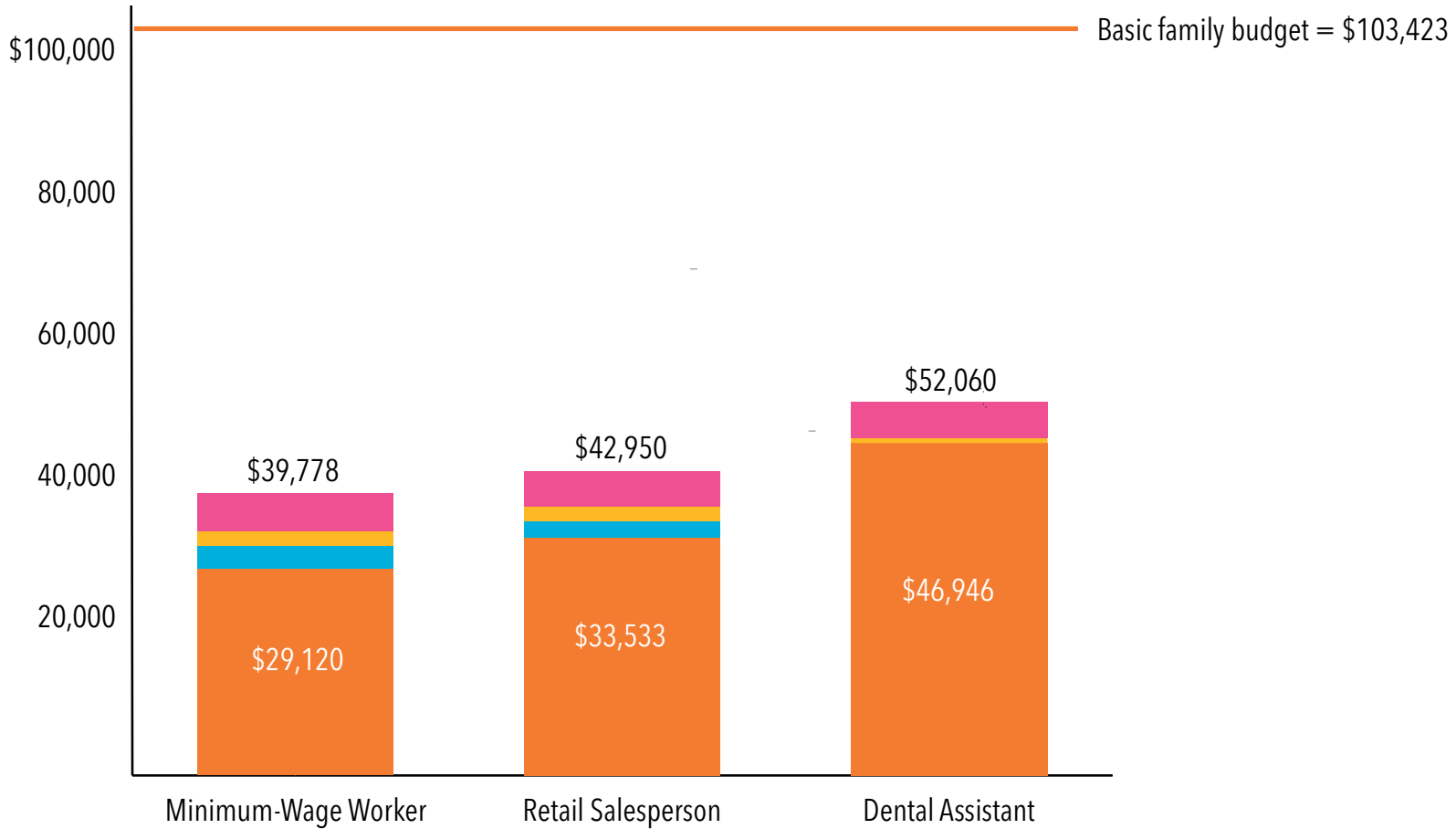
Note: No bar indicates ineligibility for that public support. Medi-Cal is free or reduced-cost health insurance. Medi-Cal value represented as employee cost for employer-based health insurance and out-of-pocket medical expenses.

Source: California Budget & Policy Center Making Ends Meet 2017 analysis



Where Cost of Living Is High, Single-Parent Families Face Inadequate Income Even With Public Supports

Single-Parent Family Income With Addition of Key Public Supports, San Francisco County



Note: No bar indicates ineligibility for that public support. Medi-Cal is free or reduced-cost health insurance. Medi-Cal value represented as employee cost for employer-based health insurance and out-of-pocket medical expenses.

Source: California Budget & Policy Center Making Ends Meet 2017 analysis



Policy Choices Can Make a Difference



Policies to Help Families Make Ends Meet

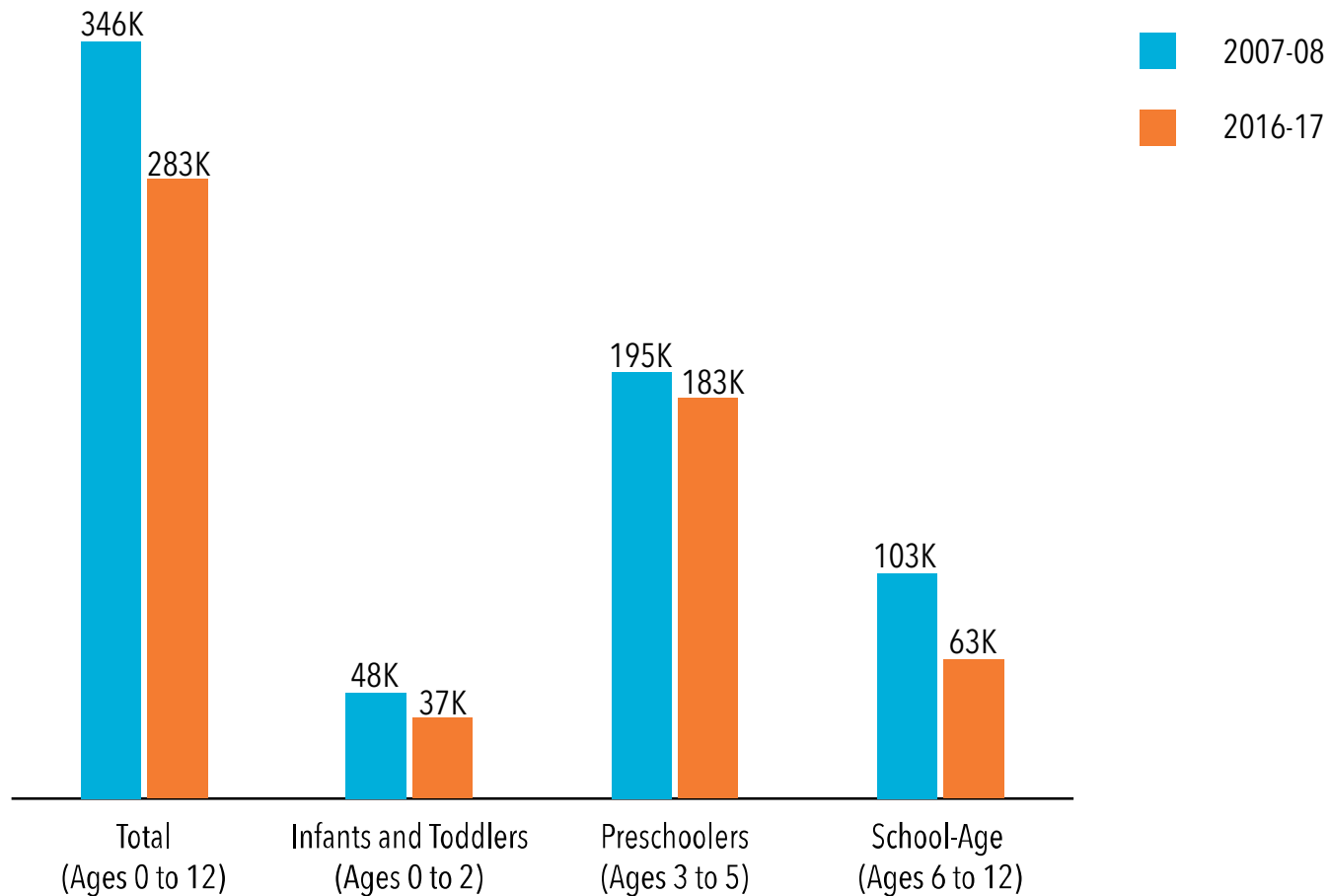
- **Reduce the cost of basic needs** – increase access to affordable housing, food assistance, child care subsidies, public health insurance.
- **Increase families' incomes** – increase the minimum wage, increase the size and coverage of the CalEITC, increase access to effective workforce development.
- **Account for the cost of living** when identifying which families need support and how much support they need.





Cuts Made During and After the Great Recession Resulted in a Loss of Subsidized Child Care and Preschool Slots

Average Number of Children Served by Subsidized Child Care and the State Preschool Program

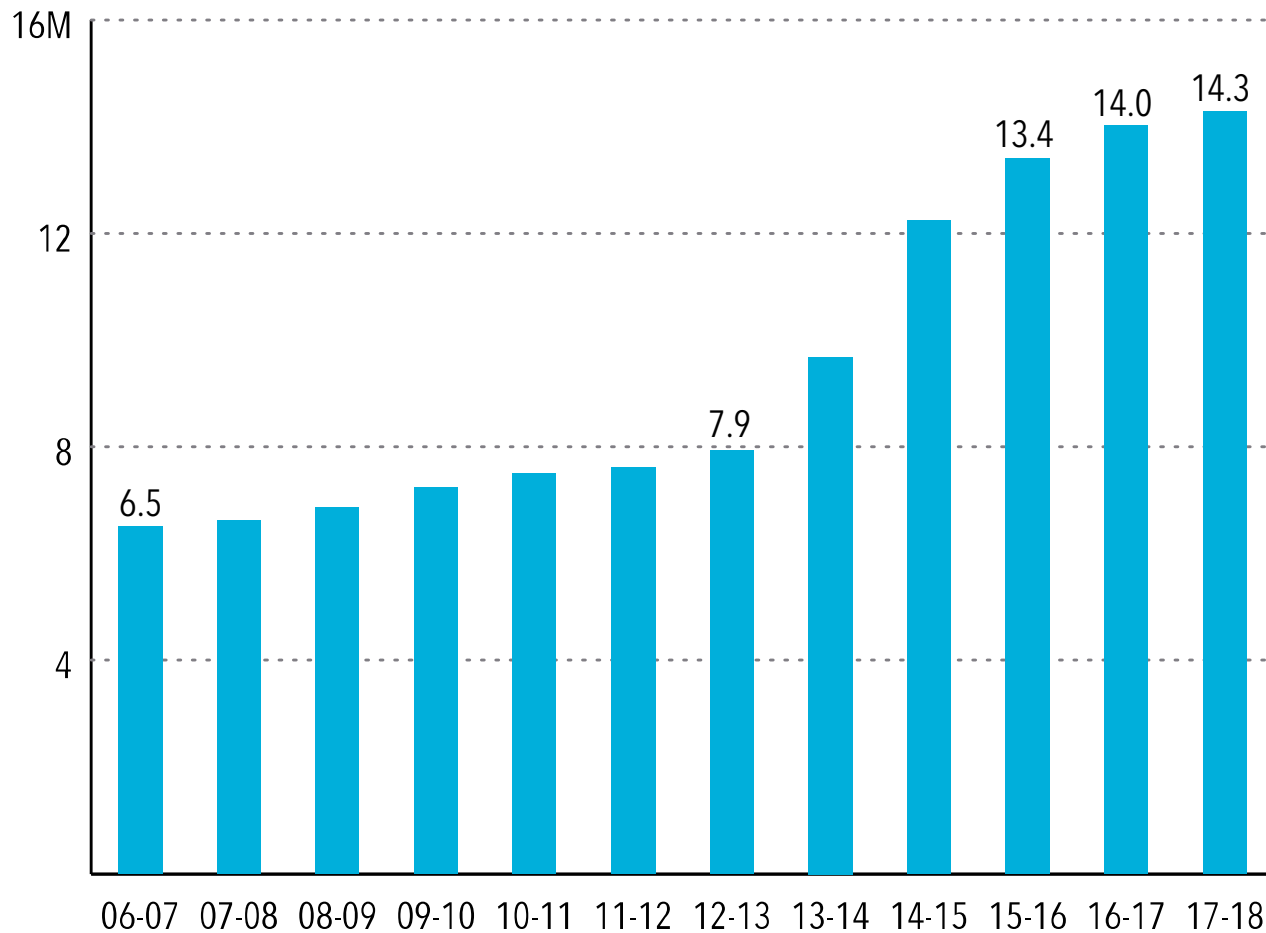


Note: Data represent the average number of children served in October and April of each fiscal year in subsidized child care and development programs administered by the California Department of Education. Data do not include afterschool programs.
Source: Budget Center analysis of California Department of Education data



Medi-Cal Enrollment Growth Is Slowing, Following Substantial Increases in Recent Years

Enrollment Gains in Prior Years Were Largely Due to Implementation of Health Care Reform

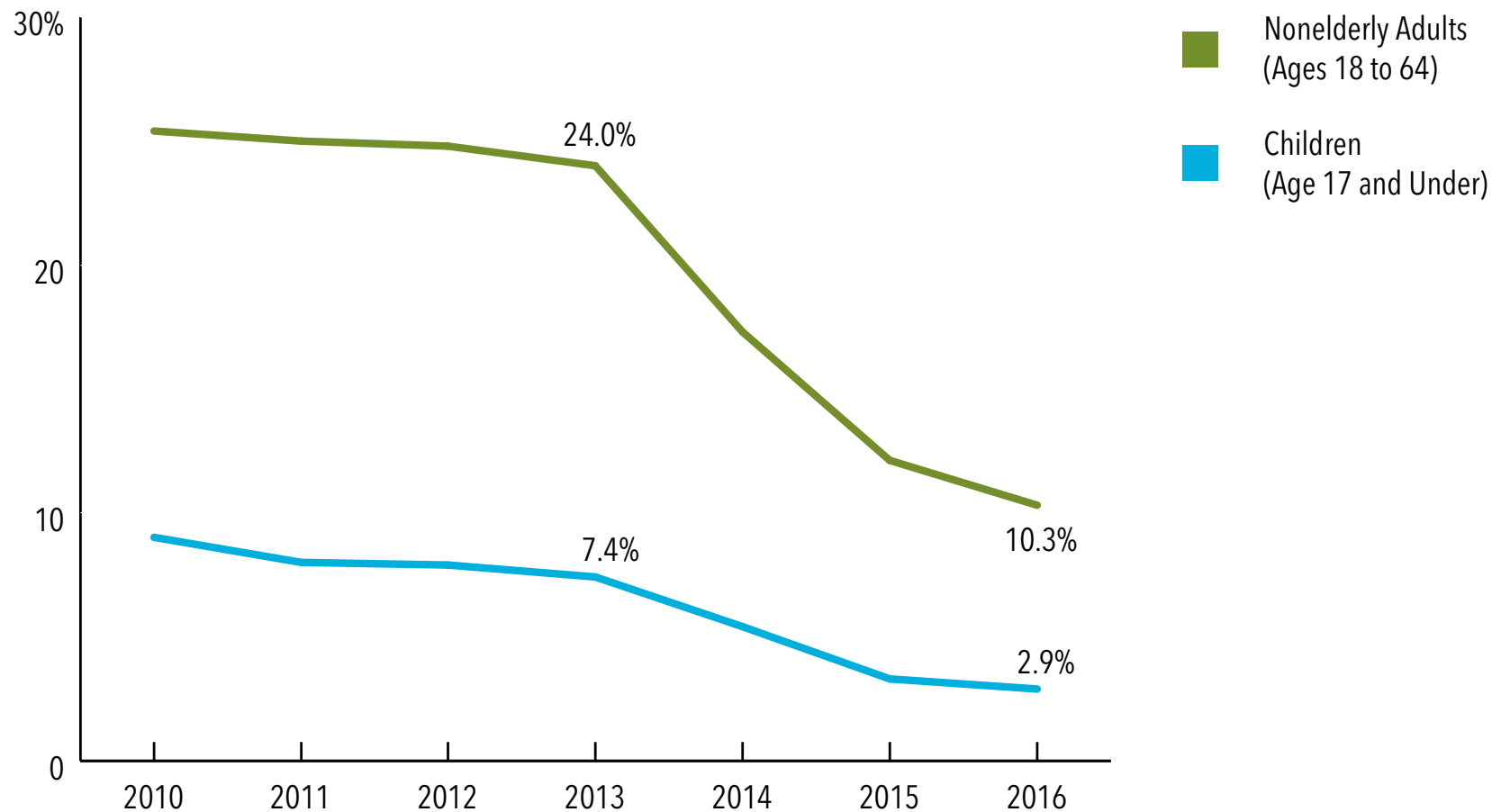


Note: Data for 2012-13 and later years are estimates. Figures reflect average monthly enrollment.
Source: Department of Health Care Services



Uninsured Rates for Children and Nonelderly Adults Have Dropped by More Than Half Since 2013

California Fully Implemented Federal Health Care Reform in January 2014

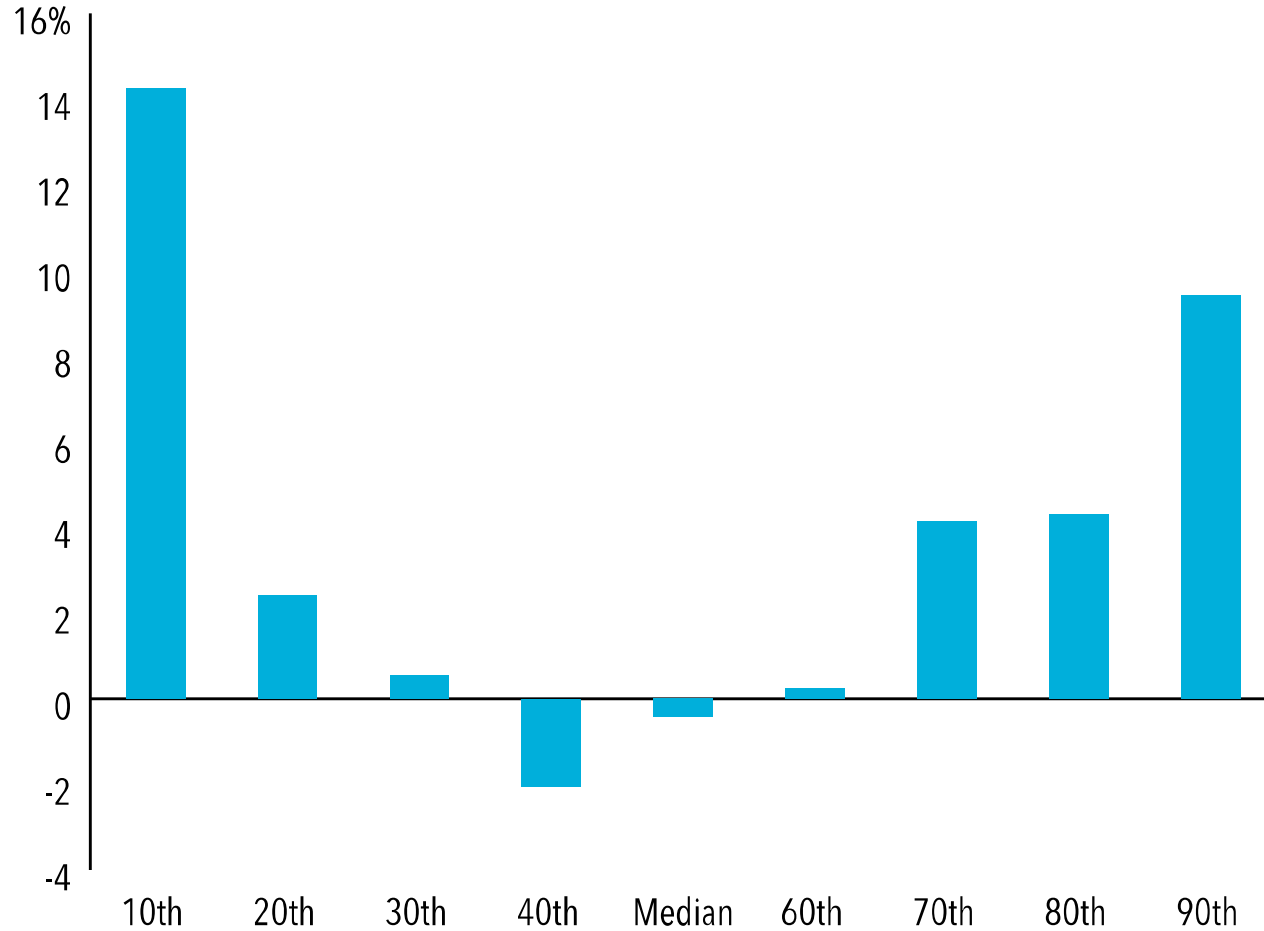


Note: Estimates are based on survey respondents' coverage status at the time of the interview.
Source: US Census Bureau, American Community Survey



The Lowest-Earning Workers Have Seen Their Hourly Wages Increase Significantly Since 2006

Percent Change in Inflation-Adjusted Hourly Wages Since 2006 for Workers Ages 18 to 64

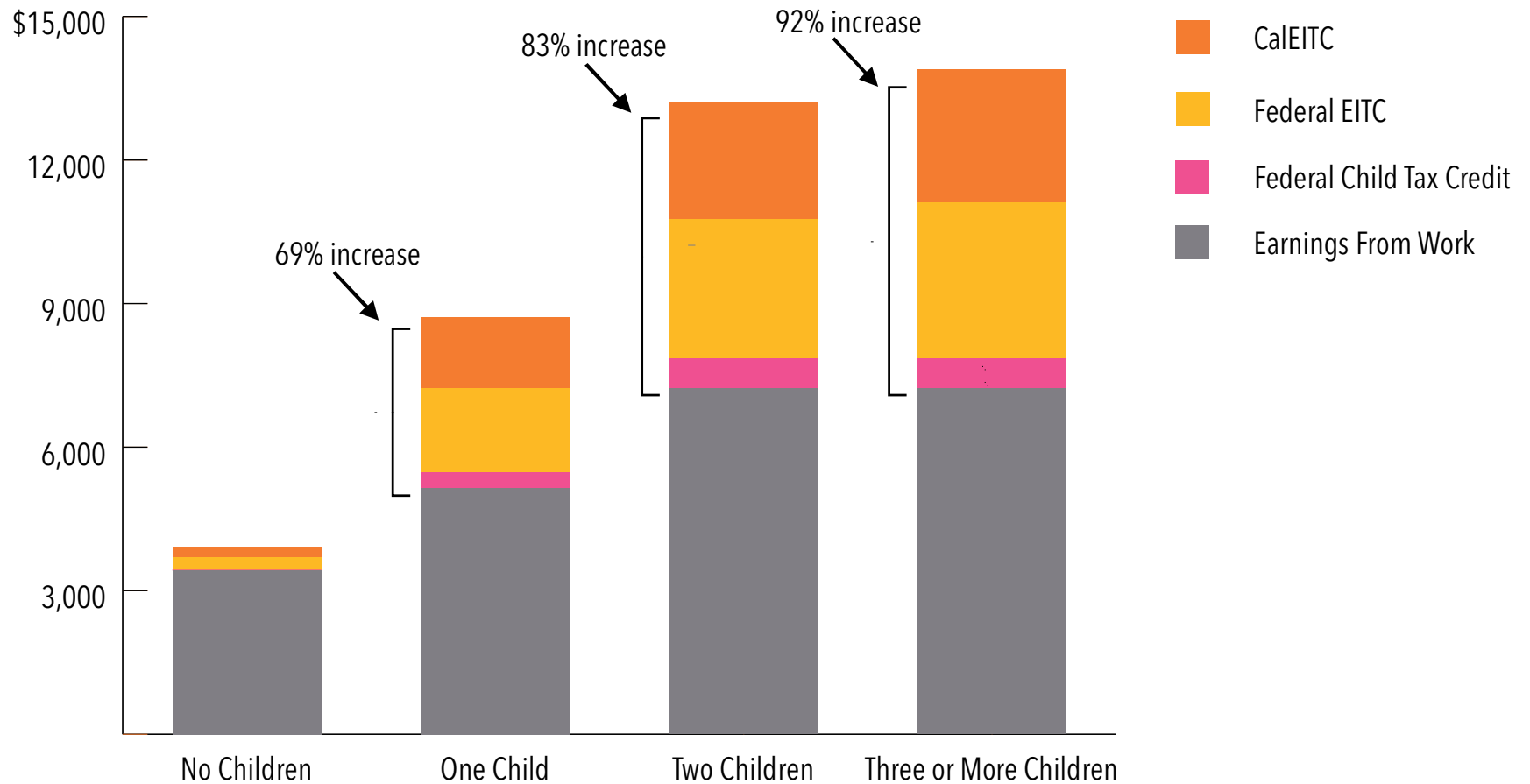


Source: Economic Policy Institute analysis of US Census Bureau, Current Population Survey data



The CalEITC, Together With Federal Credits, Significantly Boosts the Incomes of Working Families With Children

Increase in Income From Tax Credits for Workers Qualifying for the Maximum CalEITC, 2017



Source: Budget Center analysis of the California and federal Earned Income Tax Credits (EITCs) and the federal Child Tax Credit



The Bottom Line

- Families in California face high costs to meet their basic needs.
- While housing costs have been rising, earnings have not kept pace for many workers.
- Public policy choices help determine whether families have the resources and support they need to make ends meet.





<http://calbudgetcenter.org/resources/making-ends-meet-much-cost-support-family-california/>

The screenshot shows the website interface for the report. At the top is the navigation bar with the logo and menu items: DONATE, GET UPDATES, CONTACT, and a search bar. Below the navigation bar, the report title is displayed: "Making Ends Meet: How Much Does It Cost to Support a Family in California?". The author information is "Work, Income & Poverty · December 2017 · By Sara Kimberlin and Amy Rose".

The main content area includes a summary paragraph: "Making Ends Meet shines a light on the economic challenges faced by many Californians by showing the cost of supporting a family or a single individual in different parts of the state. This analysis presents basic family budgets for each of California's 58 counties for four types of households: a single adult, a single parent family, a two parent family with one parent working, and a two working parent family. (All family types except single adult are assumed to have one preschool-aged child and one school-aged child.) These family budgets estimate the amount of income that households would need to cover basic expenses through earnings only, without publicly funded benefits or supports. Read the Making Ends Meet report, including methodology details."

Below the summary is a map of California with a legend titled "What does it cost to make ends meet in your county?". The legend lists the cost for each county, with San Mateo highlighted in red as the most expensive at \$108,109. Other counties listed include California (\$75,952), San Francisco (\$110,984), Marin (\$110,344), Santa Clara (\$93,451), Alameda (\$92,267), Contra Costa (\$81,407), Santa Cruz (\$81,612), Orange (\$80,165), Ventura (\$79,209), San Diego (\$77,223), Sonoma (\$75,913), Napa (\$75,507), Los Angeles (\$74,679), Mono (\$74,628), San Benito (\$72,946), Santa Barbara (\$72,838), Solano (\$72,482), Monterey (\$70,942), San Luis Obispo (\$69,665), Yolo (\$69,568), Nevada (\$69,153), El Dorado (\$67,973), Placer (\$67,544), and Riverside (\$67,513).

To the right of the map is a table for "Two-Working-Parent Family" in "San Mateo County". The table shows an Annual Total of \$108,109, which is above the Statewide Average of \$75,952. Below this is a "Basic Monthly Budget" table:

Category	Amount	Percentage
Housing and Utilities	\$3,018	33.5%
Food	\$773	8.6%
Child Care	\$1,800	20.0%
Health Care	\$589	6.5%
Transportation	\$567	6.3%
Miscellaneous	\$787	8.7%
Taxes	\$1,475	16.4%
Total	\$9,009	100.0%

At the bottom of the table is a "Download County Fact Sheet" button with a download icon.

On the right side of the page, there are "SHARE" and "RELATED" sections. The "RELATED" section includes links to "Modest Gains for California's Low- and Mid-wage Workers", "Child Poverty and Deep Poverty in California: Data and Trends", and "Earned Income Tax Credits (EITCs) Benefit Families, Children, and Communities: Key Findings From the Research".





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