



CALIFORNIA BUDGET PROJECT

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Contact: Jean Ross, (916) 444-0500

## MANY STRUGGLE TO MAKE ENDS MEET

### Families Need at Least \$50,383 to Pay Bills

SACRAMENTO – A new report by the California Budget Project (CBP), *Making Ends Meet: How Much Does It Cost to Raise a Family in California?*, estimates the costs of housing, utilities, child care, transportation, food, health coverage, taxes, and other necessities for families with two children and for single adults. The study reports these basic budgets for the state as a whole and for 10 regions throughout the state.

The study finds that families need to earn incomes that are much higher than the federal poverty line to afford to make ends meet. Approximately half of California's workers earn less than the hourly wage needed to support a family of four with two working parents at the level estimated by the CBP basic family budget.

"This study shows how expensive it is to live in California," said Jean Ross, executive director of the CBP. "Millions of California families struggle to afford even the most basic necessities." The CBP analysis estimates that in order to pay basic bills in California:

- A single-parent family needs an annual income of \$59,732, equivalent to an hourly wage of \$28.72.
- A two-parent family with one employed parent needs an annual income of \$50,383, equivalent to an hourly wage of \$24.22.
- A family with two working parents needs an annual income of \$72,343, equivalent to each parent working full-time for an hourly wage of \$17.39.
- A single adult needs an annual income of \$28,336, equivalent to an hourly wage of \$13.62.

In contrast, the state's minimum wage provides a full-time worker with an annual income of \$15,600, and the federal poverty line for a family of four was \$20,444 in 2006.

Ross added, "Families clearly need far more than the current minimum wage to achieve a modest standard of living. Our study shows that we need new measures of what it takes to support a family. The federal poverty line doesn't take into account the cost of child care for working families or California's high housing costs."

The report's estimates are based on modest rents and a basic food plan. The study also assumes families have a car and buy their own health insurance.

NOTE: The report is embargoed for publication until 12:01 a.m. Wednesday, October 17, but is available now to reporters who agree to honor the embargo. To obtain a copy of the report, email [cbp@cbp.org](mailto:cbp@cbp.org) or call Nancy Ly at (916) 444-0500.

1107 9th Street, Suite 310  
Sacramento, California 95814  
P: (916) 444-0500  
F: (916) 444-0172  
[cbp@cbp.org](mailto:cbp@cbp.org)  
[www.cbp.org](http://www.cbp.org)