Making Ends Meet: The Cost to Support a Family in California

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calbudgetcenter.org
What Are Families’ Basic Expenses?
Housing Is the Largest Basic Expense Across Different Types of Households

Child care is a close second for families with children.
On Average, Nearly Half of a Two-Working-Parent Family Budget in California Pays for Housing and Child Care

Statewide Average Annual Basic Family Budget for a Two-Working-Parent Family = $75,952

Chart showing the breakdown of the family budget:
- Housing and Utilities: 24.8%
- Child Care: 20.5%
- Food: 12.2%
- Health Care (Employer-Based): 8.2%
- Transportation: 8.8%
- Miscellaneous: 12.4%
- Taxes: 13.0%

Note: Statewide average family budget calculated by averaging all county family budgets, weighted by county population.
Source: Budget Center Making Ends Meet 2017 analysis
More Than Half of the Average Single-Parent Family Budget in California Pays for Housing and Child Care

Statewide Average Annual Basic Family Budget for a Single-Parent Family = $65,865

- Housing and Utilities: 28.6%
- Child Care: 23.7%
- Food: 10.5%
- Health Care (Employer-Based): 9.1%
- Transportation: 7.8%
- Miscellaneous: 8.4%
- Taxes: 11.9%

Note: Statewide average family budget calculated by averaging all county family budgets, weighted by county population.
Source: Budget Center Making Ends Meet 2017 analysis
On Average, Housing Costs Make Up More Than $4 in $10 of a Single-Adult Budget in California

Statewide Average Annual Basic Family Budget for a Single Adult = $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
The Basic Cost to Support a Family Varies Across California
Annual Basic Family Budget for a Two-Working-Parent Family With Two Children, 2017

Source: Budget Center Making Ends Meet 2017 analysis
The Costs of Basic Needs for Families With Children Vary Across Counties

Monthly Basic Family Budget for a Two-Working Parent Family With Two Children

<table>
<thead>
<tr>
<th></th>
<th>San Francisco County</th>
<th>Fresno County</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing and Utilities</td>
<td>$3,018</td>
<td>$997</td>
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<tr>
<td>Food</td>
<td>$773</td>
<td>$773</td>
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<tr>
<td>Child Care</td>
<td>$1,874</td>
<td>$1,116</td>
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<tr>
<td>Health Care (Employer-Based)</td>
<td>$638</td>
<td>$540</td>
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<tr>
<td>Transportation</td>
<td>$624</td>
<td>$397</td>
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<tr>
<td>Miscellaneous</td>
<td>$787</td>
<td>$787</td>
</tr>
<tr>
<td>Taxes</td>
<td>$1,535</td>
<td>$519</td>
</tr>
<tr>
<td><strong>MONTHLY TOTAL</strong></td>
<td><strong>$9,249</strong></td>
<td><strong>$5,018</strong></td>
</tr>
<tr>
<td><strong>ANNUAL TOTAL</strong></td>
<td><strong>$110,984</strong></td>
<td><strong>$60,214</strong></td>
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</tbody>
</table>

Note: These budgets represent the total income required to cover a family’s basic needs through earnings only, without government supports. Families 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.
### The Costs of Basic Needs for Single Adults Vary Across Counties

#### Monthly Basic Family Budget for a Single Adult Household

<table>
<thead>
<tr>
<th>Category</th>
<th>San Francisco County</th>
<th>Fresno County</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing and Utilities</td>
<td>$1,915</td>
<td>$670</td>
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<tr>
<td>Food</td>
<td>$268</td>
<td>$268</td>
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<tr>
<td>Child Care</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Health Care (Employer-Based)</td>
<td>$162</td>
<td>$137</td>
</tr>
<tr>
<td>Transportation</td>
<td>$334</td>
<td>$213</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>$361</td>
<td>$361</td>
</tr>
<tr>
<td>Taxes</td>
<td>$667</td>
<td>$249</td>
</tr>
</tbody>
</table>

**MONTHLY TOTAL**

- **San Francisco County**: $3,707
- **Fresno County**: $1,898

**ANNUAL TOTAL**

- **San Francisco County**: $44,481
- **Fresno County**: $22,776

Note: These budgets represent the total income required to cover a family’s basic needs through earnings only, without government supports. Amounts correspond to calendar year 2017. Numbers may not sum due to rounding.
Official Poverty Thresholds Are Much Less Than the Basic Cost of Living for Families in California
Annual Basic Family Budget for a Single-Parent Family With Two Children, 2017

Official Poverty Threshold, 2017 = $19,749

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?
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

Affordable rent for a full-time minimum-wage worker is $546

Source: Budget Center analysis of data from Department of Finance and US Department of Housing and Urban Development
California’s Low- and Midwage Workers Have Seen Only Modest Gains Since 1979

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

Note: Figures reflect 2017 dollars.
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: Budget 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: Budget 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, reduce fines and fees.

• Account for the cost of living when identifying which families need support and how much support they need.
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
Enrollment in Subsidized Child Care and Preschool Has Not Recovered From Recession-Era Cuts

Average Monthly Number of Children Enrolled

Note: Figures are rounded to the nearest thousand. California Community Colleges CalWORKs Stage 2 data for 2016-17 reflect estimates, not actuals.

Source: California Community Colleges Chancellor’s Office, California Department of Education, and Department of Social Services
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

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 and individuals 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 and individuals have the resources and support they need to make ends meet.
Making Ends Meet: How Much Does It Cost to Support a Family in California?

*Work, Income & Poverty - December 2017 - By Sara Kimberlin and Amy Pava*

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 data.](http://calbudgetcenter.org/resources/making-ends-meet-much-cost-support-family-california/)

### What does it cost to make ends meet in your county?

**Two-Working Parent Family**

<table>
<thead>
<tr>
<th>County</th>
<th>Annual Total</th>
<th>Monthly Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Mateo County</td>
<td>$101,199</td>
<td>$8,433</td>
</tr>
</tbody>
</table>

**Basic Monthly Budget**

- Housing and Utilities: $3,011
- Food: $177
- Child Care: $1,800
- Health Care: $589
- Transportation: $307
- Miscellaneous: $170
- Taxes: $1,473
- Total: $10,099

[Download County Fact Sheet](http://calbudgetcenter.org/resources/making-ends-meet-much-cost-support-family-california/)
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.