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

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

- Child Care: 23.7%
- Housing and Utilities: 28.6%
- 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>Item</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>
</tr>
<tr>
<td>Food</td>
<td>$773</td>
<td>$773</td>
</tr>
<tr>
<td>Child Care</td>
<td>$1,874</td>
<td>$1,116</td>
</tr>
<tr>
<td>Health Care (Employer-Based)</td>
<td>$638</td>
<td>$540</td>
</tr>
<tr>
<td>Transportation</td>
<td>$624</td>
<td>$397</td>
</tr>
<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>
</tr>
</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.

Source: Budget Center *Making Ends Meet* 2017 analysis
# 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>
</tr>
<tr>
<td>Food</td>
<td>$268</td>
<td>$268</td>
</tr>
<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>
<tr>
<td><strong>MONTHLY TOTAL</strong></td>
<td><strong>$3,707</strong></td>
<td><strong>$1,898</strong></td>
</tr>
<tr>
<td><strong>ANNUAL TOTAL</strong></td>
<td><strong>$44,481</strong></td>
<td><strong>$22,776</strong></td>
</tr>
</tbody>
</table>

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. Source: Budget Center *Making Ends Meet* 2017 analysis.
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

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

There are opportunities this year and beyond to address housing affordability, child care costs, and the needs of immigrants.
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.
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
Housing Costs Are Unaffordable Throughout California
Percentage of Households With Housing Cost Burden or Severe Housing Cost Burden, 2016

<table>
<thead>
<tr>
<th>Region</th>
<th>Cost-Burdened</th>
<th>Severely Cost-Burdened</th>
</tr>
</thead>
<tbody>
<tr>
<td>Far North</td>
<td>21.6%</td>
<td>21.3%</td>
</tr>
<tr>
<td>San Francisco Bay Area</td>
<td>17.6%</td>
<td>16.1%</td>
</tr>
<tr>
<td>Sacramento Region</td>
<td>18.5%</td>
<td>18.0%</td>
</tr>
<tr>
<td>Central Valley</td>
<td>19.0%</td>
<td>18.1%</td>
</tr>
<tr>
<td>Sierra Nevada</td>
<td>18.1%</td>
<td>17.6%</td>
</tr>
<tr>
<td>Central Coast</td>
<td>20.4%</td>
<td>20.0%</td>
</tr>
<tr>
<td>Los Angeles and South Coast</td>
<td>23.5%</td>
<td>21.3%</td>
</tr>
<tr>
<td>Inland Empire</td>
<td>42.9%</td>
<td>42.9%</td>
</tr>
</tbody>
</table>

Cost-Burdened: Shelter Costs Exceed 30% of Household Income
Severely Cost-Burdened: Shelter Costs Exceed 50% of Household Income

Note: Definitions of housing cost burden are from the US Department of Housing and Urban Development. Source: Budget Center analysis of US Census Bureau, American Community Survey data.
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.
Immigrants in California Are More Likely to Live in Poverty

Poverty Rate and Deep Poverty Rate Under the California Poverty Measure, 2015

- Immigrants: 25.8% Poverty Rate, 7.1% Deep Poverty Rate
- US-Born: 16.9% Poverty Rate, 4.8% Deep Poverty Rate

Note: Deep poverty is defined as family resources equal to less than half of the poverty threshold.
Source: Budget Center analysis of California Poverty Measure data produced by the Stanford Center on Poverty and Inequality and Public Policy Institute of California, based on US Census Bureau, American Community Survey data.
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
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
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 chart above illustrates the increase in income from tax credits for workers qualifying for the maximum CalEITC in 2017, broken down by the number of children. The percentage increases are as follows:

- **No Children**: 69% increase
- **One Child**: 83% increase
- **Two Children**: 92% increase
- **Three or More Children**: 83% increase

The chart uses different colors to represent the various tax credits and earnings from work:

- **Orange**: CalEITC
- **Yellow**: Federal EITC
- **Pink**: Federal Child Tax Credit
- **Gray**: Earnings From Work

The chart indicates that families with more children receive a higher percentage increase in income from tax credits, with a significant boost for those with three or more children.
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.
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.