



California Budget
& Policy Center

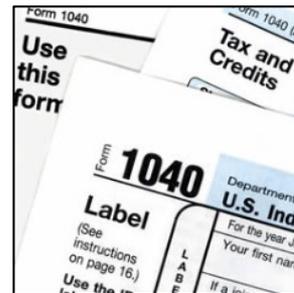
Making Ends Meet: How Public Policies Can Help Promote Economic Security

SARA KIMBERLIN, SENIOR POLICY ANALYST

MAKING ENDS MEET: POLICY PROSPECTS THIS
YEAR AND BEYOND FOR PROMOTING
ECONOMIC SECURITY IN CALIFORNIA
MAY 22, 2018

calbudgetcenter.org

What Are Families' Basic Expenses?



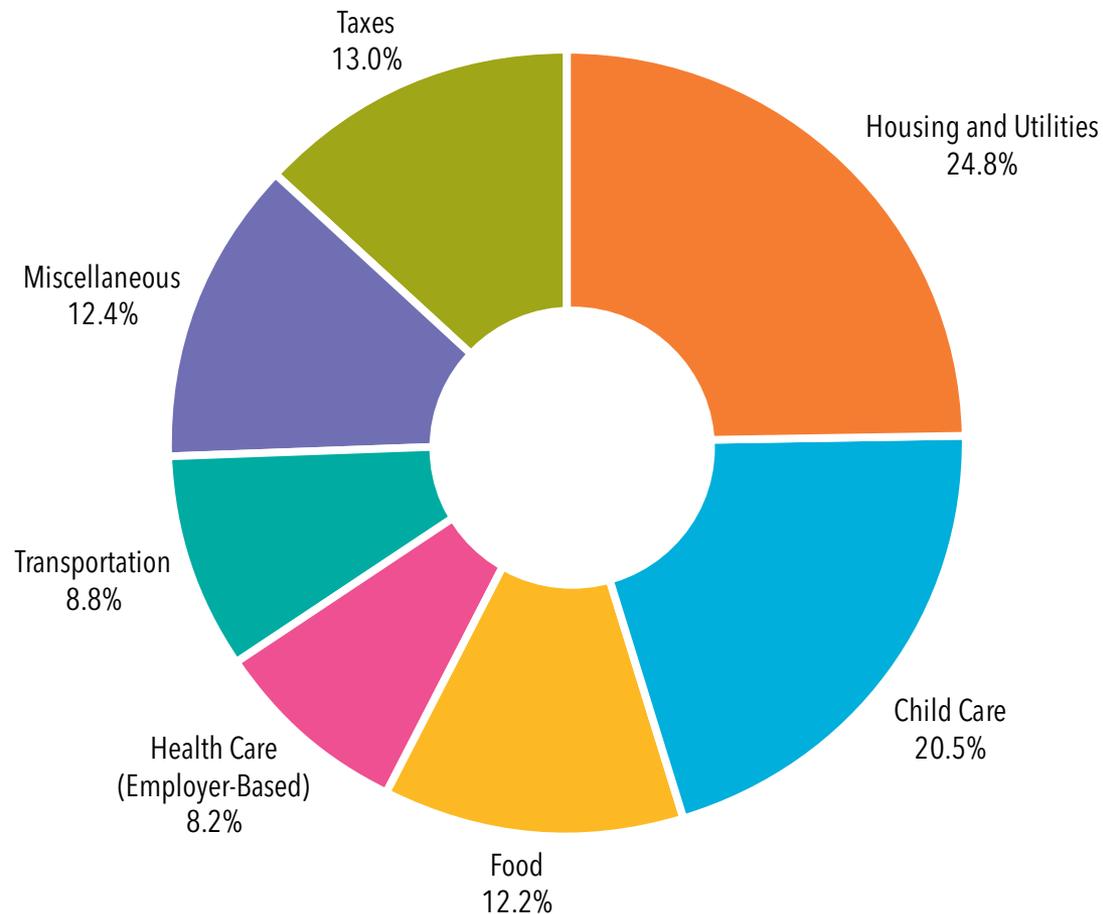
Housing Is the Largest Basic Expense Across Different Types of Households

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



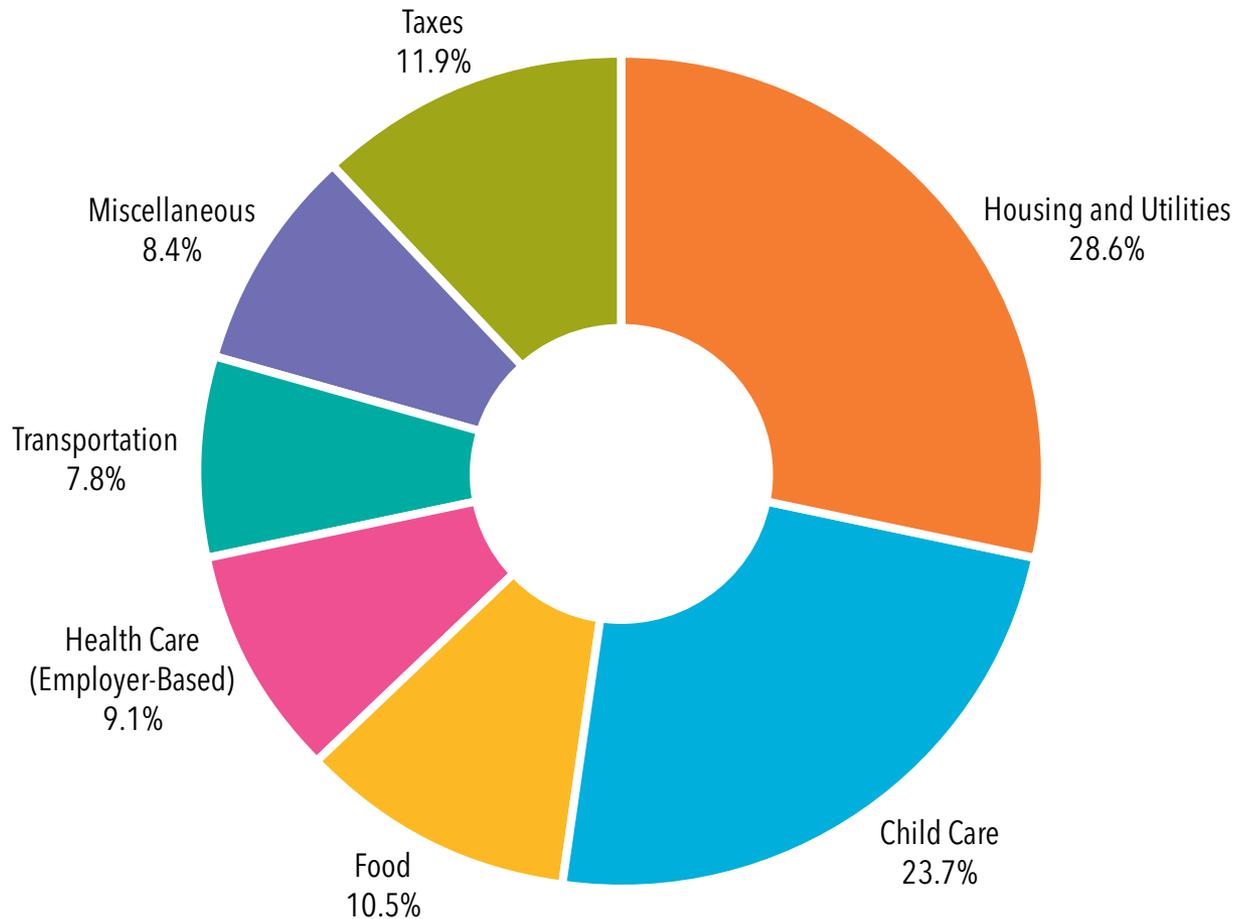
Note: Statewide average family budget calculated by averaging all county family budgets, weighted by county population.

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

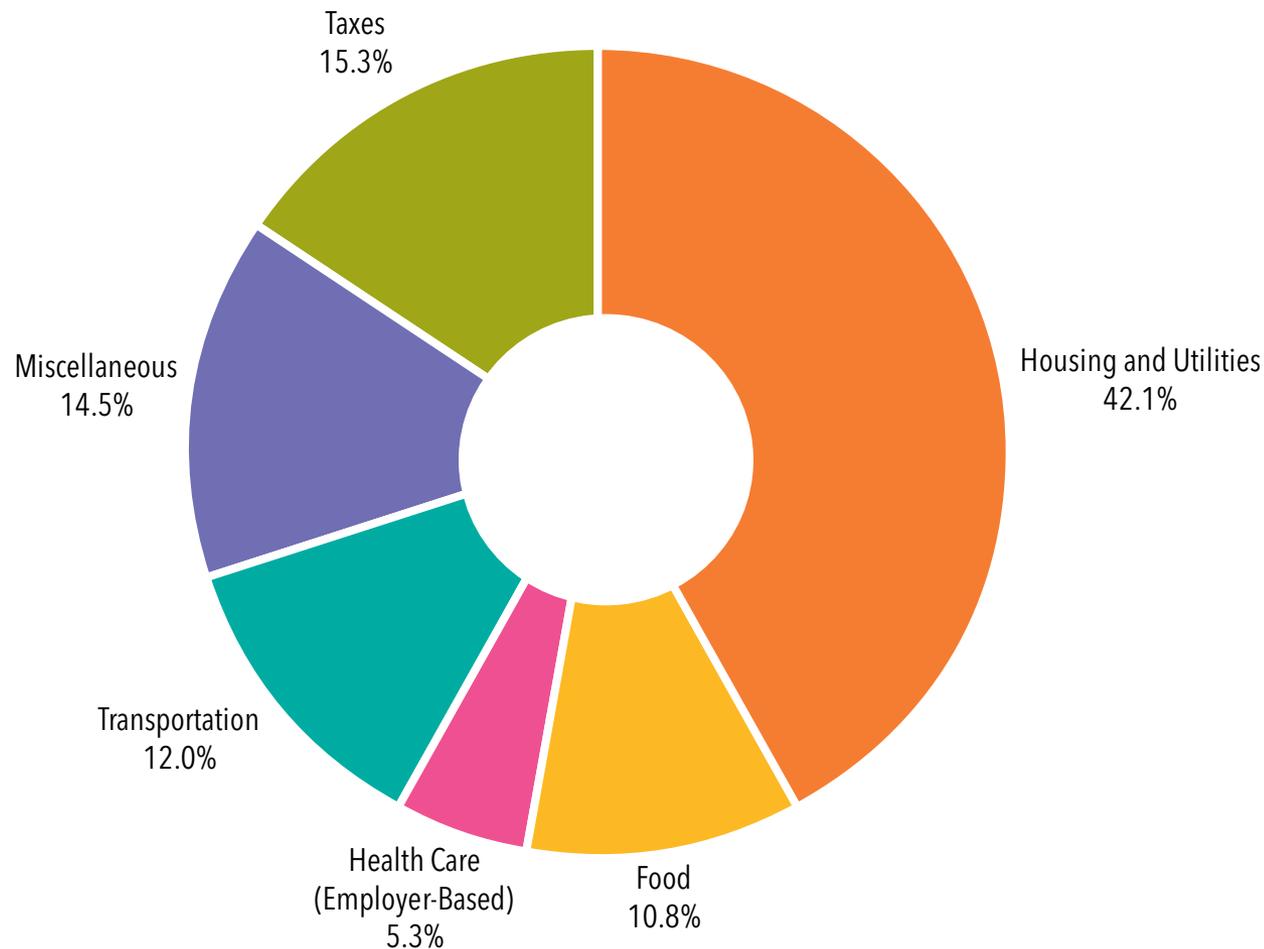


Note: Statewide average family budget calculated by averaging all county family budgets, weighted by county population.
Source: Budget Center *Making Ends Meet* 2017 analysis



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 Costs of Basic Needs for Families With Children Vary Across Counties

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

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

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

	San Francisco County	Fresno County
Housing and Utilities	\$1,915	\$670
Food	\$268	\$268
Child Care	\$0	\$0
Health Care (Employer-Based)	\$162	\$137
Transportation	\$334	\$213
Miscellaneous	\$361	\$361
Taxes	\$667	\$249
MONTHLY TOTAL	\$3,707	\$1,898
ANNUAL TOTAL	\$44,481	\$22,776

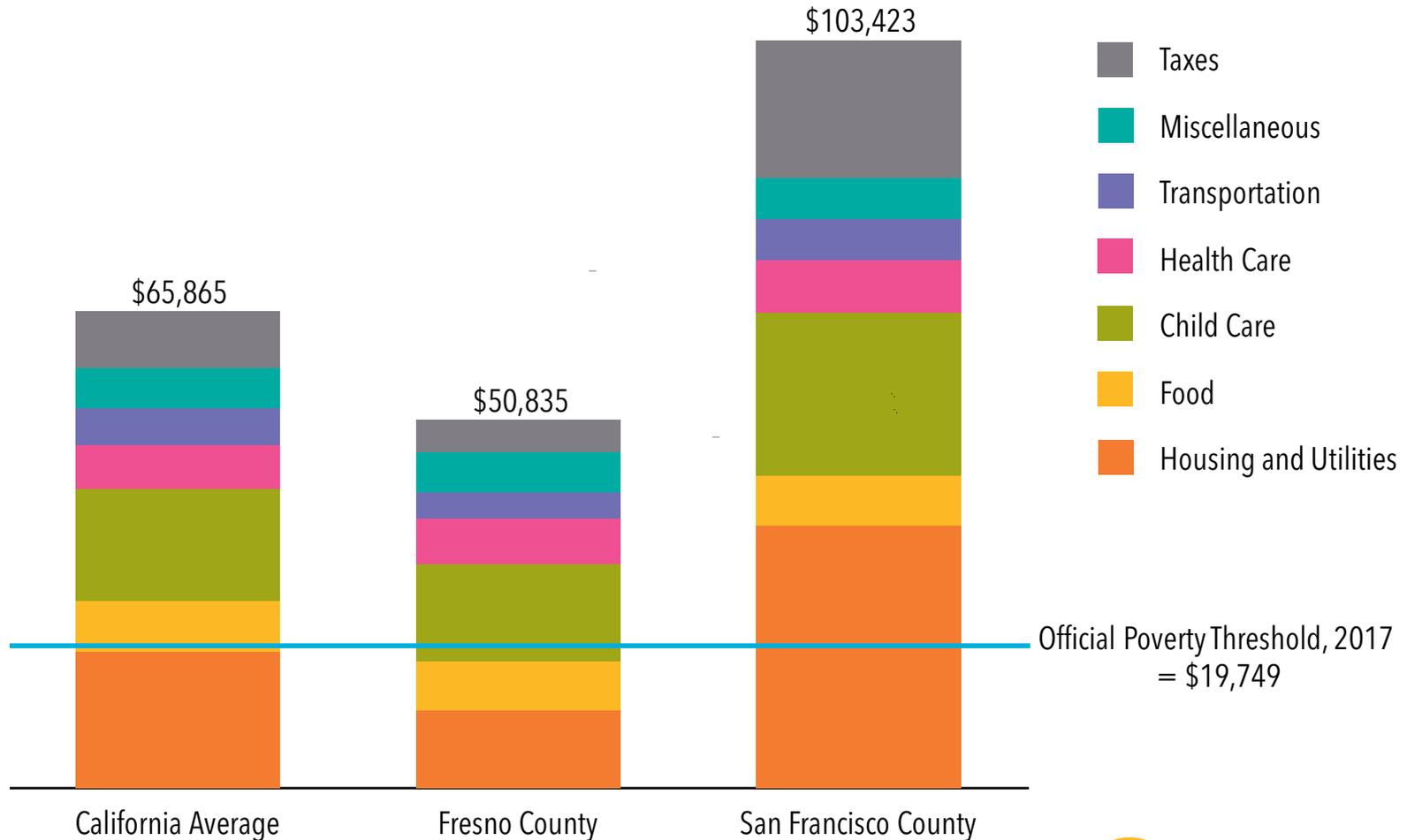
Note: These budgets represent the total income required to cover a family's basic needs through earnings only, without government supports. Amounts correspond to calendar year 2017. Numbers may not sum due to rounding.

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

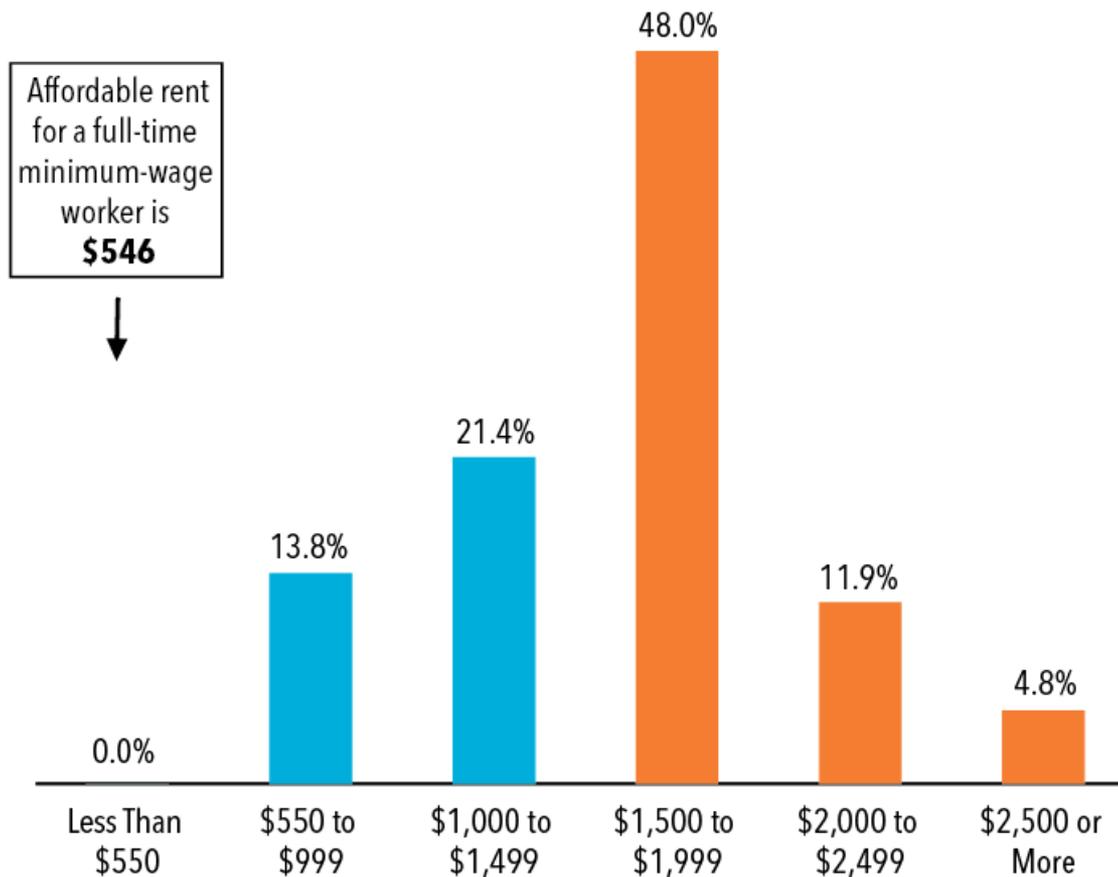


Why Are Families Struggling to Make Ends Meet?



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



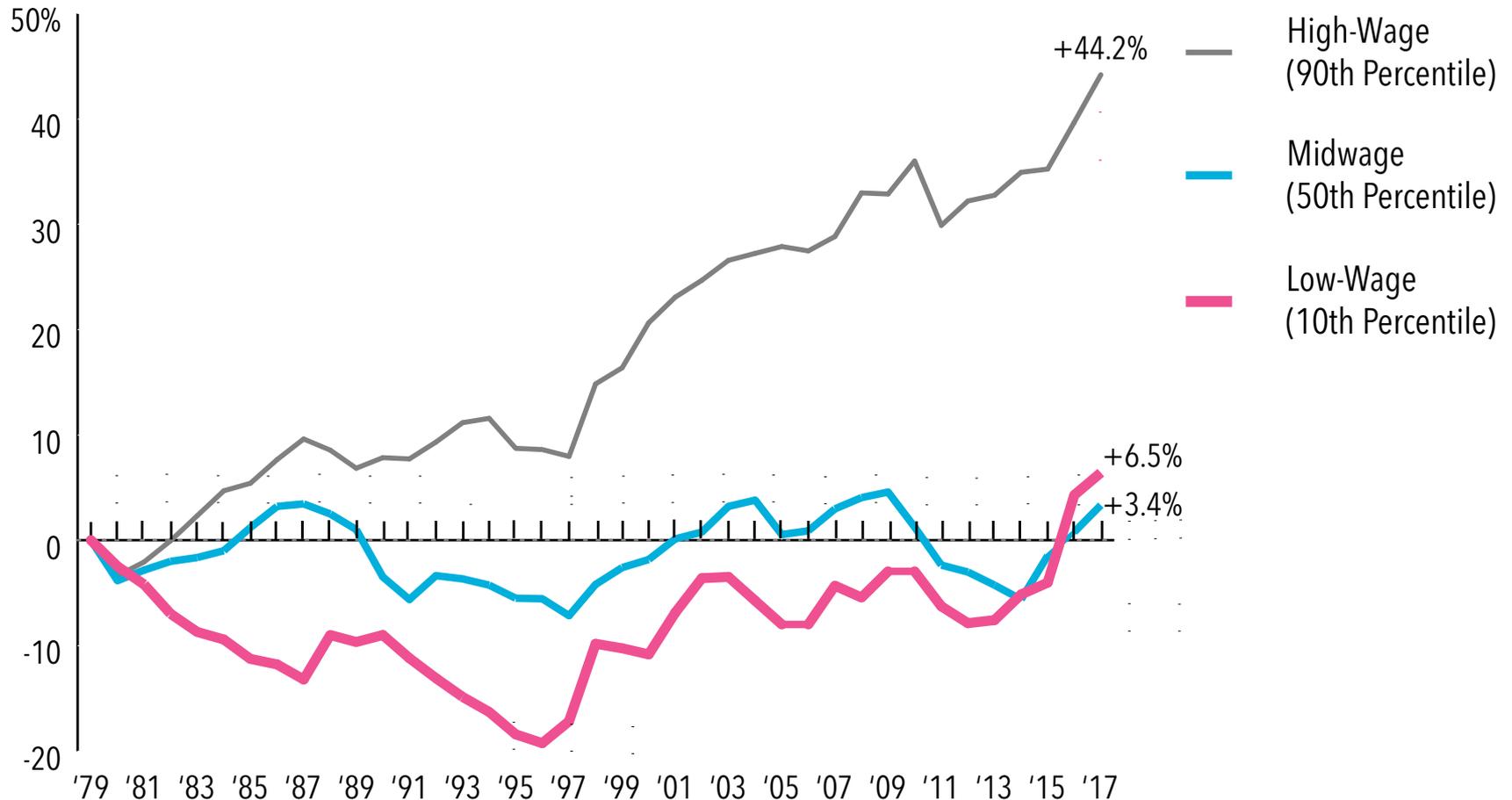
Source: Budget Center analysis of data from Department of Finance and US Department of Housing and Urban Development



California Budget
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Independent Analysis. Shared Prosperity.

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



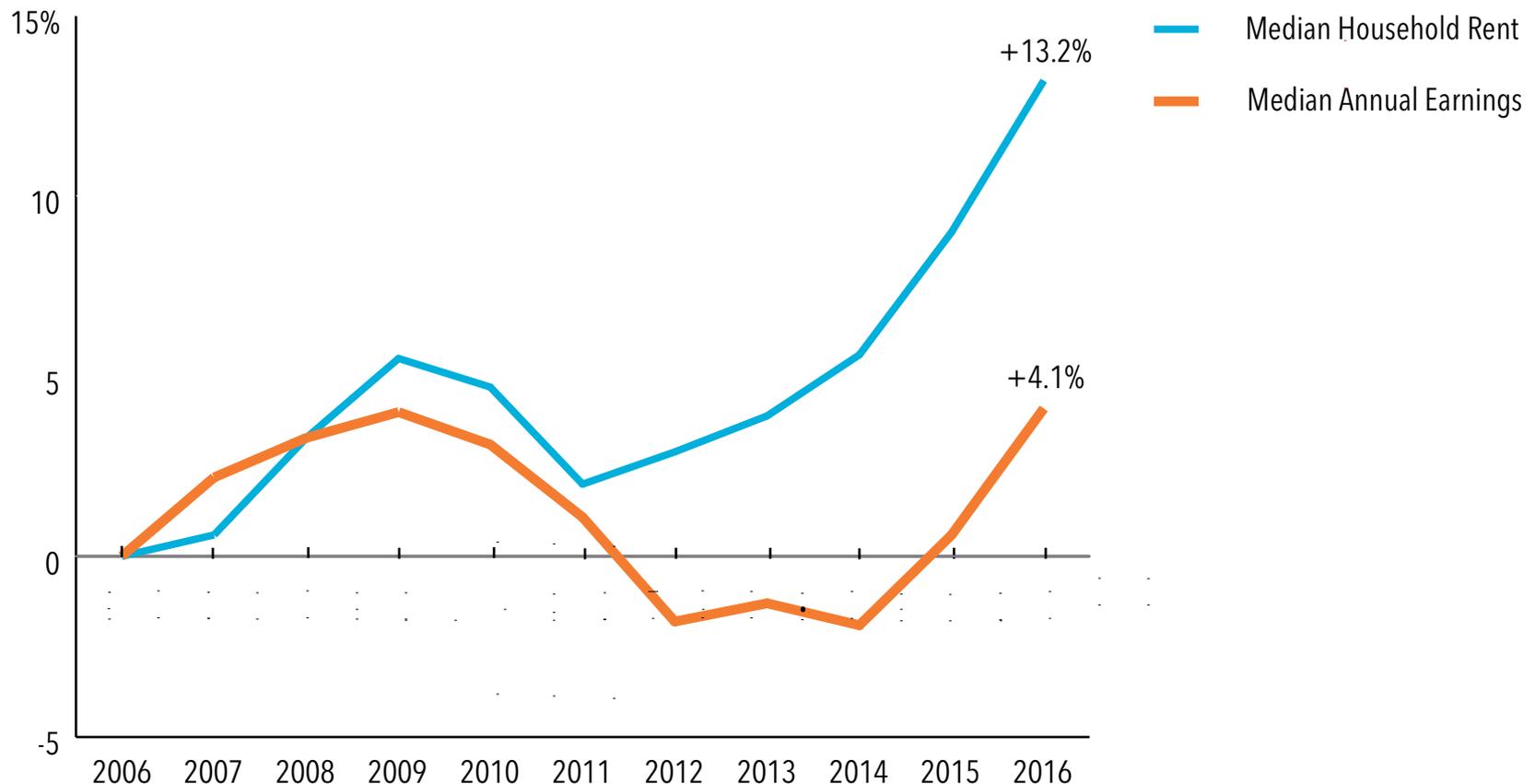
Note: Figures reflect 2017 dollars.

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



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



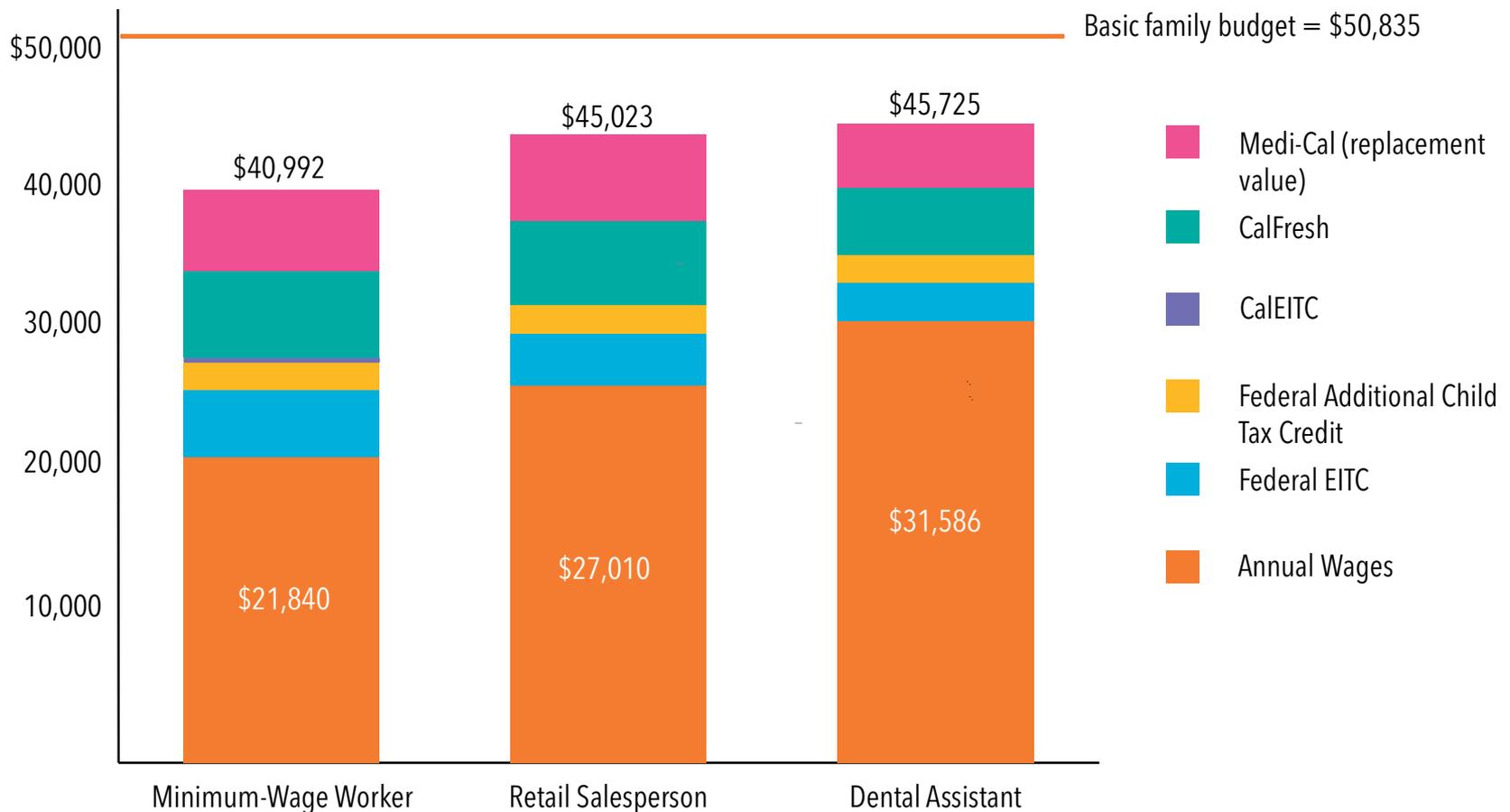
Public Supports Help Families Meet Basic Needs

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



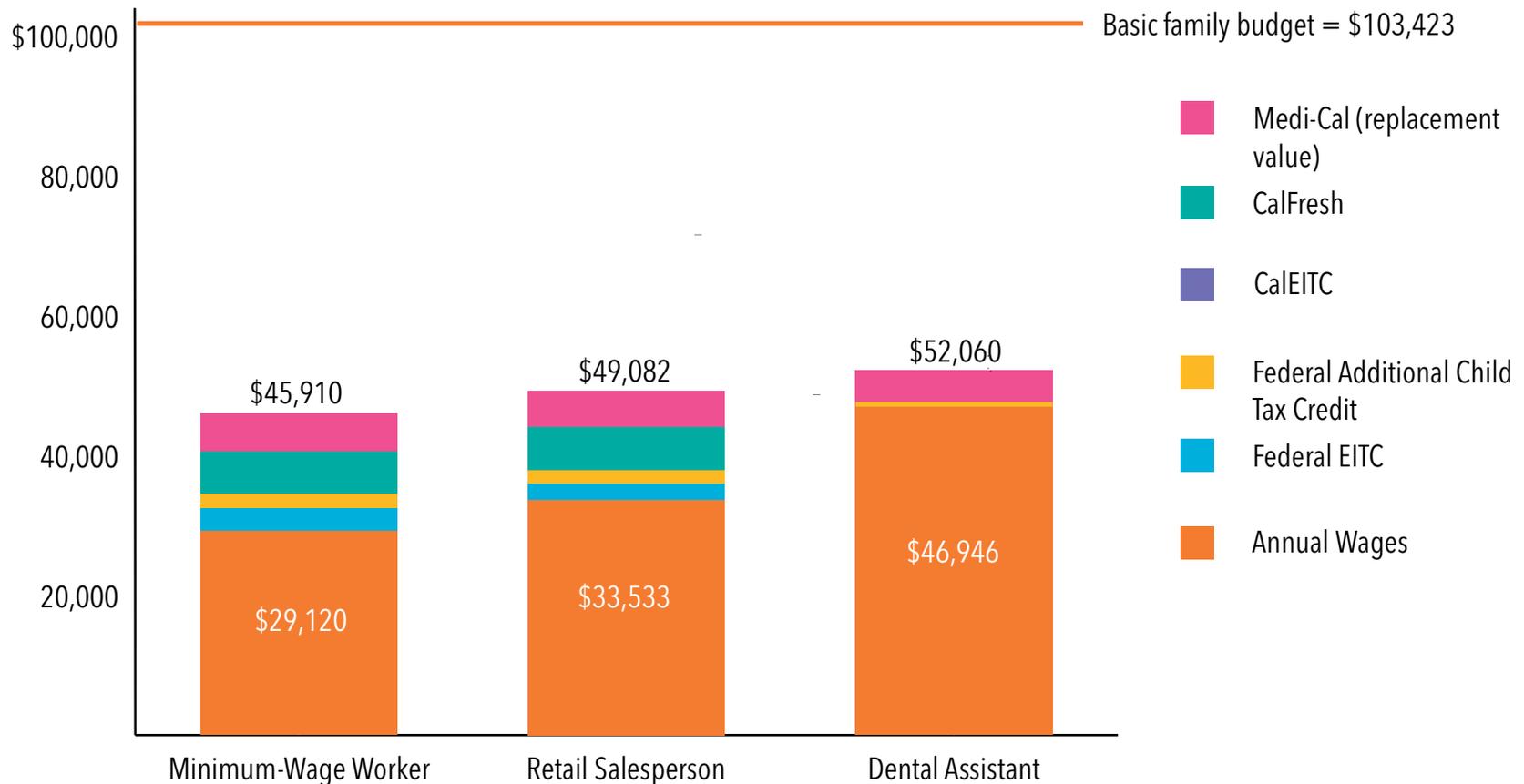
Note: No bar indicates ineligibility for that public support. Medi-Cal is free or reduced-cost health insurance. Medi-Cal value represented as employee cost for employer-based health insurance and out-of-pocket medical expenses.

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

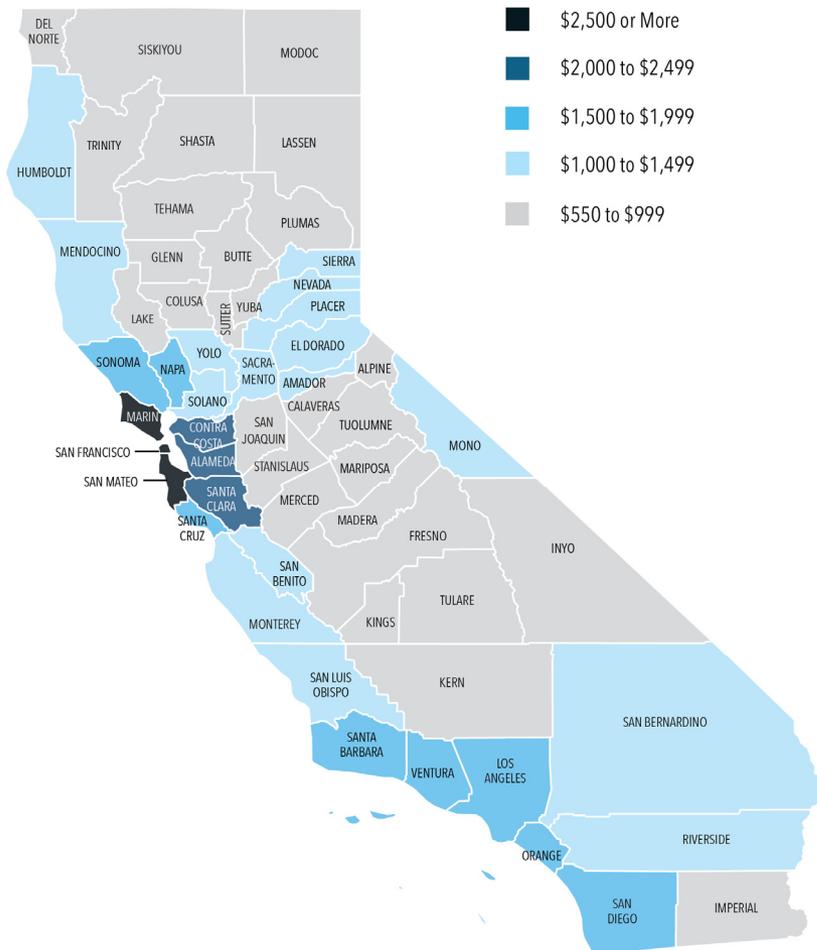
- **Reduce the cost of basic needs** – increase access to affordable housing, food assistance, child care subsidies, public health insurance.
- **Increase families' incomes** – increase the minimum wage, increase the size and coverage of the CalEITC, increase access to effective workforce development, 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

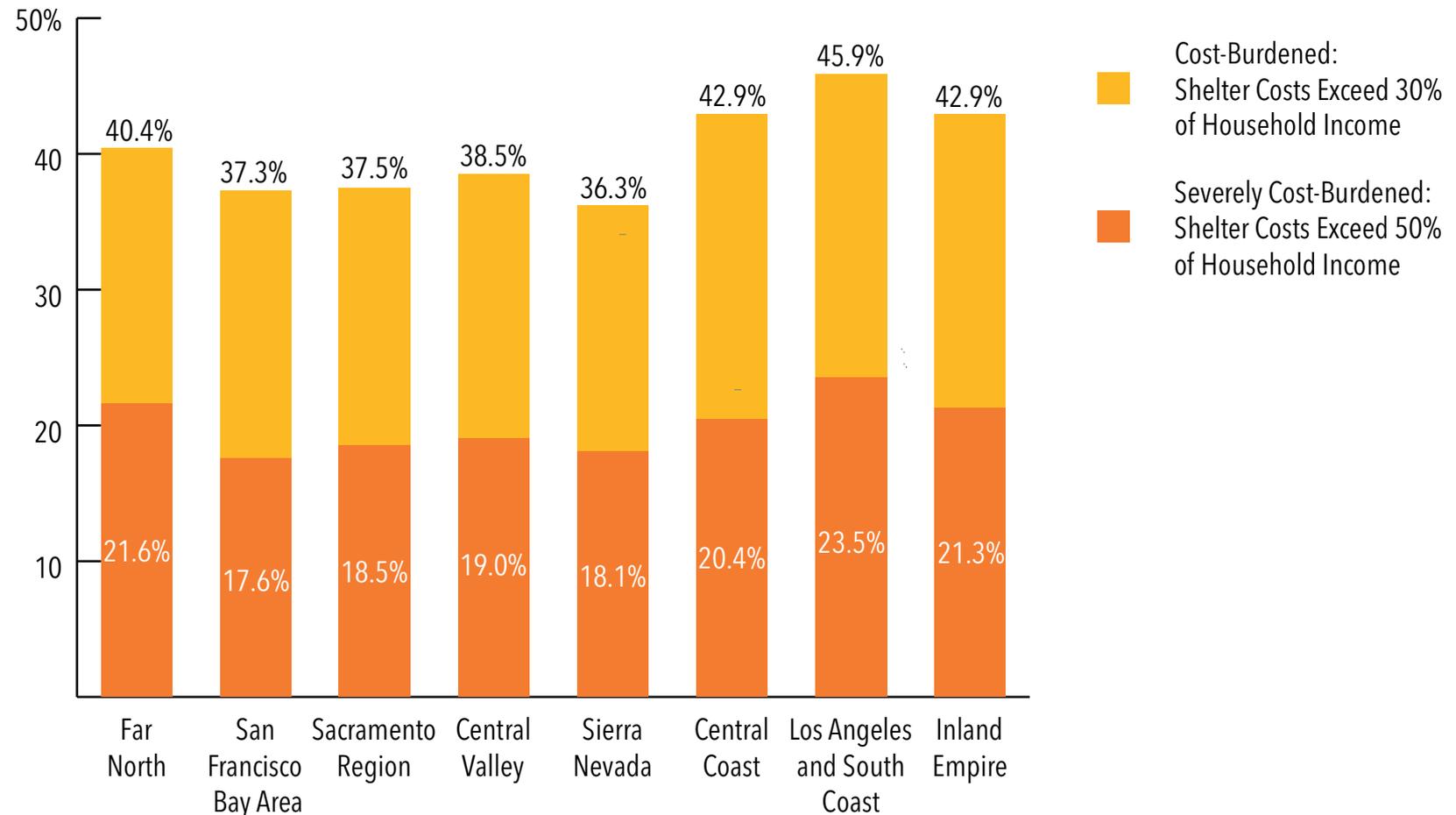


Source: US Department of Housing and Urban Development



Housing Costs Are Unaffordable Throughout California

Percentage of Households With Housing Cost Burden or Severe Housing Cost Burden, 2016



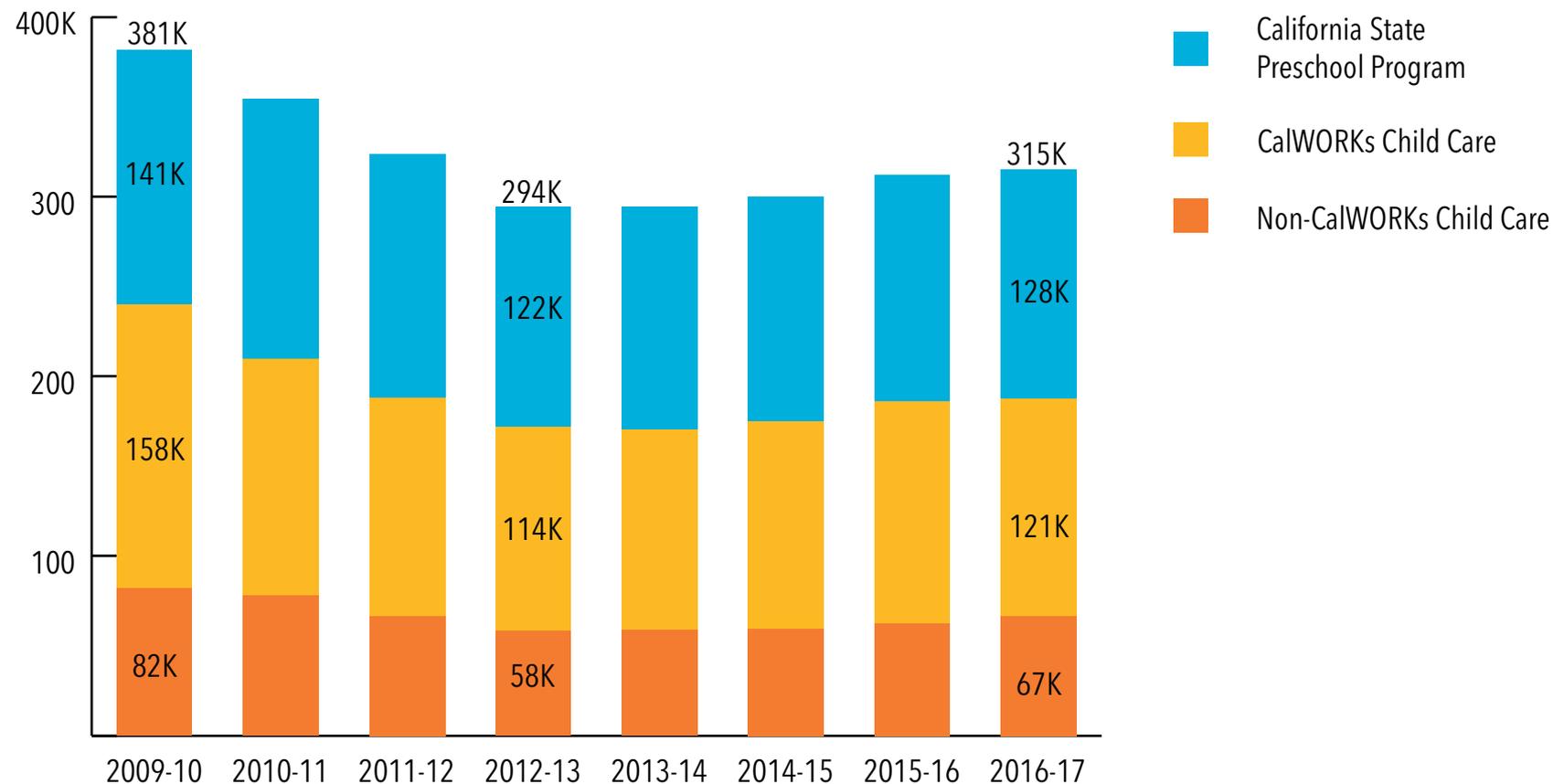
Note: Definitions of housing cost burden are from the US Department of Housing and Urban Development.

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



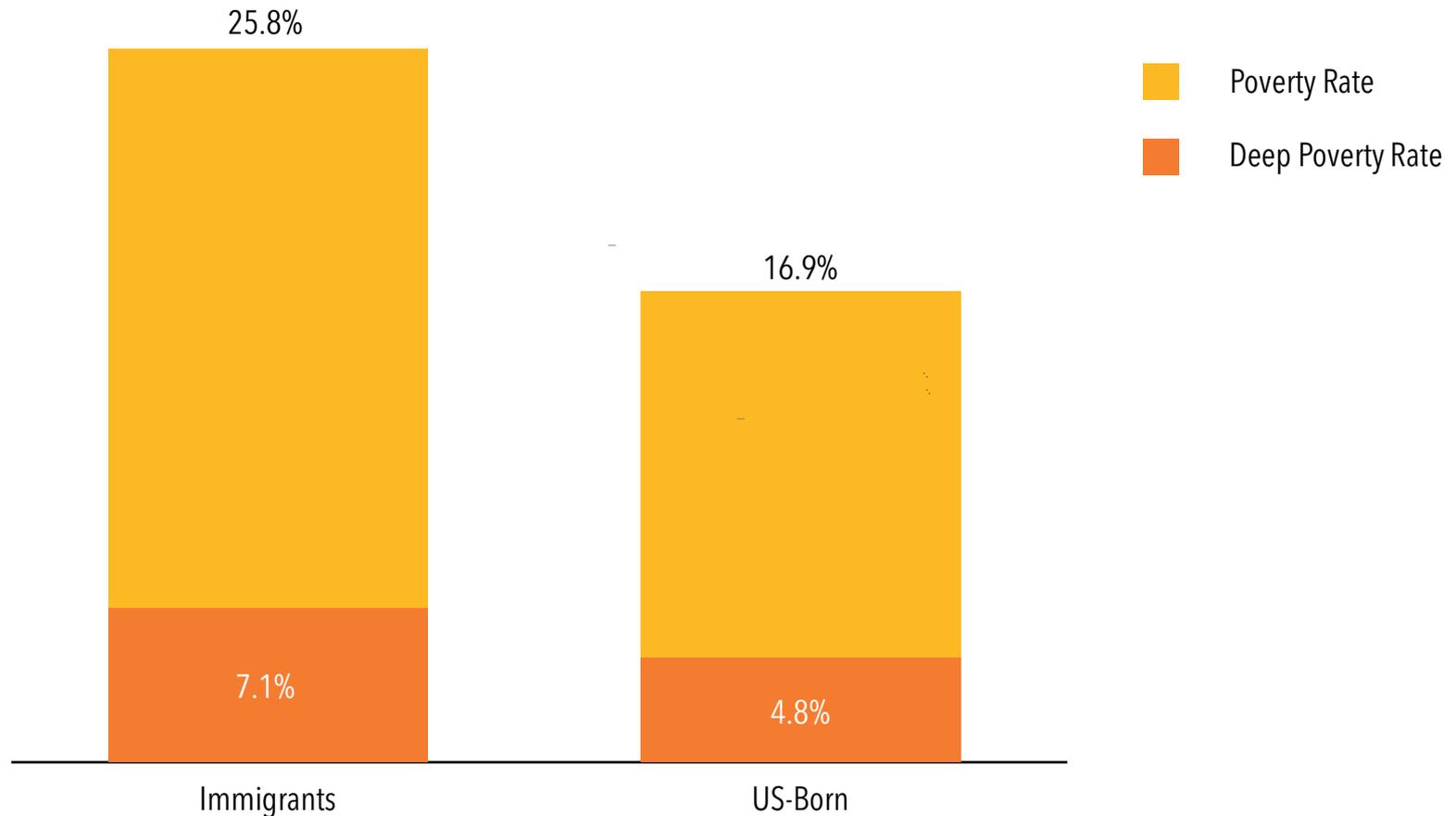
Note: Figures are rounded to the nearest thousand. California Community Colleges CalWORKs Stage 2 data for 2016-17 reflect estimates, not actuals.

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

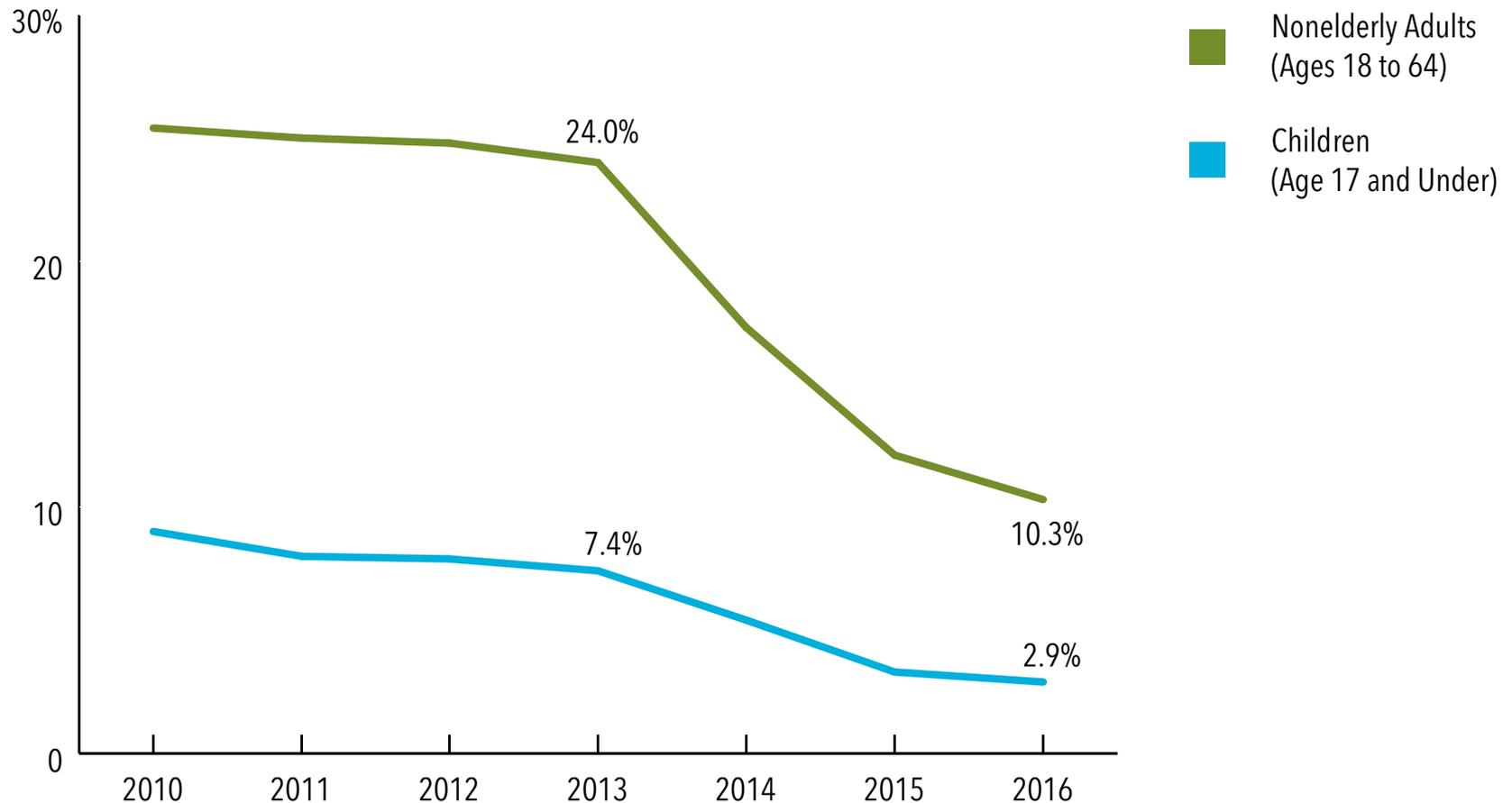


Note: Deep poverty is defined as family resources equal to less than half of the poverty threshold.
Source: Budget Center analysis of California Poverty Measure data produced by the Stanford Center on Poverty and Inequality and Public Policy Institute of California, based on US Census Bureau, American 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

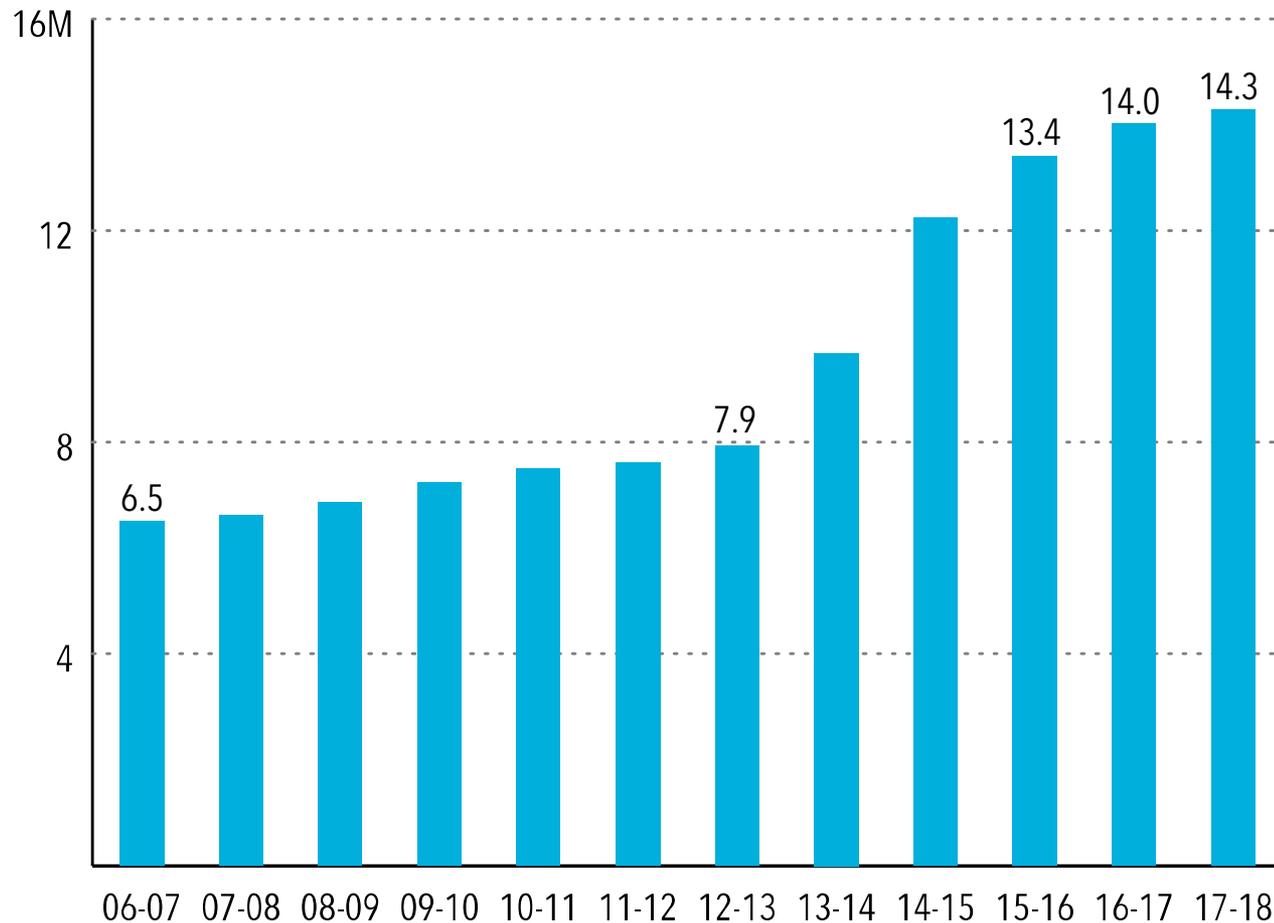


Note: Estimates are based on survey respondents' coverage status at the time of the interview.
Source: US Census Bureau, American Community Survey



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

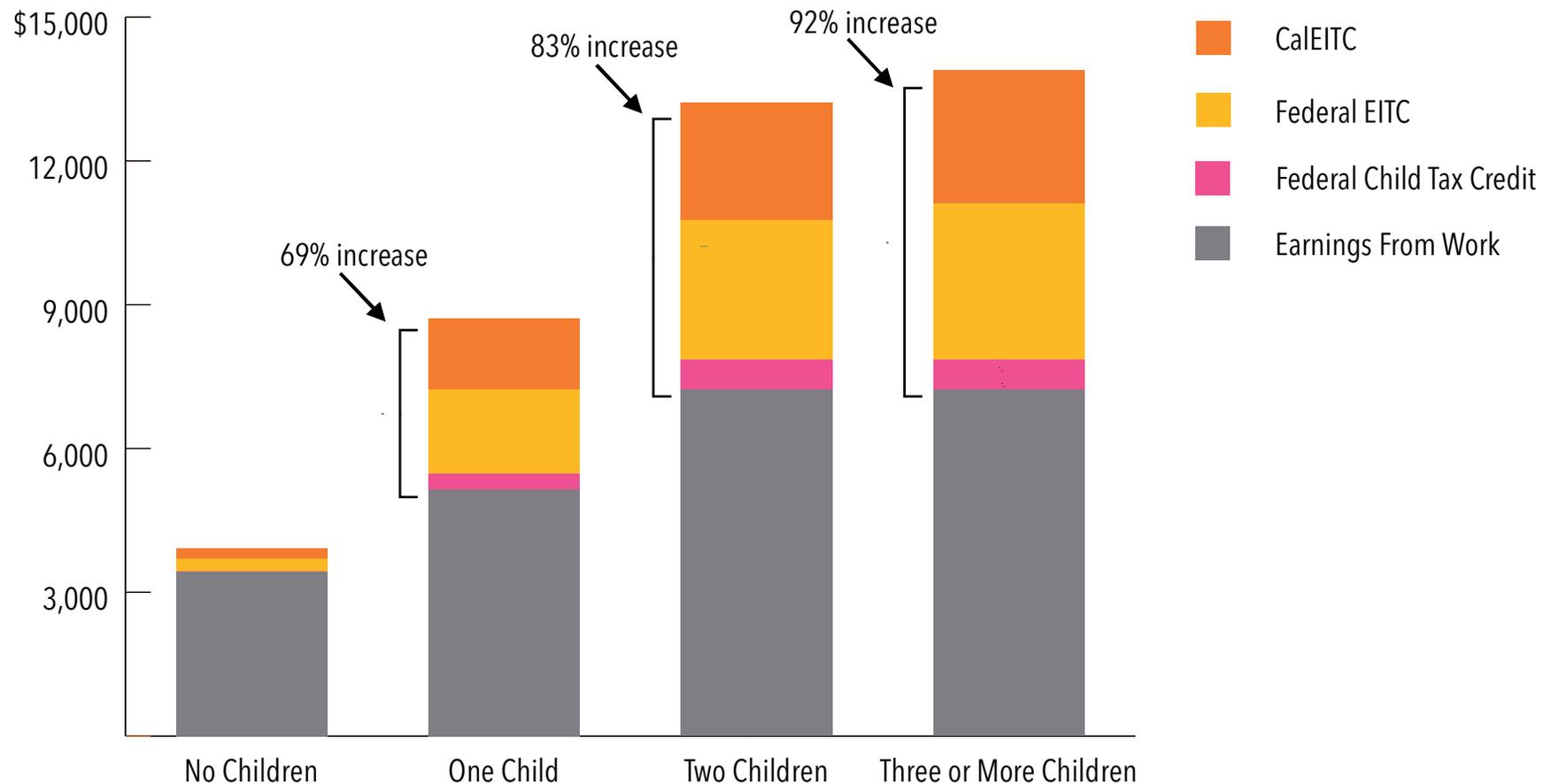


Note: Data for 2012-13 and later years are estimates. Figures reflect average monthly enrollment.
Source: Department of Health Care Services



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 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/>

The screenshot shows the website's header with the logo and navigation menu. The main content area features a report titled "Making Ends Meet: How Much Does It Cost to Support a Family in California?". Below the title is a list of counties and their corresponding costs to support a two-working-parent family. A map of California is shown with counties color-coded by cost. To the right of the map is a table showing the annual total cost for a two-working-parent family in San Mateo County, broken down into a basic monthly budget and various expenses.

REPORT INTERACTIVE

Making Ends Meet: How Much Does It Cost to Support a Family in California?

Work, Income & Poverty · December 2017 · By Sara Kimberlin and Amy Rose

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.](#)

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

California	\$75,952
San Francisco	\$110,984
Marin	\$110,544
San Mateo	\$108,109
Santa Clara	\$93,451
Alameda	\$92,267
Contra Costa	\$91,407
Santa Cruz	\$81,612
Orange	\$80,165
Ventura	\$79,209
San Diego	\$77,223
Sonoma	\$75,913
Napa	\$75,569
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	\$67,873
Placer	\$67,534
Riverside	\$67,513

Two-Working-Parent Family

San Mateo County

Annual Total	\$108,109
Statewide Average	\$75,952

Basic Monthly Budget

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%

[Download County Fact Sheet](#)

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RELATED

- Modest Gains for California's Low- and Mid-wage Workers
- Child Poverty and Deep Poverty in California: Data and Trends
- Earned Income Tax Credits (EITCs) Benefit Families, Children, and Communities: Key Findings From the Research





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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.

