



California Budget  
& Policy Center

# Making Ends Meet:

## The Cost to Support a Family in California

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POLICY INSIGHTS 2018

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[calbudgetcenter.org](http://calbudgetcenter.org)

# What Are Families' Basic Expenses?



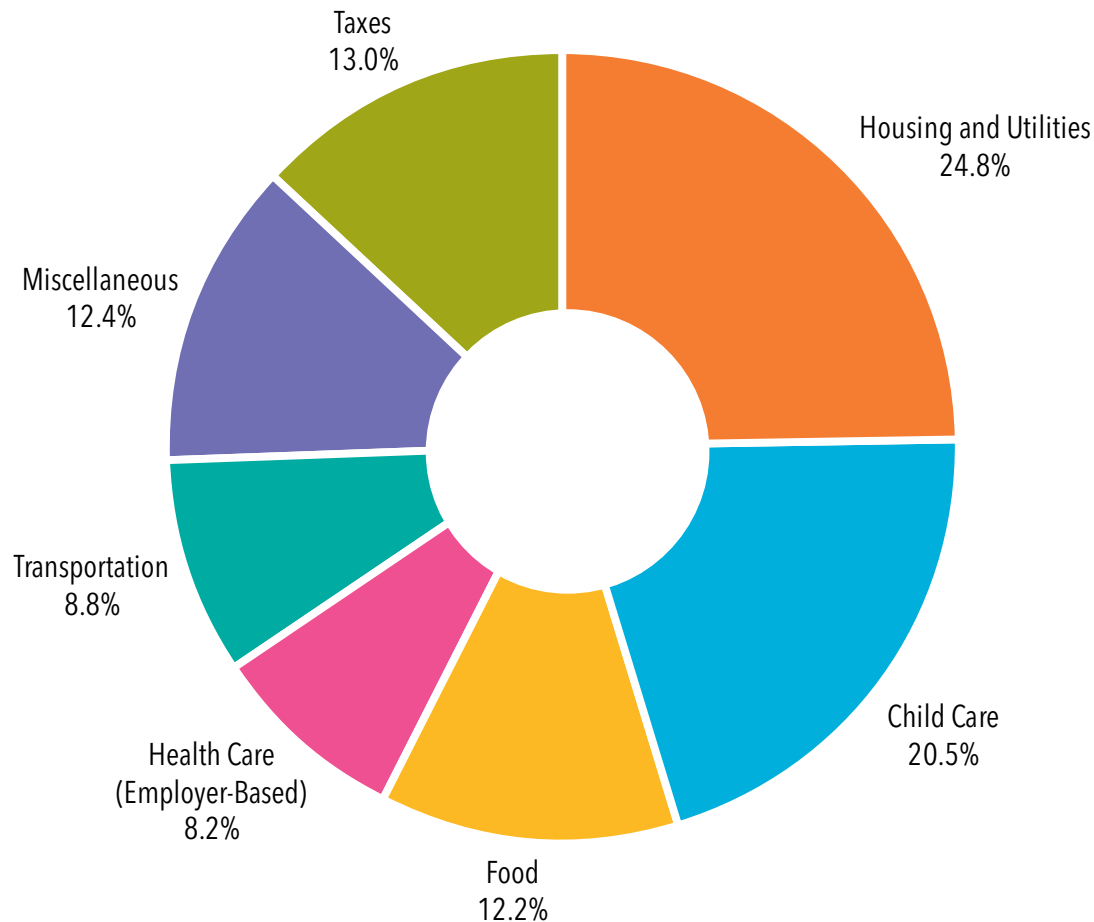
# **Housing Is the Largest Basic Expense Across Different Types of Households**

**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



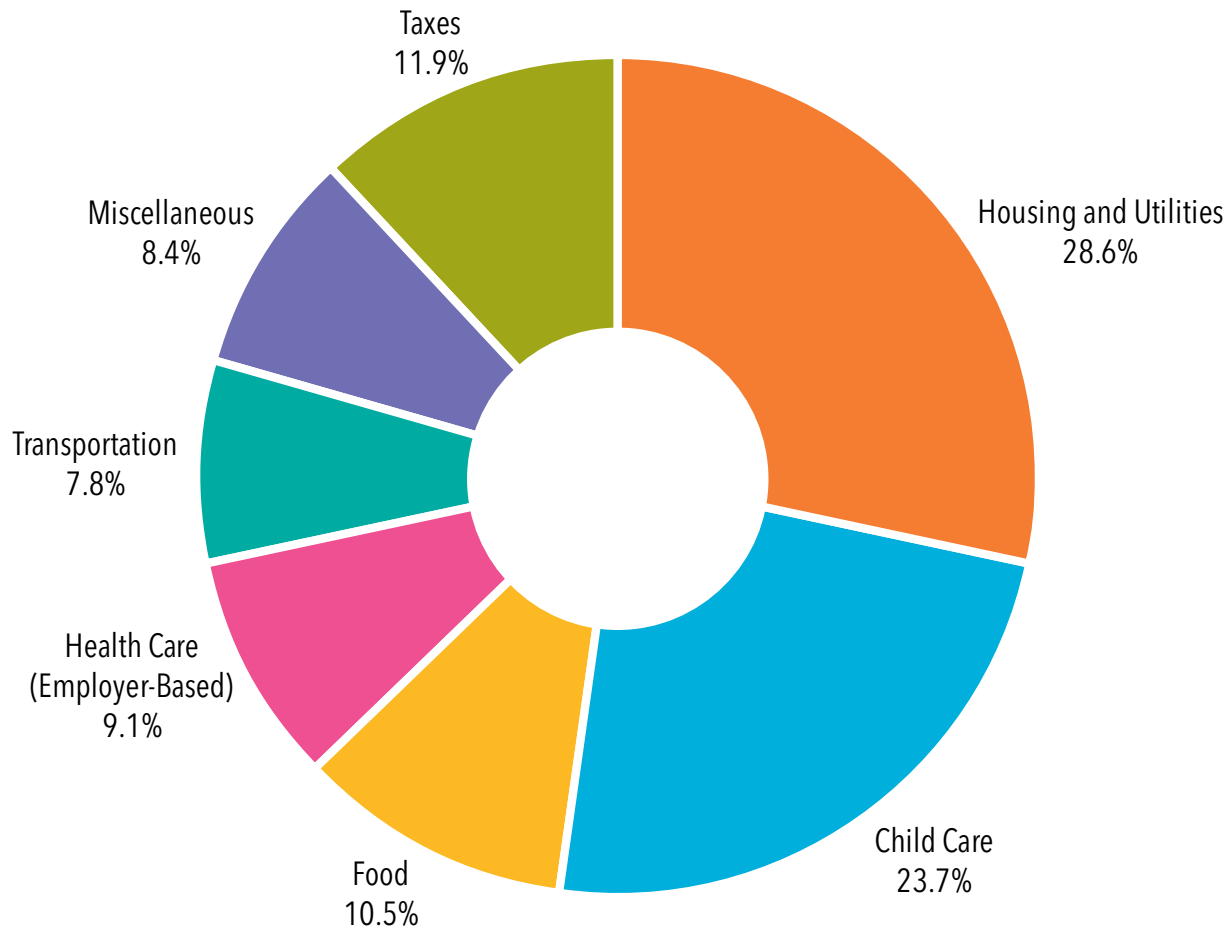
Note: Statewide average family budget calculated by averaging all county family budgets, weighted by county population.

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



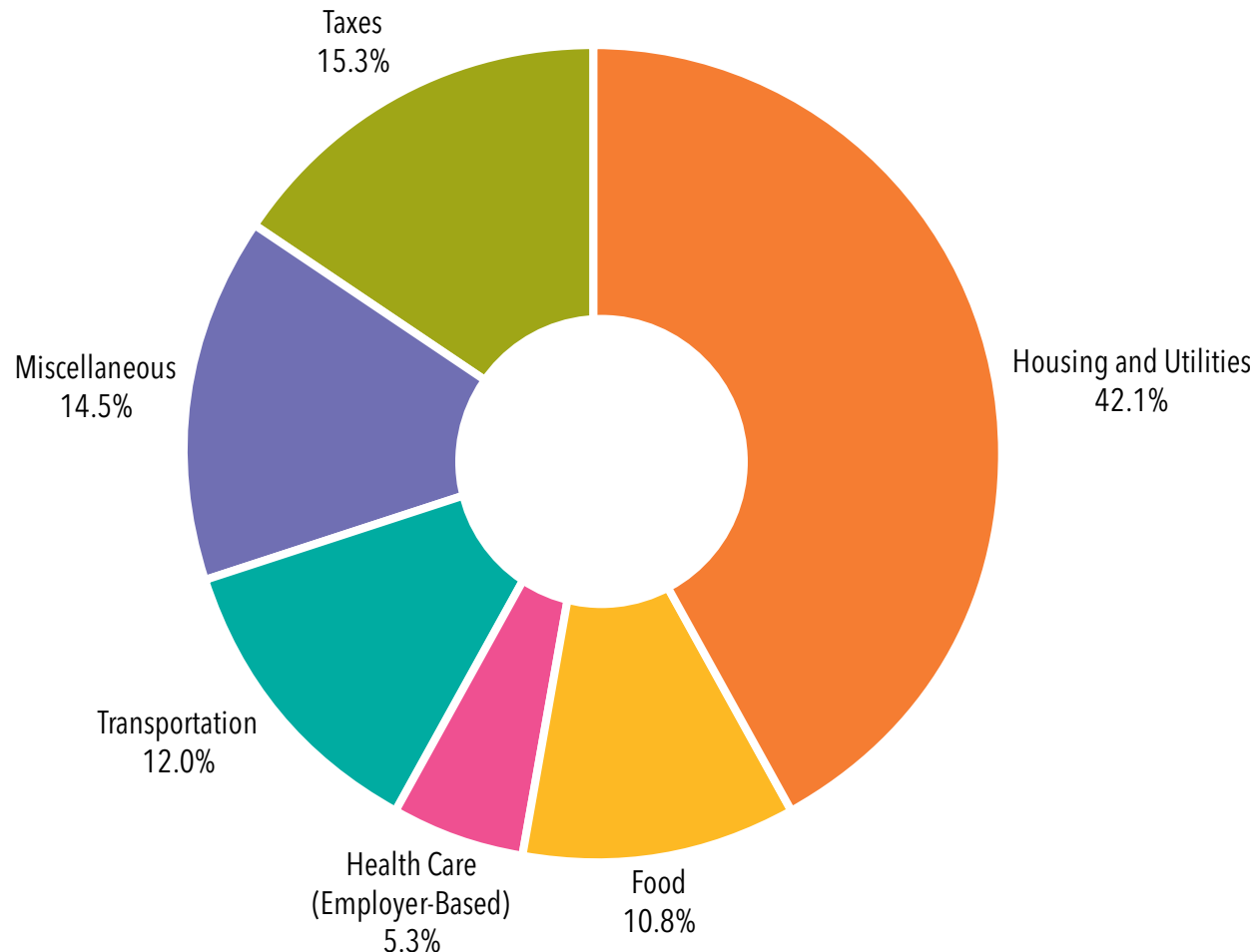
Note: Statewide average family budget calculated by averaging all county family budgets, weighted by county population.

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.

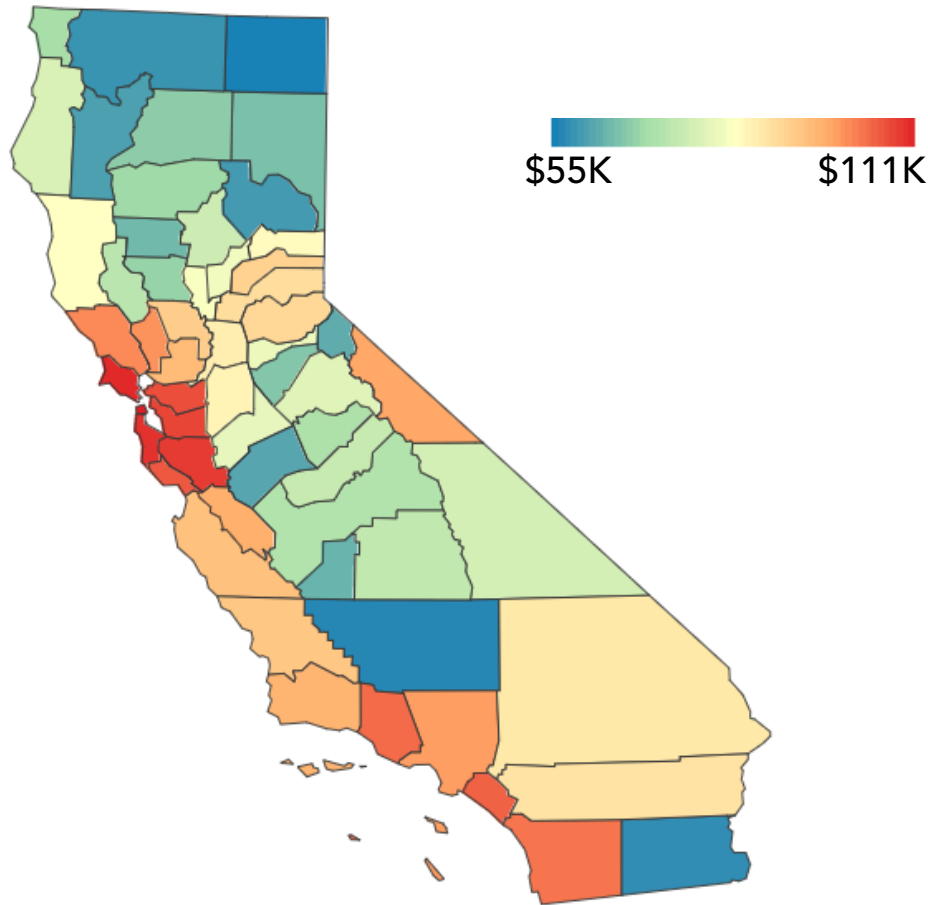
Source: Budget Center *Making Ends Meet* 2017 analysis



# The Basic Cost to Support a Family Varies Across California

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

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Source: Budget Center *Making Ends Meet* 2017 analysis



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# 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
<b>MONTHLY TOTAL</b>	<b>\$9,249</b>	<b>\$5,018</b>
<b>ANNUAL TOTAL</b>	<b>\$110,984</b>	<b>\$60,214</b>

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

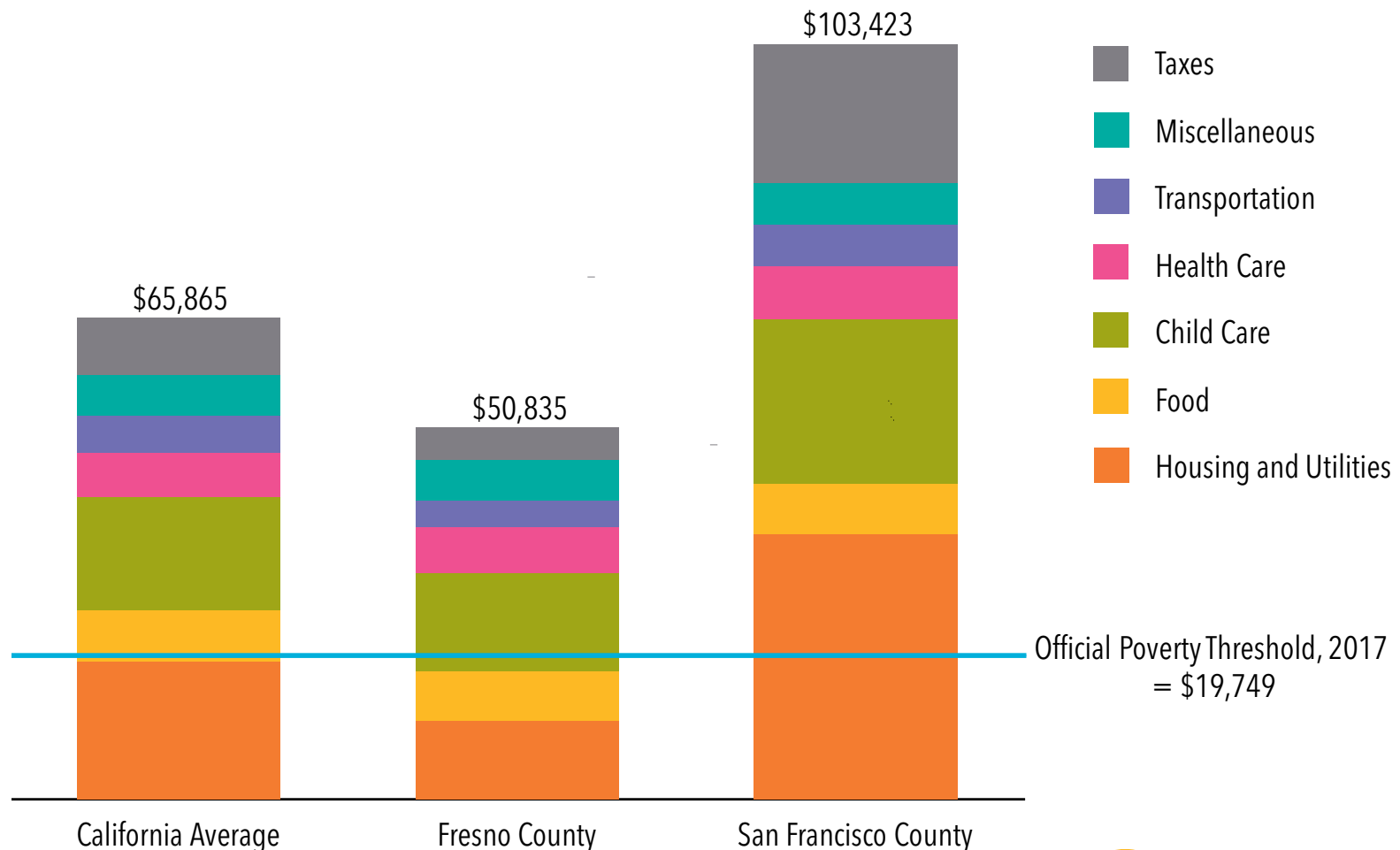
	San Francisco County	Fresno County
Housing and Utilities	\$1,915	\$670
Food	\$268	\$268
Child Care	\$0	\$0
Health Care (Employer-Based)	\$162	\$137
Transportation	\$334	\$213
Miscellaneous	\$361	\$361
Taxes	\$667	\$249
<b>MONTHLY TOTAL</b>	<b>\$3,707</b>	<b>\$1,898</b>
<b>ANNUAL TOTAL</b>	<b>\$44,481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

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



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

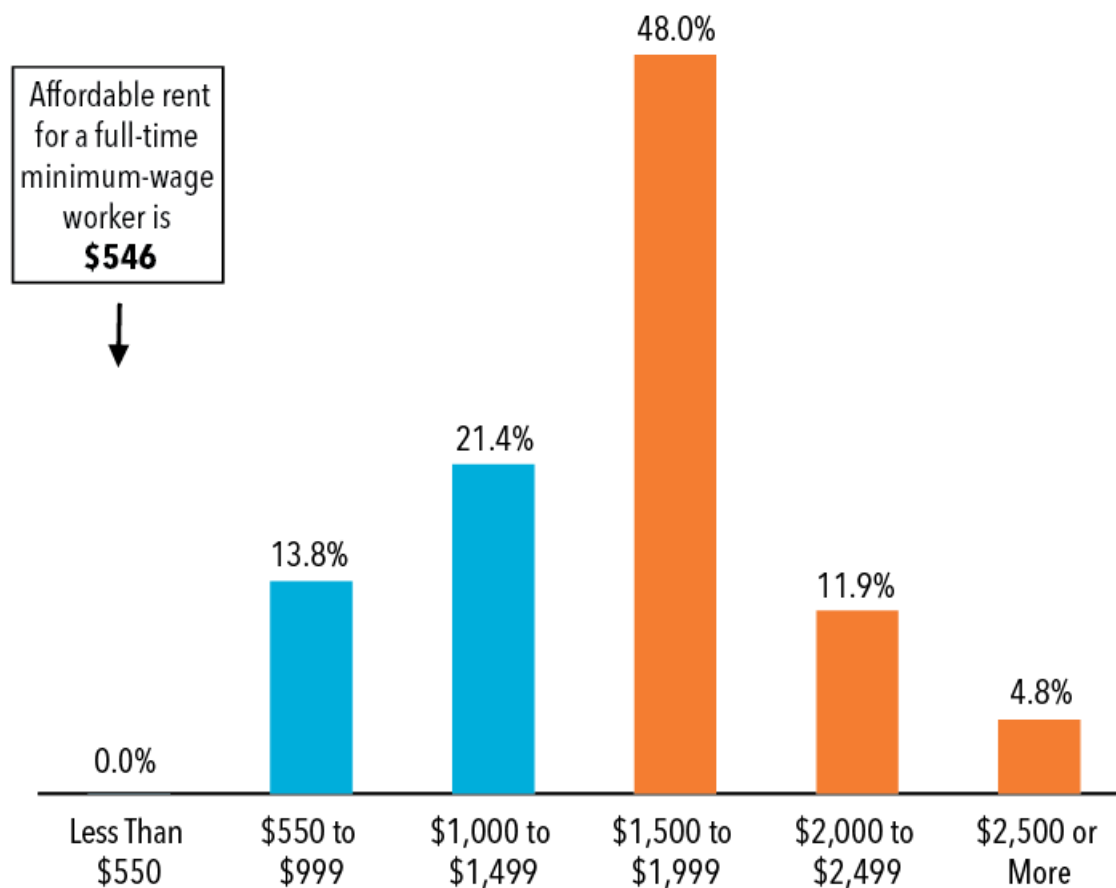


# Why Are Families Struggling to Make Ends Meet?



# 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

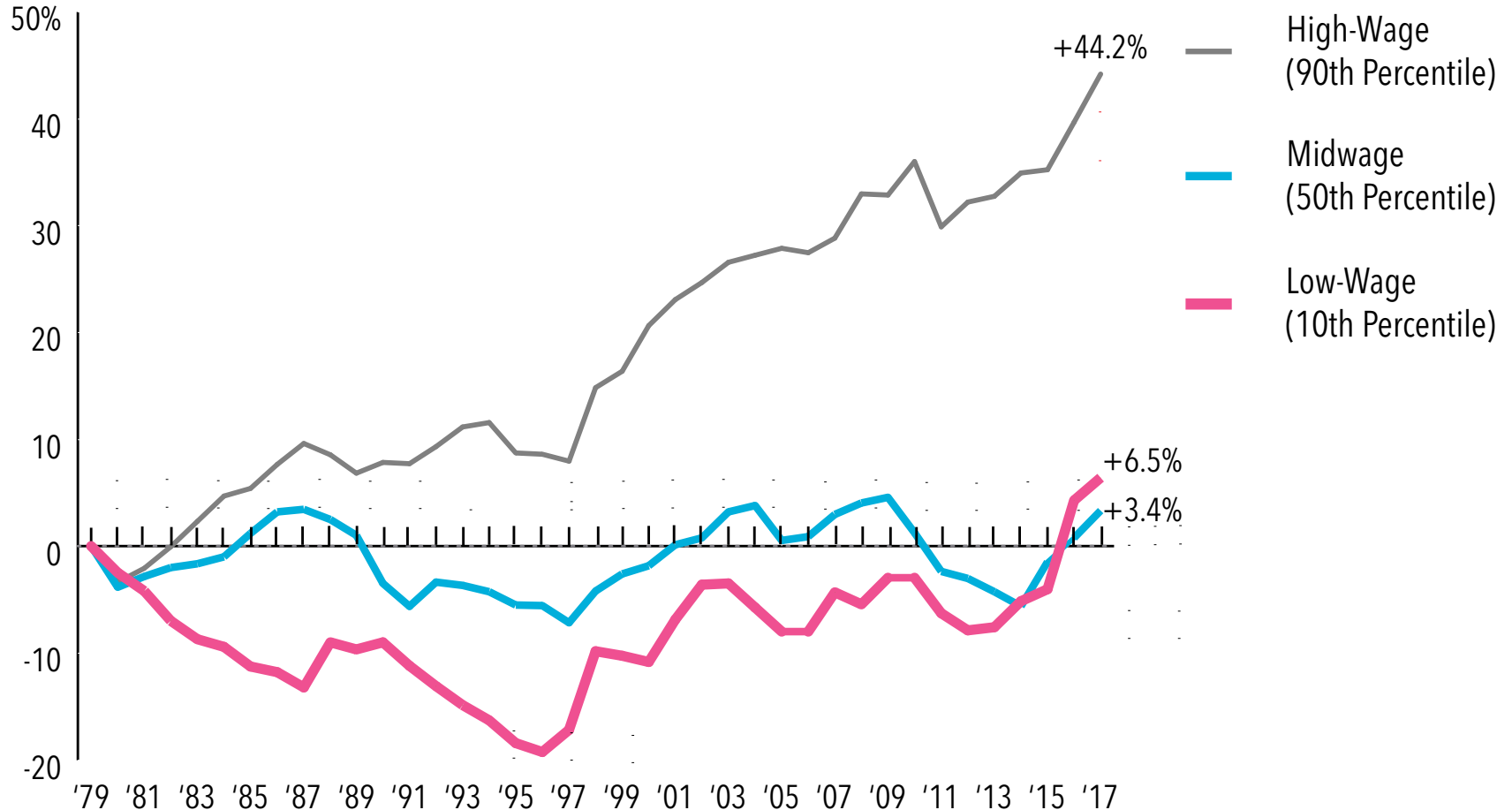


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*Independent Analysis. Shared Prosperity.*

# 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



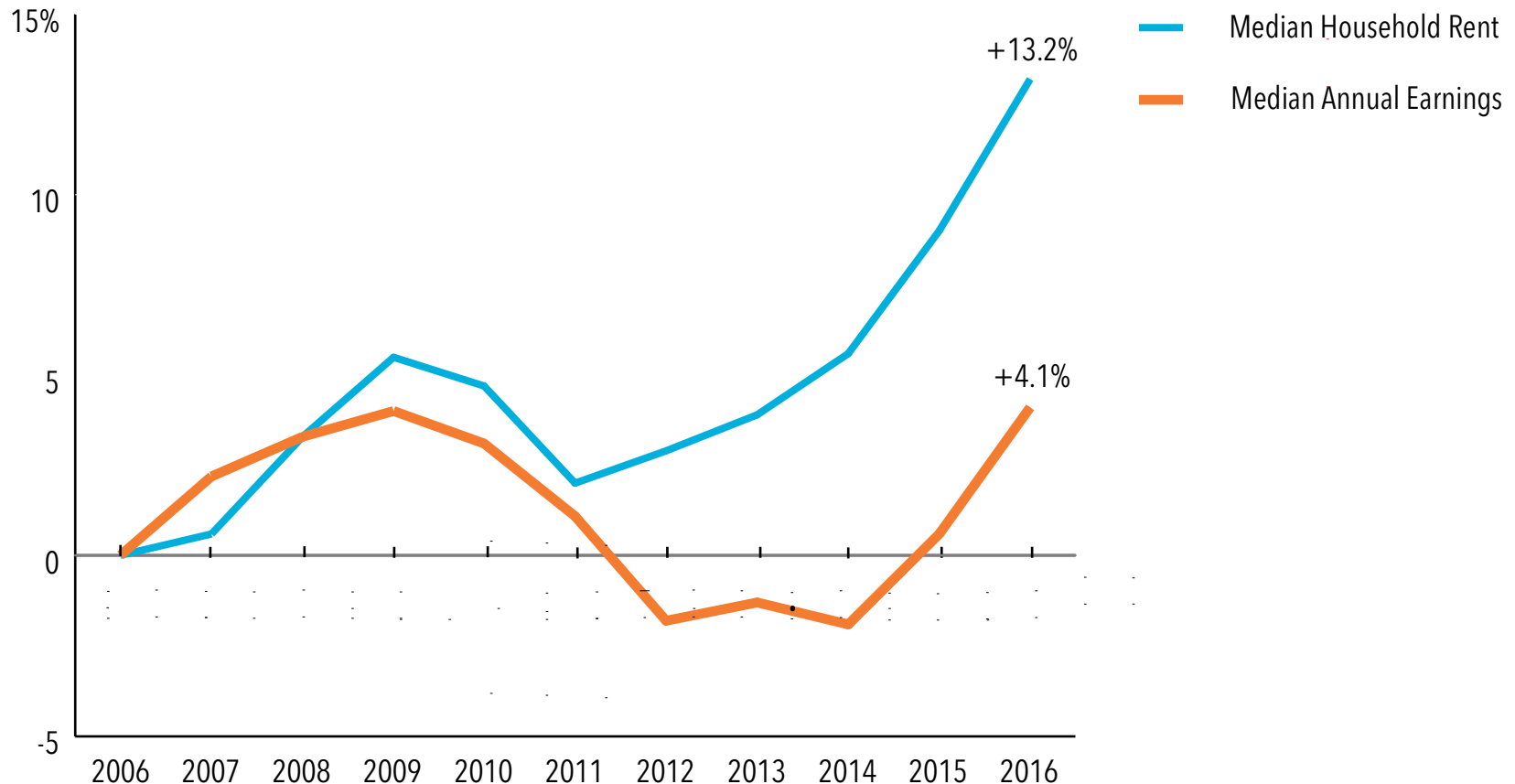
Note: Figures reflect 2017 dollars.

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



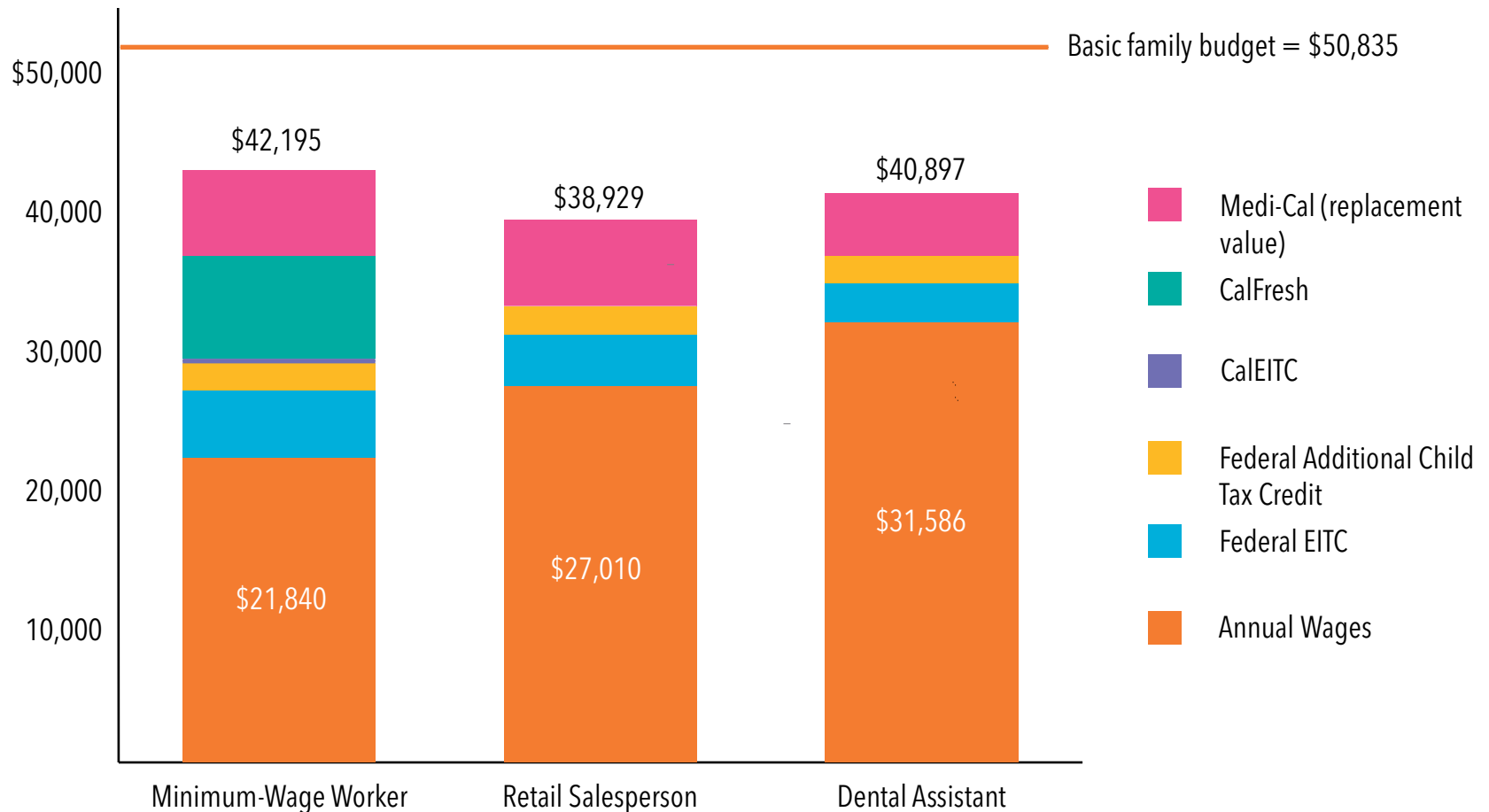
# Public Supports Help Families Meet Basic Needs

**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.

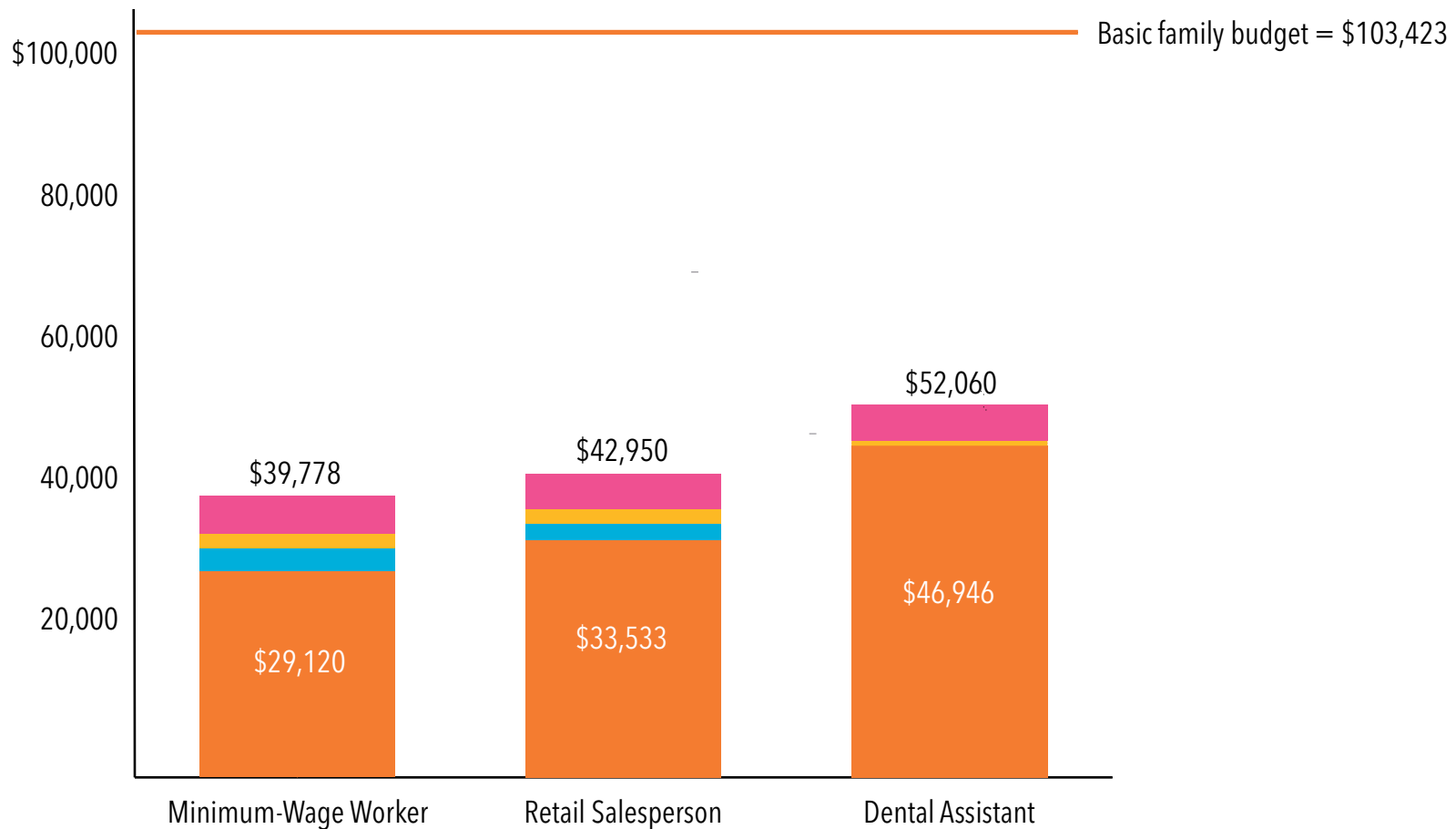
Source: Budget Center *Making Ends Meet* 2017 analysis





# 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









# Policies to Help Families Make Ends Meet

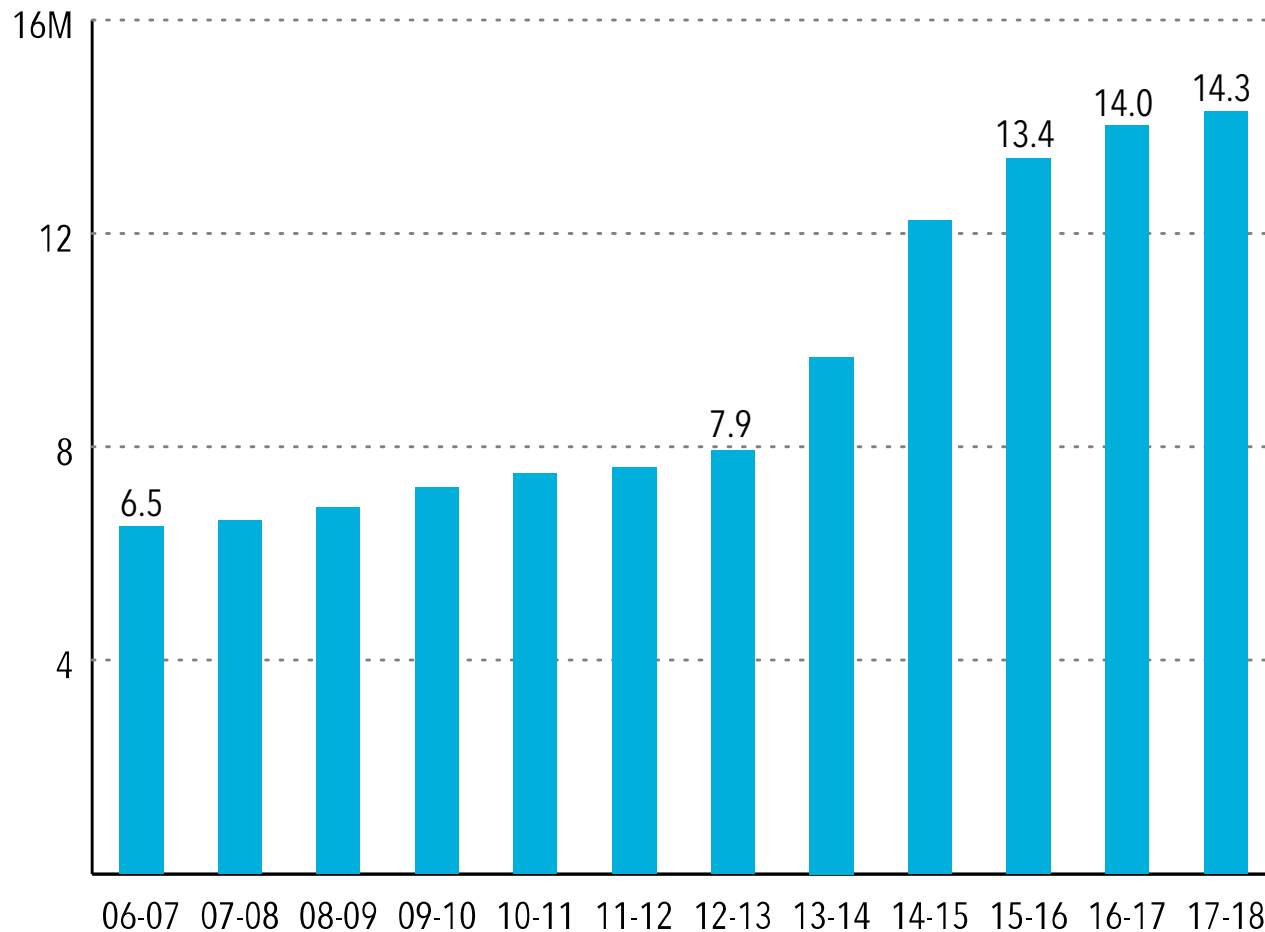
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- **Reduce the cost of basic needs** – increase access to affordable housing, food assistance, child care subsidies, public health insurance.
- **Increase families' incomes** – increase the minimum wage, increase the size and coverage of the CalEITC,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

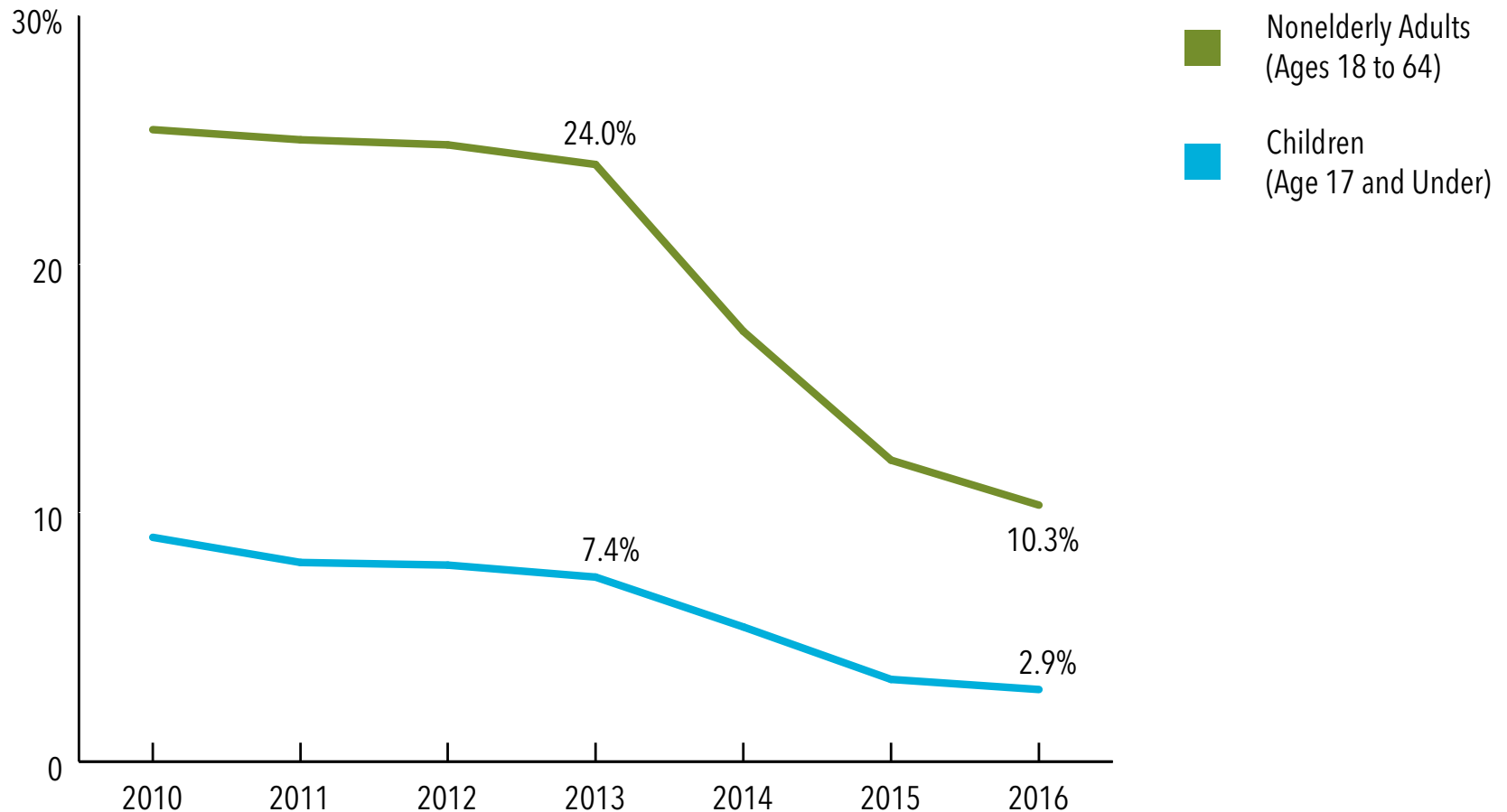


Note: Data for 2012-13 and later years are estimates. Figures reflect average monthly enrollment.  
Source: Department of Health Care Services



# 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

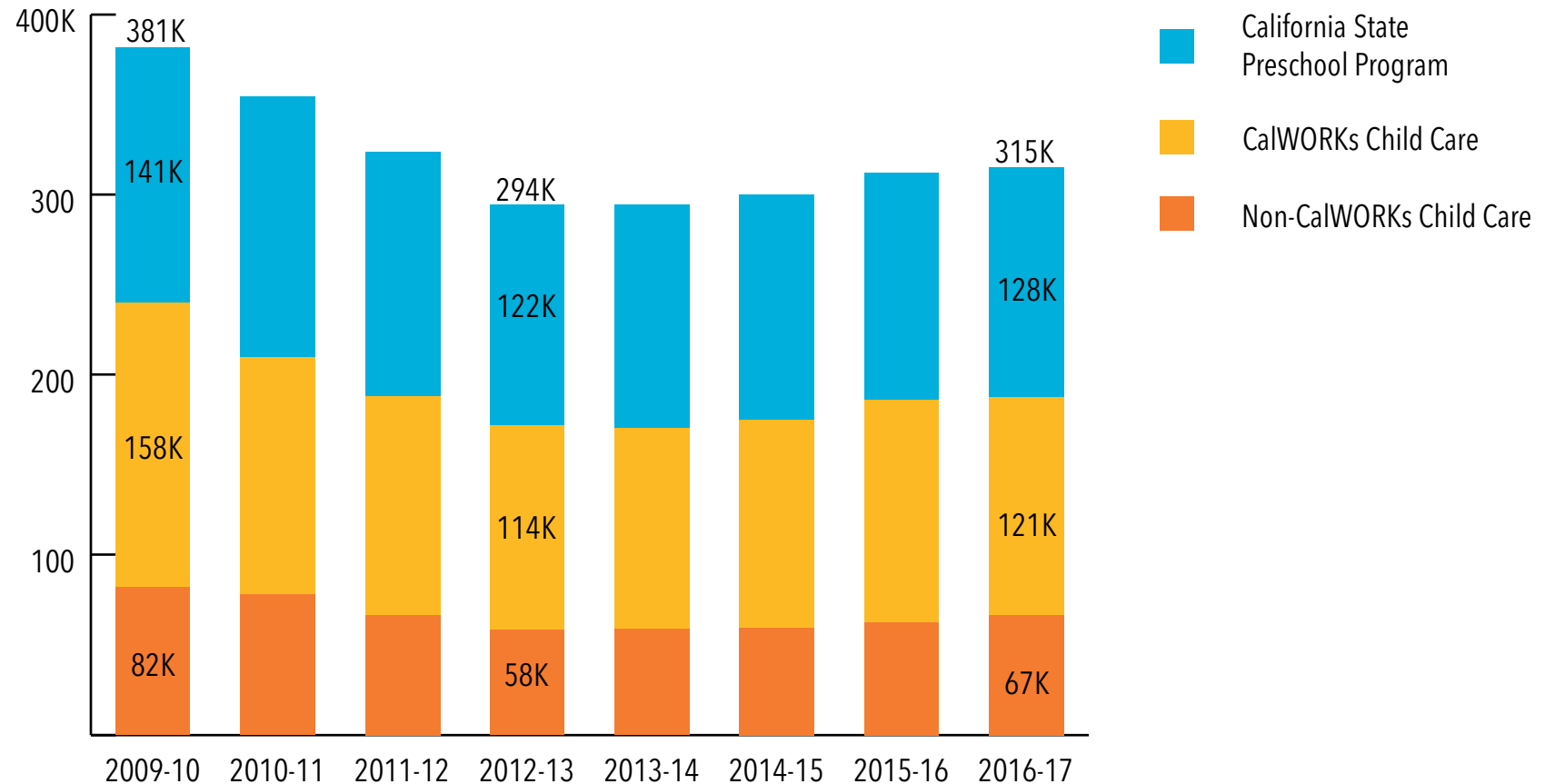


Note: Estimates are based on survey respondents' coverage status at the time of the interview.  
Source: US Census Bureau, American Community Survey



# Enrollment in Subsidized Child Care and Preschool Has Not Recovered From Recession-Era Cuts

Average Monthly Number of Children Enrolled



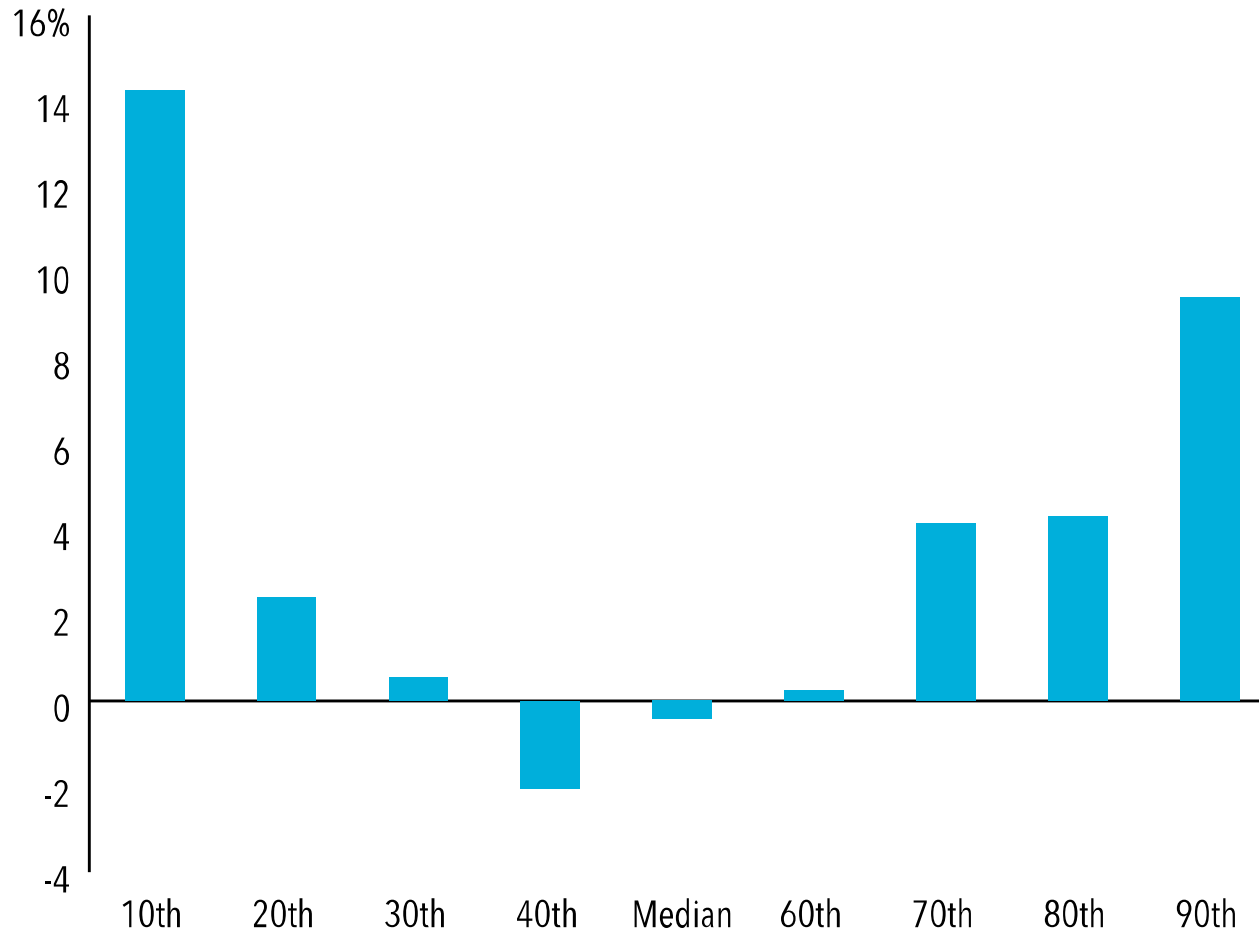
Note: Figures are rounded to the nearest thousand. California Community Colleges CalWORKs Stage 2 data for 2016-17 reflect estimates, not actuals.

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



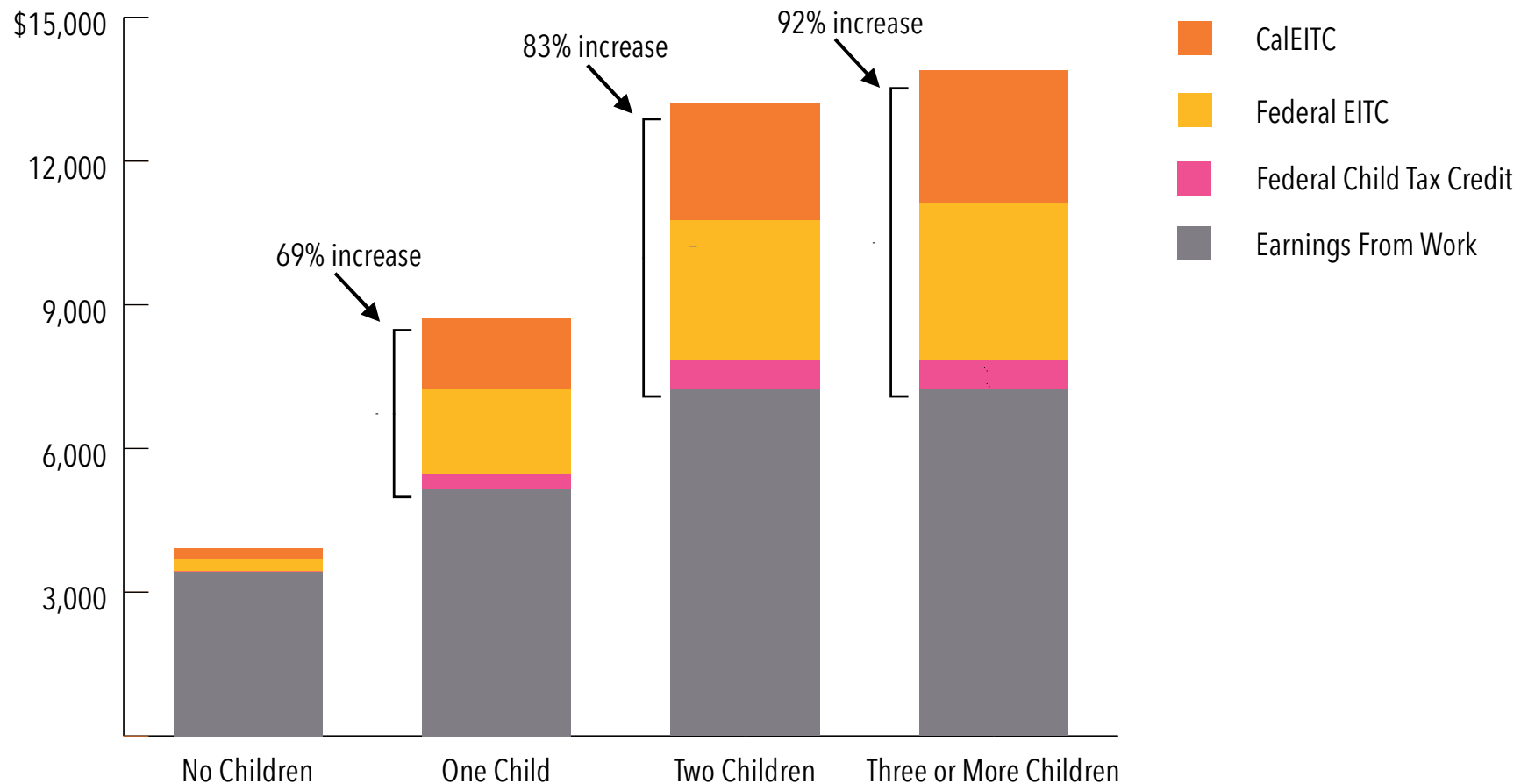
Source: Economic Policy Institute analysis of US Census Bureau, Current Population Survey data





# 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



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# The Bottom Line

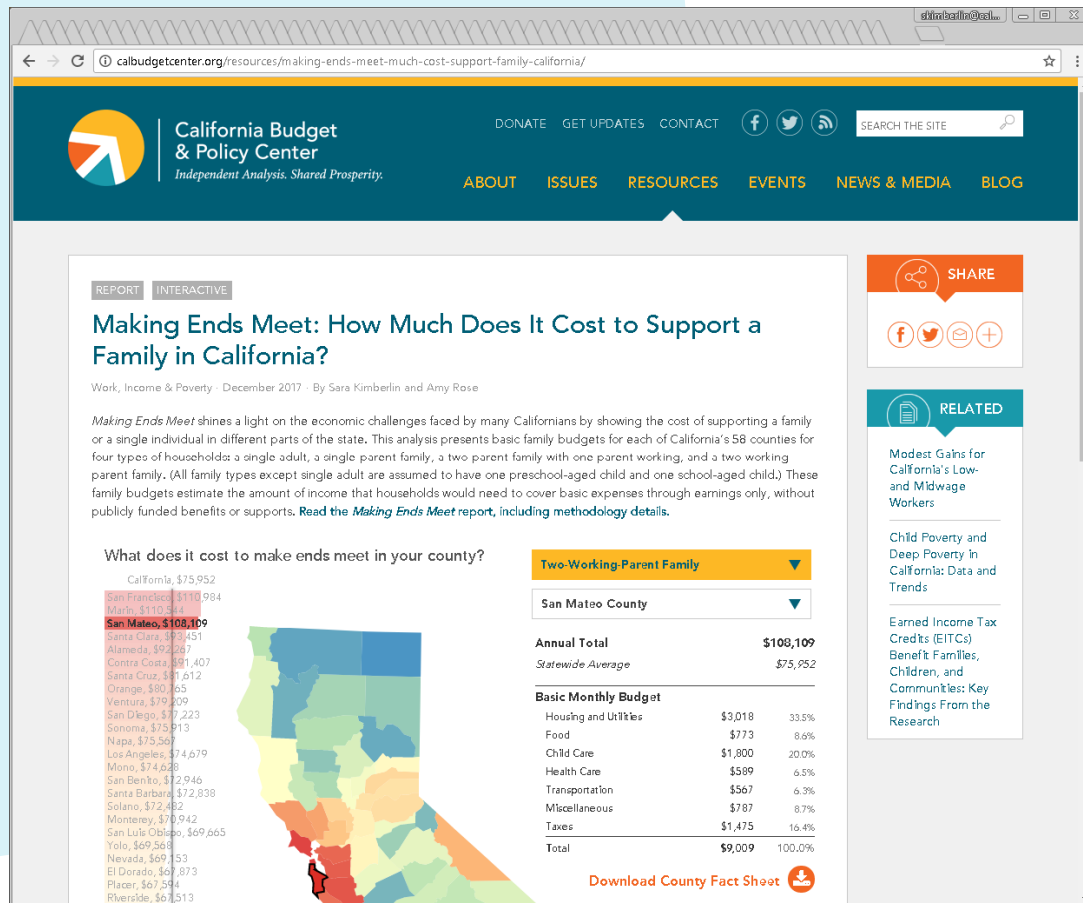
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- Families and individuals in California face high costs to meet their basic needs.
- While housing costs have been rising, earnings have not kept pace for many workers.
- Public policy choices help determine whether families and individuals have the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





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





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# Sources for Family Budget Estimates

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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

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- **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

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- **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.

