

CALIFORNIA BUDGET PROJECT

# MAKING ENDS MEET:

How Much Does It Cost  
to Raise a Family in California?

October 2007

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# Acknowledgments

This report updates and expands upon previous editions of the California Budget Project's (CBP) *Making Ends Meet: How Much Does It Cost to Raise a Family in California?* The CBP wishes to thank the Michigan League for Human Services, whose *Economic Self-Sufficiency: A Michigan Benchmark* served as a model for this report. Michael Snavely updated this report with the assistance of David Carroll and Jean Ross. The CBP wishes to thank Carlise King of the Child Care Resource & Referral Network for assistance with the child care cost data.

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# California Budget Project

The CBP was founded in 1994 to provide Californians with a source of timely, objective, and accessible expertise on state fiscal and economic policy issues. The CBP engages in independent fiscal and policy analysis and public education with the goal of improving public policies affecting the economic and social well-being of low- and middle-income Californians. Support for the CBP comes from foundation grants, publications, and individual contributions.

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# INTRODUCTION

For many Californians, just making ends meet is a struggle. Many families live paycheck to paycheck, juggling rent or a mortgage payment with child care, food, and emergencies such as unexpected car repairs. During the past decade, welfare reform has focused attention on the challenges involved with moving families off welfare and into the workforce. Yet far less attention has focused on whether the jobs that are available provide sufficient income to support a family, or on the economic challenges facing many working families as they attempt to make ends meet.

This report attempts to estimate the amount families and single adults need to earn in order to achieve a modest standard of living without assistance from public programs.<sup>1</sup> In developing these estimates, the California Budget Project (CBP) hopes to provide a benchmark for assessing the adequacy of current employment opportunities and public policies that address the economic challenges facing many working families.

Researchers and policymakers typically use the federal poverty line as the benchmark to judge economic well-being.<sup>2</sup> For most purposes, the poverty line is an obsolete measure that fails to take into account the reality of modern families. For example, the poverty line does not take into account the cost of child care in determining what constitutes a family's basic needs.

Moreover, as a national standard, the poverty line does not reflect California's high cost of living. This report takes an alternate approach. It starts from the ground up, building a basic family budget based on the cost of housing, food, child care, and other essentials needed to support a family without public or private assistance. The standard of living envisioned is more than a "bare bones" existence, yet covers only basic expenses, allowing little to no room for "extras" such as college savings, vacations, or emergencies.

Specifically, this report estimates typical costs of housing and utilities, child care, transportation, food, health coverage, payroll and income taxes, and miscellaneous expenses for four hypothetical families: a single adult, a single working parent with two children, a two-parent family with two children and one working parent, and two working parents with two children. Because housing and other costs vary throughout California, this report provides basic family budgets for 10 regions within the state. While the report includes an overall state estimate (Figure 1), housing and other costs vary sufficiently that the regional estimates are more meaningful. Finally, this report translates the basic family budget into the hourly wage needed by each of the four family types based on a 40-hour workweek and year-round employment.

# Figure 1: Basic Family Budgets - Statewide

Figure 1a: Monthly Budget for a Single Adult  
Total = \$2,361

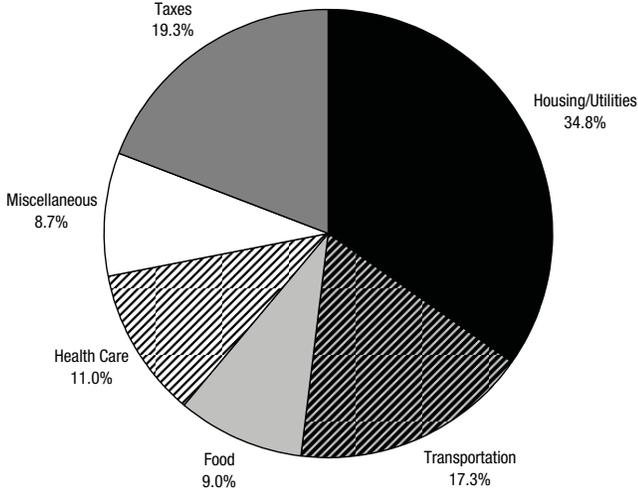


Figure 1b: Monthly Budget for a Single Parent Family  
Total = \$4,978

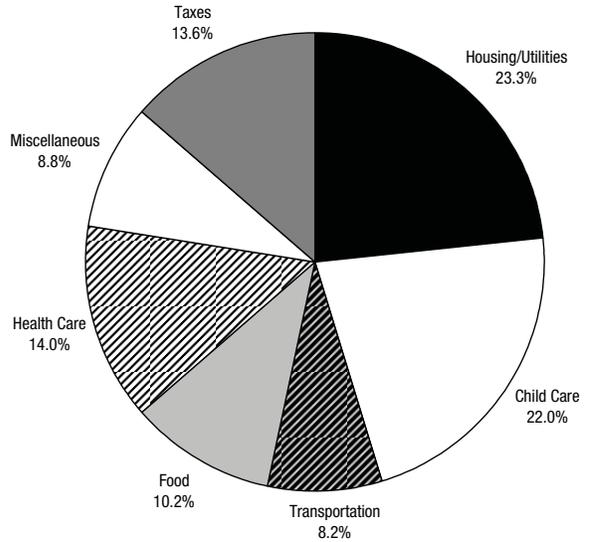


Figure 1c: Monthly Budget for a Two Parent Family with One Working Parent  
Total = \$4,199

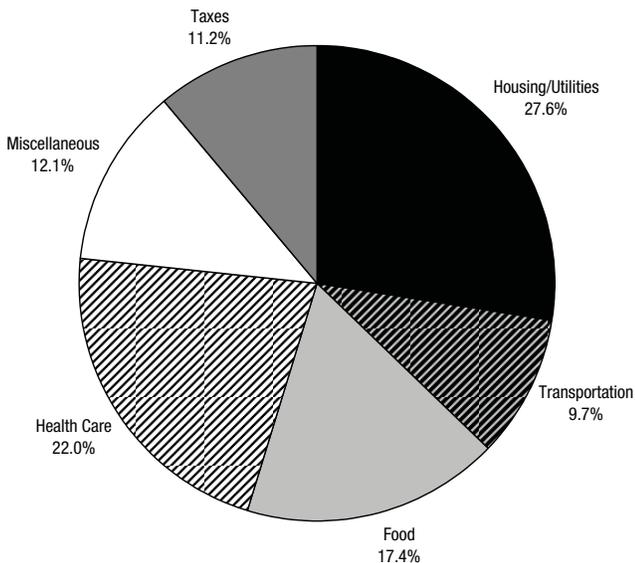
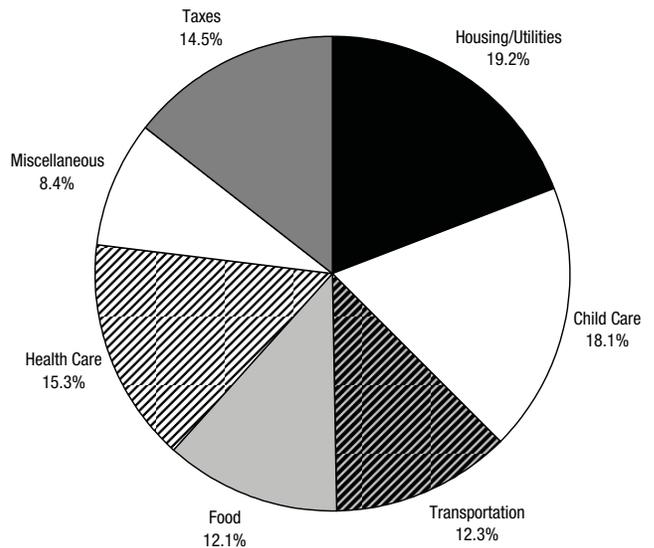


Figure 1d: Monthly Budget for a Two Working Parent Family  
Total = \$6,029



# HOW MUCH DOES IT COST TO SUPPORT A FAMILY?

In order to support a modest standard of living, this report estimates that:

- A single adult needs an annual income of \$28,336, equivalent to an hourly wage of \$13.62. Regional estimates range from \$23,815 to \$30,262 (\$11.45 to \$14.55 per hour).
- A single-parent family needs an annual income of \$59,732, equivalent to an hourly wage of \$28.72. Regional estimates range from \$49,672 to \$65,864 (\$23.88 to \$31.67 per hour).
- A two-parent family with one employed parent needs an annual income of \$50,383, equivalent to an hourly wage of \$24.22. Regional estimates range from \$44,448 to \$54,815 (\$21.37 to \$26.35 per hour).
- 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. Regional estimates range from \$62,624 to \$77,069 (\$15.05 to \$18.53 per hour for each parent).

The hourly wage needed to earn the basic family budget for families with children is two to four times the state's minimum wage (\$7.50 per hour).<sup>3</sup> The hourly wage required by single parents and the employed parent in a two-parent family with one working parent also exceeds the 2006 median hourly wage (\$17.42) for California workers – the hourly wage earned by the worker exactly at the middle of the earnings distribution (Table 1). Moreover, the hourly wage standard estimated in this report assumes full-time employment for 40 hours per week, 52 weeks per year and does not allow for any unpaid days off during a year. Part-time or part-year workers would need higher hourly wages to earn the same annual income. A single parent must earn almost as much as the two working parents in order to pay for child care, while realizing only modest savings for food, health care, and other household expenses. On the other hand, a two-parent family in which only one parent works can live on less, since one parent can stay home with the children.

It is important to note what is *not* included in the basic family budget. For example, these estimates assume that families rent, rather than own, their homes and live in housing that many would consider overcrowded for a three- or four-person household. For many families, homeownership remains a dream, particularly in many of California's urban communities, which are among the most costly housing markets in the country. The basic family budgets assume that families use home-based child care, rather than more expensive center-based care, and that health coverage is purchased privately

with no assistance from an employer. Finally, these estimates allow very little to no room for savings toward retirement or a child's college education.

Table 1: How Do Basic Family Budgets Compare?

	Hourly Wage	Annual Income
Basic Family Budget for a Single Adult	\$13.62	\$28,336
Basic Family Budget for a Single Parent Family	\$28.72	\$59,732
Basic Family Budget for a Two Parent Family with One Working Parent	\$24.22	\$50,383
Basic Family Budget for a Two Parent Family with Two Working Parents*	\$17.39	\$72,343
2007 California Minimum Hourly Wage**	\$7.50	\$15,600
2006 Median Hourly Wage**	\$17.42	\$36,234
2006 Poverty Line for a Family of 3***	\$7.81	\$16,242
2006 Poverty Line for a Family of 4***	\$9.83	\$20,444

\* Hourly wage is the amount each parent must earn. Annual income is the sum of both parents' earnings assuming full-time, full-year work.

\*\* Annual income assumes 40-hour workweek, 52 weeks per year.

\*\*\* Hourly wage assumes 40-hour workweek, 52 weeks per year.

Note: California's minimum wage will increase to \$8.00 per hour on January 1, 2008.

Many Californians support their families on less than the standard estimated in this report. Some can live on less because they receive health coverage from their jobs or are able to leave their children with family or friends while at work, or because they cut costs to make ends meet. Others, including many working families, rely on public programs such as food stamps, subsidized child care, Medi-Cal, or Healthy Families in order to make ends meet; others rely on private charities or go into debt because their incomes are insufficient to pay for basic needs. The CBP's basic family budget provides an estimate of the income needed to meet basic needs without assistance.

## Conclusion

This report illustrates the difficulties that families face in meeting basic living expenses. The basic family budgets presented in this report all require incomes much higher than those provided by minimum wage work and, in many cases, more than the median wage. The disparity between the wages available from work and the cost of raising a family provides an important foundation for policy deliberations. Public policies can help families move toward self-sufficiency by boosting incomes or by providing help with access to necessities, such as child care and health coverage.

Public policies also can target public dollars, such as job training and economic development programs, toward higher-wage jobs and industries that pay their workers a sufficient income to make ends meet.

# METHODOLOGY

This report presents a basic family budget for four family types: a single adult, a single-parent family with two children, a two-parent family with one working parent and two children, and a two-working-parent family with two children. The basic family budgets presented in this report are estimates. Families' actual expenditures vary based on their individual circumstances, needs, and financial resources. Wherever possible, this report is based on actual costs or generally accepted standards, such as Fair Market Rents for the cost of housing. Specific data sources and the methodology used to calculate the basic family budgets are described below.

## Regions

This report divides California into 10 regions consisting of counties with similar costs of living (Table 2). These regions are based on regions identified by California's Employment Development Department and the California Economic Strategy Panel, with modest modifications.<sup>4</sup> The basic family budget for each region is based on the average of the costs of the items comprising the basic family budget for the counties, weighted by each county's population. The overall state average is a weighted average of the living costs throughout California.

Table 2: California Counties by Region

Region	Counties in Region
Region I	Del Norte, Humboldt, Lake, Lassen, Mendocino, Modoc, Plumas, Sierra, Siskiyou, Trinity
Region II	Butte, Colusa, Glenn, Shasta, Sutter, Tehama, Yuba
Region III	El Dorado, Nevada, Placer, Sacramento, Yolo
Region IV	Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Santa Cruz, Solano, Sonoma
Region V	Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus, Tulare
Region VI	Alpine, Amador, Calaveras, Inyo, Mariposa, Mono, Tuolumne
Region VII	Monterey, San Benito, San Luis Obispo, Santa Barbara
Region VIII	Los Angeles
Region IX	Orange, Riverside, San Bernardino, Ventura
Region X	Imperial, San Diego

## Housing and Utilities

The cost of housing and utilities presented in this report are based on 2007 Fair Market Rents (FMRs).<sup>5</sup> FMRs are published annually by the US Department of Housing and Urban Development (HUD) and provide an estimate of the cost of shelter and utilities, excluding telephone service, in a given area. FMRs represent the 40th percentile of rents paid by the recent movers in the area, meaning that the cost of 40 percent of the rental housing in an area is lower than the FMR and 60 percent is higher. For 2007, HUD set FMR values at the 50th percentile in some metropolitan areas where affordable housing can be difficult to obtain.<sup>6</sup> In this report, the FMRs for each county were weighted by population and then averaged to obtain a regional estimate of housing costs. Those seeking housing may not be able to locate units at the rents shown in this report, particularly in parts of the state where housing markets are tight.

Many families' housing costs exceed those presented in this report. For the state as a whole, this report estimates that rent and utilities account for 34.8 percent of a single adult's basic budget, 23.3 percent of a single-parent family's budget, 27.6 percent of the budget for a two-parent family with one working parent, and 19.2 percent of a two-working-parent family's budget. This report assumes that a single adult rents a studio unit, while single- and two-parent families rent two-bedroom apartments. This assumption follows the guidelines established by HUD for Section 8 housing, which requires one bedroom for every two occupants to sleep in.<sup>7</sup> Living in a two-bedroom apartment would require children, including older children of the opposite sex, to share a bedroom. However, the cost differential between two- and three-bedroom housing is significant and the cost of a larger unit would be prohibitive for many families struggling to make ends meet. On average, a one-bedroom apartment costs \$131 per month (\$1,573 per year) more than a studio unit and a three-bedroom unit costs \$456 per month (\$5,469 per year) more than a two-bedroom unit.<sup>8</sup> In many parts of the state, the cost of larger rental units is significantly higher (Appendix A lists FMRs for studio, one-, two- and three-bedroom units). In reality, many families spend a much larger share of their incomes on housing. In 2006, more than half (54.6 percent) of all California's renter households spent 30 percent or more of their incomes on rent.<sup>9</sup>

This report assumes that families rent, rather than own, their homes. For many families, homeownership remains a dream and California's homeownership rate, at 58.4 percent, was the second lowest among the 50 states in 2006.<sup>10</sup> The income needed to purchase the median-priced home varies significantly according to the region and the amount of the down payment a family is

**Table 3: Median Household Income Compared to Median Home Prices in California**

County	August 2007 Median Home Price	2006 Median Household Income	Income Needed to Purchase Median-Priced Home (20% Down Payment)*	Gap Between Median Income and Income Needed	Income Needed to Purchase Median-Priced Home (5% Down Payment)*	Gap Between Median Income and Income Needed
Fresno	\$274,250	\$42,732	\$56,203	\$13,471	\$66,741	\$24,009
Los Angeles	\$549,000	\$51,315	\$112,509	\$61,194	\$133,605	\$82,290
Riverside	\$390,000	\$53,508	\$79,925	\$26,417	\$94,910	\$41,402
Sacramento	\$312,250	\$53,930	\$63,991	\$10,061	\$75,989	\$22,059
San Bernardino	\$360,000	\$52,941	\$73,777	\$20,836	\$87,610	\$34,669
San Diego	\$470,000	\$59,591	\$96,319	\$36,728	\$114,379	\$54,788
Santa Clara	\$700,000	\$80,838	\$143,454	\$62,616	\$170,352	\$89,514

\* Assumes a 30-year conventional fixed-rate mortgage with a 6.63 percent interest rate.  
 Source: CBP analysis of DataQuick Information Systems, US Census Bureau, and Federal Reserve System data

able to afford (Table 3). Assuming a down payment of 5 percent, the affordability gap for Santa Clara County is nearly \$90,000.<sup>11</sup> The gap for Los Angeles County – \$82,290 – exceeds the median household income in the county. Moreover, for many families, saving for a down payment constitutes the most significant barrier to ownership. While it may be possible to buy a house with a minimal down payment, a smaller down payment means a higher mortgage payment.<sup>12</sup> In Fresno and Sacramento counties, for example, a 20 percent down payment narrows the affordability gap for the median-priced home to less than \$15,000.

The added costs of homeownership also can make affording a home difficult. In Los Angeles County, the cost of a mortgage payment compared to the rent on a three-bedroom apartment would require a family to forgo \$1,109 in other basic necessities each month or earn more to cover the difference (Table 4). In addition, homeowners face added costs for property taxes, insurance, and maintenance.

## Child Care

This report assumes that each family, other than the single adult, has two children, one requiring full-time care and another requiring after-school care. Child care costs are based on monthly estimates for full-time infant care and part-time care for school-age children in 2004-2005, adjusted for inflation using the Consumer Price Index for child care.<sup>13</sup> This report assumes that care is provided in licensed family child care homes, rather than in licensed child care centers. Family-based child care typically costs less than that provided in a licensed center. Families with more or younger children will have higher child care costs, while those with fewer or older children will have lower costs. In some instances, neighbors or family members may provide child care at little or no cost, reducing the amount

families spend for child care. In addition, some parents leave older children home alone due to the high cost of child care.

This report estimates the cost of child care using the weighted average of the costs within each region. For the state as a whole, child care consumes 22.0 percent of a single-parent family’s basic budget and 18.1 percent of a two-working-parent family’s basic budget. This report assumes that the non-working parent in two-parent families with one working parent provides child care and that these families do not pay for additional care.

## Transportation

Transportation costs vary widely for families depending on factors such as commute distances, whether the family owns a car, and whether the family has access to and uses public transportation. The estimate for transportation costs used in this report is based on the California Energy Commission’s 2002 California Vehicle Survey. The transportation estimate represents the average commute to and from work. The amount of miles for errands and other non-commute driving averaged across the state is based on the 1995 Driver Diary Study, also conducted by the California Energy Commission. The estimates do not account for the long commutes and family vacations that are the norm for many California families. Transportation costs are based on the 2007

**Table 4: Cost of Purchasing a Home Versus Renting in Los Angeles County**

Monthly Mortgage Payment for Median-Priced Home of \$549,000 (20% Down Payment)	Monthly Rent for a Three-Bedroom Apartment (Fair Market Rent)	Additional Monthly Cost of Mortgage Payment Compared to Renting
\$2,813	\$1,704	\$1,109

Source: CBP analysis of DataQuick Information Systems, US Department of Housing and Urban Development, and Federal Reserve System data

Internal Revenue Service (IRS) mileage allowance of 48.5 cents per mile.<sup>14</sup> However, Californians typically pay more for gas than does the rest of the country, which is not reflected in the national IRS rate. In August 2007, regular gas prices in California were 4.2 cents per gallon higher than the national average.<sup>15</sup>

The average round-trip commute distance varies from 19.6 miles in Region 1 to 44.3 miles in Region 6. The basic family budget assumes single adults, single parents, and two-parent families with one worker drive 843 miles per month on average. This estimate reflects 798 miles per month in home-to-work driving and errands as well as 45 miles per month of weekend driving at a cost of \$409 per month. The estimate assumes that families with two working parents require two vehicles, with the second driver traveling only from home to work with no errand or weekend driving. This is equivalent to an additional 685 miles per month at a cost of \$332 per month.

The overwhelming majority of commuters in California travel to work by car rather than bus. Even in San Francisco, where public transit is readily accessible, 40.7 percent of workers drove alone to work in 2006 (Table 5).<sup>16</sup> While public transportation may be less expensive, it may not be convenient or reliable. Only 7.3 percent of California workers who earned less than \$25,000 commuted by public transportation in 2006.<sup>17</sup> In rural areas, transit service may be nonexistent, infrequent, or may not serve needed destinations. In addition, the extra stop needed to pick up or drop off a child from day care, shop for groceries, and run other errands makes it difficult for many parents to use public transportation.

Transportation accounts for 17.3 percent of a single adult's budget, 8.2 percent of a single-parent family's budget, 9.7 percent of the budget for a two-parent family with one working parent, and 12.3 percent of a two-working-parent family's budget.

## Food

The basic family budget estimates the cost of food consumed both at home and away from home. The estimate for food consumed at home is based on the June 2006 US Department of Agriculture (USDA) Low Cost Food Plan.<sup>18</sup> Estimates include the cost of food for a single adult and for a single-parent and two-parent family, each with two children. For food costs, the report assumes that the adults in the family are between the ages of 20 and 50 and that one child is under the age of 2 and one child is between the ages of 6 and 8. The estimated cost of food consumed away from home was calculated using the 2005 Consumer Expenditure Survey (CES), adjusted for inflation using the Consumer Price Index (\$7.07 per week for single adults, \$21.22 per week for single-parent families, \$28.30 per week for two-parent families). Conservatively, the basic family budget's

estimate for food away from home is half of the amount reported for families in the second fifth (quintile) of the income distribution in the CES.<sup>19</sup> Food consumed away from home includes lunches purchased out or the occasional family meal eaten in a restaurant. Food costs are assumed to be the same throughout the state.

This report estimates that food comprises 9.0 percent of a single adult's budget, 10.2 percent of a single-parent family's budget, 17.4 percent of the budget for a two-parent family with one working parent, and 12.1 percent of a two-working-parent family's budget.

## Health Care

This report assumes that families purchase private individual health coverage. The cost of health coverage is based on Kaiser Permanente's \$500 deductible plan or Blue Cross of California's HMO Saver plan where Kaiser Permanente coverage is unavailable.<sup>20</sup> Those with a family member who has a significant illness or other health condition, if they are able to obtain coverage, may pay substantially higher premiums. Out-of-pocket expenses for families in counties with Kaiser Permanente coverage include the cost of office visits until families meet their plan's deductible. These expenses also include \$20 copayments

**Table 5: Monthly Work Commute Transportation Costs**

	Public Transit	Drive Alone
How Do Californians Commute? (2006)		
San Francisco	30.3%	40.7%
Yuba County	0.3%	80.3%
How Much Does It Cost to Commute by Public Transit? (2007)		
Butte County (Butte Regional Transit)	\$50	
Fresno County (Fresno Area Express)	\$70	
Los Angeles County (Metropolitan Transportation Authority)	\$86	
San Diego County (Metropolitan Transit System)	\$114	
San Francisco Bay Area (Bay Area Rapid Transit)	\$201	
How Much Does It Cost to Commute by Car? (2007)		
Cost of driving 685 miles per month at the 2007 IRS reimbursement rate of 48.5 cents per mile		\$332

Note: Commuting costs are for monthly passes for one adult and one school-aged child, except for BART, which does not have monthly passes. Commuting costs for BART are based on 21 days of travel between San Leandro and San Francisco and include applicable discounts. Driving costs do not include the cost of parking. Source: US Census Bureau, Butte County Association of Governments, City of Fresno, Los Angeles County Metropolitan Transportation Authority, Metropolitan Transit System, Bay Area Rapid Transit, and Internal Revenue Service

for office visits after deductibles are met and \$10 copayments for generic prescription drugs. Out-of-pocket costs for Blue Cross coverage are based on \$10 copayments for both office visits and generic prescription drugs.

The basic family budget's estimate for out-of-pocket costs is conservative. These estimates do not take into account the cost of dental or vision coverage, which can add substantially to families' annual health care costs. Out-of-pocket estimates also do not include emergency room visits; surgery; lab tests; ambulance services; hospitalization; or brand name prescription drugs, which are more expensive and often subject to a separate deductible.

Although the basic family budgets in this report assume that families buy private health coverage, many families have job-based coverage. More than half (54.3 percent) of non-elderly Californians, including half (50.3 percent) of California's children, had coverage through their own job, that of a spouse, or that of a parent for all of 2005.<sup>21</sup> While many families have job-based health coverage, most employers that provide health coverage require employees to pay a portion of the cost. In 2006, California workers paid, on average, \$235 per month, or 23.8 percent of the cost of job-based family coverage (Table 6).<sup>22</sup> This amount is considerably less than the premium costs included in the basic family budgets, which are \$832 per month for a two-parent family.

California had the sixth-highest percentage of persons lacking health coverage in the nation in 2005-06.<sup>23</sup> Moreover, low-income families are less likely to be insured than higher-income families. The lower a family's income, the less likely they are to have job-based health coverage. One-fifth (20.3 percent) of non-elderly Californians in families with incomes between 100 and 199 percent of the poverty line lacked health coverage for all of 2005.<sup>24</sup> Less than three in 10 (28.0 percent) had job-based coverage for the full year.<sup>25</sup> In contrast, just 4.5 percent of non-elderly Californians with incomes at or above 300 percent of the poverty line were uninsured for all of 2005. Only 5.5 percent of non-elderly Californians were covered by privately purchased health coverage for all of 2005.<sup>26</sup> Many families remain uninsured due to the high cost of privately purchased coverage.

This report assumes that families do not receive assistance from public programs. However, some two-parent families with one working parent with incomes described in this report would be eligible for the Healthy Families Program, a health insurance program subsidized by the state and federal governments for children in low-income families. For example, the basic family budget for a two-parent family with one working parent in Los Angeles County is \$51,035, which is below the income limit for Healthy Families (\$51,625 for a family of four in 2007).<sup>27</sup> Enrollment in Healthy Families would greatly reduce the costs of health care and thus the income needed for this family (Table 7).

**Table 6: Insured Californians Pay a Significant Share of Their Health Costs**

Basic family budget estimate of monthly premium payment for family coverage (employee, spouse, and dependents)	\$832
Average monthly employee contribution for job-based family coverage	\$235
Average monthly employer contribution for family coverage	\$753

Source: CBP analysis of Kaiser Permanente and Blue Cross plan rates and California HealthCare Foundation

In 2005, approximately three in five uninsured children (58.6 percent) were eligible for Healthy Families or Medi-Cal.<sup>28</sup>

The estimated cost of health care is the weighted average of the cost for counties within each region. Statewide average health care costs consume 11.0 percent of a single adult's budget, 14.0 percent of a single-parent family's budget, 22.0 percent of the budget for a two-parent family with one working parent, and 15.3 percent of a two-working-parent family's budget.

## Miscellaneous

The miscellaneous category includes expenditures on clothing and services, education, reading, personal care, housekeeping supplies, and basic telephone service. The estimates for telephone service do not include long distance calls (Table 8). The "clothing and services" component of this category includes dry cleaning and diaper service or disposable diapers, a major expense for families with infants and toddlers. Clothing accounts for between 3.6 and 6.0 percent of the total monthly budget for the family types in this report. This estimate represents the amount spent by families as measured by the 2005 Consumer Expenditure Survey (CES), adjusted for inflation using the Consumer Price Index. The "education and reading" component includes items such as books and newspapers. This report assumes that families spend half of

**Table 7: Families' Health Coverage Costs Are Lower if Children Are Enrolled in Healthy Families in Los Angeles County**

	Basic Family Budget for a Two Parent (One Working) Family	Two Parents (One Working) Purchasing Private Coverage with Two Children Enrolled in Healthy Families
Health Care Costs	\$861	\$506
Monthly Income	\$4,253	\$3,774
Annual Income	\$51,035	\$45,291
Annual Savings		\$5,744

Note: The Healthy Families estimate is based on Kaiser Permanente premiums for spouses in Los Angeles County, monthly premiums of \$30 per month to cover both children, and \$5 copayments for the children's doctor visits and prescription drugs.

**Table 8: What Is Included Under Miscellaneous Expenses?**

Item	Single Adult	Single Parent Family	Two Parent Family
Clothing and Services	\$86	\$214	\$250
Education and Reading	\$26	\$61	\$71
Personal Care	\$29	\$55	\$64
Housekeeping Supplies	\$28	\$60	\$74
Phone	\$26	\$26	\$26
Other	\$11	\$21	\$21
<b>Total</b>	<b>\$206</b>	<b>\$437</b>	<b>\$506</b>

Source: US Bureau of Labor Statistics

what a typical family spends on education and reading according to the CES. “Personal care” includes goods such as toothpaste and hair care products. “Housekeeping supplies” include laundry and cleaning supplies, other household products, postage, and stationery. “Other” includes items such as charitable contributions, birthday presents, renter’s insurance, and emergencies, but does not make allowances for “big-ticket” items or significant savings. The cost of miscellaneous expenses is assumed to be constant throughout the state. The CBP’s basic family budget makes no provision for entertainment, although the 2005 CES estimates that a three-person family spends \$218 per month and a four-person family spends \$263 per month on entertainment, such as movie rentals, toys, and television.

Based on the averages determined in this report, miscellaneous costs consume 8.7 percent of a single adult’s budget, 8.8 percent of a single-parent family’s budget, 12.1 percent of the budget for a two-parent family with one working parent, and 8.4 percent of a two-working-parent family’s budget.

## Taxes

This report estimates the federal and state income and payroll (Social Security, Medicare, and State Disability Insurance) taxes paid by each family based on the income needed to cover the costs of the remainder of the basic family budget (Table 9). Payroll taxes are based on 2007 rates, while state and federal income taxes are based on 2006 rates because 2007 tax tables and related information were not available at the time the report was prepared. The estimate for state and federal income taxes assumes that families do not itemize their deductions, but do claim the state renter’s tax credit, state personal and dependent tax credits, and the federal personal and dependent tax exemptions for which they are eligible. The estimates also assume that single working parents and two-working-parent families claim federal and state child and dependent care tax credits.

Most of the families presented in this report qualify for the state renter’s tax credit. Married couples and heads of household with gross incomes of \$64,544 or less in 2006 were eligible for a \$120 credit and single adults with incomes of \$32,272 or less in 2006 were eligible for a \$60 credit.

None of the families described in this report qualify for the federal Earned Income Tax Credit (EITC), a refundable tax credit for low-income families with earnings from work. For example, the EITC was available in 2006 to two-parent families with incomes of less than \$38,348 if they had more than one qualifying child and to single adults with incomes of less than \$12,120 if they did not have qualifying children.<sup>29</sup>

**Table 9: How Much Do Families Pay in Taxes?**  
(Annual, Based on Statewide Basic Family Budgets)

	Annual Income	State Income Taxes*	Federal Income Taxes**	Medicare	Social Security	State Disability Insurance	Total Taxes
Single Adult	\$28,336	\$469	\$2,605	\$411	\$1,757	\$227	\$5,469
Single Parent Family	\$59,732	\$364	\$2,728	\$866	\$3,703	\$478	\$8,140
Two Parent Family (One Working)	\$50,383	\$110	\$1,278	\$731	\$3,124	\$403	\$5,645
Two Parent Family (Both Working)	\$72,343	\$1,020	\$3,371	\$1,049	\$4,485	\$579	\$10,504

\* Includes state renter’s credit. Also includes child care credit for single parent and two working parent families.

\*\* Includes federal child and dependent care credit for single parent and two working parent families.

Note: Numbers may not total due to rounding.

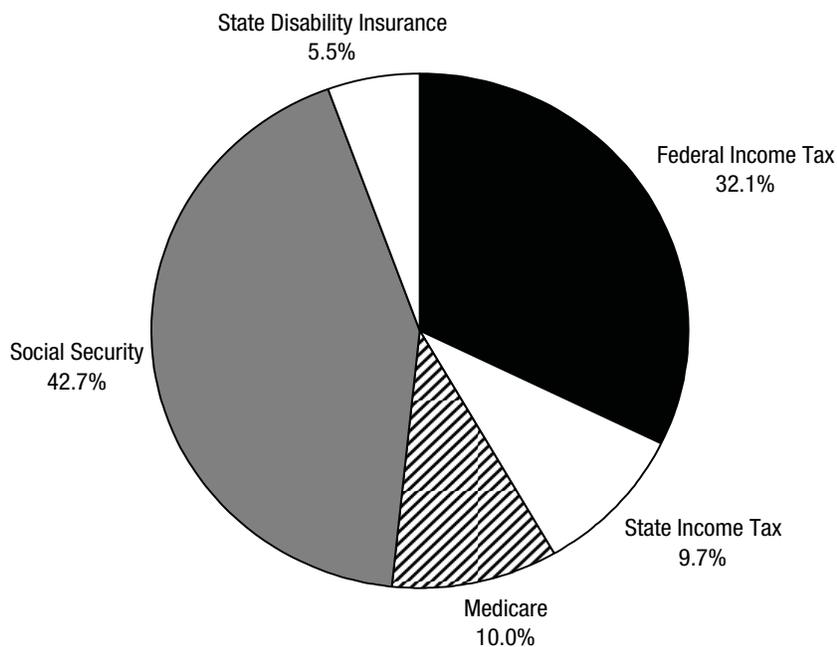
Income and payroll taxes account for 19.3 percent of a single adult's budget, 13.6 percent of a single-parent family's budget, 11.2 percent of the budget for a two-parent family with one working parent, and 14.5 percent of a two-working-parent family's budget. For two-working-parent families, payroll taxes account for more than half of taxes owed (Figure 2). Many of the families presented in this report pay very little in state income taxes. Single-parent families in three of the 10 regions owed no state income taxes and in one region two-parent families with one working parent owed no state income taxes. All of the single adults and two-working-parent families in this report owed state income taxes.

California has very high tax thresholds, particularly for families with children.<sup>30</sup> A two-parent family with two children claiming the renter's tax credit did not owe California income taxes in 2006 unless their income exceeded \$47,671. A single parent

with two children did not owe 2006 state income taxes unless his or her income exceeded \$45,371. In contrast, the tax threshold was \$14,261 for single adults claiming the renter's tax credit in 2006. The low state income tax liability for most families with children results from increases in the state's dependent tax credit enacted in 1997 and 1998.

For families in regions where the cost of living is high, the percentage of their incomes going toward taxes is significantly higher than that of families living in areas where the cost of living is relatively low. For example, a two-working-parent family in Region IV (the San Francisco Bay Area) pays \$11,926 in taxes per year, while a two-working-parent family in Region V (San Joaquin Valley) pays \$7,414 in taxes per year. Families in high cost-of-living regions paid more in taxes due to the higher incomes needed to purchase other necessities.

**Figure 2: Payroll Taxes Account for More Than Half of the Taxes Paid by California Families with Two Working Parents**



# ENDNOTES

- <sup>1</sup> Previous CBP reports have profiled California families who live below 200 percent of the poverty line despite significant work effort. See, for example, California Budget Project, *A Generation of Widening Inequality: The State of Working California, 1979 to 2006* (August 2007).
- <sup>2</sup> In this report, the “federal poverty line” refers to the US Census Bureau’s poverty thresholds, which are the federal government’s official statistical definition of poverty, vary by family size, and are adjusted annually for inflation. The poverty line for a family of three with two children was \$16,242 in 2006, the most recent year for which data are available.
- <sup>3</sup> California’s minimum wage will increase to \$8.00 per hour on January 1, 2008.
- <sup>4</sup> The California Economic Strategy Panel, *Collaborating to Succeed in the New Economy Findings of the Regional Economic Development Survey* (May 2000), downloaded from <http://www.labor.ca.gov/panel/pdf/regionalecondevsurvey.pdf> on October 1, 2007 and Employment Development Department, *Occupational Outlook Reports* (2003), downloaded from <http://www.calmis.ca.gov/htmlfile/ccois/orr.htm> on July 18, 2005.
- <sup>5</sup> US Department of Housing and Urban Development data, downloaded from <http://www.huduser.org/datasets/fmr.html> on October 3, 2006.
- <sup>6</sup> US Department of Housing and Urban Development data, downloaded from <http://www.huduser.org/datasets/fmr.html> on October 3, 2006.
- <sup>7</sup> US Department of Housing and Urban Development, *Housing Choice Voucher Program Guidebook*, p. 10-6, downloaded from <http://www.hud.gov/offices/pih/programs/hcv/forms/guidebook.cfm> on May 31, 2005.
- <sup>8</sup> Rents are the weighted average of FMRs by county weighted by population.
- <sup>9</sup> CBP analysis of US Census Bureau, American Community Survey data.
- <sup>10</sup> CBP analysis of US Census Bureau, American Community Survey data.
- <sup>11</sup> The affordability gap measures the difference between a county’s median household income in 2006 and the income needed to purchase the median-priced home in August 2007.
- <sup>12</sup> The smaller the down payment, the higher the principal that must be paid off; moreover, loans with less than a 20 percent down payment typically require mortgage insurance, which adds to the monthly cost of housing.
- <sup>13</sup> Child care costs are from ORC Macro, *2004-2005 Regional Market Rate (RMR) Survey of California Child Care Providers* (no date), submitted to the California Department of Education.
- <sup>14</sup> The IRS reimbursement rate reflects the cost of gasoline, oil, tires, repairs, insurance, depreciation, and related expenses.
- <sup>15</sup> California Energy Commission, *Weekly Transportation Fuels Trend*, downloaded from <http://www.energy.ca.gov/gasoline> on August 31, 2007.
- <sup>16</sup> CBP analysis of US Census Bureau, American Community Survey data.
- <sup>17</sup> CBP analysis of US Census Bureau, American Community Survey data.
- <sup>18</sup> US Department of Agriculture, *Official USDA Food Plans: Cost of Food at Home at Four Levels, U.S. Average, June 2006* (July 2006), downloaded from <http://www.cnpp.usda.gov/Publications/FoodPlans/2006/CostofFoodJun06.pdf> on April 11, 2007.
- <sup>19</sup> Household income for the second quintile in the 2005 CES ranges from \$17,579 to \$33,380.
- <sup>20</sup> This report assumes that counties in which less than 50 percent of the population has access to Kaiser Permanente are served by Blue Cross of California’s HMO Saver plan. The Kaiser Permanente coverage includes a \$500 deductible for individuals and a \$1,000 deductible for families. Office visits under the HMO Saver plan are not subject to a deductible. Kaiser Permanente office fees were downloaded on June 29, 2007 from [http://prospectivemembers.kaiserpermanente.org/kpweb/pdf/cal/ncaal\\_fees\\_prospmember.pdf](http://prospectivemembers.kaiserpermanente.org/kpweb/pdf/cal/ncaal_fees_prospmember.pdf) for northern California and from [http://prospectivemembers.kaiserpermanente.org/kpweb/pdf/cal/scal\\_fees\\_prospmember.pdf](http://prospectivemembers.kaiserpermanente.org/kpweb/pdf/cal/scal_fees_prospmember.pdf) for southern California. Average office visits and drugs prescribed per visit were obtained from Esther Hing, M.P.H., Donald K. Cherry, M.S., and David A. Woodwell, B.A., “National Ambulatory Medical Care Survey: 2004 Summary,” *Advance Data From Vital and Health Statistics* 374 (June 23, 2006), pp. 1-36.
- <sup>21</sup> E. Richard Brown, PhD, et al., *The State of Health Insurance in California: Findings from the 2005 California Health Interview Survey* (UCLA Center for Health Policy Research: July 2007), p. 2, downloaded from [http://www.healthpolicy.ucla.edu/pubs/files/SHIC\\_RT\\_071107.pdf](http://www.healthpolicy.ucla.edu/pubs/files/SHIC_RT_071107.pdf) on July 17, 2007.
- <sup>22</sup> California HealthCare Foundation and Center for Studying Health System Change, *California Employer Health Benefits Survey* (November 2006), downloaded from <http://www.chcf.org/documents/insurance/EmployerBenefitsSurvey06.pdf> on July 17, 2007.
- <sup>23</sup> US Census Bureau data, downloaded from [http://www.census.gov/hhes/www/hlthins/hlthin06/percent\\_uninsured\\_state.xls](http://www.census.gov/hhes/www/hlthins/hlthin06/percent_uninsured_state.xls) on September 5, 2007.
- <sup>24</sup> UCLA Center for Health Policy Research, California Health Interview Survey data, downloaded from <http://www.chis.ucla.edu/main/default.asp> on July 17, 2007. In 2005, the federal poverty threshold was \$9,973 for one person, \$15,735 for a three-person family with two children, and \$19,806 for a four-person family with two children.
- <sup>25</sup> CBP analysis of E. Richard Brown, PhD, et al., *The State of Health Insurance in California: Findings from the 2005 California Health Interview Survey* (UCLA Center for Health Policy Research: July 2007), pp. 13-14, downloaded from [http://www.healthpolicy.ucla.edu/pubs/files/SHIC\\_RT\\_072807.pdf](http://www.healthpolicy.ucla.edu/pubs/files/SHIC_RT_072807.pdf) on September 14, 2007.
- <sup>26</sup> E. Richard Brown, PhD, et al., *The State of Health Insurance in California: Findings from the 2005 California Health Interview Survey* (UCLA Center for Health Policy Research: July 2007), p. 9, downloaded from [http://www.healthpolicy.ucla.edu/pubs/files/SHIC\\_RT\\_072807.pdf](http://www.healthpolicy.ucla.edu/pubs/files/SHIC_RT_072807.pdf) on September 14, 2007.
- <sup>27</sup> The poverty guidelines are a simplified version of the US Census Bureau’s poverty thresholds and are used to help determine eligibility for certain programs. The US Department of Health and Human Services updates the poverty guidelines each year.
- <sup>28</sup> E. Richard Brown, PhD, et al., *The State of Health Insurance in California: Findings from the 2005 California Health Interview Survey* (UCLA Center for Health Policy Research: July 2007), p. 65, downloaded from [http://www.healthpolicy.ucla.edu/pubs/files/SHIC\\_RT\\_072807.pdf](http://www.healthpolicy.ucla.edu/pubs/files/SHIC_RT_072807.pdf) on September 14, 2007.
- <sup>29</sup> Assumes two-parent families file income taxes jointly.
- <sup>30</sup> A tax threshold is the income level at which a family begins to have an income tax liability.

**Appendix A: 2007 California Fair Market Rents**

County	Studio	One-Bedroom Unit	Two-Bedroom Unit	Three-Bedroom Unit
Alameda	\$874	\$1,055	\$1,250	\$1,695
Alpine	\$516	\$579	\$738	\$1,052
Amador	\$556	\$652	\$855	\$1,242
Butte	\$489	\$582	\$702	\$990
Calaveras	\$567	\$567	\$682	\$994
Colusa	\$518	\$520	\$676	\$873
Contra Costa	\$874	\$1,055	\$1,250	\$1,695
Del Norte	\$507	\$513	\$664	\$967
El Dorado	\$715	\$813	\$992	\$1,431
Fresno	\$558	\$615	\$726	\$1,056
Glenn	\$443	\$454	\$598	\$778
Humboldt	\$471	\$551	\$725	\$1,040
Imperial	\$488	\$551	\$680	\$936
Inyo	\$465	\$488	\$634	\$924
Kern	\$503	\$542	\$646	\$933
Kings	\$512	\$545	\$633	\$923
Lake	\$465	\$545	\$710	\$1,029
Lassen	\$453	\$531	\$698	\$1,015
Los Angeles	\$843	\$1,016	\$1,269	\$1,704
Madera	\$513	\$539	\$687	\$999
Marin	\$1,008	\$1,239	\$1,551	\$2,071
Mariposa	\$516	\$579	\$738	\$1,052
Mendocino	\$520	\$641	\$779	\$1,063
Merced	\$474	\$541	\$657	\$937
Modoc	\$449	\$496	\$649	\$925
Mono	\$606	\$730	\$932	\$1,277
Monterey	\$856	\$963	\$1,106	\$1,563
Napa	\$764	\$856	\$1,112	\$1,538
Nevada	\$582	\$680	\$896	\$1,294
Orange*	\$1,103	\$1,238	\$1,485	\$2,125
Placer	\$715	\$813	\$992	\$1,431
Plumas	\$461	\$540	\$711	\$1,037
Riverside*	\$765	\$835	\$974	\$1,383
Sacramento	\$715	\$813	\$992	\$1,431
San Benito	\$619	\$838	\$932	\$1,321
San Bernardino*	\$765	\$835	\$974	\$1,383
San Diego*	\$870	\$993	\$1,205	\$1,757
San Francisco	\$1,008	\$1,239	\$1,551	\$2,071
San Joaquin	\$623	\$710	\$876	\$1,203
San Luis Obispo	\$663	\$784	\$955	\$1,391
San Mateo	\$1,008	\$1,239	\$1,551	\$2,071
Santa Barbara	\$856	\$956	\$1,073	\$1,413
Santa Clara	\$922	\$1,068	\$1,284	\$1,846
Santa Cruz	\$883	\$1,042	\$1,359	\$1,956
Shasta	\$480	\$559	\$680	\$992
Sierra	\$545	\$636	\$839	\$1,189
Siskiyou	\$402	\$482	\$617	\$878
Solano	\$808	\$869	\$997	\$1,398
Sonoma	\$758	\$923	\$1,165	\$1,653
Stanislaus	\$584	\$645	\$760	\$1,090
Sutter	\$452	\$510	\$627	\$912
Tehama	\$421	\$479	\$625	\$908
Trinity	\$457	\$479	\$629	\$863
Tulare	\$498	\$556	\$647	\$925
Tuolumne	\$501	\$596	\$770	\$1,064
Ventura	\$1,047	\$1,156	\$1,471	\$2,108
Yolo	\$703	\$744	\$910	\$1,326
Yuba	\$452	\$510	\$627	\$912

\* FMR is set at 50th percentile rather than 40th percentile.

# MAKING ENDS MEET: BASIC FAMILY BUDGETS

# STATEWIDE

	<u>Basic Family Wage*</u>
Single Adult	\$13.62
Single Parent Family	\$28.72
Two Parent Family (One Working)	\$24.22
Two Working Parent Family	\$17.39

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## Expenses Per Month and as a Percentage of Income

	<u>Single Adult</u>	<u>Single Parent Family</u>	<u>Two Parent Family (One Working)</u>	<u>Two Working Parent Family</u>
<b>Housing/Utilities</b>	<b>\$821</b> 34.8%	<b>\$1,160</b> 23.3%	<b>\$1,160</b> 27.6%	<b>\$1,160</b> 19.2%
<b>Child Care</b>	<b>\$0</b> 0.0%	<b>\$1,093</b> 22.0%	<b>\$0</b> 0.0%	<b>\$1,093</b> 18.1%
<b>Transportation</b>	<b>\$409</b> 17.3%	<b>\$409</b> 8.2%	<b>\$409</b> 9.7%	<b>\$741</b> 12.3%
<b>Food</b>	<b>\$211</b> 9.0%	<b>\$507</b> 10.2%	<b>\$731</b> 17.4%	<b>\$731</b> 12.1%
<b>Health Care</b>	<b>\$259</b> 11.0%	<b>\$695</b> 14.0%	<b>\$922</b> 22.0%	<b>\$922</b> 15.3%
<b>Miscellaneous</b>	<b>\$206</b> 8.7%	<b>\$437</b> 8.8%	<b>\$506</b> 12.1%	<b>\$506</b> 8.4%
<b>Taxes</b>	<b>\$456</b> 19.3%	<b>\$678</b> 13.6%	<b>\$470</b> 11.2%	<b>\$875</b> 14.5%
<b>MONTHLY TOTAL</b>	<b>\$2,361</b>	<b>\$4,978</b>	<b>\$4,199</b>	<b>\$6,029</b>
<b>ANNUAL TOTAL</b>	<b>\$28,336</b>	<b>\$59,732</b>	<b>\$50,383</b>	<b>\$72,343</b>

\* Hourly. Assumes 40 hours/week, 52 weeks/year of work. Two working parent wage is the hourly wage for each individual parent working full-time.

Note: Numbers and percentages may not total due to rounding.

# REGION I

Del Norte, Humboldt, Lake, Lassen, Mendocino,  
Modoc, Plumas, Sierra, Siskiyou, Trinity

	<u>Basic Family Wage*</u>
Single Adult	\$11.45
Single Parent Family	\$24.19
Two Parent Family (One Working)	\$23.19
Two Working Parent Family	\$15.38

## Expenses Per Month and as a Percentage of Income

	<u>Single Adult</u>	<u>Single Parent Family</u>	<u>Two Parent Family (One Working)</u>	<u>Two Working Parent Family</u>
<b>Housing/Utilities</b>	<b>\$473</b> 23.8%	<b>\$712</b> 17.0%	<b>\$712</b> 17.7%	<b>\$712</b> 13.4%
<b>Child Care</b>	<b>\$0</b> 0.0%	<b>\$876</b> 20.9%	<b>\$0</b> 0.0%	<b>\$876</b> 16.4%
<b>Transportation</b>	<b>\$282</b> 14.2%	<b>\$282</b> 6.7%	<b>\$282</b> 7.0%	<b>\$488</b> 9.2%
<b>Food</b>	<b>\$211</b> 10.6%	<b>\$507</b> 12.1%	<b>\$731</b> 18.2%	<b>\$731</b> 13.7%
<b>Health Care</b>	<b>\$460</b> 23.2%	<b>\$947</b> 22.6%	<b>\$1,367</b> 34.0%	<b>\$1,367</b> 25.6%
<b>Miscellaneous</b>	<b>\$206</b> 10.4%	<b>\$437</b> 10.4%	<b>\$506</b> 12.6%	<b>\$506</b> 9.5%
<b>Taxes</b>	<b>\$352</b> 17.7%	<b>\$432</b> 10.3%	<b>\$421</b> 10.5%	<b>\$651</b> 12.2%
<b>MONTHLY TOTAL</b>	<b>\$1,985</b>	<b>\$4,193</b>	<b>\$4,020</b>	<b>\$5,330</b>
<b>ANNUAL TOTAL</b>	<b>\$23,815</b>	<b>\$50,318</b>	<b>\$48,236</b>	<b>\$63,964</b>

\* Hourly. Assumes 40 hours/week, 52 weeks/year of work. Two working parent wage is the hourly wage for each individual parent working full-time.

Note: Numbers and percentages may not total due to rounding.

# REGION II

Butte, Colusa, Glenn, Shasta, Sutter, Tehama, Yuba

	<u>Basic Family Wage*</u>
Single Adult	\$12.12
Single Parent Family	\$24.39
Two Parent Family (One Working)	\$23.51
Two Working Parent Family	\$15.87

## Expenses Per Month and as a Percentage of Income

	<u>Single Adult</u>	<u>Single Parent Family</u>	<u>Two Parent Family (One Working)</u>	<u>Two Working Parent Family</u>
<b>Housing/Utilities</b>	<b>\$470</b> 22.4%	<b>\$666</b> 15.7%	<b>\$666</b> 16.3%	<b>\$666</b> 12.1%
<b>Child Care</b>	<b>\$0</b> 0.0%	<b>\$860</b> 20.3%	<b>\$0</b> 0.0%	<b>\$860</b> 15.6%
<b>Transportation</b>	<b>\$369</b> 17.6%	<b>\$369</b> 8.7%	<b>\$369</b> 9.1%	<b>\$661</b> 12.0%
<b>Food</b>	<b>\$211</b> 10.1%	<b>\$507</b> 12.0%	<b>\$731</b> 17.9%	<b>\$731</b> 13.3%
<b>Health Care</b>	<b>\$460</b> 21.9%	<b>\$947</b> 22.4%	<b>\$1,367</b> 33.5%	<b>\$1,367</b> 24.8%
<b>Miscellaneous</b>	<b>\$206</b> 9.8%	<b>\$437</b> 10.3%	<b>\$506</b> 12.4%	<b>\$506</b> 9.2%
<b>Taxes</b>	<b>\$384</b> 18.3%	<b>\$443</b> 10.5%	<b>\$437</b> 10.7%	<b>\$711</b> 12.9%
<b>MONTHLY TOTAL</b>	<b>\$2,100</b>	<b>\$4,228</b>	<b>\$4,075</b>	<b>\$5,502</b>
<b>ANNUAL TOTAL</b>	<b>\$25,204</b>	<b>\$50,734</b>	<b>\$48,902</b>	<b>\$66,025</b>

\* Hourly. Assumes 40 hours/week, 52 weeks/year of work. Two working parent wage is the hourly wage for each individual parent working full-time.

Note: Numbers and percentages may not total due to rounding.

# REGION III

El Dorado, Nevada, Placer, Sacramento, Yolo

	<u>Basic Family Wage*</u>
Single Adult	\$12.77
Single Parent Family	\$27.21
Two Parent Family (One Working)	\$23.03
Two Working Parent Family	\$16.66

## Expenses Per Month and as a Percentage of Income

	<u>Single Adult</u>	<u>Single Parent Family</u>	<u>Two Parent Family (One Working)</u>	<u>Two Working Parent Family</u>
<b>Housing/Utilities</b>	<b>\$708</b> 32.0%	<b>\$980</b> 20.8%	<b>\$980</b> 24.6%	<b>\$980</b> 17.0%
<b>Child Care</b>	<b>\$0</b> 0.0%	<b>\$1,073</b> 22.7%	<b>\$0</b> 0.0%	<b>\$1,073</b> 18.6%
<b>Transportation</b>	<b>\$409</b> 18.5%	<b>\$409</b> 8.7%	<b>\$409</b> 10.2%	<b>\$741</b> 12.8%
<b>Food</b>	<b>\$211</b> 9.5%	<b>\$507</b> 10.7%	<b>\$731</b> 18.3%	<b>\$731</b> 12.7%
<b>Health Care</b>	<b>\$264</b> 12.0%	<b>\$724</b> 15.4%	<b>\$952</b> 23.8%	<b>\$952</b> 16.5%
<b>Miscellaneous</b>	<b>\$206</b> 9.3%	<b>\$437</b> 9.3%	<b>\$506</b> 12.7%	<b>\$506</b> 8.8%
<b>Taxes</b>	<b>\$415</b> 18.7%	<b>\$586</b> 12.4%	<b>\$414</b> 10.4%	<b>\$792</b> 13.7%
<b>MONTHLY TOTAL</b>	<b>\$2,213</b>	<b>\$4,716</b>	<b>\$3,993</b>	<b>\$5,776</b>
<b>ANNUAL TOTAL</b>	<b>\$26,560</b>	<b>\$56,587</b>	<b>\$47,912</b>	<b>\$69,306</b>

\* Hourly. Assumes 40 hours/week, 52 weeks/year of work. Two working parent wage is the hourly wage for each individual parent working full-time.

Note: Numbers and percentages may not total due to rounding.

# REGION IV

Alameda, Contra Costa, Marin, Napa, San Francisco,  
San Mateo, Santa Clara, Santa Cruz, Solano, Sonoma

	<u>Basic Family Wage*</u>
Single Adult	\$14.25
Single Parent Family	\$31.67
Two Parent Family (One Working)	\$25.52
Two Working Parent Family	\$18.53

## Expenses Per Month and as a Percentage of Income

	<u>Single Adult</u>	<u>Single Parent Family</u>	<u>Two Parent Family (One Working)</u>	<u>Two Working Parent Family</u>
<b>Housing/Utilities</b>	<b>\$905</b> 36.6%	<b>\$1,312</b> 23.9%	<b>\$1,312</b> 29.7%	<b>\$1,312</b> 20.4%
<b>Child Care</b>	<b>\$0</b> 0.0%	<b>\$1,216</b> 22.1%	<b>\$0</b> 0.0%	<b>\$1,216</b> 18.9%
<b>Transportation</b>	<b>\$399</b> 16.2%	<b>\$399</b> 7.3%	<b>\$399</b> 9.0%	<b>\$721</b> 11.2%
<b>Food</b>	<b>\$211</b> 8.6%	<b>\$507</b> 9.2%	<b>\$731</b> 16.5%	<b>\$731</b> 11.4%
<b>Health Care</b>	<b>\$261</b> 10.6%	<b>\$718</b> 13.1%	<b>\$943</b> 21.3%	<b>\$943</b> 14.7%
<b>Miscellaneous</b>	<b>\$206</b> 8.3%	<b>\$437</b> 8.0%	<b>\$506</b> 11.5%	<b>\$506</b> 7.9%
<b>Taxes</b>	<b>\$488</b> 19.7%	<b>\$900</b> 16.4%	<b>\$532</b> 12.0%	<b>\$994</b> 15.5%
<b>MONTHLY TOTAL</b>	<b>\$2,469</b>	<b>\$5,489</b>	<b>\$4,423</b>	<b>\$6,422</b>
<b>ANNUAL TOTAL</b>	<b>\$29,633</b>	<b>\$65,864</b>	<b>\$53,075</b>	<b>\$77,069</b>

\* Hourly. Assumes 40 hours/week, 52 weeks/year of work. Two working parent wage is the hourly wage for each individual parent working full-time.

Note: Numbers and percentages may not total due to rounding.

# REGION V

Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus, Tulare

## Basic Family Wage\*

Single Adult	\$11.64
Single Parent Family	\$23.88
Two Parent Family (One Working)	\$21.37
Two Working Parent Family	\$15.05

## Expenses Per Month and as a Percentage of Income

	<u>Single Adult</u>	<u>Single Parent Family</u>	<u>Two Parent Family (One Working)</u>	<u>Two Working Parent Family</u>
<b>Housing/Utilities</b>	<b>\$546</b> 27.1%	<b>\$722</b> 17.4%	<b>\$722</b> 19.5%	<b>\$722</b> 13.8%
<b>Child Care</b>	<b>\$0</b> 0.0%	<b>\$912</b> 22.0%	<b>\$0</b> 0.0%	<b>\$912</b> 17.5%
<b>Transportation</b>	<b>\$407</b> 20.2%	<b>\$407</b> 9.8%	<b>\$407</b> 11.0%	<b>\$736</b> 14.1%
<b>Food</b>	<b>\$211</b> 10.5%	<b>\$507</b> 12.2%	<b>\$731</b> 19.7%	<b>\$731</b> 14.0%
<b>Health Care</b>	<b>\$287</b> 14.2%	<b>\$739</b> 17.8%	<b>\$993</b> 26.8%	<b>\$993</b> 19.0%
<b>Miscellaneous</b>	<b>\$206</b> 10.2%	<b>\$437</b> 10.5%	<b>\$506</b> 13.7%	<b>\$506</b> 9.7%
<b>Taxes</b>	<b>\$361</b> 17.9%	<b>\$416</b> 10.1%	<b>\$345</b> 9.3%	<b>\$618</b> 11.8%
<b>MONTHLY TOTAL</b>	<b>\$2,018</b>	<b>\$4,139</b>	<b>\$3,704</b>	<b>\$5,219</b>
<b>ANNUAL TOTAL</b>	<b>\$24,211</b>	<b>\$49,672</b>	<b>\$44,448</b>	<b>\$62,624</b>

\* Hourly. Assumes 40 hours/week, 52 weeks/year of work. Two working parent wage is the hourly wage for each individual parent working full-time.

Note: Numbers and percentages may not total due to rounding.

# REGION VI

Alpine, Amador, Calaveras, Inyo, Mariposa, Mono, Tuolumne

	<u>Basic Family Wage*</u>
Single Adult	\$14.23
Single Parent Family	\$27.41
Two Parent Family (One Working)	\$26.35
Two Working Parent Family	\$18.27

## Expenses Per Month and as a Percentage of Income

	<u>Single Adult</u>	<u>Single Parent Family</u>	<u>Two Parent Family (One Working)</u>	<u>Two Working Parent Family</u>
<b>Housing/Utilities</b>	<b>\$533</b> 21.6%	<b>\$762</b> 16.0%	<b>\$762</b> 16.7%	<b>\$762</b> 12.0%
<b>Child Care</b>	<b>\$0</b> 0.0%	<b>\$906</b> 19.1%	<b>\$0</b> 0.0%	<b>\$906</b> 14.3%
<b>Transportation</b>	<b>\$542</b> 22.0%	<b>\$542</b> 11.4%	<b>\$542</b> 11.9%	<b>\$1,008</b> 15.9%
<b>Food</b>	<b>\$211</b> 8.6%	<b>\$507</b> 10.7%	<b>\$731</b> 16.0%	<b>\$731</b> 11.5%
<b>Health Care</b>	<b>\$486</b> 19.7%	<b>\$1,001</b> 21.1%	<b>\$1,455</b> 31.9%	<b>\$1,455</b> 23.0%
<b>Miscellaneous</b>	<b>\$206</b> 8.3%	<b>\$437</b> 9.2%	<b>\$506</b> 11.1%	<b>\$506</b> 8.0%
<b>Taxes</b>	<b>\$486</b> 19.7%	<b>\$597</b> 12.6%	<b>\$572</b> 12.5%	<b>\$966</b> 15.3%
<b>MONTHLY TOTAL</b>	<b>\$2,466</b>	<b>\$4,752</b>	<b>\$4,568</b>	<b>\$6,334</b>
<b>ANNUAL TOTAL</b>	<b>\$29,589</b>	<b>\$57,023</b>	<b>\$54,815</b>	<b>\$76,009</b>

\* Hourly. Assumes 40 hours/week, 52 weeks/year of work. Two working parent wage is the hourly wage for each individual parent working full-time.

Note: Numbers and percentages may not total due to rounding.

# REGION VII

Monterey, San Benito, San Luis Obispo, Santa Barbara

	<u>Basic Family Wage*</u>
Single Adult	\$14.50
Single Parent Family	\$28.85
Two Parent Family (One Working)	\$25.64
Two Working Parent Family	\$17.85

## Expenses Per Month and as a Percentage of Income

	<u>Single Adult</u>	<u>Single Parent Family</u>	<u>Two Parent Family (One Working)</u>	<u>Two Working Parent Family</u>
<b>Housing/Utilities</b>	<b>\$801</b> 31.9%	<b>\$1,051</b> 21.0%	<b>\$1,051</b> 23.7%	<b>\$1,051</b> 17.0%
<b>Child Care</b>	<b>\$0</b> 0.0%	<b>\$1,054</b> 21.1%	<b>\$0</b> 0.0%	<b>\$1,054</b> 17.0%
<b>Transportation</b>	<b>\$383</b> 15.2%	<b>\$383</b> 7.7%	<b>\$383</b> 8.6%	<b>\$689</b> 11.1%
<b>Food</b>	<b>\$211</b> 8.4%	<b>\$507</b> 10.1%	<b>\$731</b> 16.4%	<b>\$731</b> 11.8%
<b>Health Care</b>	<b>\$411</b> 16.4%	<b>\$881</b> 17.6%	<b>\$1,234</b> 27.8%	<b>\$1,234</b> 19.9%
<b>Miscellaneous</b>	<b>\$206</b> 8.2%	<b>\$437</b> 8.7%	<b>\$506</b> 11.4%	<b>\$506</b> 8.2%
<b>Taxes</b>	<b>\$500</b> 19.9%	<b>\$688</b> 13.8%	<b>\$538</b> 12.1%	<b>\$923</b> 14.9%
<b>MONTHLY TOTAL</b>	<b>\$2,513</b>	<b>\$5,001</b>	<b>\$4,444</b>	<b>\$6,189</b>
<b>ANNUAL TOTAL</b>	<b>\$30,152</b>	<b>\$60,014</b>	<b>\$53,327</b>	<b>\$74,269</b>

\* Hourly. Assumes 40 hours/week, 52 weeks/year of work. Two working parent wage is the hourly wage for each individual parent working full-time.

Note: Numbers and percentages may not total due to rounding.

# REGION VIII

## Los Angeles

	<u>Basic Family Wage*</u>
Single Adult	\$13.52
Single Parent Family	\$30.00
Two Parent Family (One Working)	\$24.54
Two Working Parent Family	\$17.80

### Expenses Per Month and as a Percentage of Income

	<u>Single Adult</u>	<u>Single Parent Family</u>	<u>Two Parent Family (One Working)</u>	<u>Two Working Parent Family</u>
<b>Housing/Utilities</b>	<b>\$843</b> 36.0%	<b>\$1,269</b> 24.4%	<b>\$1,269</b> 29.8%	<b>\$1,269</b> 20.6%
<b>Child Care</b>	<b>\$0</b> 0.0%	<b>\$1,163</b> 22.4%	<b>\$0</b> 0.0%	<b>\$1,163</b> 18.8%
<b>Transportation</b>	<b>\$400</b> 17.1%	<b>\$400</b> 7.7%	<b>\$400</b> 9.4%	<b>\$723</b> 11.7%
<b>Food</b>	<b>\$211</b> 9.0%	<b>\$507</b> 9.7%	<b>\$731</b> 17.2%	<b>\$731</b> 11.8%
<b>Health Care</b>	<b>\$233</b> 9.9%	<b>\$654</b> 12.6%	<b>\$861</b> 20.3%	<b>\$861</b> 14.0%
<b>Miscellaneous</b>	<b>\$206</b> 8.8%	<b>\$437</b> 8.4%	<b>\$506</b> 11.9%	<b>\$506</b> 8.2%
<b>Taxes</b>	<b>\$451</b> 19.2%	<b>\$770</b> 14.8%	<b>\$485</b> 11.4%	<b>\$917</b> 14.9%
<b>MONTHLY TOTAL</b>	<b>\$2,344</b>	<b>\$5,199</b>	<b>\$4,253</b>	<b>\$6,170</b>
<b>ANNUAL TOTAL</b>	<b>\$28,126</b>	<b>\$62,393</b>	<b>\$51,035</b>	<b>\$74,044</b>

\* Hourly. Assumes 40 hours/week, 52 weeks/year of work. Two working parent wage is the hourly wage for each individual parent working full-time.

Note: Numbers and percentages may not total due to rounding.

# REGION IX

Orange, Riverside, San Bernardino, Ventura

	<u>Basic Family Wage*</u>
Single Adult	\$14.55
Single Parent Family	\$28.79
Two Parent Family (One Working)	\$24.47
Two Working Parent Family	\$17.48

## Expenses Per Month and as a Percentage of Income

	Single Adult	Single Parent Family	Two Parent Family (One Working)	Two Working Parent Family
<b>Housing/Utilities</b>	<b>\$925</b> 36.7%	<b>\$1,224</b> 24.5%	<b>\$1,224</b> 28.8%	<b>\$1,224</b> 20.2%
<b>Child Care</b>	<b>\$0</b> 0.0%	<b>\$1,046</b> 21.0%	<b>\$0</b> 0.0%	<b>\$1,046</b> 17.3%
<b>Transportation</b>	<b>\$446</b> 17.7%	<b>\$446</b> 8.9%	<b>\$446</b> 10.5%	<b>\$814</b> 13.4%
<b>Food</b>	<b>\$211</b> 8.4%	<b>\$507</b> 10.2%	<b>\$731</b> 17.2%	<b>\$731</b> 12.1%
<b>Health Care</b>	<b>\$231</b> 9.2%	<b>\$648</b> 13.0%	<b>\$853</b> 20.1%	<b>\$853</b> 14.1%
<b>Miscellaneous</b>	<b>\$206</b> 8.2%	<b>\$437</b> 8.8%	<b>\$506</b> 11.9%	<b>\$506</b> 8.4%
<b>Taxes</b>	<b>\$503</b> 19.9%	<b>\$683</b> 13.7%	<b>\$482</b> 11.4%	<b>\$884</b> 14.6%
<b>MONTHLY TOTAL</b>	<b>\$2,522</b>	<b>\$4,990</b>	<b>\$4,242</b>	<b>\$6,058</b>
<b>ANNUAL TOTAL</b>	<b>\$30,262</b>	<b>\$59,875</b>	<b>\$50,905</b>	<b>\$72,696</b>

\* Hourly. Assumes 40 hours/week, 52 weeks/year of work. Two working parent wage is the hourly wage for each individual parent working full-time.

Note: Numbers and percentages may not total due to rounding.

# REGION X

## Imperial, San Diego

	<u>Basic Family Wage*</u>
Single Adult	\$13.56
Single Parent Family	\$28.08
Two Parent Family (One Working)	\$23.62
Two Working Parent Family	\$16.98

### Expenses Per Month and as a Percentage of Income

	<u>Single Adult</u>	<u>Single Parent Family</u>	<u>Two Parent Family (One Working)</u>	<u>Two Working Parent Family</u>
<b>Housing/Utilities</b>	<b>\$850</b> 36.2%	<b>\$1,177</b> 24.2%	<b>\$1,177</b> 28.8%	<b>\$1,177</b> 20.0%
<b>Child Care</b>	<b>\$0</b> 0.0%	<b>\$1,077</b> 22.1%	<b>\$0</b> 0.0%	<b>\$1,077</b> 18.3%
<b>Transportation</b>	<b>\$400</b> 17.0%	<b>\$400</b> 8.2%	<b>\$400</b> 9.8%	<b>\$724</b> 12.3%
<b>Food</b>	<b>\$211</b> 9.0%	<b>\$507</b> 10.4%	<b>\$731</b> 17.8%	<b>\$731</b> 12.4%
<b>Health Care</b>	<b>\$230</b> 9.8%	<b>\$636</b> 13.1%	<b>\$838</b> 20.5%	<b>\$838</b> 14.2%
<b>Miscellaneous</b>	<b>\$206</b> 8.8%	<b>\$437</b> 9.0%	<b>\$506</b> 12.4%	<b>\$506</b> 8.6%
<b>Taxes</b>	<b>\$452</b> 19.2%	<b>\$633</b> 13.0%	<b>\$442</b> 10.8%	<b>\$834</b> 14.2%
<b>MONTHLY TOTAL</b>	<b>\$2,350</b>	<b>\$4,868</b>	<b>\$4,094</b>	<b>\$5,887</b>
<b>ANNUAL TOTAL</b>	<b>\$28,198</b>	<b>\$58,412</b>	<b>\$49,134</b>	<b>\$70,648</b>

\* Hourly. Assumes 40 hours/week, 52 weeks/year of work. Two working parent wage is the hourly wage for each individual parent working full-time.

Note: Numbers and percentages may not total due to rounding.



