



# **Making Ends Meet**

**HOW MUCH DOES IT COST TO RAISE A FAMILY  
IN CALIFORNIA?**

**A Publication of the California Budget Project  
September 2001**

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## ACKNOWLEDGMENTS

This report updates and expands upon the California Budget Project's (CBP) 1999 report, *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. The CBP also wishes to thank Jeff Pelletier, consultant to the [United Food and Commercial Workers Union](#) for developing the model used to estimate tax liabilities; Chris Kavalec of the [California Energy Commission](#) for assistance with transportation costs; and Shelley Waters Boots and Carlise King of the [California Child Care Resource and Referral Network](#) for providing data on the costs of child care in California. Kate Fisher updated this report with the assistance of Kate Breslin, Erin Riches, David Carroll, and Jean Ross. Erin Riches prepared CBP's 1999 *Making Ends Meet*. Kim Wielinski prepared the final report for publication.

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## CALIFORNIA BUDGET PROJECT

The **California Budget Project** (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.

California Budget Project  
921 11<sup>th</sup> Street, Suite 502  
Sacramento, CA 95814  
(916)444-0500  
(916)444-0172 (fax)  
cbp@cbp.org  
[www.cbp.org](http://www.cbp.org)

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## **MAKING ENDS MEET**

### **HOW MUCH DOES IT COST TO RAISE A FAMILY IN CALIFORNIA?**

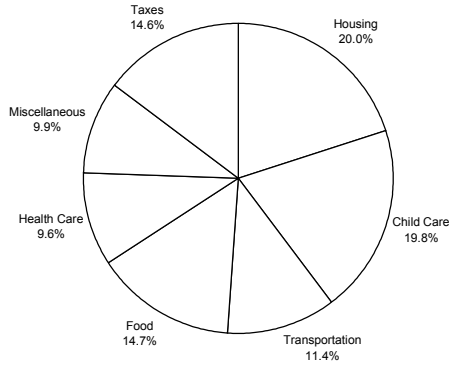
For many Californians, just making ends meet is a struggle. Many families live paycheck to paycheck, juggling rent or a mortgage payment with child care, food, and emergencies, such as unexpected car repairs. Over the past several years, welfare reform has helped to focus attention on the issue of moving families from public assistance to employment. Yet, little discussion has focused on whether available jobs provide sufficient income to support a family or on the economic challenges facing many working families. This report attempts to estimate the amount families and single adults need to earn in order to achieve a modest standard of living.<sup>1</sup>

Researchers and policymakers typically use the federal poverty level (FPL) as the benchmark to judge economic well-being. For most purposes, the poverty threshold is an obsolete measure that fails to take into account the reality of modern families. For example, the poverty standard 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 level 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 or vacations.

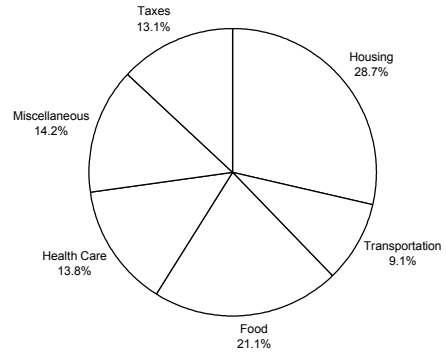
Specifically, this report estimates typical costs of housing and utilities, child care, transportation, food, health coverage, payroll and income taxes, and miscellaneous expenses for four typical families: a single working parent with two children; two working parents with two children; a two-parent family with two children in which one parent works; and a single working adult. Since housing and other costs vary tremendously throughout the state, this report provides budgets for ten regions within the state. While an overall state average is also included (Figure 1), California's different regions are so diverse in terms of economic characteristics that regional estimates are more meaningful. Finally, this report translates the basic family budget into the hourly wage needed by each of the four typical families based on a 40-hour work week and year-round employment.

### Figure 1: Basic Family Budgets – Statewide

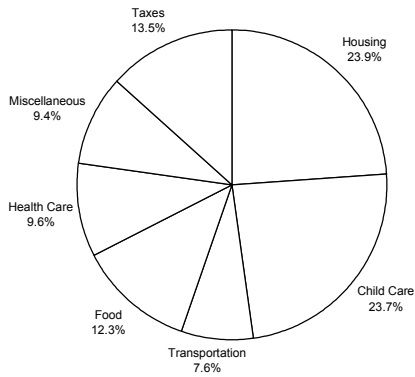
**Figure 1a: Monthly Budget for a Two Working Parent Family**  
Total: \$4,336



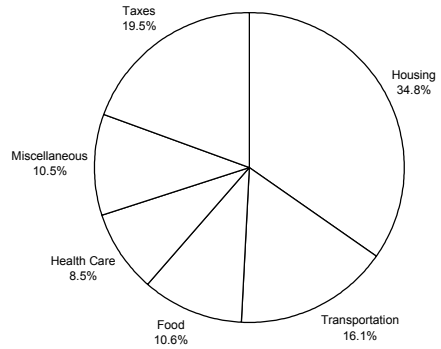
**Figure 1b: Monthly Budget for a Two-Parent Family (One Working)**  
Total: \$3,020



**Figure 1c: Monthly Budget for a Single-Parent Family**  
Total: \$3,620



**Figure 1d: Monthly Budget for a Single Adult**  
Total: \$1,709



## HOW MUCH DOES IT COST TO SUPPORT A FAMILY?

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

- A family with two working parents needs an annual income of \$52,034, equivalent to both parents working full-time for an hourly wage of \$12.51. Regional estimates range from \$42,588 to \$61,593 (\$10.24 to \$14.81 per hour).
- A two-parent family with one employed parent needs an annual income of \$36,245, equivalent to an hourly wage of \$17.43. Regional estimates range from \$29,806 to \$42,304 (\$14.33 to \$20.34 per hour).
- A single parent family needs an annual income of \$43,443, equivalent to an hourly wage of \$20.89. Regional estimates range from \$33,897 to \$54,069 (\$16.30 to \$25.99 per hour).
- A single adult needs an annual income of \$20,503, equivalent to an hourly wage of \$9.86. Regional estimates range from \$16,457 to \$24,442 (\$7.91 to \$11.75 per hour).

The hourly wage needed to support the basic family budget for families with children is two to three times the state’s minimum wage (\$6.25/hour).<sup>2</sup> The hourly wage required by single parents and the employed parent in a two-parent family where only one parent works also exceeds the 2000 median hourly wage (\$13.10) for California workers (Table 1).<sup>3</sup> Moreover, the hourly wage standard identified in this report is based on 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 two working parents in order to pay for child care, while realizing only modest savings for food, housing, 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 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 assis-

	<b>Hourly Wage</b>	<b>Annual Income</b>
Basic Family Budget for a Two-Parent Family Where Both Parents Work*	\$12.51	\$52,034
Basic Family Budget for a Two-Parent Family Where One Parent Works*	\$17.43	\$36,245
Basic Family Budget for a Single-Parent Family	\$20.89	\$43,443
Basic Family Budget for a Single Adult	\$9.86	\$20,503
2000 State Median Hourly Wage**	\$13.10	\$27,248
2001 State Minimum Wage	\$6.25	\$13,000
2001 Federal Poverty Guideline for a Family of 3	\$7.03	\$14,630
2001 Federal Poverty Guideline for a Family of 4	\$8.49	\$17,650

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

\*\*All wage and salaried employees (excluding the self-employed). Assumes 40-hour workweek, 52 weeks per year.

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

Many Californians support their families on less than the standard estimated by this report. Some can live on less because they receive health coverage from their jobs, 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, Medi-Cal, or Healthy Families; others rely on private charities, or go into debt because their income is insufficient to pay for basic needs. While statewide information is not available, research conducted in areas where unemployment is low finds that individuals leaving welfare for work earn about \$9 per hour, 43 percent of the basic family wage estimated for a single-parent family in this report.<sup>4</sup> While \$9 per hour is significantly greater than the minimum wage, it is often not enough to support a family, and many of these families remain reliant on public programs to supplement their incomes in order to make ends meet. The California Budget Project's (CBP) basic family budget wage is an estimate for meeting basic needs without assistance.

## **CONCLUSION**

During the late 1990s, California experienced strong job growth. Yet, for many, wages have not kept pace with the costs of living, and many working families still struggle to make ends meet. More recently, unemployment rates in California and the US as a whole have begun to rise. A weaker economy will make it harder for workers to realize real wage gains. If this downturn in the economy continues, the impact on low income families may prove significant.

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 some parts of the state, more than the median income. 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 make ends meet through income supports or by providing access to necessities, such as child care and health coverage. Public policies also can gear programs, such as job training and economic development, toward higher wage jobs and industries.

# METHODOLOGY

This report presents a basic family budget for four family types: a two working parent family with two children, a two-parent (one working) family with two children, a single-parent family with two children, and a single adult. The basic family budgets presented in this report are estimates. Real families' 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. This report does not account for recent and long-term trends in specific areas or for specific items, such as the increased energy costs due to higher electricity and natural gas prices.<sup>5</sup> Specific data sources and the methodology used to calculate the basic family budgets are described below.

## Regions

This report divides California into ten regions consisting of counties with similar costs of living (Table 2). These regions are based on regions developed by California's [Employment Development Department](#) and the [California Technology, Trade, and Commerce Agency](#), with some exceptions. The basic family budget for each region is based on the weighted average of various living costs for the counties within that region. The overall state average is a weighted average of the living costs throughout California's 58 counties.

**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 housing and utility costs in this report are based upon Fair Market Rents (FMRs).<sup>6</sup> FMRs are published annually by the US [Department of Housing and Urban Development](#) (HUD) and provide an estimate of basic housing costs (including utilities, except telephone costs) in a given area. FMRs represent the 40th percentile of rents 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 2001, HUD has set FMR values at the 50<sup>th</sup> percentile in some metropolitan areas where affordable housing can be difficult to obtain.<sup>7</sup> In this report, the FMRs for each county were weighted by population and then averaged to obtain a regional estimate of housing costs. Due to the methodology used to calculate FMRs, they may not reflect housing costs accurately in areas where costs have increased rapidly in a short period of time. Thus, those

seeking housing may not be able to locate units at the rents shown in this report, particularly in the Bay Area and other 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 finds that rent and utilities account for 20 percent of a two working parent family's basic budget, 29 percent of a two-parent (one working) family's budget, 24 percent of a single-parent family's budget, and 35 percent of a single adult'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>8</sup> For families with older children of the opposite sex, living in a two-bedroom apartment would require children to share a bedroom, which is far from desirable. However, the cost differential between two- and three- bedroom housing is significant and would be prohibitive for many families struggling to make ends meet. On average, a two-bedroom apartment costs \$273 per month (\$3,276 per year) more than a studio unit and a three-bedroom unit costs \$323 per month (\$3,876 per year) more than a two-bedroom. In many parts of the state, the cost of larger rental units is significantly higher. (Appendix A lists Fair Market Rents for zero-, one-, two-, and three-bedroom units.) In reality, many families pay a much larger share of their income on housing. In 1999, 23 percent of all renters and 67 percent of low income renters in California's metropolitan areas spent more than half of their income on housing.<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 57.1 percent, is among the lowest in the nation.<sup>10</sup> The income needed to purchase a median priced home varies significantly by region and the size of down payment a family is able to afford (Table 3). Assuming a down payment of 5 percent, the affordability gap for the Los Angeles area is more than \$9,000.<sup>11</sup> The gap for the San Francisco area is even greater at nearly \$44,000. 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 the Los Angeles area, for example, a 20 percent down payment eliminates the affordability gap for the median priced home.

The added costs of homeownership may make it difficult for families who can afford to buy a home to balance their monthly budgets. In Los Angeles, for example, the basic family budget for a two working parent family of \$51,459 is close to the of \$51,758 income necessary to purchase the median priced home. However, the increased cost of a mortgage payment as compared to the rent on a two-bedroom

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

County	2000 Median Home Price*	2000 Area Median Household Income (AMI)**	Income Needed to Purchase Median Home (20% Down)***	Gap Between AMI and Income Needed	Income Needed to Purchase Median Home (5% Down)	Gap Between AMI and Income Needed
Los Angeles	\$215,900	\$52,100	\$51,758	-\$342	\$61,462	\$9,362
San Francisco	\$417,180	\$74,900	\$100,011	\$25,111	\$118,763	\$43,863
San Luis Obispo	\$248,310	\$48,000	\$59,528	\$11,528	\$70,689	\$22,689
Ventura	\$295,080	\$68,500	\$70,740	\$2,240	\$84,003	\$15,503

\*California Association of Realtors, downloaded from <http://www.car.org/newsstand/news/feb01-3.html> on April 5, 2001.

\*\*2000 Area Median Income as defined by the US Department of Housing and Urban Development (HUD).

\*\*\*"Income Needed" assumes a 7.5 percent interest rate for a 30-year conventional loan, with a 20 percent down payment or a 5 percent down payment as indicated. It also assumes that a family spends 28 percent of its income on mortgage payments. The monthly payment was calculated using the federal Department of Housing and Urban Development's HomePath Calculator at <http://www.homepath.com/cgi-bin/WebObjects-4/HomePathWOF>.

apartment would require this family to forgo approximately \$426 in other basic necessities each month (Table 4). Moreover, homeowners face additional costs for property taxes and insurance.

### Child Care

For families with young children, the cost of child care represents a formidable burden. This report assumes that each family, other than the single adult, has two children, one under two and one 6 to 12 years of age. The report further assumes that the child under two requires full-time care, and the child aged 6 to 12 years requires after-school care. Child care costs are based upon the [California Child Care Resource and Referral Network](#)'s estimates for licensed family day care homes.<sup>13</sup> Center-based child care is more costly, while unlicensed, in-home care is less costly. Families with more or younger children will have higher day care costs while those with older children will have lower costs. In other instances, neighbors or family members may provide child care at little or no cost, reducing the amount families spend for child care, and some parents leave older children home alone due to the high cost of care.

**Table 4: Cost of Purchasing a Home versus Renting**

	<b>Monthly Mortgage Payment for Median Priced Home of \$215,900 (20% down)</b>	<b>Monthly Rent for a Two-Bedroom Apartment (Fair Market Rent set at 40th Percentile)</b>	<b>Additional Monthly Cost of Homeownership</b>
Los Angeles County	\$1,208	\$782	\$426

This report estimates the cost of child care using the weighted average of the costs for the counties within each region. For the state as a whole, child care consumes 20 percent of a two working parent family's basic budget and 24 percent of a single-parent family's basic budget. This report assumes that the non-working parent in two-parent families where only one works is available to provide child care and that these families do not pay for additional care.

### Transportation

Transportation costs vary widely for families depending on factors such as commuting 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 a modest one that is based on the [California Energy Commission](#)'s 1995 Driver Diary Study. The transportation estimate represents the average commute to and from work, and includes a nominal amount of miles for errands and other non-commute driving. It does not account for family vacations or the long commutes that are the norm for many California families. Transportation expenditures are based on the 2001 [Internal Revenue Service](#) mileage allowance (34.5 cents per mile).<sup>14</sup> However, Californians face much higher gas prices than the rest of the country, which is not reflected in the national IRS rate. In July 2001, regular gas prices in California exceeded the national average by 38.5 cents per gallon.<sup>15</sup>

The basic family budget assumes single parents, two-parent families with one worker, and single adults drive 795 miles per month. This is equivalent to 34.6 miles per day (home to work, plus errands), five days per week, and 5.2 miles per day on weekends at a cost of \$274 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 637 miles per month or 29.4 miles per day, five days per week, at a cost of \$220 per month. Regional-specific data are difficult to obtain and not available for many parts of the state. No attempt was made to adjust transportation costs by region. In reality, many families drive far more. The average home to work commute mileage (not including errands) in the San Diego region was 15.8 miles one way in 1999.<sup>16</sup>

The overwhelming majority of commuters in California travel to work by car, rather than public transit

(Table 5). Even in the Bay Area, where public transit is the most readily accessible, surveys find that 67 percent of commuters drive alone to work.<sup>17</sup> While bus transportation may be less expensive, it may not be convenient or reliable. In the San Diego area, only 5 percent of commuters with incomes less than \$30,000 commute by public transportation.<sup>18</sup> In rural areas, transit service may be nonexistent, infrequent, or may not serve needed destinations. Moreover, 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 11 percent of a two working parent family's budget, 9 percent of a two-parent (one working) family's budget, 8 percent of a single-parent family's budget, and 16 percent of a single adult's budget.

<b>How Do Californians Commute?*</b>	<b>Public Transit</b>	<b>Car</b>
Bay Area Region	13.6%	81.8%
Tulare County	0.9%	91.2%
<b>How Much Does It Cost To Commute by Bus?*</b>		
Butte County (Chico Area Transit)	\$40	
Fresno County (Fresno Area Express)	\$50	
Los Angeles County (Metropolitan Transit Authority)	\$72	
San Diego County (San Diego County Transit System)	\$86	
San Francisco City/County (Bay Area Rapid Transit)	\$152	
<b>How Much Does it Cost to Commute by Car?</b>		
Cost of Driving 637 miles per month (no errands) at the 2001 IRS Reimbursement Rate of 34.5 cents per mile***		\$220

\*Bay Area information is from RIDES, *Commute Profile 2000: How Bay Area Residents Commute*, downloaded from <http://www.rides.org> on July 6, 2001. Tulare County information is from the 1999 American Community Survey Profile for Tulare County, Table 3, Profile of Selected Economic Characteristics. (Public transportation includes commutes by taxicab.)

\*\*Chico Area Transit Information downloaded from <http://www.bcag.org/cats-inf.htm>. Fresno Area Express information downloaded from <http://www.ci.fresno.ca.us/fax/passess.html>. LA Metropolitan Transportation Authority information downloaded from [http://www.mta.net/metro/fareinfo/metro\\_passes.htm](http://www.mta.net/metro/fareinfo/metro_passes.htm). Public Transit in San Diego County information downloaded from <http://209.125.196/service/fareinfo.htm>. BART information downloaded from <http://www.bart.gov/tickets/types/types/asp>. Rates are for monthly passes for one adult and one child school age, except for BART where monthly passes are unavailable. For BART, it was assumed that the individual is traveling from San Leandro to San Francisco (\$5.90 round trip) five days a week.

\*\*\*IRS mileage reimbursement rate for 2001 downloaded from <http://policyworks.gov/org/main/mt/homepage/mtt/pov.htm>.

## Food

The basic family budget estimates the costs of food consumed both at home and away from home. The estimate for food consumed at home is based upon the June 2001 [US Department of Agriculture \(USDA\) Low Cost Food Plan](#).<sup>19</sup> Estimates include the cost of a single-parent and two-parent family, each with two children, and a single adult. For food costs, the report assumes that the adults in the family are between 20 and 50 years old and that one child is under two and one child is 6 to 11 years of age. Estimated costs of food consumed away from home were calculated using the 1999 Consumer Expenditure Survey (CES) and inflated to 2001 using the Consumer Price Index for Food Away from Home (\$17.82 per week for single-parent families, \$23.76 per week for two-parent families, \$5.94 per week for single adults).<sup>20</sup> Conservatively, the basic family budget estimate for food away from home is half of the amount reported for families in the second quintile in the CES.<sup>21</sup> Food 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.

Based on the averages determined in this report, food comprises 15 percent of a two working parent family’s budget, 21 percent of a two-parent (one working) family’s budget, 12 percent of a single-parent family’s budget, and 11 percent of a single adult’s budget.

### Health Care

This report assumes that families obtain private individual health coverage. The cost of health coverage is based on the lowest priced Health Maintenance Organization (HMO) plan available through Kaiser Permanente or Blue Cross for an adult and dependents for single-parent families, and two adults and dependents for two-parent families.<sup>22</sup> Those with a family member who has a significant illness or other health condition, if they are able to obtain coverage, likely pay substantially more. Out-of-pocket expenses are based on average annual utilization rates for doctor visits and prescription drugs. Required co-payments for office visits and an average of the cost of generic and brand drugs for prescription medications coupled with information about utilization rates yield an estimate of out-of-pocket expenditures.<sup>23</sup> The basic family budget’s estimate for out-of-pocket costs is conservative. Most health plans available to individuals require a copayment of at least \$10 per office visit or prescription. Moreover, 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 hospitalizations, mental health treatment, or other services that can cost families hundreds or thousands more dollars per year.

Low income families are less likely to be insured than their wealthier counterparts. California had the fourth highest uninsured rate in the nation at 22.4 percent in 1999.<sup>24</sup> The lower a family’s income, the less likely it is to have employer-sponsored health coverage. Almost half (41 percent) of California families with incomes between 100 and 250 percent of the federal poverty level (FPL) guidelines (between \$14,630 and \$36,575 for a family of three and \$17,650 and \$44,125 for a family of four) lack health insurance.<sup>25</sup> A small number, less than 5 percent, purchase private coverage.<sup>26</sup>

While many families have job-based health coverage, nearly all employers that provide health coverage require an employee contribution. For those with job-based coverage, the typical employee contribution toward family coverage is approximately one-quarter of this report’s estimate of the cost of coverage (Table 6).<sup>27</sup>

This report estimates the cost of living for families who do not rely on public programs. However, some of the families in this report would be eligible for the [Healthy Families Program](#), a health insurance program subsidized by the state and federal government for children in low-income families. In 2000, the state expanded eligibility for the Healthy Families Program to children in families with incomes below 250 percent of the FPL (\$36,575 for a family of three and \$44,125 for a family of four). A new state law extends coverage to parents below 250 percent of the FPL; however, implementation of the expanded coverage of parents is contingent upon federal approval. In 1999, approximately 535,000 uninsured children were eligible for the Healthy Families Program.<sup>28</sup> Enrollment in the Healthy Families Program could greatly reduce the costs of health care for many of the families in this report, especially when eligibility is expanded to include parents (Table 7).

**Table 6: Insured Californians Pay Significant Out-of-Pocket Costs for Health Coverage**

Basic family budget estimate of monthly premium payment for family coverage (employee, spouse, and dependents)	\$395
Typical monthly employee contribution for employer-sponsored HMO family coverage	\$115
Typical monthly employer contribution for HMO family coverage	\$290

Source: The basic family budget estimate comes from a statewide weighted average for individually purchased health insurance on the private market (rates from Kaiser and Blue Cross HMO Plans). Typical monthly employee and employer contributions come from Helen Halpin Schaffler, Ph.D., University of California, Berkeley, Center for Health and Public Policy Studies, and E. Richard Brown, Ph.D., UCLA Center for Health Policy Research, *The State of Health Insurance in California, 1999* (Health Insurance Policy Program, University of California: January 2000), p. 57.

**Table 7: Families' Health Coverage Costs are Lower if Children are Enrolled in Healthy Families**

Region 1 Costs of Living	Single Adult with Two Children Purchasing Private Health Coverage	Single Adult Purchasing Individual Private Coverage with Two Children Enrolled in Healthy Families
Health Care	\$291	\$162
Taxes	\$269	\$229
Monthly Income	\$2,837	\$2,668
<b>Annual Income</b>	<b>\$34,043</b>	<b>\$32,012</b>
<b>Annual Difference</b>	<b>\$2,031</b>	

Source: This Healthy Families premium rate estimate is based on a single-parent family with two children living in Humboldt County with a monthly income of \$2,500. This estimate also assumes the family is enrolled in the Blue Cross HMO plan with a premium of \$8 for both children per month and a copayment of \$5 for doctor visits and prescription drugs. The adult is assumed to purchase private health insurance.

services" component of this category includes dry cleaning and diaper service or disposable diapers, a major expense for families with infants and toddlers. Clothing comprises 4 to 7 percent of the total monthly budget for all family types in this report. This estimate represents the amount spent by real families as measured by the 1999 Consumer Expenditure Survey (CES) and inflated by the Consumer Price Index to arrive at 2001 estimates. The "education and reading" component includes items such as books and newspapers and, for this conservative estimate, is equal to half of what a typical three- or four-person family spends on education and reading according to the CES. "Personal care" covers goods such as toothpaste and hair care products. "Housekeeping supplies" accounts for laundry costs and cleaning supplies. "Other" includes items such as charitable contributions, birthday presents, renters' insurance, emergencies, and items not included elsewhere, but does not make allowances for big-ticket items or significant savings. Miscellaneous expenses are constant throughout the state. The CBP's basic family budget makes no provision for entertainment, although the 1999 Consumer Expenditure Survey estimates that a three-person family spends \$191 per month and a four-person family spends \$220 per month on entertainment, such as movie rentals, toys, and television equipment.

Based on the averages determined in this report, household and miscellaneous costs consume 10 percent of a two working parent family's budget, 14 percent of a two-parent (one working) family's budget, 9 percent of a single-parent family's budget, and 11 percent of a single adult'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. Payroll taxes are based on 2001 tax rates, while federal and state

The estimate for health care is the weighted average cost for counties within each region. Based on the averages in this report, health care costs consume 10 percent of a two working parent family's budget, 14 percent of a two-parent (one working) family's budget, 10 percent of a single-parent family's budget, and 9 percent of a single adult's budget.

## Miscellaneous

The "Miscellaneous" category includes 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

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

Item	Single Adult	Single-Parent Family	Two-Parent Family
Clothing & Services	\$76	\$162	\$221
Education & Reading*	\$24	\$43	\$54
Personal Care	\$22	\$41	\$45
Housekeeping Supplies	\$21	\$49	\$64
Phone	\$25	\$25	\$25
Other	\$10	\$20	\$20
<b>Total</b>	<b>\$179</b>	<b>\$341</b>	<b>\$429</b>

Source: Consumer Expenditure Survey, 1999, Table 4, downloaded from <http://stats.bls.gov/cpihome.htm>.

\*Education and Reading expenditures presented here are half the amount reported in the CES.

income taxes are based on 2000 levels, since 2001 tax tables and related information were not available at the time this report was prepared. The estimate for state and federal income taxes assumes that families do not itemize deductions, but do claim the state renters' tax credit, state personal and dependent tax credits, and the federal personal tax exemptions to which they are entitled. The estimates also assume that single working parents and two working parent households claim federal and state Child and Dependent Care Tax Credits.

The recent federal tax bill includes several provisions that will modestly reduce the income taxes paid by low to middle income families.<sup>29</sup> In brief, federal changes affecting the families described in this report during the 2001 tax year include:

- **Rate Reduction Credit.** Families will receive a federal rebate of up to \$500 for a head of household, \$600 for a married couple filing jointly, and \$300 for a single individual in 2001. The size of a family's rebate is equal to the tax due on the amount of income currently taxed at the 15 percent rate, which under the new federal law will be taxed at 10 percent. The rebate is, in essence, an advance payment for the benefit of the rate reduction that they otherwise would have received upon filing their 2001 taxes in April 2002. Many of the families presented in this report will receive less than the maximum since their income is below the amount needed to receive the maximum rebate.
- **Child Tax Credit.** Over the next ten years, the tax bill increases the size of the Child Tax Credit from \$500 to \$1,000. In 2001, the credit will be increased by \$100 to \$600. Thus, the credit available to a family with two children will increase by \$200. The new tax bill also makes the Child Tax Credit partially refundable, thereby allowing families who previously did not owe sufficient taxes to take full advantage of the credit to receive some benefit.

Other changes will modestly increase the size of the Child and Dependent Care Tax Credit and the maximum eligibility level for the Earned Income Tax Credit in 2002 and beyond.

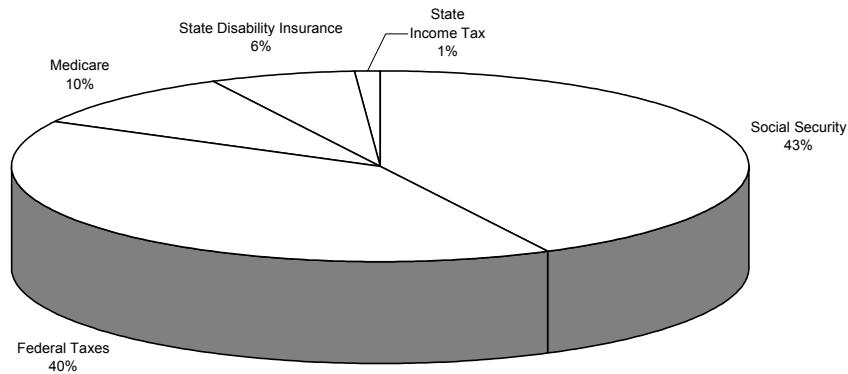
Most of the families presented in this report qualify for the state Renters' Tax Credit. Married couples and heads of household with gross incomes of \$53,198 or less per year were eligible for a \$120 credit and single adults with incomes of \$26,599 or less per year were eligible for a \$60 credit. The budgets for high cost regions of the state exceed the income cap for the Renters' Tax Credit.

In three low-cost regions, two-parent families with one working parent qualify for the federal Earned Income Tax Credit (EITC), a refundable tax credit that provides assistance to low income families with earnings from work. No other families presented in this report are eligible for the EITC. In order to claim the EITC, families must have incomes of less than the \$31,152 limit if they have more than one qualifying child, or less than \$10,380 for childless adults for the 2000 tax year.<sup>30</sup> The new tax bill will modestly increase the income eligibility limit for married couples.

Income and payroll taxes account for 15 percent of a two working parent family's budget, 13 percent of a two-parent (one working) family's budget, 14 percent of a single-parent family's budget, and 20 percent of a single adult's budget. For two working parent families, payroll taxes (i.e., Social Security, Medicare, and State Disability Insurance) account for half of taxes owed (Figure 2). Most of the families presented in this report pay very little in state income taxes and, in many instances, families had no state tax liability (Table 9). Only one of the single-parent families and four of the two working parent families owed state income taxes; no two-parent (one working) families owed state income taxes. However, all of the single adults presented in this report owed state income taxes.

For families in regions where the cost of living is high, the percentage of their income going toward taxes is significantly higher than that of families living in areas where the cost of living is relatively low. A two working parent family in Region IV (the Bay Area) pays \$10,549 in taxes per year, while a two

**Figure 2: Payroll Taxes Account for More Than Half of the Tax Liability for Two Working Parent Families**



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

	Annual Income	State Income Taxes Owed*	Federal Income Taxes Owed**	Medicare	Social Security	State Disability Insurance	Earned Income Tax Credit	Total Taxes Owed
Two-Parent Family (Both Working)	\$52,034	\$92	\$3,063	\$754	\$3,226	\$468	\$0	\$7,603
Two-Parent Family (One Working)	\$36,245	\$0	\$1,654	\$526	\$2,247	\$326	\$0	\$4,753
Single-Parent Family	\$43,443	-\$198	\$2,329	\$630	\$2,693	\$391	\$0	\$5,845
Single Adult	\$20,503	\$259	\$1,995	\$297	\$1,271	\$185	\$0	\$4,007

\*Includes State Renters' Credit.

\*\*Includes Federal Child and Dependent Care Credit for Single-Parent Family, Two Working Parent Family.

working parent family in Region II (the Northern Sacramento Valley) pays \$4,890 in taxes per year.

California has a very high tax threshold, particularly for families with children.<sup>31</sup> A two-parent family with two children claiming the Renters' Tax Credit did not owe California income taxes in 2000 unless their income exceeded \$39,790. Their tax threshold would be \$42,300 if they qualified for the maximum state Child and Dependent Care Tax Credit. A single parent with two children did not owe 2000 state income taxes unless their income exceeded \$37,916, or \$40,000 if they claimed the maximum state child care credit. The tax threshold for a single adult was \$12,290 for individuals claiming the Renters' Tax Credit in 2000. The minimal state income tax liability for most families with children results from increases in the state's Child and Dependent Care Tax Credit enacted in 1997 and 1998.

## ENDNOTES

<sup>1</sup> Previous California Budget Project (CBP) reports have explored the structure of California labor markets. See, for example, *Will Work Pay? Job Creation in the New California Economy* (April 2000).

<sup>2</sup> California's minimum wage will increase to \$6.75 per hour on January 1, 2002.

<sup>3</sup> **Economic Policy Institute** calculations from the Current Population Survey (September 2000). The median wage is the wage paid to the earner exactly at the midpoint of the earnings distribution; one half of the wage earners earn less and half earn more.

<sup>4</sup> Deana Goldsmith and Lisa Evans, *Evaluation of the Napa County CalWORKs Program: Participant Outcomes and Post-Program Experiences*, **Berkeley Planning Associates** (October 15, 1999). Anne Moses, David C. Mancuso, and Charles Lieberman, *Examining Circumstances of Individual and Families Who Leave TANF: Assessing the Validity of Administration Data, 12-Month Report*, Sphere Institute (December 2000).

<sup>5</sup> For instance, residential consumer natural gas and electricity prices increased by 34 percent between June 2000 and June 2001 in the San Francisco Bay Area. CBP calculations based on the **Bureau of Labor Statistics**, Consumer Price Index – All Urban Consumers, Series Id: CUURA422SEHF, CUUSA422SEHF, for San Francisco-Oakland-San Jose, gas (piped) and electricity, downloaded from <http://stats.bls.gov/cpihome.htm> on July 25, 2001.

<sup>6</sup> **Department of Housing and Urban Development**, *50th Percentile and 40th Percentile Fair Market Rents for Fiscal Year 2001*, Final Rule (Federal Register, January 2, 2001), 24 CFR Part 888, downloaded from [www.huduser.org/80/datasets/fmr.html](http://www.huduser.org/80/datasets/fmr.html).

<sup>7</sup> **Department of Housing and Urban Development**, *50th Percentile and 40th Percentile Fair Market Rents for Fiscal Year 2001*, Final Rule (Federal Register, January 2, 2001), 24 CFR Part 888, downloaded from [www.huduser.org/80/datasets/fmr.html](http://www.huduser.org/80/datasets/fmr.html). (Counties where the 50<sup>th</sup> percentile is used include: Alameda, Contra Costa, El Dorado, Orange, Placer, Sacramento, San Diego, Santa Clara, and Ventura.)

<sup>8</sup> Deborah J. Devine, Barbara A. Haley, Lester Rubin, and Robert W. Gray, **US Department of Housing and Urban Development**, Office of Policy Development and Research, Division of Program Monitoring and Research, *The Uses of Discretionary Authority in the Tenant-Based Section 8 Program* (November 2000), p. 19.

<sup>9</sup> California Budget Project, *Still Locked Out: New Data Confirm That California's Housing Affordability Crisis Continues* (March 2001), p. 3.

<sup>10</sup> US **Bureau of the Census**, *Housing Vacancies and Homeownership Annual Statistics: 2000*, downloaded from <http://www.census.gov/hhes/www/housing/hvs/annual00/ann00t13.html> on June 28, 2001. The US homeownership rate for 2000 was 67.4 percent.

<sup>11</sup> The affordability gap measures the difference between Area Median Income and the income needed to purchase the median priced home.

<sup>12</sup> The smaller the down payment, the higher the principal which must be paid off; moreover, any loan with less than a 20 percent down payment requires mortgage insurance, which adds to the monthly payment.

<sup>13</sup> **California Child Care Resource and Referral Network**, unpublished data (June 2001).

<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* at [www.energy.ca.gov/fuels/gasoline/index.html](http://www.energy.ca.gov/fuels/gasoline/index.html).

<sup>16</sup> **San Diego Association of Governments**, *Road Signs: Getting Around the Region in 1999* (June-August, 1999).

<sup>17</sup> RIDES, *Commute Profile 2000: How Bay Area Residents Commute*, Figure 2, downloaded from <http://www.rides.org> on July 6, 2001.

<sup>18</sup> **San Diego Association of Governments**, *Road Signs: Getting Around the Region in 1999* (June-August, 1999).

<sup>19</sup> **US Department of Agriculture**, *Official USDA Food Plans: Cost of Food at Home at Four Levels, U.S. Average, June 2001* (July 2001), downloaded from <http://www.usda.gov/cnpp>.

<sup>20</sup> CBP calculations based on the **Bureau of Labor Statistics**, Consumer Price Index – All Urban Consumers, US City Average, Food Away From Home - Series Id: CUUR0000SEFV, CUUS0000SEFV, downloaded from <http://stats.bls.gov/cpihome.htm> on July 19, 2001.

<sup>21</sup> Household income for the second quintile in the 1999 CES ranges from \$12,504 to \$18,033.

<sup>22</sup> The cost of coverage for Kaiser Permanent Personal Advantage was used in the counties in which this coverage is offered. Blue Cross of California Individual Family Coverage is used in the remainder of the state.

<sup>23</sup> Donald K. Cherry, M.S., Catharine W. Burt, Ed.D., and David A. Woodwell, Division of Health Care Statistics, *National Ambulatory Medical Care Survey: 1999 Summary*, **US Department of Health and Human Services**, Centers for Disease Control and Prevention, National Center for Health Statistics (July 17, 2001).

<sup>24</sup> E. Richard Brown, Ph.D., Ninez Ponce Ph.D., and Thomas Rice, Ph.D., *The State of Health Insurance in California: Recent Trends, Future Prospects* (**UCLA Center for Health Policy Research**: March 2001), p. vii.

<sup>25</sup> E. Richard Brown, Ph.D., Ninez Ponce Ph.D., and Thomas Rice, Ph.D., *The State of Health Insurance in California: Recent Trends, Future Prospects* (**UCLA Center for Health Policy Research**: March 2001), p. 9.

<sup>26</sup> E. Richard Brown, Ph.D., Ninez Ponce Ph.D., and Thomas Rice, Ph.D., *The State of Health Insurance in California: Recent Trends, Future Prospects* (**UCLA Center for Health Policy Research**: March 2001), Exhibit 4, p. 8.

<sup>27</sup> Helen Halpin Schauffler, Ph.D., University of California, Berkeley, **Center for Health and Public Policy Studies**, and E. Richard Brown, Ph.D., **UCLA Center for Health Policy Research**, *The State of Health Insurance in California, 1999* (**Health Insurance Policy Program**, University of California: January 2000), p. 57.

<sup>28</sup> E. Richard Brown, Ph.D., Ninez Ponce Ph.D., and Thomas Rice, Ph.D., *The State of Health Insurance in California: Recent Trends, Future Prospects* (**UCLA Center for Health Policy Research**: March 2001), p. viii.

<sup>29</sup> Joint Committee on Taxation, *Summary of Provisions Contained in the Conference Agreement for H.R. 1836, the Economic Growth and Tax Relief Reconciliation Act of 2001*, JCX-50-01 (May 26, 2001).

<sup>30</sup> The eligibility level for families with one child was \$27,413 for the 2000 tax year.

<sup>31</sup> A tax threshold is the income level at which a family begins to have an income tax liability.

## Appendix A: 2001 Fair Market Rents in California

COUNTY	0-BR FMR	1-BR FMR	2-BR FMR	3-BR FMR
Alameda*	\$761	\$921	\$1,155	\$1,583
Alpine	\$310	\$465	\$526	\$731
Amador	\$428	\$471	\$629	\$876
Butte	\$341	\$439	\$584	\$800
Calaveras	\$374	\$434	\$577	\$804
Colusa	\$339	\$379	\$488	\$680
Contra Costa*	\$761	\$921	\$1,155	\$1,583
Del Norte	\$317	\$435	\$577	\$805
El Dorado*	\$486	\$547	\$685	\$950
Fresno	\$387	\$433	\$517	\$720
Glenn	\$310	\$379	\$488	\$680
Humboldt	\$320	\$443	\$580	\$810
Imperial	\$350	\$438	\$539	\$751
Inyo	\$321	\$434	\$556	\$730
Kern	\$373	\$419	\$526	\$731
Kings	\$359	\$418	\$522	\$726
Lake	\$349	\$444	\$593	\$747
Lassen	\$379	\$384	\$499	\$680
Los Angeles	\$516	\$618	\$782	\$1,055
Madera	\$387	\$433	\$517	\$720
Marin	\$891	\$1,154	\$1,459	\$2,001
Mariposa	\$335	\$426	\$547	\$717
Mendocino	\$429	\$517	\$634	\$883
Merced	\$407	\$459	\$557	\$770
Modoc	\$339	\$379	\$488	\$680
Mono	\$473	\$567	\$754	\$1,049
Monterey	\$548	\$641	\$773	\$1,074
Napa	\$619	\$703	\$857	\$1,190
Nevada	\$388	\$531	\$707	\$983
Orange*	\$774	\$845	\$1,046	\$1,455
Placer*	\$486	\$547	\$685	\$950
Plumas	\$342	\$379	\$488	\$680
Riverside	\$456	\$508	\$621	\$861
Sacramento*	\$486	\$547	\$685	\$950
San Benito	\$534	\$628	\$786	\$1,095
San Bernardino	\$456	\$508	\$621	\$861
San Diego*	\$627	\$716	\$896	\$1,247
San Francisco	\$891	\$1,154	\$1,459	\$2,001
San Joaquin	\$422	\$477	\$613	\$853
San Mateo	\$891	\$1,154	\$1,459	\$2,001
San Luis Obispo	\$525	\$593	\$752	\$1,045
Santa Barbara	\$638	\$708	\$897	\$1,250
Santa Clara*	\$1,052	\$1,199	\$1,481	\$2,030
Santa Cruz	\$686	\$817	\$1,091	\$1,517
Shasta	\$387	\$429	\$538	\$747
Sierra	\$310	\$416	\$512	\$711
Siskiyou	\$325	\$379	\$488	\$680
Solano	\$619	\$703	\$857	\$1,190
Sonoma	\$644	\$730	\$946	\$1,315
Stanislaus	\$451	\$485	\$592	\$825
Sutter	\$336	\$393	\$505	\$704
Tehama	\$324	\$379	\$488	\$680
Trinity	\$348	\$379	\$488	\$680
Tulare	\$378	\$402	\$524	\$731
Tuolumne	\$343	\$468	\$624	\$869
Ventura*	\$672	\$773	\$978	\$1,301
Yolo	\$487	\$556	\$688	\$953
Yuba	\$336	\$393	\$505	\$704

\*2001 FMRs for 6 MSAs (9 counties) were adjusted upward to the 50th percentile effective January 2, 2001. Other FMRs were effective October 1, 2000.

**MAKING ENDS MEET**  
**BASIC FAMILY BUDGETS**

## STATEWIDE

	Basic Family Wage*
Single Adult	\$9.86
Single-Parent Family	\$20.89
Two-Parent Family (One Working)	\$17.43
Two Working Parent Family	\$12.51

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

	Single Adult	Single Parent	Two Parents (One Working)	Two Working Parents
<b>Housing/Utilities</b>	<b>\$594</b>	<b>\$867</b>	<b>\$867</b>	<b>\$867</b>
	34.8%	23.9%	28.7%	20.0%
<b>Child Care</b>	<b>\$0</b>	<b>\$859</b>	<b>\$0</b>	<b>\$859</b>
		23.7%		19.8%
<b>Transportation</b>	<b>\$274</b>	<b>\$274</b>	<b>\$274</b>	<b>\$494</b>
	16.1%	7.6%	9.1%	11.4%
<b>Food</b>	<b>\$182</b>	<b>\$445</b>	<b>\$638</b>	<b>\$638</b>
	10.6%	12.3%	21.1%	14.7%
<b>Health Care</b>	<b>\$146</b>	<b>\$347</b>	<b>\$416</b>	<b>\$416</b>
	8.5%	9.6%	13.8%	9.6%
<b>Miscellaneous</b>	<b>\$179</b>	<b>\$341</b>	<b>\$429</b>	<b>\$429</b>
	10.5%	9.4%	14.2%	9.9%
<b>Taxes</b>	<b>\$334</b>	<b>\$487</b>	<b>\$396</b>	<b>\$634</b>
	19.5%	13.5%	13.1%	14.6%
<b>MONTHLY TOTAL</b>	<b>\$1,709</b>	<b>\$3,620</b>	<b>\$3,020</b>	<b>\$4,336</b>
<b>ANNUAL TOTAL</b>	<b>\$20,503</b>	<b>\$43,443</b>	<b>\$36,245</b>	<b>\$52,034</b>

\*Hourly. Assumes 40 hours/week, 52 weeks/year of work. Two working parent wage assumes both parents are employed full time.

**REGION I**

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

	Basic Family Wage*
Single Adult	\$7.98
Single-Parent Family	\$16.37
Two-Parent Family (One Working)	\$14.77
Two Working Parent Family	\$10.30

**Expenses Per Month and as a Percent of Income**

	Single Adult	Single Parent	Two Parents (One Working)	Two Working Parents
<b>Housing/Utilities</b>	<b>\$354</b>	<b>\$566</b>	<b>\$566</b>	<b>\$566</b>
	25.6%	20.0%	22.1%	15.9%
<b>Child Care</b>	<b>\$0</b>	<b>\$650</b>	<b>\$0</b>	<b>\$650</b>
		22.9%		18.2%
<b>Transportation</b>	<b>\$274</b>	<b>\$274</b>	<b>\$274</b>	<b>\$494</b>
	19.8%	9.7%	10.7%	13.8%
<b>Food</b>	<b>\$182</b>	<b>\$445</b>	<b>\$638</b>	<b>\$638</b>
	13.2%	15.7%	24.9%	17.9%
<b>Health Care</b>	<b>\$150</b>	<b>\$291</b>	<b>\$379</b>	<b>\$379</b>
	10.8%	10.3%	14.8%	10.6%
<b>Miscellaneous</b>	<b>\$179</b>	<b>\$341</b>	<b>\$429</b>	<b>\$429</b>
	12.9%	12.0%	16.8%	12.0%
<b>Taxes</b>	<b>\$244</b>	<b>\$269</b>	<b>\$273</b>	<b>\$413</b>
	17.7%	9.5%	10.6%	11.6%
<b>MONTHLY TOTAL</b>	<b>\$1,383</b>	<b>\$2,837</b>	<b>\$2,559</b>	<b>\$3,570</b>
<b>ANNUAL TOTAL</b>	<b>\$16,592</b>	<b>\$34,043</b>	<b>\$30,713</b>	<b>\$42,839</b>

\*Hourly. Assumes 40 hours/week, 52 weeks/year of work. Two working parent wage assumes both parents are employed full time.

## REGION II

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

	Basic Family Wage*
Single Adult	\$7.91
Single-Parent Family	\$16.30
Two-Parent Family (One Working)	\$14.33
Two Working Parent Family	\$10.24

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

	Single Adult	Single Parent	Two Parents (One Working)	Two Working Parents
Housing/Utilities	\$349 25.5%	\$537 19.0%	\$537 21.6%	\$537 15.1%
Child Care	\$0	\$661 23.4%	\$0	\$661 18.6%
Transportation	\$274 20.0%	\$274 9.7%	\$274 11.0%	\$494 13.9%
Food	\$182 13.3%	\$445 15.8%	\$638 25.7%	\$638 18.0%
Health Care	\$146 10.7%	\$300 10.6%	\$382 15.4%	\$382 10.8%
Miscellaneous	\$179 13.0%	\$341 12.1%	\$429 17.3%	\$429 12.1%
Taxes	\$241 17.6%	\$266 9.4%	\$223 9.0%	\$408 11.5%
<b>MONTHLY TOTAL</b>	<b>\$1,371</b>	<b>\$2,825</b>	<b>\$2,484</b>	<b>\$3,549</b>
<b>ANNUAL TOTAL</b>	<b>\$16,457</b>	<b>\$33,897</b>	<b>\$29,806</b>	<b>\$42,588</b>

\*Hourly. Assumes 40 hours/week, 52 weeks/year of work. Two working parent wage assumes both parents are employed full time.

## REGION III

El Dorado, Nevada, Placer,  
Sacramento, Yolo

	Basic Family Wage*
Single Adult	\$8.87
Single-Parent Family	\$18.59
Two-Parent Family (One Working)	\$15.87
Two Working Parent Family	\$11.37

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

	Single Adult	Single Parent	Two Parents (One Working)	Two Working Parents
<b>Housing/Utilities</b>	<b>\$481</b>	<b>\$686</b>	<b>\$686</b>	<b>\$686</b>
	31.3%	21.3%	25.0%	17.4%
<b>Child Care</b>	<b>\$0</b>	<b>\$787</b>	<b>\$0</b>	<b>\$787</b>
		24.4%		20.0%
<b>Transportation</b>	<b>\$274</b>	<b>\$274</b>	<b>\$274</b>	<b>\$494</b>
	17.8%	8.5%	10.0%	12.5%
<b>Food</b>	<b>\$182</b>	<b>\$445</b>	<b>\$638</b>	<b>\$638</b>
	11.8%	13.8%	23.2%	16.2%
<b>Health Care</b>	<b>\$134</b>	<b>\$327</b>	<b>\$390</b>	<b>\$390</b>
	8.7%	10.1%	14.2%	9.9%
<b>Miscellaneous</b>	<b>\$179</b>	<b>\$341</b>	<b>\$429</b>	<b>\$429</b>
	11.6%	10.6%	15.6%	10.9%
<b>Taxes</b>	<b>\$287</b>	<b>\$362</b>	<b>\$333</b>	<b>\$517</b>
	18.7%	11.2%	12.1%	13.1%
<b>MONTHLY TOTAL</b>	<b>\$1,538</b>	<b>\$3,223</b>	<b>\$2,750</b>	<b>\$3,942</b>
<b>ANNUAL TOTAL</b>	<b>\$18,453</b>	<b>\$38,674</b>	<b>\$33,005</b>	<b>\$47,300</b>

\*Hourly. Assumes 40 hours/week, 52 weeks/year of work. Two working parent wage assumes both parents are employed full time.

## REGION IV

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

	Basic Family Wage*
Single Adult	\$11.75
Single-Parent Family	\$25.99
Two-Parent Family (One Working)	\$20.34
Two Working Parent Family	\$14.81

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

	Single Adult	Single Parent	Two Parents (One Working)	Two Working Parents
<b>Housing/Utilities</b>	<b>\$842</b>	<b>\$1,270</b>	<b>\$1,270</b>	<b>\$1,270</b>
	41.3%	28.2%	36.0%	24.7%
<b>Child Care</b>	<b>\$0</b>	<b>\$1,032</b>	<b>\$0</b>	<b>\$1,032</b>
		22.9%		20.1%
<b>Transportation</b>	<b>\$274</b>	<b>\$274</b>	<b>\$274</b>	<b>\$494</b>
	13.5%	6.1%	7.8%	9.6%
<b>Food</b>	<b>\$182</b>	<b>\$445</b>	<b>\$638</b>	<b>\$638</b>
	8.9%	9.9%	18.1%	12.4%
<b>Health Care</b>	<b>\$134</b>	<b>\$329</b>	<b>\$391</b>	<b>\$391</b>
	6.6%	7.3%	11.1%	7.6%
<b>Miscellaneous</b>	<b>\$179</b>	<b>\$341</b>	<b>\$429</b>	<b>\$429</b>
	8.8%	7.6%	12.2%	8.4%
<b>Taxes</b>	<b>\$426</b>	<b>\$815</b>	<b>\$523</b>	<b>\$879</b>
	20.9%	18.1%	14.8%	17.1%
<b>MONTHLY TOTAL</b>	<b>\$2,037</b>	<b>\$4,506</b>	<b>\$3,525</b>	<b>\$5,133</b>
<b>ANNUAL TOTAL</b>	<b>\$24,442</b>	<b>\$54,069</b>	<b>\$42,304</b>	<b>\$61,593</b>

\*Hourly. Assumes 40 hours/week, 52 weeks/year of work. Two working parent wage assumes both parents are employed full time.

## REGION V

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

	Basic Family Wage*
Single Adult	\$8.24
Single-Parent Family	\$16.85
Two-Parent Family (One Working)	\$14.81
Two Working Parent Family	\$10.46

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

	Single Adult	Single Parent	Two Parents (One Working)	Two Working Parents
Housing/Utilities	\$398 27.9%	\$549 18.8%	\$549 21.4%	\$549 15.1%
Child Care	\$0	\$689 23.6%	\$0	\$689 19.0%
Transportation	\$274 19.2%	\$274 9.4%	\$274 10.7%	\$494 13.6%
Food	\$182 12.7%	\$445 15.2%	\$638 24.8%	\$638 17.6%
Health Care	\$139 9.7%	\$334 11.4%	\$400 15.6%	\$400 11.0%
Miscellaneous	\$179 12.5%	\$341 11.7%	\$429 16.7%	\$429 11.8%
Taxes	\$257 18.0%	\$289 9.9%	\$278 10.8%	\$429 11.8%
<b>MONTHLY TOTAL</b>	<b>\$1,428</b>	<b>\$2,921</b>	<b>\$2,568</b>	<b>\$3,627</b>
<b>ANNUAL TOTAL</b>	<b>\$17,139</b>	<b>\$35,049</b>	<b>\$30,811</b>	<b>\$43,528</b>

\*Hourly. Assumes 40 hours/week, 52 weeks/year of work. Two working parent wage assumes both parents are employed full time.

## REGION VI

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

	Basic Family Wage*
Single Adult	\$8.09
Single-Parent Family	\$17.04
Two-Parent Family (One Working)	\$15.23
Two Working Parent Family	\$10.62

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

	Single Adult	Single Parent	Two Parents (One Working)	Two Working Parents
Housing/Utilities	\$373 26.6%	\$609 20.6%	\$609 23.1%	\$609 16.5%
Child Care	\$0	\$686 23.2%	\$0	\$686 18.6%
Transportation	\$274 19.5%	\$274 9.3%	\$274 10.4%	\$494 13.4%
Food	\$182 13.0%	\$445 15.1%	\$638 24.2%	\$638 17.3%
Health Care	\$145 10.3%	\$302 10.2%	\$383 14.5%	\$383 10.4%
Miscellaneous	\$179 12.7%	\$341 11.5%	\$429 16.3%	\$429 11.6%
Taxes	\$250 17.8%	\$296 10.0%	\$306 11.6%	\$445 12.1%
<b>MONTHLY TOTAL</b>	<b>\$1,403</b>	<b>\$2,954</b>	<b>\$2,639</b>	<b>\$3,683</b>
<b>ANNUAL TOTAL</b>	<b>\$16,834</b>	<b>\$35,449</b>	<b>\$31,672</b>	<b>\$44,200</b>

\*Hourly. Assumes 40 hours/week, 52 weeks/year of work. Two working parent wage assumes both parents are employed full time.

## REGION VII

Monterey, San Benito, San Luis Obispo,  
Santa Barbara

	Basic Family Wage*
Single Adult	\$9.76
Single-Parent Family	\$19.05
Two-Parent Family (One Working)	\$16.79
Two Working Parent Family	\$11.71

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

	Single Adult	Single Parent	Two Parents (One Working)	Two Working Parents
<b>Housing/Utilities</b>	<b>\$575</b>	<b>\$814</b>	<b>\$814</b>	<b>\$814</b>
	34.0%	24.6%	28.0%	20.1%
<b>Child Care</b>	<b>\$0</b>	<b>\$747</b>	<b>\$0</b>	<b>\$747</b>
		22.6%		18.4%
<b>Transportation</b>	<b>\$274</b>	<b>\$274</b>	<b>\$274</b>	<b>\$494</b>
	16.2%	8.3%	9.4%	12.2%
<b>Food</b>	<b>\$182</b>	<b>\$445</b>	<b>\$638</b>	<b>\$638</b>
	10.8%	13.5%	21.9%	15.7%
<b>Health Care</b>	<b>\$152</b>	<b>\$295</b>	<b>\$385</b>	<b>\$385</b>
	9.0%	8.9%	13.2%	9.5%
<b>Miscellaneous</b>	<b>\$179</b>	<b>\$341</b>	<b>\$429</b>	<b>\$429</b>
	10.6%	10.3%	14.7%	10.6%
<b>Taxes</b>	<b>\$329</b>	<b>\$385</b>	<b>\$370</b>	<b>\$552</b>
	19.5%	11.7%	12.7%	13.6%
<b>MONTHLY TOTAL</b>	<b>\$1,691</b>	<b>\$3,302</b>	<b>\$2,910</b>	<b>\$4,058</b>
<b>ANNUAL TOTAL</b>	<b>\$20,294</b>	<b>\$39,626</b>	<b>\$34,916</b>	<b>\$48,700</b>

\*Hourly. Assumes 40 hours/week, 52 weeks/year of work. Two working parent wage assumes both parents are employed full time.

## REGION VIII

### Los Angeles

	Basic Family Wage*
Single Adult	\$9.28
Single-Parent Family	\$20.60
Two-Parent Family (One Working)	\$16.93
Two Working Parent Family	\$12.37

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

	Single Adult	Single Parent	Two Parents (One Working)	Two Working Parents
<b>Housing/Utilities</b>	<b>\$516</b>	<b>\$782</b>	<b>\$782</b>	<b>\$782</b>
	32.1%	21.9%	26.7%	18.2%
<b>Child Care</b>	<b>\$0</b>	<b>\$891</b>	<b>\$0</b>	<b>\$891</b>
		25.0%		20.8%
<b>Transportation</b>	<b>\$274</b>	<b>\$274</b>	<b>\$274</b>	<b>\$494</b>
	17.0%	7.7%	9.3%	11.5%
<b>Food</b>	<b>\$182</b>	<b>\$445</b>	<b>\$638</b>	<b>\$638</b>
	11.3%	12.5%	21.7%	14.9%
<b>Health Care</b>	<b>\$152</b>	<b>\$365</b>	<b>\$435</b>	<b>\$435</b>
	9.4%	10.2%	14.8%	10.1%
<b>Miscellaneous</b>	<b>\$179</b>	<b>\$341</b>	<b>\$429</b>	<b>\$429</b>
	11.1%	9.5%	14.6%	10.0%
<b>Taxes</b>	<b>\$307</b>	<b>\$472</b>	<b>\$376</b>	<b>\$620</b>
	19.1%	13.2%	12.8%	14.4%
<b>MONTHLY TOTAL</b>	<b>\$1,609</b>	<b>\$3,570</b>	<b>\$2,934</b>	<b>\$4,288</b>
<b>ANNUAL TOTAL</b>	<b>\$19,311</b>	<b>\$42,845</b>	<b>\$35,207</b>	<b>\$51,459</b>

\*Hourly. Assumes 40 hours/week, 52 weeks/year of work. Two working parent wage assumes both parents are employed full time.

**REGION IX**

Orange, Riverside, San Bernardino, Ventura

	Basic Family Wage*
Single Adult	\$10.04
Single-Parent Family	\$20.38
Two-Parent Family (One Working)	\$17.33
Two Working Parent Family	\$12.26

**Expenses Per Month and as a Percent of Income**

	Single Adult	Single Parent	Two Parents (One Working)	Two Working Parents
<b>Housing/Utilities</b>	<b>\$611</b>	<b>\$836</b>	<b>\$836</b>	<b>\$836</b>
	35.1%	23.7%	27.8%	19.7%
<b>Child Care</b>	<b>\$0</b>	<b>\$810</b>	<b>\$0</b>	<b>\$810</b>
		22.9%		19.1%
<b>Transportation</b>	<b>\$274</b>	<b>\$274</b>	<b>\$274</b>	<b>\$494</b>
	15.8%	7.8%	9.1%	11.6%
<b>Food</b>	<b>\$182</b>	<b>\$445</b>	<b>\$638</b>	<b>\$638</b>
	10.5%	12.6%	21.2%	15.0%
<b>Health Care</b>	<b>\$152</b>	<b>\$365</b>	<b>\$435</b>	<b>\$435</b>
	8.7%	10.3%	14.5%	10.2%
<b>Miscellaneous</b>	<b>\$179</b>	<b>\$341</b>	<b>\$429</b>	<b>\$429</b>
	10.3%	9.6%	14.3%	10.1%
<b>Taxes</b>	<b>\$343</b>	<b>\$461</b>	<b>\$392</b>	<b>\$608</b>
	19.7%	13.1%	13.1%	14.3%
<b>MONTHLY TOTAL</b>	<b>\$1,741</b>	<b>\$3,532</b>	<b>\$3,004</b>	<b>\$4,249</b>
<b>ANNUAL TOTAL</b>	<b>\$20,888</b>	<b>\$42,380</b>	<b>\$36,052</b>	<b>\$50,993</b>

\*Hourly. Assumes 40 hours/week, 52 weeks/year of work. Two working parent wage assumes both parents are employed full time.

## REGION X

Imperial, San Diego

	Basic Family Wage*
Single Adult	\$10.06
Single-Parent Family	\$21.16
Two-Parent Family (One Working)	\$17.63
Two Working Parent Family	\$12.65

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

	Single Adult	Single Parent	Two Parents (One Working)	Two Working Parents
Housing/Utilities	\$613 35.2%	\$878 24.0%	\$878 28.7%	\$878 20.0%
Child Care	\$0	\$866 23.6%	\$0	\$866 19.7%
Transportation	\$274 15.7%	\$274 7.5%	\$274 9.0%	\$494 11.3%
Food	\$182 10.4%	\$445 12.1%	\$638 20.9%	\$638 14.5%
Health Care	\$152 8.7%	\$361 9.9%	\$433 14.2%	\$433 9.9%
Miscellaneous	\$179 10.3%	\$341 9.3%	\$429 14.0%	\$429 9.8%
Taxes	\$344 19.7%	\$501 13.7%	\$405 13.2%	\$648 14.8%
<b>MONTHLY TOTAL</b>	<b>\$1,744</b>	<b>\$3,667</b>	<b>\$3,057</b>	<b>\$4,386</b>
<b>ANNUAL TOTAL</b>	<b>\$20,923</b>	<b>\$44,004</b>	<b>\$36,681</b>	<b>\$52,633</b>

\*Hourly. Assumes 40 hours/week, 52 weeks/year of work. Two working parent wage assumes both parents are employed full time.