



Making Ends Meet

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

**A Publication of the California Budget Project
Revised November 2005**

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CALIFORNIA BUDGET PROJECT

The California Budget Project 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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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 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.¹ In providing 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 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, 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 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.² Since housing and other costs vary tremendously throughout California, this report provides budgets for 10 regions within the state. While an overall state estimate is also included (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 Two Working Parent California Family
Total = \$5,327

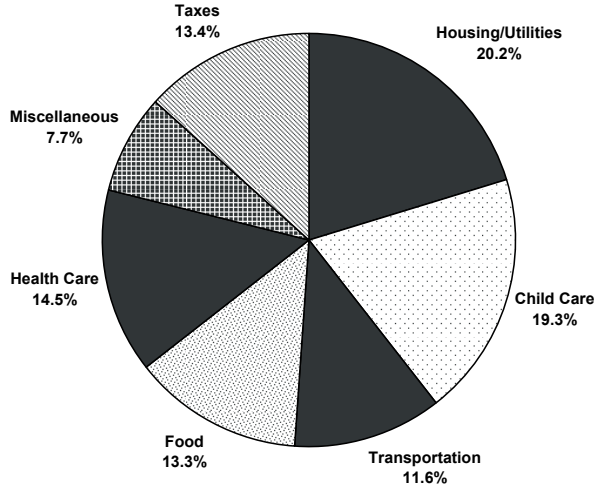


Figure 1b: Monthly Budget for a Two-Parent California Family (One Working Parent)
Total = \$3,677

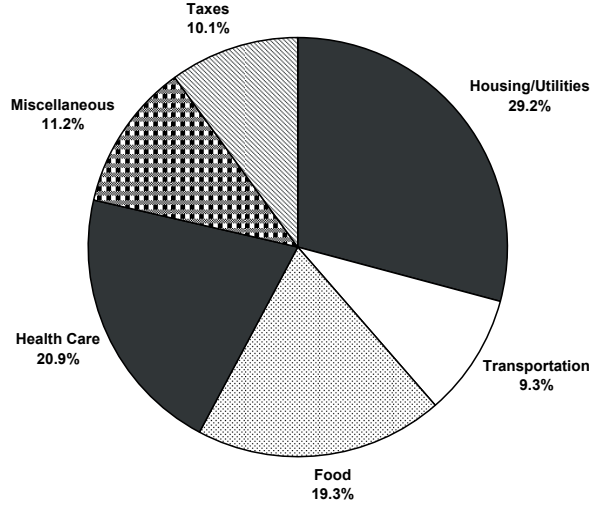


Figure 1c: Monthly Budget for a Single-Parent California Family
Total = \$4,499

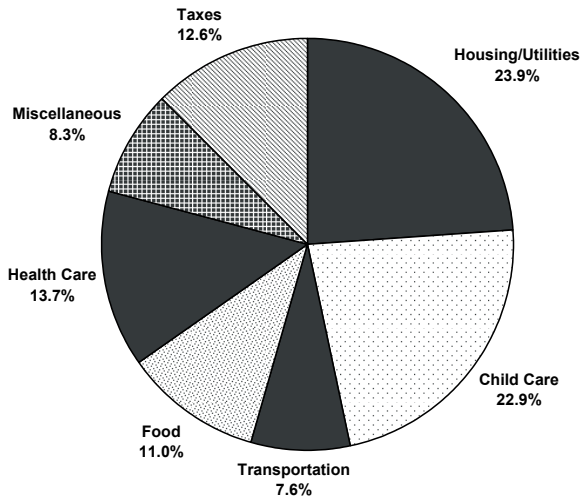
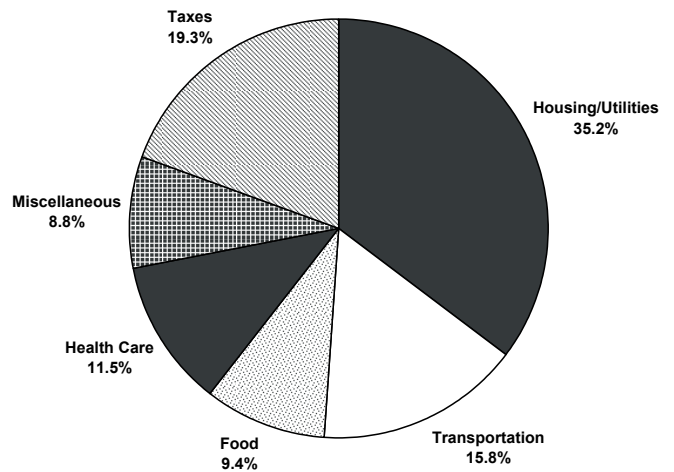


Figure 1d: Monthly Budget for a Single California Adult
Total = \$2,156



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 \$63,921, equivalent to both parents working full-time for an hourly wage of \$15.37. Regional estimates range from \$51,551 to \$70,708 (\$12.39 to \$17.00 per hour for each parent).
- A two-parent family with one employed parent needs an annual income of \$44,130, equivalent to an hourly wage of \$21.22. Regional estimates range from \$36,845 to \$46,919 (\$17.71 to \$22.56 per hour).
- A single-parent family needs an annual income of \$53,987, equivalent to an hourly wage of \$25.96. Regional estimates range from \$42,077 to \$62,969 (\$20.23 to \$30.27 per hour).
- A single adult needs an annual income of \$25,867, equivalent to an hourly wage of \$12.44. Regional estimates range from \$20,304 to \$27,901 (\$9.76 to \$13.41 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 (\$6.75 per hour). The hourly wage required by single parents, employed parents in a family where both parents work, and the employed parent in a two-parent family where only one parent works also exceeds the 2004 median hourly wage (\$15.06) for California workers (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 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.

	Hourly Wage	Annual Income
Basic Family Budget for a Two-Parent Family Where Both Parents Work*	\$15.37	\$63,921
Basic Family Budget for a Two-Parent Family Where One Parent Works*	\$21.22	\$44,130
Basic Family Budget for a Single-Parent Family	\$25.96	\$53,987
Basic Family Budget for a Single Adult	\$12.44	\$25,867
2005 California Minimum Wage	\$6.75	\$14,040
2004 California Median Hourly Wage	\$15.06	\$31,325
2004 Federal Poverty Threshold for a Family of Three***	\$7.32	\$15,219
2004 Federal Poverty Threshold for a Family of Four***	\$9.21	\$19,157

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

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

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

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.

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. Many of these families rely on Medi-Cal, child care assistance, and other public programs in order to make ends meet. The California Budget Project's (CBP) basic family budget wage 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 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 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 policies and 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 two working parent family with two children, a two-parent family with one working parent and 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. 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 Technology, Trade, and Commerce Agency, with modest modifications.³ The basic family budget for each region is based on the weighted average of the costs of the items comprising the basic family budget for the counties within each region. 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 2005 Fair Market Rents (FMRs).⁴ FMRs are published annually by the US Department of Housing and Urban Development (HUD) and provide an estimate 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 2005, HUD has set FMR values at the 50th percentile in some metropolitan areas where affordable housing can be difficult to obtain.⁵ In this report, the FMRs for each county were weighted by population and then averaged to obtain a regional estimate of housing costs. A number of FMRs declined between 2004 and 2005 due to changes in methodology, including revisions based on 2000 Census data.⁶ 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 estimates 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.⁷ For families with older children of the opposite sex, living in a two-bedroom apartment would require children 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 two-bedroom apartment costs \$316 per month (\$3,792 per year) more than a studio unit and a three-bedroom unit costs \$426 per month (\$5,107 per year) more than a two-bedroom.⁸ 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 2003, 39.7 percent of all California renters spent 35 or more of their income on rent.⁹

This report assumes that families rent, rather than own, their homes. For many families, homeownership remains a dream and California's homeownership rate, at 59.7 percent, is the second lowest among the 50 states.¹⁰ The income needed to purchase a median-priced home varies significantly according to the region and the amount of the down payment a family is able to afford (Table 3). The affordability gap has widened throughout California over the past two years as home prices continue to rise.¹¹ In Sacramento County, the affordability gap increased from \$1,449 to \$21,456, while in the Riverside and San Bernardino area the gap is now \$27,474, up from \$2,520. Assuming a down payment of 5 percent, the affordability gap for the Santa Clara area is nearly \$70,000. The gap for the San Diego

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

County	March 2005 Median Home Price*	2005 Area Median 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
Fresno	\$324,640	\$45,900	\$65,451	\$19,551	\$77,722	\$31,822
Los Angeles	\$466,250	\$54,450	\$94,000	\$39,550	\$111,625	\$57,175
Riverside/San Bernardino	\$347,200	\$55,650	\$69,999	\$14,349	\$83,124	\$27,474
Sacramento	\$357,360	\$64,100	\$72,047	\$7,947	\$85,556	\$21,456
San Diego	\$588,800	\$63,400	\$118,707	\$55,307	\$140,965	\$77,565
Santa Clara	\$733,000	\$105,500	\$147,780	\$42,280	\$175,488	\$69,988

*California Association of Realtors (March 2005), downloaded from www.car.org/index.php?id=MzQ4NTE= on May 17, 2005.

**2005 Area Median Income as defined by the U.S. Department of Housing and Urban Development (HUD).

***"Income Needed" assumes a 5.82 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 interest rate was reported on Freddie Mac's Weekly Primary Mortgage Market Survey located at www.freddiemac.com/dlink/html/PMMS/display/PMMSOutputYr.jsp. The monthly payment was calculated using Fannie Mae's *How Much is Your Monthly Payment?* calculator located at <http://www.mortgagecontent.net/scApplication/fanniemae/index.jsp>.

area - \$77,565 - exceeds the median income of 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.¹² The added costs of homeownership also can make affording a home difficult. In Los Angeles, the increased cost of a mortgage payment as compared to the rent on a two-bedroom apartment would require a family to forgo approximately \$1,069 in other basic necessities each month (Table 4). Moreover, homeowners face additional 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 upon the 2002 California Child Care Resource and Referral Network’s weekly estimates for full-time infant care and part-time care for school-age children, adjusted for inflation using the Consumer Price Index for child care. This report also 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.¹³ For the state as a whole, child care consumes 19 percent of a two working parent family’s basic budget and 23 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 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 reports do not account for the long commutes and family vacations that are the norm for many California families. Transportation costs are based on the 2005 Internal Revenue Service mileage allowance of 40.5 cents per mile.¹⁴ However, Californians face much higher gas prices than the rest of the country, which is not reflected in the national IRS rate. In July of 2005, regular gas prices in California exceeded the national average by 23 cents per gallon.¹⁵

	Monthly Mortgage Payment for Median Priced Home of \$466,250 (20% Down)	Monthly Rent for a Two-Bedroom Apartment (Fair Market Rent)	Additional Monthly Cost of Homeownership
Los Angeles County	\$2,193	\$1,124	\$1,069

Source: The monthly payment was calculated using Fannie Mae’s *How Much is Your Monthly Payment?* calculator located at <http://www.mortgagecontent.net/scApplication/fanniemaef/index.jsp>. The Fair Market Rent value was downloaded from <http://www.huduser.org/datasets/fmr.html> on June 13, 2005.

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-parents, two-parent families with one worker, and single adults drive 832 miles per month on average. The estimate reflects 787 miles per month in home to work driving and errands and 45 miles per month of weekend driving at a cost of \$337 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 674 miles per month at a cost of \$273 per month.

The overwhelming majority of commuters in California travel to work by car rather than bus. Even in San Francisco County, where public transit is the most readily accessible, a recent survey found that 43.3 percent of commuters drive alone to work (Table 5).¹⁶ While bus transportation may be less expensive, it may not be convenient or reliable. In the San Diego area, only 6.9 percent of commuters with incomes of less than \$30,000 commute by public transportation.¹⁷ 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 12 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.

How Do Californians Commute?*	Public Transit	Drive Alone
San Francisco County	30.1%	43.3%
Tulare County	0.7%	72.7%
How Much Does it Cost to Commute by Public Transit?***		
Butte County (Chico Area Transit System)	\$40	
Fresno County (Fresno Area Express)	\$70	
Los Angeles County (Metropolitan Transportation Authority)	\$72	
San Diego County (Metropolitan Transit System)	\$113	
San Francisco Bay Area (Bay Area Rapid Transit)	\$165	
How Much Does it Cost to Commute by Car?		
Cost of Driving 661 miles per month at the 2005 IRS Reimbursement Rate of 40.5 cents per mile***		\$268

*County estimates on commute method were downloaded from the 2003 American Community Survey at www.census.gov/acs/www/Products/Profiles/Single/2003/ACS on May 19, 2005.

**Chico Area Transit System information downloaded from www.bcag.org/_transit/Local_Transit_Services/Chico_Area_Transit_-_CATS.html. Fresno Area Express information downloaded from www.fresno.gov/fax/passes.asp. Metropolitan Transportation Authority information downloaded from www.mta.net/riding_metro/riders_guide/paying_fare.htm#TopOfPage. San Diego County Transit System information downloaded from www.sdcommute.com/Rider_Information/Fares/Index.asp. Bay Area Rapid Transit information downloaded from www.bart.gov/tickets/types/types.asp. Rates for monthly passes for one adult and one school age child (children under 2 generally ride free), except BART where monthly passes are unavailable. For BART it was assumed that the individual is traveling from San Leandro to San Francisco (full fare of \$7.00 round trip per day was discounted based on purchase of applicable discount tickets) five days a week.

***IRS reimbursement rate for 2005 downloaded from <http://www.irs.gov/newsroom/article/0,,id=131232,00.html>

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 March 2005 US Department of Agriculture (USDA) Low Cost Food Plan.¹⁸ Estimates include the cost of food for 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 2 and one child is between 6

and 11 years of age. Estimated costs of food consumed away from home were calculated using the 2002 Consumer Expenditure Survey (CES) and adjusted for inflation prices using the Consumer Price Index for Food Away from Home (\$22.40 per week for single-parent families, \$29.87 per week for two-parent families, \$7.47 per week for single adults).¹⁹ 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.²⁰ 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 13 percent of a two working parent family's budget, 19 percent of a two-parent (one working) family's budget, 11 percent of a single-parent family's budget, and 9 percent of a single adult's budget.

Health Care

This report assumes that families purchase 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.²¹ Those with a family member who has a significant illness or other health condition, if they are able to obtain coverage, may pay substantially more. Out-of-pocket expenses are based on an average cost of generic and brand name drugs for prescription co-payments for doctor visits and an average of the cost of generic and brand drugs for prescription medications.²² The basic family budget's estimate for out-of-pocket costs is conservative. Most health plans available to individuals require a co-payment 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 hospitalization, mental health treatment, or other services that can cost families hundreds or thousands of dollars per year.

Just over half (54.5 percent) of non-elderly adult Californians and approximately half (50.8 percent) of California's children had job-based coverage through their own job, that of a spouse, or that of a parent for all of 2003.²³ While many families have job-based health coverage, most employers that provide health coverage require employees to pay a portion of the cost. In 2003, California workers paid, on average, 28.8 percent of the cost of employment-based family coverage.²⁴

California had the ninth highest percentage of persons lacking health coverage in the nation at 18.4 percent in 2003.²⁵ Moreover, low-income families are less likely to be insured than their wealthier counterparts. The lower a family's income, the less likely it is to have employer-sponsored health coverage. Over one-fifth (20.6 percent) of non-elderly Californians in families with incomes between 100 and 199 percent of the Federal Poverty Level (FPL) lacked health coverage for all of 2003.²⁶ Less than one-third (30.9 percent) had employment-based coverage for the full year. In contrast, just 4.0 percent of non-elderly Californians with incomes at or above 300 percent of the FPL were uninsured for all of 2003. Only 5.4 percent of non-elderly Californians were covered by privately purchased health coverage for all of 2003.²⁷ 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 of the two-parent (one working) 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 (\$40,225 for a family of three and \$48,375 for a family of four in 2005). In 2002, California received a federal waiver allowing expansion of the Healthy Families Program to parents with household incomes up to 200 percent of FPL, although this expansion has not

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)	\$636
Average monthly employee contribution for employer-sponsored family coverage	\$204
Average monthly employer contribution for family coverage	\$504

Source: The basic family budget estimate comes from a statewide weighted average for individually purchased health insurance on the private market using the rates for Kaiser and Blue Cross HMO plans. Average monthly employee and employer contributions were calculated using data from The Kaiser Family Foundation and Health Research and Educational Trust, *California Employer Health Benefits Survey, 2003* (March 2004), Chart #11.

been implemented due to budget constraints. In 2003, approximately 225,000 children were eligible for, but not enrolled in, the Healthy Families Program.²⁸ Enrollment in the Healthy Families Program could greatly reduce the costs of health care for several of the family budgets estimated in this report, especially if eligibility were expanded to include families of slightly higher incomes (Table 7).

The estimated cost of health care is the weighted average of the cost for counties within each region. Health care costs consume 15 percent of a two working parent family's budget, 21 percent of a two-parent (one working) family's budget, 14 percent of a single-parent family's budget, and 12 percent of a single adult's budget.

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

Region VIII Costs of Living	Single Parent with Two Children Purchasing Private Health Coverage	Single Parent Purchasing Individual Private Coverage with Two Children Enrolled in Healthy Families
Health Care	\$545	\$222
Monthly Income	\$4,502	\$4,039
Annual Income	\$54,019	\$48,466
Annual Difference	\$5,553	

Source: The Healthy Families estimate is based on the premium charged to a single-parent family with two children living in Los Angeles County with a monthly income of \$2,500. The estimate assumes the children are enrolled in Kaiser with a premium of \$18 per month to cover both children and a co-payment of \$5 for doctor visits and prescription drugs. The estimates assumes that the parent purchases private health coverage.

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 3 to 5 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 2002 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 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" 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. The cost of miscellaneous expenses is assumed constant throughout the state. The CBP's basic family budget makes no provision for entertainment, although the 2002 Consumer Expenditure Survey estimates that a three-person family spends \$192 per month and a four-person family spends \$244 per month on entertainment, such as movie rentals, toys, and television.

Based on the averages determined in this report, household and miscellaneous costs consume 8 percent of a two working parent family's budget, 11 percent of a two-parent (one working) family's budget, 8 percent of a single-parent family's budget, and 9 percent of a single adult's budget.

Table 8: What Is Included Under Miscellaneous Expenses?

Item	Single Adult	Single-Parent Family	Two-Parent Family
Clothing and Services	\$74.96	\$182.89	\$193.71
Education and Reading	\$28.77	\$46.27	\$56.04
Personal Care	\$27.12	\$53.46	\$59.66
Housekeeping Supplies	\$22.32	\$45.56	\$55.89
Phone	\$24.95	\$24.95	\$24.95
Other	\$10.70	\$21.39	\$21.39
Total	\$188.82	\$374.52	\$411.65

Source: Consumer Expenditure Survey, 2002, Table 4, downloaded from www.bls.gov/cex/csxann02.pdf on May 20, 2005 adjusted for inflation.

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 2005 tax rates, while federal and state income taxes are based on 2004 levels, since 2005 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 for which they are eligible. The estimates also assume that single working parents and two working parent households claim federal and state Child and Dependent Care Tax Credits.

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 \$59,910 or less in 2004 were eligible for a \$120 credit and single adults with incomes of \$29,955 or less in 2004 were eligible for a \$60 credit.

None of the families presented in this report qualify for the federal Earned Income Tax Credit (EITC), a refundable tax credit that assists low-income families with earnings from work. In order to claim the EITC, families must have had incomes of less than the \$35,458 limit if they have more than one qualifying child, or \$12,490 limit for adults without qualifying children in 2004.²⁹

Income and payroll taxes account for 13 percent of a two working parent family's budget, 10 percent of a two-parent (one working) family's budget, 13 percent of a single-parent family's budget, and 19 percent of a single adult's budget. For two working parent families, payroll taxes account for over half of taxes owed (Figure 2). Most of the families presented in this report pay very little in state income taxes. Single-parent families in five of the 10 regions owed no state income taxes. In eight regions, two-

parent families with one worker owed no state income taxes, and in three regions, two-working parent families did not owe state income taxes. All of the single adults 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. For example, a two working parent family in Region IV (Bay Area) pays \$10,689 in taxes per year, while a two working parent family in Region II (the Northern Sacramento Valley) pays \$5,246 in taxes per year. Families in high-cost of living regions paid more in taxes, due to their higher incomes.

California has very high tax thresholds, particularly for families with children.³⁰ A two-parent family with two children claiming the Renters' Tax Credit did not owe California income taxes in 2004 unless their income exceeded \$44,480. Their tax threshold would be \$55,691 if they qualified for the maximum state Child and Dependent Care Tax Credit. A single-parent with two children did not owe 2004 state income taxes unless their income exceeded \$42,380, or \$51,467 if they claimed the maximum state child care credit. The tax threshold for a single adult was \$13,515 for individuals claiming the Renters' Tax Credit in 2004. 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.

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

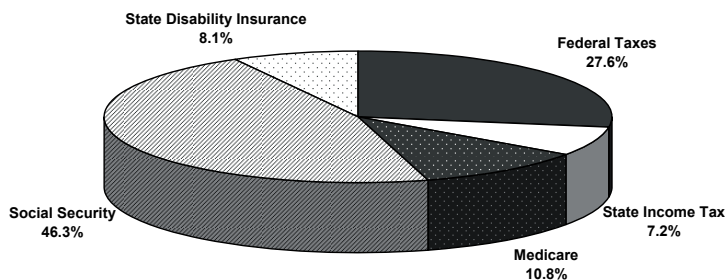


Table 9: How Much Do Families Pay in Taxes? (Annual, Based on Statewide Estimate)							
	Annual Income	State Income Taxes Owed*	Federal Income Taxes Owed**	Medicare	Social Security	State Disability Insurance	Total Taxes Owed
Single Adult	\$25,867	\$410	\$2,330	\$375	\$1,604	\$279	\$4,998
Single-Parent Family	\$53,987	\$174	\$1,921	\$783	\$3,347	\$583	\$6,808
Two-Parent Family (One Working)	\$44,130	\$0	\$589	\$640	\$2,736	\$477	\$4,442
Two-Parent Family (Both Working)	\$63,921	\$614	\$2,358	\$927	\$3,963	\$690	\$8,552

*Includes State Renters' 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.

Numbers may not total due to rounding.

Endnotes

- ¹ Previous California Budget Project (CBP) reports have investigated trends and characteristics of California families that live below 200 percent of the federal poverty level (FPL) despite significant work effort. See California Budget Project, *Working Hard, Falling Short: Investing in California's Working Families* (January 2005).
- ² The 2005 edition of *Making Ends Meet* uses the same methodology, with minor exceptions, as was used in the 2003 edition.
- ³ California Employment Development Department, *Collaborating to Succeed in the New Economy: Findings of the Regional Economic Development Survey* (May 2000), downloaded from www.film.ca.gov/ttca/pdfs/detail/ersi/regionalecondevsurvey.pdf on July 18, 2005 and Employment Development Department, *Occupational Outlook Reports* (2003), downloaded from www.calmis.ca.gov/htmlfile/ccois/oor.htm on July 18, 2005.
- ⁴ US Department of Housing and Urban Development, *Fair Market Rents for the Housing Choice Voucher Program and Moderate Rehabilitation Single Room Occupancy Program Fiscal Year 2005* (Federal Register: February 28, 2005), downloaded from www.gpoaccess.gov/fr/index.html.
- ⁵ US Department of Housing and Urban Development, *Fair Market Rents for the Housing Choice Voucher Program and Moderate Rehabilitation Single Room Occupancy Program Fiscal Year 2005* (Federal Register: February 28, 2005), downloaded from www.gpoaccess.gov/fr/index.html. Counties where the 50th percentile is used include Alameda, Contra Costa, El Dorado, Orange, Placer, Sacramento, San Diego, Santa Clara, and Ventura.
- ⁶ 2005 marks the first time that HUD used data from the 2000 Census to calculate FMRs.
- ⁷ US Department of Housing and Urban Development, *Housing Choice Voucher Program Guidebook*, downloaded from <http://www.hud.gov/offices/pih/programs/hcv/forms/guidebook.cfm> on May 31, 2005, p. 10-6.
- ⁸ Rents are the weighted average of FMRs by county weighted by population.
- ⁹ US Bureau of the Census, American Community Survey 2003 Data Profile, California, Table 4. *Selected Housing Characteristics*, downloaded from www.census.gov/acs/www/Products on May 18, 2005.
- ¹⁰ US Bureau of the Census, *Homeownership Rates by State: 1984 to 2004*, downloaded from www.census.gov/hhes/www/housing on May 17, 2005. The US homeownership rate for 2004 was 69.0 percent.
- ¹¹ The affordability gap measures the difference between Area Median Income and the income needed to purchase the median priced home.
- ¹² The smaller the down payment, the higher the principal which must be paid off; moreover, typically loans with less than a 20 percent down payment require mortgage insurance, which adds to the monthly cost of housing.
- ¹³ Child care rates were not available for some counties with relatively small populations.
- ¹⁴ The IRS reimbursement rate reflects the cost of gasoline, oil, tires, repairs, insurance, depreciation, and related expenses.
- ¹⁵ California Energy Commission, *Weekly Transportation Fuels Trend*, downloaded from www.energy.ca.gov/gasoline on July 7, 2005.
- ¹⁶ US Bureau of the Census, American Community Survey 2003 Data Profile, San Francisco County, Table 3. *Selected Economic Characteristics*, downloaded from www.census.gov/acs/www/Products on May 19, 2005.
- ¹⁷ US Bureau of the Census, *2000 Census Transportation Planning Package Part 3, Summary Level 050*. Compiled by the San Diego Association of Governments.
- ¹⁸ US Department of Agriculture, Official *USDA Food Plans: Cost of Food at Home at Four Levels, U.S. Average, March 2005* (April 2005), downloaded from www.usda.gov/cnpp on May 20, 2005.
- ¹⁹ 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 www.bls.gov/cpi/ on May 20, 2005. Expenditures are expressed in 2005 dollars.
- ²⁰ Household income for the second quintile in the 2002 CES ranges from \$14,599 to \$28,343.
- ²¹ This report assumes that families purchase coverage from Kaiser Permanente where it is available. For the remainder of the state, the report assumes that families purchase Blue Cross of California's HMO Saver plan. The cost for coverage through Kaiser is based on a plan with a \$250 deductible for selected services.
- ²² Donald K. Cherry and David A. Woodwell, US Department of Health and Human Services, Division of Health Care Statistics, *National Ambulatory Medical Care Survey: 2002 Summary*, Centers for Disease Control and Prevention (August 2004).
- ²³ UCLA Center for Health Policy Research, *The State of Health Insurance in California Findings from the 2003 California Health Interview Survey*, downloaded from http://www.healthpolicy.ucla.edu/pubs/files/SHIC03_RT_081505.pdf on August 22, 2005, pp. 27 and 41.
- ²⁴ Kaiser Family Foundation and Health Research and Educational Trust, *California Employer Health Benefits Survey, 2003* (March 2004), Chart #11.
- ²⁵ U.S. Bureau of the Census, *Health Insurance Coverage by State for All People: 2003*, downloaded from <http://pubdb3.census.gov/macro/032004/health/toc.htm> on May 24, 2005.
- ²⁶ UCLA Center for Health Policy Research, *The State of Health Insurance in California Findings from the 2003 California Health Interview Survey*, downloaded from http://www.healthpolicy.ucla.edu/pubs/files/SHIC03_RT_081505.pdf on August 22,

2005, p. 17. In 2003, the FPL was \$9,573 for one person, \$14,824 for a three-person family with two children, and \$18,660 for a four-person family with two children.

²⁷ UCLA Center for Health Policy Research, *The State of Health Insurance in California Findings from the 2003 California Health Interview Survey*, downloaded from http://www.healthpolicy.ucla.edu/pubs/files/SHIC03_RT_081505.pdf on August 22, 2005, p. 11.

²⁸ UCLA Center for Health Policy Research, *California Health Interview Survey, Eligibility of Uninsured Under 65 for Medi-Cal/Health Families*, downloaded from www.chis.ucla.edu on June 15, 2005.

²⁹ The maximum eligibility level for families with one child was \$31,338 in 2004 tax year.

³⁰ A tax threshold is the income level at which a family begins to have an income tax liability.

Appendix A: 2005 California Fair Market Rents

County	0-BR FMR	1-BR FMR	2-BR FMR	3-BR FMR
Alameda*	\$945	\$1,132	\$1,342	\$1,870
Alpine	\$482	\$541	\$690	\$984
Amador	\$519	\$609	\$799	\$1,161
Butte	\$457	\$544	\$656	\$925
Calaveras	\$530	\$531	\$638	\$930
Colusa	\$484	\$486	\$632	\$816
Contra Costa*	\$945	\$1,132	\$1,342	\$1,870
Del Norte	\$474	\$480	\$621	\$904
El Dorado*	\$707	\$812	\$971	\$1,403
Fresno	\$474	\$519	\$616	\$897
Glenn	\$414	\$425	\$559	\$727
Humboldt	\$440	\$515	\$678	\$972
Imperial	\$456	\$516	\$636	\$875
Inyo	\$435	\$456	\$593	\$864
Kern	\$470	\$507	\$604	\$873
Kings	\$479	\$510	\$592	\$863
Lake	\$435	\$510	\$664	\$962
Lassen	\$423	\$496	\$652	\$948
Los Angeles	\$746	\$900	\$1,124	\$1,510
Madera	\$474	\$519	\$616	\$897
Marin	\$1,000	\$1,229	\$1,539	\$2,055
Mariposa	\$482	\$541	\$690	\$984
Mendocino	\$486	\$600	\$729	\$995
Merced	\$444	\$506	\$615	\$877
Modoc	\$420	\$464	\$607	\$865
Mono	\$567	\$683	\$872	\$1,195
Monterey	\$801	\$901	\$1,035	\$1,462
Napa	\$784	\$857	\$1,006	\$1,396
Nevada	\$545	\$636	\$838	\$1,210
Orange*	\$979	\$1,098	\$1,317	\$1,885
Placer*	\$707	\$812	\$971	\$1,403
Plumas	\$431	\$505	\$665	\$970
Riverside	\$580	\$638	\$752	\$1,058
Sacramento*	\$707	\$812	\$971	\$1,403
San Benito	\$589	\$797	\$887	\$1,257
San Bernardino	\$580	\$638	\$752	\$1,058
San Diego*	\$854	\$975	\$1,183	\$1,725
San Francisco	\$1,000	\$1,229	\$1,539	\$2,055
San Joaquin	\$522	\$595	\$734	\$1,008
San Luis Obispo	\$620	\$733	\$893	\$1,301
San Mateo	\$1,000	\$1,229	\$1,539	\$2,055
Santa Barbara	\$801	\$895	\$1,004	\$1,322
Santa Clara*	\$942	\$1,107	\$1,313	\$1,889
Santa Cruz	\$876	\$1,033	\$1,347	\$1,939
Shasta	\$449	\$523	\$636	\$928
Sierra	\$510	\$595	\$785	\$1,112
Siskiyou	\$376	\$451	\$577	\$821
Solano	\$784	\$857	\$1,006	\$1,396
Sonoma	\$751	\$914	\$1,154	\$1,638
Stanislaus	\$546	\$603	\$710	\$1,018
Sutter	\$423	\$477	\$587	\$854
Tehama	\$394	\$448	\$585	\$850
Trinity	\$427	\$448	\$588	\$807
Tulare	\$465	\$520	\$605	\$865
Tuolumne	\$469	\$557	\$720	\$995
Ventura*	\$986	\$1,093	\$1,382	\$2,011
Yolo	\$658	\$696	\$851	\$1,240
Yuba	\$423	\$477	\$587	\$854

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

MAKING ENDS MEET
BASIC FAMILY BUDGETS

STATEWIDE

	Basic Family Wage*
Single Adult	\$12.44
Single-Parent Family	\$25.96
Two-Parent Family (One Working)	\$21.22
Two Working Parent Family	\$15.37

Expenses Per Month and as a Percentage of Income

	Single Adult	Single Parent	Two Parents (One Working)	Two Working Parents
Housing/Utilities	\$759 35.2%	\$1,075 23.9%	\$1,075 29.2%	\$1,075 20.2%
Child Care	\$0 0.0%	\$1,030 22.9%	\$0 0.0%	\$1,030 19.3%
Transportation	\$341 15.8%	\$341 7.6%	\$341 9.3%	\$618 11.6%
Food	\$203 9.4%	\$496 11.0%	\$710 19.3%	\$710 13.3%
Health Care	\$248 11.5%	\$616 13.7%	\$770 20.9%	\$770 14.5%
Miscellaneous	\$189 8.8%	\$375 8.3%	\$412 11.2%	\$412 7.7%
Taxes	\$417 19.3%	\$567 12.6%	\$370 10.1%	\$713 13.4%
MONTHLY TOTAL	\$2,156	\$4,499	\$3,677	\$5,327
ANNUAL TOTAL	\$25,867	\$53,987	\$44,130	\$63,921

*Hourly. Assumes 40 hours/week, 52 weeks/year of work. Two working parent wage denotes 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

	Basic Family Wage*
Single Adult	\$ 9.76
Single-Parent Family	\$21.02
Two-Parent Family (One Working)	\$18.65
Two Working Parent Family	\$12.63

Expenses Per Month and as a Percentage of Income

	Single Adult	Single Parent	Two Parents (One Working)	Two Working Parents
Housing/Utilities	\$442 26.1%	\$666 18.3%	\$666 20.6%	\$666 15.2%
Child Care	\$0 0.0%	\$835 22.9%	\$0 0.0%	\$835 19.1%
Transportation	\$236 13.9%	\$236 6.5%	\$236 7.3%	\$407 9.3%
Food	\$203 12.0%	\$496 13.6%	\$710 22.0%	\$710 16.2%
Health Care	\$335 19.8%	\$725 19.9%	\$927 28.7%	\$927 21.2%
Miscellaneous	\$189 11.2%	\$375 10.3%	\$412 12.7%	\$412 9.4%
Taxes	\$288 17.0%	\$311 8.5%	\$282 8.7%	\$420 9.6%
MONTHLY TOTAL	\$1,692	\$3,644	\$3,232	\$4,377
ANNUAL TOTAL	\$20,304	\$43,722	\$38,788	\$52,529

*Hourly. Assumes 40 hours/week, 52 weeks/year of work. Two working parent wage denotes 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	\$ 10.09
Single-Parent Family	\$20.86
Two-Parent Family (One Working)	\$18.50
Two Working Parent Family	\$12.79

Expenses Per Month and as a Percentage of Income

	Single Adult	Single Parent	Two Parents (One Working)	Two Working Parents
Housing/Utilities	\$440 25.2%	\$623 17.2%	\$623 19.4%	\$623 14.0%
Child Care	\$0 0.0%	\$826 22.9%	\$0 0.0%	\$826 18.6%
Transportation	\$308 17.6%	\$308 8.5%	\$308 9.6%	\$552 12.4%
Food	\$203 11.6%	\$496 13.7%	\$710 22.1%	\$710 16.0%
Health Care	\$305 17.5%	\$685 18.9%	\$874 27.2%	\$874 19.7%
Miscellaneous	\$189 10.8%	\$375 10.4%	\$412 12.8%	\$412 9.3%
Taxes	\$304 17.4%	\$304 8.4%	\$280 8.7%	\$437 9.9%
MONTHLY				
TOTAL	\$1,748	\$3,616	\$3,206	\$4,434
ANNUAL				
TOTAL	\$20,980	\$43,396	\$38,474	\$53,205

*Hourly. Assumes 40 hours/week, 52 weeks/year of work. Two working parent wage denotes 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

	Basic Family Wage*
Single Adult	\$11.61
Single-Parent Family	\$24.17
Two-Parent Family (One Working)	\$19.69
Two Working Parent Family	\$14.31

Expenses Per Month and as a Percentage of Income

	Single Adult	Single Parent	Two Parents (One Working)	Two Working Parents
Housing/Utilities	\$695 34.5%	\$954 22.8%	\$954 28.0%	\$954 19.2%
Child Care	\$0 0.0%	\$983 23.5%	\$0 0.0%	\$983 19.8%
Transportation	\$341 17.0%	\$341 8.2%	\$341 10.0%	\$619 12.5%
Food	\$203 10.1%	\$496 11.8%	\$710 20.8%	\$710 14.3%
Health Care	\$208 10.3%	\$567 13.5%	\$689 20.2%	\$689 13.9%
Miscellaneous	\$189 9.4%	\$375 8.9%	\$412 12.1%	\$412 8.3%
Taxes	\$377 18.7%	\$473 11.3%	\$308 9.0%	\$594 12.0%
MONTHLY TOTAL	\$2,013	\$4,189	\$3,414	\$4,961
ANNUAL TOTAL	\$24,151	\$50,272	\$40,964	\$59,527

*Hourly. Assumes 40 hours/week, 52 weeks/year of work. Two working parent wage denotes 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

	Basic Family Wage*
Single Adult	\$13.41
Single-Parent Family	\$30.27
Two-Parent Family (One Working)	\$22.56
Two Working Parent Family	\$17.00

Expenses Per Month and as a Percentage of Income

	Single Adult	Single Parent	Two Parents (One Working)	Two Working Parents
Housing/Utilities	\$930 40.0%	\$1,345 25.6%	\$1,345 34.4%	\$1,345 22.8%
Child Care	\$0 0.0%	\$1,256 23.9%	\$0 0.0%	\$1,256 21.3%
Transportation	\$333 14.3%	\$333 6.3%	\$333 8.5%	\$602 10.2%
Food	\$203 8.7%	\$496 9.4%	\$710 18.2%	\$710 12.1%
Health Care	\$204 8.8%	\$562 10.7%	\$676 17.3%	\$676 11.5%
Miscellaneous	\$189 8.1%	\$375 7.1%	\$412 10.5%	\$412 7.0%
Taxes	\$466 20.1%	\$880 16.8%	\$433 11.1%	\$891 15.1%
MONTHLY TOTAL	\$2,325	\$5,247	\$3,910	\$5,892
ANNUAL TOTAL	\$27,901	\$62,969	\$46,919	\$70,708

*Hourly. Assumes 40 hours/week, 52 weeks/year of work. Two working parent wage assumes both parents are employed 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	\$ 9.98
Single-Parent Family	\$20.23
Two-Parent Family (One Working)	\$17.71
Two Working Parent Family	\$12.39

Expenses Per Month and as a Percentage of Income

	Single Adult	Single Parent	Two Parents (One Working)	Two Working Parents
Housing/Utilities	\$489 28.2%	\$645 18.4%	\$645 21.0%	\$645 15.0%
Child Care	\$0 0.0%	\$821 23.4%	\$0 0.0%	\$821 19.1%
Transportation	\$340 19.6%	\$340 9.7%	\$340 11.1%	\$615 14.3%
Food	\$203 11.7%	\$496 14.1%	\$710 23.1%	\$710 16.5%
Health Care	\$212 12.3%	\$571 16.3%	\$696 22.7%	\$696 16.2%
Miscellaneous	\$189 10.9%	\$375 10.7%	\$412 13.4%	\$412 9.6%
Taxes	\$299 17.3%	\$260 7.4%	\$268 8.7%	\$398 9.3%
MONTHLY TOTAL	\$1,730	\$3,506	\$3,070	\$4,296
ANNUAL TOTAL	\$20,763	\$42,077	\$36,845	\$51,551

*Hourly. Assumes 40 hours/week, 52 weeks/year of work. Two working parent wage denotes 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

	Basic Family Wage*
Single Adult	\$ 11.87
Single-Parent Family	\$22.74
Two-Parent Family (One Working)	\$20.89
Two Working Parent Family	\$14.68

Expenses Per Month and as a Percentage of Income

	Single Adult	Single Parent	Two Parents (One Working)	Two Working Parents
Housing/Utilities	\$498 24.2%	\$712 18.1%	\$712 19.7%	\$712 14.0%
Child Care	\$0 0.0%	\$794 20.2%	\$0 0.0%	\$794 15.6%
Transportation	\$453 22.0%	\$453 11.5%	\$453 12.5%	\$842 16.5%
Food	\$203 9.8%	\$496 12.6%	\$710 19.6%	\$710 14.0%
Health Care	\$326 15.8%	\$712 18.1%	\$978 27.0%	\$978 19.2%
Miscellaneous	\$189 9.2%	\$375 9.5%	\$412 11.4%	\$412 8.1%
Taxes	\$389 18.9%	\$400 10.1%	\$357 9.9%	\$642 12.6%
MONTHLY TOTAL	\$2,057	\$3,942	\$3,621	\$5,089
ANNUAL TOTAL	\$24,683	\$47,298	\$43,447	\$61,070

*Hourly. Assumes 40 hours/week, 52 weeks/year of work. Two working parent wage denotes 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

	Basic Family Wage*
Single Adult	\$12.70
Single-Parent Family	\$24.83
Two-Parent Family (One Working)	\$21.52
Two Working Parent Family	\$14.90

Expenses Per Month and as a Percentage of Income

	Single Adult	Single Parent	Two Parents (One Working)	Two Working Parents
Housing/Utilities	\$750 34.1%	\$985 22.9%	\$985 26.4%	\$985 19.1%
Child Care	\$0 0.0%	\$898 20.9%	\$0 0.0%	\$898 17.4%
Transportation	\$320 14.5%	\$320 7.4%	\$320 8.6%	\$576 11.1%
Food	\$203 9.2%	\$496 11.5%	\$710 19.0%	\$710 13.8%
Health Care	\$310 14.1%	\$724 16.8%	\$920 24.7%	\$920 17.8%
Miscellaneous	\$189 8.6%	\$375 8.7%	\$412 11.0%	\$412 8.0%
Taxes	\$429 19.5%	\$507 11.8%	\$384 10.3%	\$664 12.9%
MONTHLY TOTAL	\$2,201	\$4,304	\$3,730	\$5,164
ANNUAL TOTAL	\$26,410	\$51,643	\$44,761	\$61,970

*Hourly. Assumes 40 hours/week, 52 weeks/year of work. Two working parent wage denotes wage for each individual parent working full time.

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

REGION VIII

Los Angeles

	Basic Family Wage*
Single Adult	\$11.86
Single-Parent Family	\$25.97
Two-Parent Family (One Working)	\$20.67
Two Working Parent Family	\$15.16

Expenses Per Month and as a Percentage of Income

	Single Adult	Single Parent	Two Parents (One Working)	Two Working Parents
Housing/Utilities	\$746 36.3%	\$1,124 25.0%	\$1,124 31.4%	\$1,124 21.4%
Child Care	\$0 0.0%	\$1,060 23.5%	\$0 0.0%	\$1,060 20.2%
Transportation	\$334 16.2%	\$334 7.4%	\$334 9.3%	\$604 11.5%
Food	\$203 9.9%	\$496 11.0%	\$710 19.8%	\$710 13.5%
Health Care	\$195 9.5%	\$545 12.1%	\$655 18.3%	\$655 12.5%
Miscellaneous	\$189 9.2%	\$375 8.3%	\$412 11.5%	\$412 7.8%
Taxes	\$389 18.9%	\$568 12.6%	\$348 9.7%	\$692 13.2%
MONTHLY TOTAL	\$2,056	\$4,502	\$3,583	\$5,257
ANNUAL TOTAL	\$24,668	\$54,019	\$42,995	\$63,079

*Hourly. Assumes 40 hours/week, 52 weeks/year of work. Two working parent wage denotes 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

	Basic Family Wage*
Single Adult	\$12.43
Single-Parent Family	\$24.82
Two-Parent Family (One Working)	\$20.28
Two Working Parent Family	\$14.74

Expenses Per Month and as a Percentage of Income

	Single Adult	Single Parent	Two Parents (One Working)	Two Working Parents
Housing/Utilities	\$781 36.3%	\$1,043 24.2%	\$1,043 29.7%	\$1,043 20.4%
Child Care	\$0 0.0%	\$971 22.6%	\$0 0.0%	\$971 19.0%
Transportation	\$372 17.3%	\$372 8.6%	\$372 10.6%	\$680 13.3%
Food	\$203 9.4%	\$496 11.5%	\$710 20.2%	\$710 13.9%
Health Care	\$193 9.0%	\$538 12.5%	\$646 18.4%	\$646 12.6%
Miscellaneous	\$189 8.8%	\$375 8.7%	\$412 11.7%	\$412 8.1%
Taxes	\$416 19.3%	\$507 11.8%	\$332 9.4%	\$649 12.7%
MONTHLY TOTAL	\$2,154	\$4,302	\$3,515	\$5,111
ANNUAL TOTAL	\$25,845	\$51,619	\$42,177	\$61,331

*Hourly. Assumes 40 hours/week, 52 weeks/year of work. Two working parent wage denotes wage for each individual parent working full time.
 Note: Numbers and percentages may not total due to rounding.

REGION X

Imperial, San Diego

	Basic Family Wage*
Single Adult	\$12.53
Single-Parent Family	\$25.87
Two-Parent Family (One Working)	\$20.77
Two Working Parent Family	\$15.11

Expenses Per Month and as a Percentage of Income

	Single Adult	Single Parent	Two Parents (One Working)	Two Working Parents
Housing/Utilities	\$834 38.4%	\$1,155 25.8%	\$1,155 32.1%	\$1,155 22.1%
Child Care	\$0 0.0%	\$1,034 23.1%	\$0 0.0%	\$1,034 19.7%
Transportation	\$334 15.4%	\$334 7.5%	\$334 9.3%	\$605 11.5%
Food	\$203 9.3%	\$496 11.1%	\$710 19.7%	\$710 13.6%
Health Care	\$191 8.8%	\$528 11.8%	\$637 17.7%	\$637 12.1%
Miscellaneous	\$189 8.7%	\$375 8.4%	\$412 11.4%	\$412 7.9%
Taxes	\$421 19.4%	\$563 12.5%	\$352 9.8%	\$687 13.1%
MONTHLY TOTAL	\$2,172	\$4,484	\$3,600	\$5,239
ANNUAL TOTAL	\$26,061	\$53,813	\$43,198	\$62,867

*Hourly. Assumes 40 hours/week, 52 weeks/year of work. Two working parent wage denotes wage for each individual parent working full time.

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