

Poverty up, income down in San Diego

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The Center on Policy Initiatives (CPI) recently released a report entitled “Poverty, Earnings and Income in San Diego County,” revealing increased hardship for the working class in and around California’s second most populous city. The CPI report is an analysis of data from the 2011 American Community Survey from the US Census Bureau, which collects “demographic, economic and social data for individuals and households.”

One of the key findings of the report was the dramatic increase in the number of those living in poverty within San Diego County. In 2011, 462,269 people (15.1 percent) lived below the federal poverty level (FPL) of \$11,484 for an individual or \$22,811 for a family of four. In 2007, before the onset of the economic crisis, the figure stood at 11.1 percent, or 320,378 people. Black and Latino populations experienced even higher rates of poverty—23 percent and 21 percent, respectively.

A large proportion of those below the poverty threshold held jobs. The report found that 34 percent of adults living below the FPL were employed.

The report reveals a dramatic increase in child poverty. In 2011, 19.1 percent of children lived below the FPL, up from 15.1 percent in 2007. Just 10 miles east of San Diego, in the nearby city of El Cajon, 34.8 percent of children lived in poverty last year. In many cases, parents of impoverished children are single parents. While 11 percent of the total number families in the area lived below the FPL, more than 22 percent of single-parent families lived in poverty.

The FPL’s poverty threshold leaves out a large share of families who struggle to make ends meet. As the report notes, “A yearly income of \$23,000 does not go far for a family of four”. Another indicator used in the report is “economic hardship,” which is defined as 200 percent of the FPL. Remarkably, 34 percent, or 1,039,957 San Diegans live below this more realistic

measurement of poverty, up from 787,991 individuals, or 27.4 percent of the population, in 2007.

From 2010 to 2011, there was a significant decline in Household Median Income in San Diego County. After adjusting for inflation, the number decreased by \$2,337—from \$61,814 in 2010 to \$59,477. The data corresponds with the national trend. According to the 2011 US Census Bureau figures, the bottom four quintiles of American families earned less of the aggregate income than they did in 2010.

The San Diego chapter of Feeding America, the country’s largest charity food-bank, reported that 435,700 individuals—nearly the same figure as the number of individuals the CPI report found were living in poverty—received food assistance through its program in 2010, the last year for which it has data. Feeding America San Diego also reported that 62 percent of households that received assistance had at least one working adult, while 46 percent of those receiving food aid were children under the age of 18.

A CPI press release described a few examples to give a human face to the data. Hilda, a single mother making just over \$9 an hour as a janitor in San Diego County, “worries about her two sons because she has no health coverage for them and her work schedule means she’s never home evenings.”

Hilda’s situation is becoming the norm, rather than the exception. Of those working full-time, 20.4 percent earned less than \$25,000—or a maximum of \$12 per hour. Many of these individuals work in the tourism industry, which had the lowest median earnings in 2011 of \$24,422.

The report notes that of the 15 categories of industry, only 5 had increases in real earnings from 2007. Although the health industry is one of the largest employers in San Diego County, 17.4 percent of the population, or 528,808 people, did not have health insurance last year. Of this number, there were 463,626

working-age adults. A total of 136,249 individuals worked full-time year round without health insurance.

As with the rest of the nation, construction was one of the hardest hit industries since 2007. In San Diego, there has been a 39.1 percent loss of employment in this field. Health care and social assistance have now become the largest industries in the city, employing a total of 115,719 individuals.

As the poor have gotten poorer, the rich have increased their wealth in San Diego. From 2010 to 2011, the Gini index of income inequality increased from 45.8 percent to 46.1 percent. The top fifth quintile took home 49 percent of the city's income—as compared to just 3 percent for the bottom quintile. The bottom 60 percent of the population shared only 27 percent of the income produced in the city.



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