

# One quarter of people in San Diego cannot make ends meet

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The Center on Policy Initiatives, a San Diego-based nonprofit research institution, published a study recently on the wages needed in San Diego County to reach the “Self-Sufficiency Standard (SSS).” This measurement was first developed in 2003 as an alternative to the abysmally inadequate federal poverty line and assesses the ability of a person or household to meet basic living costs in a given region.

The study, titled “Making Ends Meet 2014 — When Wages Fail to Meet Basic Costs of Living in San Diego County,” provides an in-depth analysis of the wages needed to cover basic living expenses without public or private assistance, as well of the demographic profile of workers in the county whose incomes fall below that level. It shows the deteriorating socioeconomic conditions that affect workers in San Diego.

The metrics used to compile the averages for the SSS came from the methodology developed by Dr. Diana Pearce, University of Washington School of Social Work. The sources used to compile the data came from the U.S. Department of Housing and Urban Development (HUD), the U.S. Department of Agriculture (USDA), and the Census Bureau. All of the data used referred to 2012.

The costs that are considered “basic needs” for the SSS are housing, childcare, food, transportation, healthcare, taxes and miscellaneous (which is only about 7 percent of the monthly income). It does not include costs such as car repairs, new clothes and entertainment. Many families offset some of these basic costs by living with family members or living in housing units with roommates.

The hourly wage required to be categorized as “self-sufficient” in San Diego depended on the type of living circumstances for the individual. For a single adult, an hourly wage of \$13.09 working full-time would be

needed to satisfy basic needs. A single adult with a preschool-age child would need an hourly wage of double that amount.

A two-adult household with an infant would need a combined yearly income of about \$67,000, or \$16 an hour for two full-time workers. For a two-adult household with two children (a preschooler and an infant), a total combined yearly income of about \$85,000 would be needed to meet the SSS.

The reality of San Diego residents is that 300,000 households in the county, 38 percent of the total number of households, have incomes too low to meet their basic needs. The majority of this section of the population is not counted in the official poverty rates because their incomes are above the federal poverty thresholds.

Even full-time workers are facing financial distress at a time when full-time positions are both precarious and low-paying. Nearly one in four San Diego households with one full-time worker fail to make ends meet. Among the households that have at least two people working, in many cases both in part-time jobs, some 26.7 percent (approximately 110,000 households) fell below the SSS.

These economic difficulties are particularly acute for workers employed in certain industries. About 65 percent of the 13,400 workers employed in agriculture, forestry, fishing and mining fail to meet basic needs.

Only 35 percent of the 154,000 people employed in the tourism industry can be categorized as “self-sufficient.” The majority of the hotel, recreation, restaurant and entertainment working population are having difficulty living in San Diego, according to the report. About 40 percent of the construction and retail labor sector, and half of the cleaning, auto maintenance and personal care workers cannot pay for all their basic

needs.

These findings belie the prevailing media accounts of the ongoing economic recovery. Since the onset of the 2008 crisis, the number of working households with insufficient income in San Diego County has risen by 8 percent, to up to 38 percent of the total. The report shows that 300,667 of the region's 796,354 households headed by someone under age 65 are living below the SSS. That is an increase of 71,472 families with insufficient incomes since 2007.

Single-parent households, especially those that are headed by a single mother, are particularly affected by the economic conditions, with 72 percent of them being below the standard, while for single fathers the number is 55 percent. Half of all households with children have incomes too low to make ends meet, nearly double the 28.3 percent rate for households with no children.

Latino families are in the greatest difficulty in terms of being able to make ends meet, since almost 60 percent of them are not self-sufficient as measured by the CPI study. But the financial stress cuts across all ethnic groups—at least a quarter of households among whites, blacks, Hispanics and Asians in San Diego County are living in poverty as measured by the CPI.

Official poverty rates at the federal and state level systematically understate the problem exposed by the CPI study. In San Diego County the official poverty rates do not include 206,000 families that fall below the standard of “self-sufficient.” Official poverty rates suggest that only 15 percent of households are struggling. While the CPI estimates that a household headed by a single adult needs \$27,655 a year to get by, the federal poverty threshold for that household is only \$11,720.

Currently, the minimum wage in San Diego is \$8, and it will go up one dollar on July 1, 2014, rising to \$10 an hour in 2016. In the light of the report cited above, these increases are completely inadequate to address the situation confronting working people. This is particularly true when one considers the fact that San Diego is one of the most expensive places to live in the United States.

Reporters from the *World Socialist Web Site* interviewed workers in the area, sharing with them the findings of the CPI report and asking about their experience.

Jorge Ramos talked about how any increase in the

wages would not be able to compensate for the high cost of living in San Diego: “The expenses just to live is too high. I don't think it is fair, and any increase in wages would not be enough for housing here”

Another worker, Anthony Lopez, expressed his doubt in any minimum-wage increase, “I don't think it will happen. There is money everywhere, but no one wants to give out a raise. There is enough to feed everyone, gas, electricity; money is flowing everywhere.”

Kevin, a middle-aged shipyard worker, stated, “I believe the minimum wage here should be much higher. I make about \$13 an hour and I can get by. I do know that there are some guys making the same I do but I have to imagine it is really tough on them to support their families.” He added, “I used to make \$8 an hour, and let me tell you, that was rough.”

Donald, a salaried medical center worker, gave his impression of the CPI report: “I believe that the current minimum wage should be higher. If people cannot live off what they are earning working, then wages should be much higher. Even \$13 dollars is still pretty low.”



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