

September 23, 2015

Analysis of regional data from the US Census Bureau 2014 American Community Survey

Job growth and economic recovery have failed to budge the San Diego poverty rate

Five years after the national recession ended, the number of San Diegans living in official poverty has continued to grow. The problem is particularly dire for children and part-time workers in the city. Among large local industries, hotels and restaurants continue to pay the lowest wages.

Key Findings

Persistent Poverty: San Diego's poverty rate remained at 15.7% of the population in 2014, effectively unchanged from the previous year's 15.8%, despite significant job growth in the region. More than 3,000 additional San Diegans fell into poverty, bringing the total of city residents living below the federal poverty level to 212,098.

Children in Poverty: The problem is even worse for children in San Diego, with 20.4% living in poverty. That means 1 of every 5 children in the city - a total of 57,044 children - live below the federal poverty level, which is 11,634 more children than in pre-recession 2007.

Working Poverty:

In the City of San Diego, 41.5% of adults living in poverty had jobs in 2014. Altogether, 67,115 people were working and still lived below the federal poverty level, including 12,684 people working full-time all year.

The poverty rate among all part-time workers in the city was 20.1%, which is higher than the overall poverty rate.

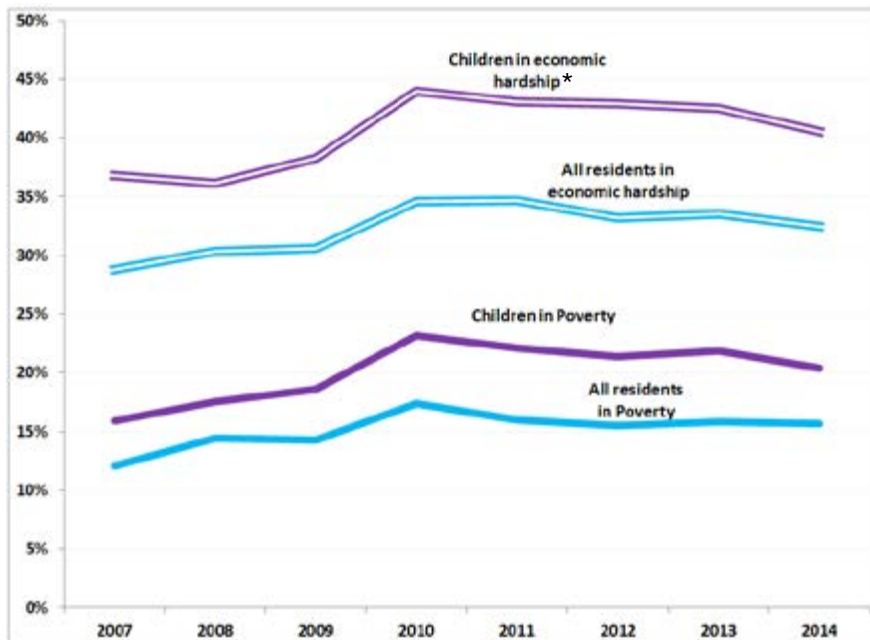
Earnings remained at low levels in some of the city's largest industries such as accommodation and food services.



*According to the National Bureau of Economic Affairs, the Great Recession began in December 2007 and ended in June 2009.

Poverty and Economic Hardship

Poverty and Economic Hardship in San Diego



In 2014, the federal poverty level was \$12,316 for a single person and \$24,008 for a family of two adults and two children. Because it is so low, the Census Bureau also reports the numbers of people living at 200% of that level as a more realistic measure of hardship. For example, the economic hardship measure in 2014 is \$48,016 for a family of four.

In San Diego, nearly one-third of the population - 438,277 people - lived below that near-poverty level of economic hardship in 2014. That includes more than 40% of children. Many of these families had incomes well below the actual cost of living, but were not counted in the official poverty rate.

San Diego residents and children living below the Federal Poverty Level and in economic hardship

| | 2007 | | 2013 | | 2014 | |
|--|---------|------------|---------|------------|---------|------------|
| | Number | % of total | Number | % of total | Number | % of total |
| Population | | | | | | |
| City residents in poverty | 148,170 | 12.1% | 209,045 | 15.8% | 212,098 | 15.7% |
| Children in poverty | 45,410 | 15.9% | 64,077 | 21.9% | 57,044 | 20.4% |
| City residents in economic hardship (below 200% of FPL) | 352,362 | 28.8% | 443,584 | 33.5% | 438,277 | 32.5% |
| Children* in economic hardship | 100,897 | 36.8% | 120,381 | 42.5% | 110,152 | 40.6% |

*This is an undercount because it includes only children living in households headed by their parents.

Household Income and Housing Costs

Incomes too low for housing costs, City of San Diego households



Most households in San Diego still have lower purchasing power than before the recession began in 2007, despite significant regional economic growth during five years of recovery. In 2014, the median household income in San Diego was \$67,799, combining all earnings and other payments such as Social Security. Adjusted for inflation, that is \$2,834 lower than the median in 2007.

Almost half (44.6%) of all households in the City of San Diego paid at least 30% of their income for housing in 2014. That's the level defined as unaffordable by the US Department of Housing and Urban Development. For San Diego renters, housing was even less affordable, with 54.7% paying that much of their income in rent.

Working Poverty and Local Industries

Among San Diego residents over age 16 living below the federal poverty line, 41.5% - or 67,115 individuals - had jobs. About 12,684 of them worked full-time year-round, and the rest had part-time or part-year jobs.

For part-time workers, the poverty rate was 20.1%. For all workers, 9% lived below the official poverty line. Among full-time, year-round employees in San Diego, 85,273 people earned less than \$25,000 in 2014. This means roughly 1 in 5 full-time employees earn less than the amount needed for a single person to live self-sufficiently in this region. (Source: www.onlinecpi.org/making_ends_meet)

The gender wage gap grew by more than \$800 between 2013 and 2014 to \$6,694 annually. For full-time, year-round work, median earnings were \$53,742 for men and \$47,048 for women in San Diego.

| Top 10 industries employing San Diegans | 2014 Number Employed FT, All Yr. | 2014 Median Earnings |
|---|----------------------------------|----------------------|
| Accommodation and food services | 33,697 | \$26,271 |
| Services: Administrative, support, waste management | 18,269 | \$32,018 |
| Retail trade | 36,851 | \$36,458 |
| Construction | 18,812 | \$46,089 |
| Health care and social assistance | 60,371 | \$51,302 |
| Educational services | 39,810 | \$55,589 |
| Finance and insurance | 22,713 | \$62,129 |
| Public administration | 29,140 | \$65,362 |
| Manufacturing | 56,682 | \$66,830 |
| Professional, scientific, and technical services | 60,347 | \$76,089 |

This table shows median earnings for San Diegans working full-time and year-round and does not include part-time workers. The median is the midpoint, meaning half of everyone working in the industry makes less.

Earnings by Industry:

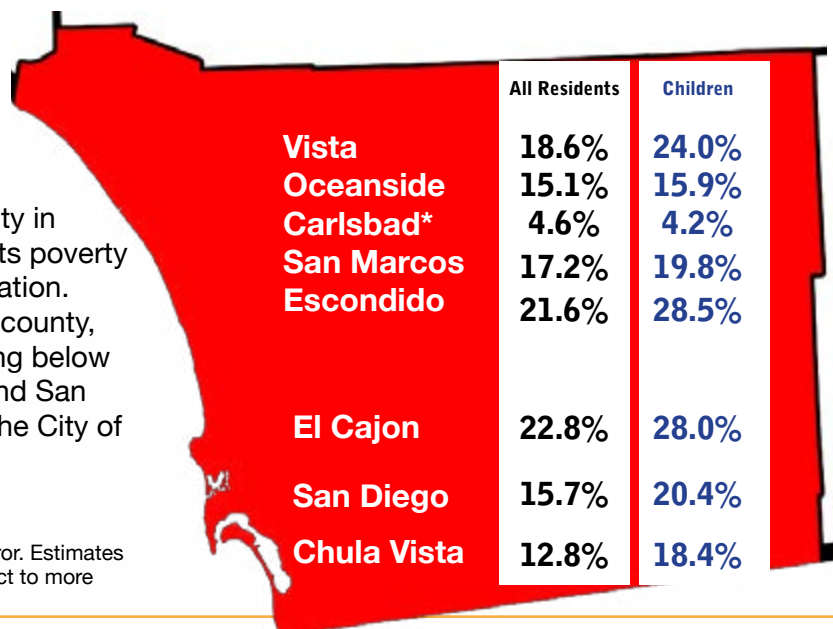
Among the 10 industries with the most San Diego employees, earnings continued to be lowest in the hotel and restaurant industry, with median earnings of \$26,271 for full-time workers. That is less than it costs a single adult to meet basic expenses in San Diego, and much less than it takes to support a family.

The San Diego region added more than 30,000 jobs in 2014, according to California Employment Development Department (EDD) data.

Poverty Rates in San Diego County

The overall poverty rate for San Diego County in 2014 was 14.7%. The Census Bureau reports poverty data for all cities of more than 65,000 population. El Cajon had the highest poverty rate in the county, 22.8%, with 28% of children in El Cajon living below the federal poverty line. Vista, Escondido, and San Marcos also had poverty rates higher than the City of San Diego.

*The low rate for Carlsbad may be an artifact of sampling error. Estimates for smaller cities rely on smaller sample sizes, and are subject to more erratic year-to-year changes.

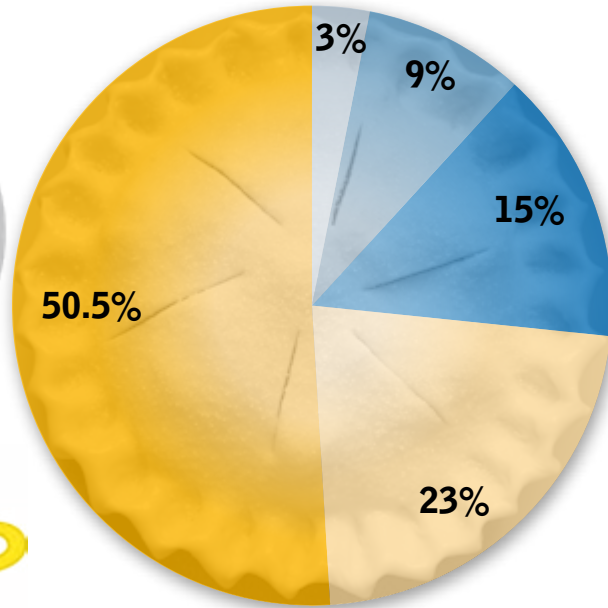


Income Inequality

Deep inequality persists in San Diego. More than half of all income in the city (50.5%) went to the top fifth of households, while the bottom fifth of households had only 3% of the income. At the very top, the 5% highest-earning households had 22% of all income.

The **Gini index*** for San Diego was **47.4%**, up from **46.1%** in pre-recession 2007

* The Gini index is an international economic measure of income inequality. A measurement of 0 indicates perfect equality of income distribution and 100% indicates perfect inequality (i.e. one person has all the income and the rest have none).



Share of the Pie: Distribution of Household Income by Quintile

- Top-Earning Fifth of Households**
- Second Highest Fifth**
- Middle Fifth**
- Second Lowest Fifth**
- Bottom Fifth**



Who lives below the federal poverty level in San Diego?

Poverty is unequally distributed in many ways. Here are the percentages of various populations in the City of San Diego who lived with household incomes below the official poverty level in 2014.

Living in Poverty in the City of San Diego

2014

| | | |
|--|-------------------------------|--------------|
| | Children | 20.4% |
| | Seniors (65+) | 11.4% |
| | Men | 14.6% |
| | Women | 16.8% |
| | Families with children | 17.3% |
| | Single parent families | 34.9% |

Poverty Rate by Race & Ethnicity

