SAN DIEGO COUNTY
SELF-SUFFICIENCY STANDARD BRIEF

Household with Two Adults, 2022

April 2023

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County of San Diego

Health and Human Services Agency

Public Health Services

Community Health Statistics Unit

April 2023

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San Diego County Self-Sufficiency Standard, Household with Two Adults, 2022

What is the self-sufficiency standard?

Currently, the federal government's poverty thresholds and guidelines are used to determine poverty rates throughout the United States. They are also used to determine income limits and eligibility for federal and state financial assistance programs, including Medicaid, Food Stamps (Supplemental Nutritional Assistance Program), and low-income housing. While the measure is defined as the minimum amount of annual income that is needed for individuals and families to pay for essentials, its calculation does not consider essential household expenses such as housing, medical, and childcare costs, or the geographic variability in the cost of living.[1] This leads to an underestimation of the number of individuals struggling to make ends meet in high-cost areas, including San Diego County.[2] The self-sufficiency standard is an affordability measure that serves as an alternative to the federal government's poverty thresholds.[3] It is a budget-based measure that describes the income needed for working individuals and families to meet basic necessities without public or private assistance by accounting for housing, childcare, food, health care, transportation, taxes, miscellaneous costs and the regional and local variations in costs of living based on the household composition.[3]

## How much is enough to make ends meet in San Diego County?

To provide a more accurate picture of economic hardship in San Diego County overall, the self-sufficiency standard was calculated by the Center for Women's Welfare (CWW) to determine the minimum income needed to make ends based on family composition, which was adapted by the Insight Center for Community Economic Development to develop the Family Needs Calculator for California 2021 (https://insightcced.org/family-needs-calculator/).[4]

The Family Needs Calculator methodology has been adapted for use at the Health and Human Services Agency (HHSA) regional and subregional area (SRA) levels, using the available data sources to approximate the Insight tool measures for a household with two adults. Data from the U.S. Department of Housing and Urban Development's 2021 Fair Market Rents, 2022 Covered California, PolicyMap, the American Community Survey (ACS) 2017-2021 5-Year Estimates, 2021 Insight Center Family Needs Calculator for California, and The Housing and Transportation (H+T®) Affordability Index data were used in this tool. The self-sufficiency income for a household with two adults was then calculated by HHSA region and SRA.

To view the San Diego County self-sufficiency standard dashboard, please visit https://public.tableau.com/views/Self-SufficiencyStandardDashboardSanDiegoCounty/Self-SufficiencyStandardDashboard?:language=en-US&:display_count=n&:origin=viz_share_link

The tool describes the minimum income needed to meet basic expenses such as housing, food, transportation, and health care by HHSA Region and SRA. The tool also approximates taxes paid in each region, and calculates the minimum amount a resident in that region should have in savings, should they suddenly lose their job. Overall, the standard estimates the minimum income needed to make ends meet in each region, SRA, and San Diego County overall based on the average amount spent on basic necessities each month.

Annual Self-Sufficiency Income for a Household with Two Adults by Subregional Area (SRA), San Diego County, 2022
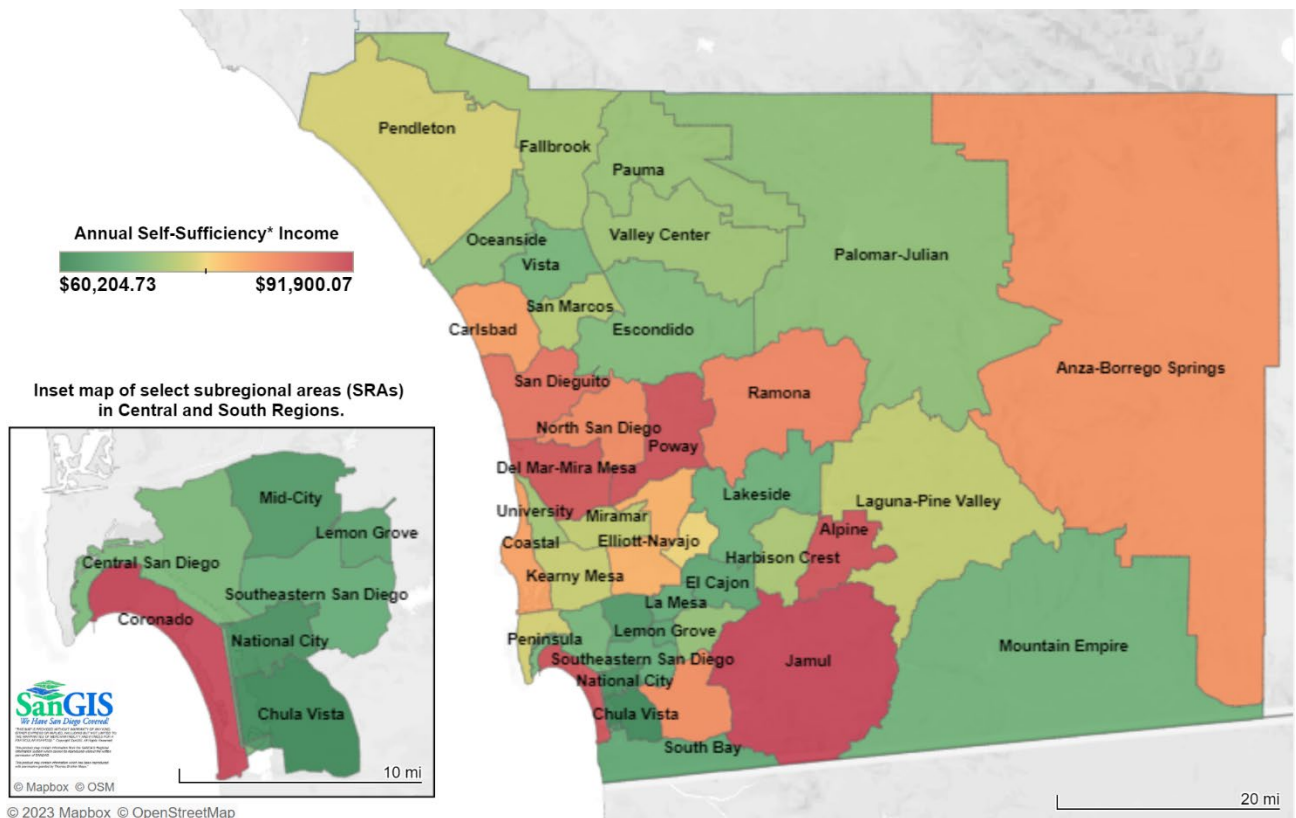
Sources: See https://public.tableau.com/views/Self-SufficiencyStandardDashboardSanDiegoCounty/Self-SufficiencyStandardDashboard?:language=en-US&:display_count=n&:origin=viz_share_link

Prepared by: County of San Diego, Health and Human Services Agency, Public Health Services, Community Health Statistics Unit, March 2023.
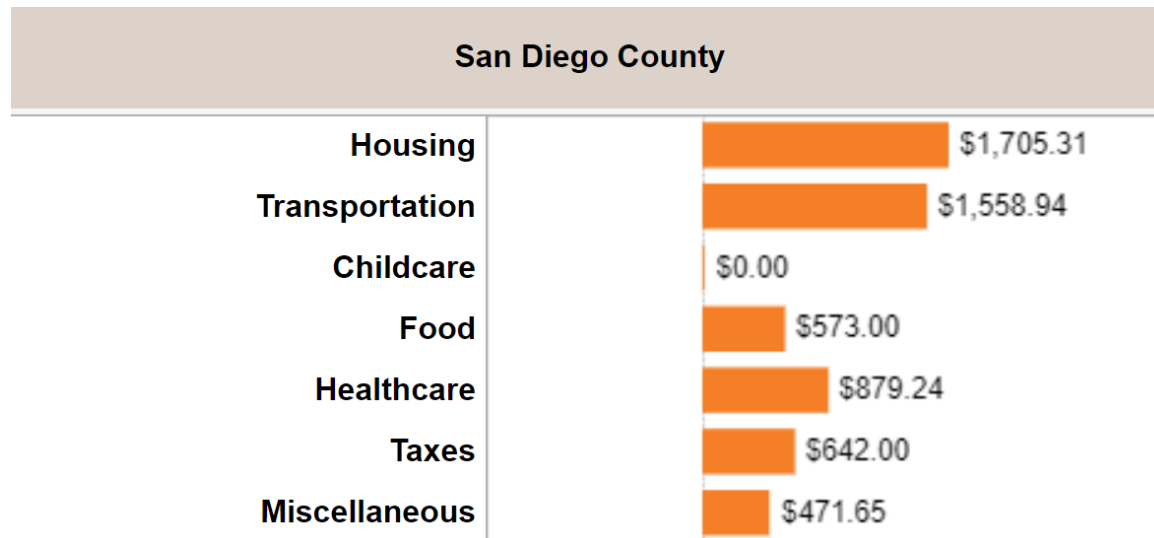
Self-Sufficiency Income for a Household with Two Adults, San Diego County, 2022

The average minimum income required to be economically self-sufficient without public or private assistance (based on an adult working 40 hours per week).

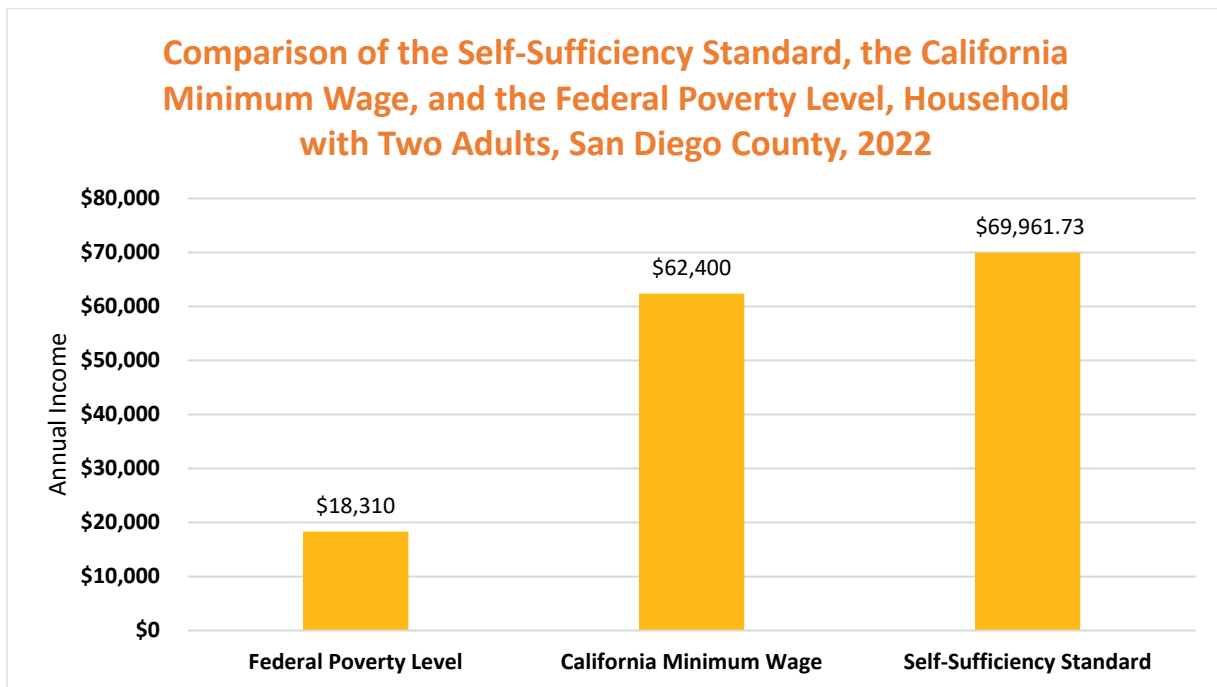| San Diego County	
Hourly (per adult)	$16.82
Monthly	$5,830.14
Annual	$69,961.73

Monthly Costs for a Household with Two Adults, San Diego County, 2022

The average amount spent per month by expense type to meet basic necessities without public or private assistance.

San Diego County

Housing	$1,705.31
Transportation	$1,558.94
Childcare	$0.00
Food	$573.00
Healthcare	$879.24
Taxes	$642.00
Miscellaneous	$471.65

The table above describes the average minimum wage needed to make ends meet for a household with two adults in San Diego County. The average monthly expenditures on housing, food, transportation, healthcare, taxes, and other miscellaneous costs are also provided in the graph, as these costs factor into the minimum self-sufficiency wage. The amount needed in an emergency savings fund, should one adult lose their job, is also calculated.

Some values provided in this table are different than the values estimated by the Family Needs Calculator for California because some data sources used to approximate the measures at the local level are different. For example, the Family Needs Calculator for California tool uses data from the Medical Expenditure Panel Survey (MEPS) to calculate the cost of healthcare. This tool uses data from Covered California and PolicyMap to determine the cost of healthcare. More information on the differences between the Insight Center tool and the county tool are available in the methodology section at the end of this document.

Key Findings

Comparison of the Self-Sufficiency Standard, the California Minimum Wage, and the Federal Poverty Level, Household with Two Adults, San Diego County, 2022

The income needed to make ends meet in San Diego County in a household with two adults was 3.8 times more than the Federal Poverty Level.

In 2022, the Federal Poverty Level for a two-adult household was an annual income of $18,210 or $1,525.83 a month. This means that a two-adult household with an income over this amount would not be considered poor. The self-sufficiency standard calculated for San Diego County indicated that a combined annual income of $69,961.73, or $5,830.14 a month, is needed to sustain a two-adult household. The Federal Poverty Level significantly underestimates the true cost of living, particularly in urban, high-cost regions like San Diego.

In fact, the monthly income determined by the Federal Poverty Level would not even cover the cost of housing in San Diego County.

In 2022, the average amount spent on rent and utilities in a one-bedroom home in San Diego County was $1,705 a month. A two-adult household living at or below the Federal Poverty Level would be unable to afford rent in San Diego County, where rent accounts for 29% of the total income needed for a two-adult household to make ends meet. The self-sufficiency standard provides a much better estimate of the income needed to meet basic needs in San Diego County.

The 2022 California minimum wage of $15 an hour is insufficient to support the basic cost of living for San Diegans.

According to the San Diego County self-sufficiency standard, the county's subregional areas cannot survive off the California minimum wage when accounting for the cost of living. Two full-time working adults making minimum wage would fall short of the minimum income needed to survive in San Diego County, by about $7,562 a year. Even in the most affordable region of San Diego County, two-adult households would still fall short by almost $3,822 a year.

Since 2015, the cost of a one-bedroom apartment in San Diego County has increased by over 60%.

According to the U.S. Department of Housing and Urban Development (HUD) Fair Market Rents (FMRs), in 2015, the cost of a one-bedroom apartment in San Diego County was about $1,060. In 2021, the cost was $1,705.[5,6] Within just 6 years, the cost of housing for a two-adult household in San Diego County increased 61%. In 2021, a one-bedroom apartment was almost $650 more a month than it was in 2015.

Self-Sufficiency Standard by Region, Household with Two Adults, San Diego County, 2022
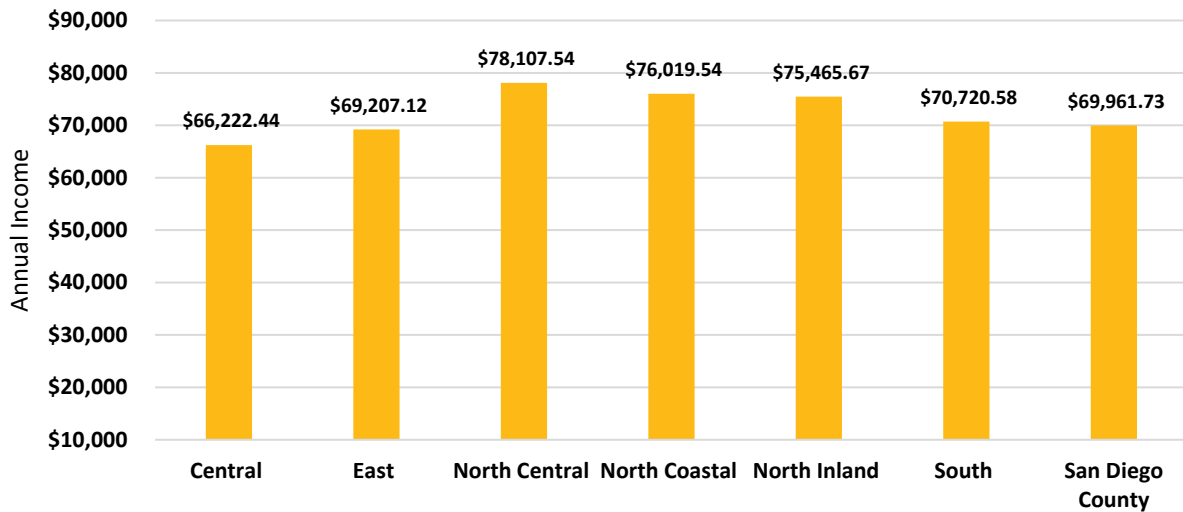
The cost of living varies widely within San Diego County, and North Central Region is the most expensive region in the county for a household with two adults.

A combined annual salary of $78,107.54, or $6,508.96 a month, is needed to make ends meet for a two-adult household in North Central Region. Transportation accounted for the largest portion of the total budget (31%), followed by housing (28%), and healthcare (14%). North Coastal Region was the second most expensive region, requiring $ $76,019.54 a year to sustain a two-adult household.

In 2022, Jamul SRA in East Region was the most expensive Subregional Area for a household with two adults in San Diego County.

10 Most Expensive San Diego Subregional Areas, 2022	
1. Jamul	$91,900.07
2. Poway	$90,449.68
3. Coronado	$90,344.23
4. Alpine	$90,205.34
5. Del Mar-Mira Mesa	$89,840.79
6. San Dieguito	$86,734.04
7. Ramona	$84,389.87
8. North San Diego	$84,021.90
9. Sweetwater	$83,375.73
10. Anza-Borrego Springs	$82,746.25

Annual income needed to make ends meet in a household with two adults.

In 2022, the annual income needed to make ends meet in a two-adult household in Jamul SRA was $ $91,900.07, or $ $7,658.34 a month. Transportation, housing, and healthcare accounted for the largest portion of the total expenditure. Poway SRA in North Inland Region followed closely behind, with an annual income of $ $90,449.68, or $ $7,537.47 a month, needed to make ends meet.

Conclusion

Our findings suggest that there may be significantly higher rates of individuals experiencing severe economic hardship in San Diego County than the Federal Poverty Level estimates. Income and its distribution within a community is an important social determinant of health, and San Diego's high cost of living and large income variability may further increase racial and health disparities.[7-9] These disparities may not be captured by the Federal Poverty Level alone. Further analysis is needed to determine the true prevalence of poverty and its influence on health outcomes within the county.

Methodology

All measures were chosen for similarity and comparability to measures used by the Center for Women's Welfare and the Insight Center for Community Economic Development in the Family Needs Calculator for California. Methodology used by the FNC was then adapted for San Diego County. This document explains differences in measures used and adaptations made for use at the regional and subregional area levels. The Family Needs Calculator's methodology document is available online at the following website: Technical Brief: The Family Needs Calculator for California 2021.

Expense Type and Monthly Cost

1. Housing

- The Family Needs Calculator defines housing costs using FY 2021 Housing and Urban Development (HUD) Fair Market rents.
- For the county and subregional area level adaptation, the FY 2021 HUD Fair Market Rents for a one-bedroom home was used.
- The data was available by zip code. The zip code data was then aggregated to SRAs using the basic zip code to SRA crosswalk.
- SOURCE: U.S. Department of Housing and Urban Development, 2021 Fair Market Rents (40th Percentile Rents), HUD's Office of Policy Development and Research. https://www.huduser.gov/portal/datasets/fmr.html#2021_query.

2. Food

- The Family Needs Calculator calculates food costs based on the United States Department of Agriculture's (USDA) Low-Cost food plan. This diet is designed to meet minimum nutritional standards, and does not allow for any takeout, fast food, or restaurant meals.
- For this application, the food cost calculated by the Family Needs Calculator for a household with two adults in San Diego County was used for all SRAs and HHSA regions.
- SOURCE: The Family Needs Calculator for California 2021. Center for Women's Welfare and the Insight Center for Community Economic Development. https://insightcced.org/family-needs-calculator/.

3. Transportation

- The Family Needs Calculator considers both public and private transportation costs, including auto insurance and other fixed costs of car ownership.

- For this application, the transportation costs were calculated from The Housing and Transportation (H+T®) Affordability Index. The tool provides estimated percentage of annual income spent on transportation costs by census tract for San Diego-Carlsbad Metropolitan Statistical Area (MSA). The statistics are modeled for the regional typical household in San Diego-Carlsbad MSA.
- The American Community Survey (ACS) provides data on median nonfamily household income in the past 12 months for a householder living alone was available by census tract.
- The average median nonfamily household income in the past 12 months per householder was multiplied by the percentage of annual income spent on transportation costs to estimate the individual transportation costs per individual by census tract.
- The census tract
- data was then aggregated into SRAs using the basic census tract to SRA crosswalk. Based on the Family Needs Calculator, the average monthly transportation cost for a household with two adults was calculated by multiplying individual transportation cost by a factor of 1.94.
- SOURCES: 2017-2021 American Community Survey 5-Year Estimates, Table B19215. The Housing and Transportation (H+T®) Affordability Index, The Center for Neighborhood Technology (CNT). https://htaindex.cnt.org/map/.

4. Healthcare

- The Family Needs Calculator determines health care costs based on both insurance premiums and out of pocket costs.
- For this application, the monthly individual rates for the 2022 Silver 70 Premier HMO healthcare plan in San Diego County as determined by Covered California were used to estimate insurance premiums. The individual rates from Covered California data varied by age. To determine the insurance premiums by zip code, the individual rate for the median age of the respective zip code was used. The zip code data was then aggregated to SRAs using the basic zip code to SRA crosswalk.
- The average annual dollars spent out of pocket per person on medical from PolicyMap was used to estimate out of pocket costs at the census tract level. The census tract data was then aggregated into SRAs using the basic census tract to SRA crosswalk.
- To calculate the total cost of healthcare, insurance premiums and out of pocket costs were added together and multiplied by two.
- SOURCE: 2022 Covered California Data, 2022 Products by Zip Code. https://hbex.coveredca.com/data-research/. 2017-2021 American Community Survey 5-Year Estimates, Table S0101. Average annual dollars spent out of pocket per person on medical care in 2019, PolicyMap and Quantitative Innovations.

5. Miscellaneous Costs

- The Family Needs Calculator calculates miscellaneous costs as 10% of the total housing, childcare, food, transportation, and health care costs. This amount represents costs needed for other living essentials such as clothing, shoes, paper products, diapers, non-prescription medications, cleaning products, household items, personal hygiene items and landline telephone services.
- This application calculates miscellaneous spending based on 10% of the total housing, food, transportation, and healthcare spending.

6. Taxes

- The Family Needs Calculator calculates taxes paid using tax forms, instructions, and tax rate finders for the state of California, as the sales tax rates vary by locale.
- For this application, The Family Needs Calculator's estimate of taxes paid for a household with two adults in San Diego County was used for all SRAs and HHSA Regions.
- SOURCE: The Family Needs Calculator for California 2021. Center for Women's Welfare and the Insight Center for Community Economic Development. https://insightcced.org/family-needs-calculator/.

Self-Sufficiency Wage

1. Monthly
- Sum of all monthly expenses listed above.

2. Annual
- Monthly wage multiplied by 12 months.

3. Hourly

- Annual wage divided by 52 weeks.
- Resulting figure above divided by 40 hours worked per week.

Emergency Savings Fund (ESF)

ESF Calculation

The Family Needs Calculator assumes (based on their own research) that a person saves for unemployment over 5 years, which is the average job tenure for a person living in California. The calculator then considers the average number of weeks a person is unemployed, their wages lost over that period, and the amount of unemployment insurance they would receive during that time.

Weekly Salary Lost Due to Unemployment

- To calculate the ESF figure for this application, the annual salary was divided by 52 weeks in the year to get the weekly salary. Weekly salary was then multiplied by 26.8, the average number of weeks a person was unemployed in California in 2021, according to the U.S. Department of Labor, Employment and Training Administration.
- This data is published quarterly – estimates from each quarter were added together and divided by 4 to obtain a yearly average.
- This is the person's lost wages for the period of unemployment.
- SOURCE: U.S. Department of Labor, Employment and Training Administration, "Unemployment Insurance Data Summary." https://oui.doleta.gov/unemploy/data_summary/DataSummTable.asp

Weekly Benefit Earned from Unemployment Insurance

- The average benefit paid per week is calculated from this same data above
- This data is published quarterly – estimates from each quarter were added together and divided by four to obtain a yearly average.
- The resulting weekly benefit is multiplied by 26.8 weeks unemployed to get the total benefit received.
- SOURCE: U.S. Department of Labor, Employment and Training Administration, "Unemployment Insurance Data Summary." https://oui.doleta.gov/unemploy/data_summary/DataSummTable.asp

Monthly Contribution to ESF

- The total benefit received is subtracted from the lost wages to get the amount that the person needs to "make up" for with their savings. This figure is divided by five years and then again by 12 months per year to get the monthly contribution to the emergency savings fund.
- This is a rough estimate and does not completely match The Family Needs Calculator's estimates.

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