



## ISSUE BRIEF

August 26, 2008

# Earnings, Poverty and Income in San Diego County

Analysis of regional data from the US Census Bureau  
2007 American Community Survey

Incomes stagnated in San Diego County in 2007, and the buying power of workers' earnings dropped. Median household income and earnings did not change significantly from 2006 when adjusted for inflation.

The poverty rate for San Diego County also was not significantly changed from 2006. In 2007, more than 320,000 San Diego County residents -- including 145,000 who were working and 110,000 children -- lived in the most dire poverty as measured by national poverty standards.

## Key Findings

### 1. A significant percentage of San Diego County individuals and families continue to live in poverty. Nearly half of adults living in poverty worked full or part time jobs in 2007.

- 320,378 or 11.1% of individual residents live below the federal poverty threshold, essentially unchanged from 2006.
- 787,991 or 27.4% of county residents live in economic hardship, calculated with the more realistic measure of double (200% of) the poverty threshold.
- 45.1% of adults living below the federal poverty threshold work full or part-time

### 2. The gap between rich and poor in the county remains wide.

- While the county's median household income rose slightly from 2006, most of the increase went to wealthier households. In 2007, half (49%) of all income received in the county went to the top one-fifth of households.
- Earnings for the workers in the county stagnated, dropping slightly in inflation-adjusted dollars.

### 3. The region is marked by significant gender and racial gaps in income, earnings and poverty.

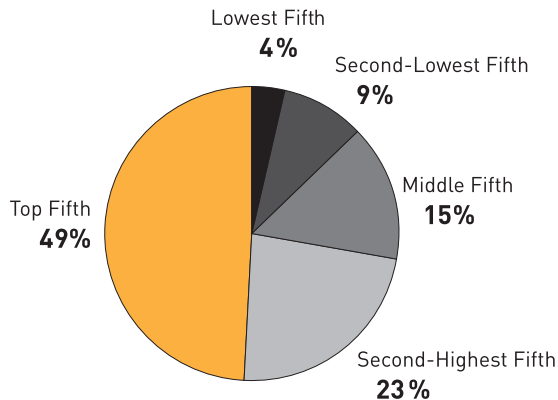
- African Americans and Latinos in the county have significantly higher poverty rates and lower median household incomes than for the general population.
- Among full-time year-round workers, males earned an annual median of \$47,955, while females earned \$38,680.

Summary of San Diego County Census Data					
	2006		2007		Change
Median Household Income (in 2007 \$)	\$61,282		\$61,794		+ 1%
Median Annual Earnings (in 2007 \$)	\$32,232		\$31,919		- 1%
County residents living below the federal poverty level (FPL)	331,370	11.7%	320,378	11.1%	- 3%
County residents in economic hardship (below double the FPL)	811,830	28.6%	787,991	27.4%	- 3%
Children living in poverty (in families below FPL)	109,507	14.9%	110,124	15.1%	+ 1%
Children living in economic hardship (in families below double the FPL)	267,464	36.3%	257,244	35.2%	- 4%

## Income in San Diego County

Median household income was \$61,794 in San Diego County in 2007, and per capita income was \$30,080. Real household income increased by only \$512 (less than 1%) from a median of \$61,282 in 2006 (inflation-adjusted to 2007 dollars). The median is the point at which half the households are higher and half are lower.

Share of the Pie: Distribution of Aggregate Income by Quintile

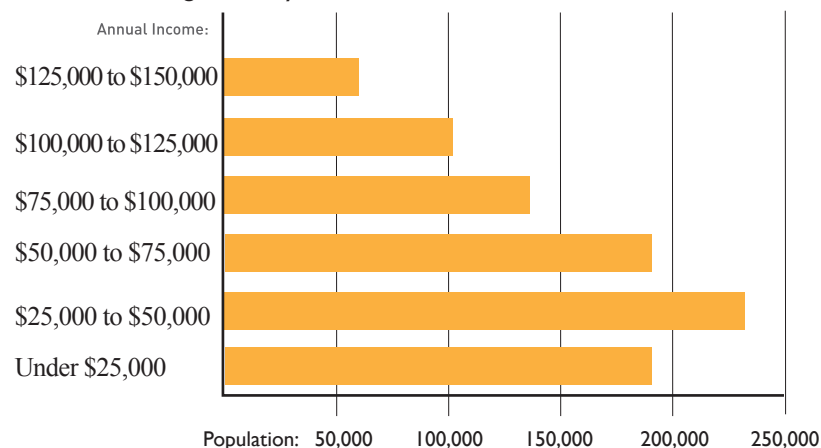


### Income Inequality

While the county's median household income rose slightly from 2006, most of the increase went to wealthier households because of an extremely lopsided income gap. Of all income in the county, 49% went to just the top fifth of households, while the remaining 80% of households split the other half of the pie, with the bottom fifth getting only a small sliver of 4% of the total income.

The region's Gini index \* of income inequality was 0.451.

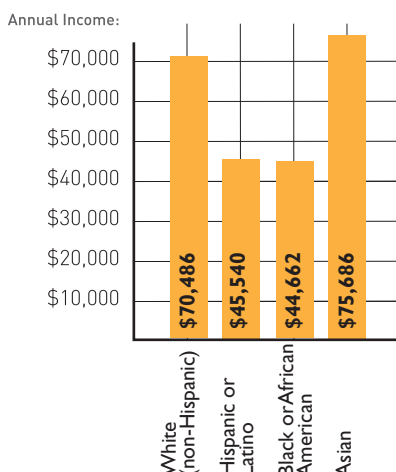
San Diego County Household Income Distribution \*



### Household Income Distribution

Income in the county is distributed in a teardrop shape, with large concentrations in the lower incomes and diminishing numbers as incomes rise. Among the region's households, 41.4% have an annual household income less than \$50,000. The chart shows the distribution in household income up to \$150,000 for which data in comparable increments is available. Only 12.2% of the region's households have income greater than \$150,000.

Median Household Income by Race



### Racial Disparities in Income and Poverty

Significant racial disparity continues in the region's income distribution. The median income for African-American was only 72% of the overall median and Hispanic households 74%, while white and Asian households had incomes higher than the overall median.

\*The Gini ratio, developed by Italian statistician Corrado Gini, assigns a higher number the more unequally income is distributed. A measure of 0 indicates perfect equality; i.e., all people have equal shares of income, while a 1 indicates perfect inequality; i.e., one person has all the income and the rest have none.

## Poverty in San Diego County

### A significant percentage of individuals and families in the region continue to live in poverty.

In San Diego County, 320,378 individuals – 11.1% of the population – lived below the official US poverty threshold in 2007. The federal poverty level (FPL) is set nationally according to family size; in 2007, it was \$10,787 for a single adult under age 65 and \$21,027 for a family of two adults and two children.\*

The national poverty threshold is widely acknowledged to be far less than the real poverty level based on the cost of living in high-cost areas such as San Diego, and significantly undercounts the region's poor.

**Double** the federal poverty level for each family size is a more realistic measure of economic disadvantage, based on recommendations of the National Academy of Sciences. By this measure, a total of 787,991 individuals in San Diego County (27.4% of the population) were living in economic hardship in 2007.

#### Households in Poverty

	# in poverty	% in poverty
<b>Families in Poverty</b>	<b>52,562</b>	<b>7.7%</b>
Married Couples with children	13,500	5.4%
Married Couples with no related children	5,959	2.3%
Single Dads with children	4,530	15.3%
Single Moms with children	24,145	29.9%
Single Adults without children	4,428	7.2%
<b>Other Households in Poverty</b>	<b>48,156</b>	<b>13.3%</b>
Female Householder	28,564	15.3%
Male Householder	19,592	11.2%

#### Family & Child Poverty

110,124 children in the county (15.1%) lived in poverty in 2007, and 257,224 more (35.2%) in economic hardship.

Families headed by single mothers continue to be by far the most likely to live in poverty (29.9%) and married couples with no children are the least likely (2.3%).

The Census Bureau defines “families” as people living together who are related by birth, marriage or adoption, and “other households” as single adults and unrelated people living together. In 2007, the county had 52,562 families and 48,156 other households in official poverty.

#### Poverty Rates by City in San Diego County

Carlsbad	5.9%
Oceanside	7.8%
Chula Vista	9.1%
San Diego	12.1%
Escondido	12.5%
Vista	14.1%
San Marcos	14.5%
El Cajon	20.6%

#### Poverty by City

Poverty rates vary widely among the major cities in San Diego County, with the highest rate in El Cajon.

## Employment and Earnings in San Diego County

Earnings have stagnated or dropped for most low-wage and moderate-wage workers. Adjusted for inflation, real median earnings for the population over age 16 in San Diego decreased from \$32,232 in 2006 to \$31,919 in 2007 (in 2007 dollars), which is a change of 0.97%.

Among the 958,582 individuals working **full-time** for the whole year, real earnings **decreased** to a median of \$47,955 for men and \$38,680 for women.

Almost half (45.1%) of county residents over age 16 who lived below the official poverty level in 2007 were working.

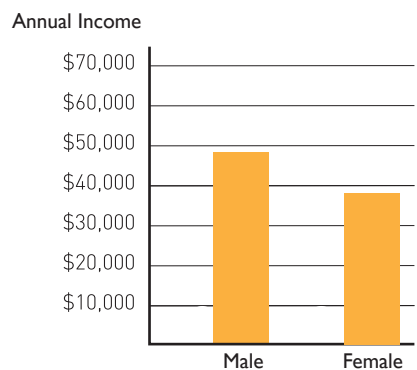
Full-time Workers in San Diego County

Workers in San Diego County	958,582	100%
Workers earning less than \$50,000	547,032	57.07%
Workers earning less than \$25,000	207,864	21.69%

### Full-time Earnings

Almost a quarter of all full-time workers – 207,864 workers -- earned less than \$25,000 for a year of work.

Full-time Median Earnings by Gender



### Earnings by Gender

Women continued to earn significantly less than men in 2007. Among full-time, year-round workers, inflation-adjusted earnings were flat from 2006 to 2007 for both genders, but the median earnings for women (\$38,680) were 20% lower than the median earnings for men (\$47,955).

## About CPI

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