Study reports growing poverty in San Diego

By Norisa Diaz
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The Center of Policy Initiatives (CPI), a San Diego-based think tank, recently released its yearly report entitled "Poverty Earnings and Income in San Diego County 2012." The report showcases the growing inequality and deteriorating social conditions in California's second largest city. The study found that "the economic recovery has bypassed most low-income and middle-income families in San Diego County. Economic inequality deepened in the region in 2012, and a growing number of people, including many who were employed, remained mired in poverty five years after the recession began."

The findings of the report are based on data collected from the US Census Bureau 2012 American Community Survey. Most notably, the study found that the poverty rate for children rose to 19.8% in 2012 from 19.1 percent in 2011 and 15.1 percent just before the recession. That means that nearly one in five or "42,513 children in the region lived in poverty in 2012, the highest level since the recession began." In addition, the percentage of seniors living in poverty is 9.5 percent, an increase of 0.5 percent since 2011.

The report highlighted the growing inequality in the region. In 2012, the wealthiest 20 percent of households took in 49.8 percent of all the income generated in the region, while the median income for all houses decreased by $1,231. The poverty rate remained at 15 percent, while the total number of residents living in poverty rose to 465,295, compared to 11.1 percent or 320,378 in 2007, just before the financial collapse. The bottom 20 percent of households took in only 3 percent of the income generated in the county, while those at the very top, the 5 percent highest-earning households, had 21 percent of all income.

In 2012, the federal poverty level (FPL) was defined as a yearly income of $11,945 for a single individual and $23,283 for a family of two adults and two children. The CPI report notes that economic hardship, or 200 percent of the of the FPL ($46,566 for a family of four), is "a more realistic measure of hardship." Thirty-four percent, or one in three, of San Diego County residents live in economic hardship, compared to 27.4 percent in 2007.

The report noted that a large proportion of those in poverty or economic hardship are workers. Of working-age residents, 36 percent of those in poverty were employed in 2012. A total of 26,583 full-time employees and nearly 100,000 part-time workers brought home wages below the federal poverty line, while nearly 287,915 made less than $30,000, "approximately the income necessary for a single person to live self-sufficiently in this region." The study also noted that across industries, real median earnings were down by 7 percent, or $3,283, with accommodation and food services remaining as the lowest-paid industry.

Also of note is the increase of the Gini index in the county from 46.1 percent in 2011 to 46.7 percent in 2012, compared to 45.1 percent in 2007. As the report explains, "the Gini index is an international economic measure of income inequality. A measurement of 0 indicates perfect equality or income distribution and 100 percent indicates perfect inequality (i.e., one person has all the income and the rest have none)."

The FPL is not adjusted for cost of living, which factors in rent, health care, food, and transportation costs. San Diego has the ninth highest cost of living in the nation, 31.9 percent above the national average. The CPI study found that "48 percent of San Diego County households paid 30 percent or more of their income for housing, a level defined as unaffordable by the US Department of Housing and Urban Development. Almost half of households struggle to pay the region's high housing costs and have enough left to pay their other expenses."

The San Diego chapter of Feeding America reported that 437,500 individuals received food assistance through its program. The organization has expressed its "deep concern about the negative impact the government shutdown will have on those who are food insecure, and the programs that help them feed their families." Beginning November 1, the SNAP Program known as CalFresh in California will be hard hit by the cuts voted on by Congress. According to Feeding America, the cuts in funding will amount to the "loss of 1.9 billion meals for low-income families in 2014, over half of the number of meals distributed by the entire Feeding America Network of more than 200 food banks."

The CPI study confirms the reality that only the wealthiest layers of society can speak of an "economic recovery" with a straight face. Belying this "recovery" is the unprecedented growth of social inequality, which thrusts the working class deeper into poverty while rolling back all the historic gains in benefits, pensions and social programs.