

# What does it take to live in Los Angeles?

Los Angeles is the low wage capital of America. We have more working poor families than any city in the nation and still there are those that feel that workers such as those employed by the Department of Water and Power should apologize because they make on average \$76,949 a year. They are wrong. Take a look below and see how much it really takes to live in Los Angeles.

## HOUSING

- Income needed to purchase a median (\$549,000) priced home in Los Angeles County
  - With 20% down - \$112,509
  - With 5% down - \$133,605

## EXPENSES PER MONTH:

|   |                     |                      |                 |
|---|---------------------|----------------------|-----------------|
| <ul style="list-style-type: none"> <li>• A <b>single adult</b> would have to make <b>\$13.52</b> per hour or <b>\$28,198</b> a year to support a modest standard of living in Los Angeles.</li> </ul> <p><i>Basic expenses include:</i></p> | <b>Single Adult</b> | Housing/Utilities    | \$843           |
|   |                     | Child Care           | \$0             |
|   |                     | Transportation       | \$400           |
|   |                     | Food                 | \$211           |
|   |                     | Health Care          | \$233           |
|   |                     | Miscellaneous        | \$206           |
|   |                     | Taxes                | \$451           |
|   |                     | <b>MONTHLY TOTAL</b> | <b>\$2,344</b>  |
|   |                     | <b>ANNUAL TOTAL</b>  | <b>\$28,126</b> |

|  |                             |                      |                 |
|--|-----------------------------|----------------------|-----------------|
| <ul style="list-style-type: none"> <li>• A <b>single parent family</b> would have to make <b>\$30</b> per hour or <b>\$62,393</b> a year to support a modest standard of living in Los Angeles.</li> </ul> <p><i>Basic expenses include:</i></p> | <b>Single Parent Family</b> | Housing/Utilities    | \$1,269         |
|  |                             | Child Care           | \$1,163         |
|  |                             | Transportation       | \$400           |
|  |                             | Food                 | \$507           |
|  |                             | Health Care          | \$654           |
|  |                             | Miscellaneous        | \$437           |
|  |                             | Taxes                | \$770           |
|  |                             | <b>MONTHLY TOTAL</b> | <b>\$5,199</b>  |
|  |                             | <b>ANNUAL TOTAL</b>  | <b>\$62,393</b> |

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## EXPENSES PER MONTH: (cont'd)

• A two parent family with one parent working would have to make **\$24.54** per hour or **\$51,035** a year to support a modest standard of living in Los Angeles.

*Basic expenses include:*

**Two Parent Family with One Parent Working**

|                      |                 |
|----------------------|-----------------|
| Housing/Utilities    | \$1,269         |
| Child Care           | \$0             |
| Transportation       | \$400           |
| Food                 | \$731           |
| Health Care          | \$861           |
| Miscellaneous        | \$506           |
| Taxes                | \$485           |
| <b>MONTHLY TOTAL</b> | <b>\$4,253</b>  |
| <b>ANNUAL TOTAL</b>  | <b>\$51,035</b> |

\* **NOTE:** Assumes non-working parent stays at home to provide the child care.

• A two parent family with both parents working would each have to make **\$17.80** per hour or **\$74,044** a year to support a modest standard of living in Los Angeles.

*Basic expenses include:*

**Two Parent Family with Both Parents Working**

|                      |                 |
|----------------------|-----------------|
| Housing/Utilities    | \$1,269         |
| Child Care           | \$1,163         |
| Transportation       | \$723           |
| Food                 | \$731           |
| Health Care          | \$861           |
| Miscellaneous        | \$506           |
| Taxes                | \$917           |
| <b>MONTHLY TOTAL</b> | <b>\$6,170</b>  |
| <b>ANNUAL TOTAL</b>  | <b>\$74,044</b> |

### Note:

- The hourly wage standard given above assumes full-time employment for 40 hours per week, 52 weeks per year and does not allow for any unpaid days off during a year.
- Assumes that families rent, rather than own their homes and live in housing that many would consider overcrowded for a three – or four – person household.
- Assumes that each family, other than the single adult, has two children, one requiring full-time care and another requiring after-school care.
- Assumes that families use home-based child care, rather than more expensive center-based child care.
- Assumes that health coverage is purchased privately with no assistance from employer.
- Miscellaneous category includes expenditures on clothing and services, education, reading, personal care, housekeeping supplies, and basic telephone service.
- These estimates allow little to no room for savings toward retirement or a child's college education.

Source: CA Budget Project Report: Making Ends Meet 2007

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