

## 2009 CENSUS DATA SUMMARY

### Workers in the East Bay Inundated in a "Perpetual Recession"

#### Income, Earnings, and Health Insurance in 2008

As some economists report the U.S. economy coming out of recession, East Bay working families in 2008 continued to struggle with flat-lined incomes, disparities in earnings, and high rates of those who are uninsured.

While nationally the 2008 data show just the beginning of the current economic recession, the East Bay economy shows little significant change from last year. The last recession's "jobless recovery" and overall stagnating wages leave the East Bay region without a safety-net for the current recession. Those working in traditionally low-wage service sectors, such as buildings and grounds maintenance, personal care, and food preparation, earn the lowest median salaries and face a type of "perpetual recession."

## MAJOR FINDINGS

### 1. DISAPPEARING MIDDLE CLASS AND DECLINING MEDIAN INCOMES

- The shape of the East Bay's median household income is uneven, with **fewer households in the middle-incomes (between \$75,000 to \$149,999)**.
- **Median incomes have flatlined for a second year in a row**, with no statistically significant change from 2007-2008.
- **From 2000 to 2008, real median household incomes have decreased**, from an inflation adjusted \$76,711 in 2000, to \$73,280 in 2008.

### 2. EARNINGS NOT RISING TO MEET COSTS

- East Bay residents working in Service and Production and Transportation occupations do not earn enough to meet the Basic Family Wage of \$40,023 a year and **make up 23% of the employment** for East Bay residents.
- The lowest paying occupations for East Bay residents pay up to a quarter less than the Basic Family Wage.

### 3. PERPETUAL RECESSION FOR SOME IN THE EAST BAY

- Latino median household income was 76% of the overall, while Black and African American median household income was 57% of the overall median household income.
- By individual earnings, Latinos earn **a median of 70 cents on the dollar of overall East Bay earnings**, and African Americans earn **85 cents on the dollar**.

### 4. OVER 285,000 PEOPLE IN THE EAST BAY ARE UNINSURED

- In the East Bay, 11.5% of the population is uninsured.
- In Oakland, 17.5% of the population is uninsured, and in Richmond, 20.6% of the population is uninsured.

## 1. DISAPPEARING MIDDLE CLASS AND DECLINING MEDIAN INCOMES

Household incomes in the East Bay are unequally distributed, with a bulge at the bottom among those earning \$25,000 to \$50,000 a year.

### Median income flat-lined for second year in a row

Real median household income from 2007-2008 remained virtually unchanged from an

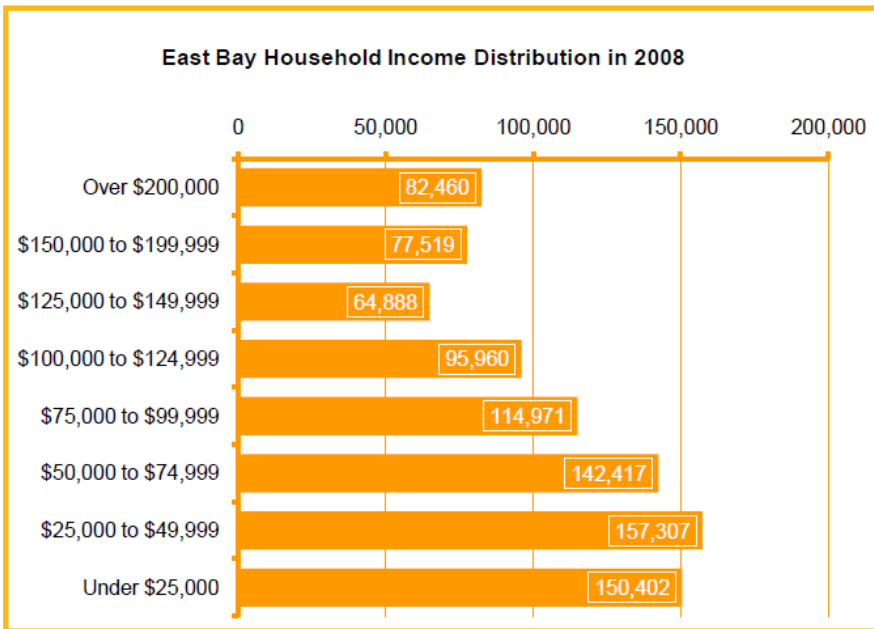
inflation adjusted \$74,501 in 2007 to \$73,280 in 2008. This is the second year in a row that there was no statistically significant increase in median household incomes.

However, comparisons from 2000 to 2008 show that real median household incomes have decreased overall from \$76,711 in 2000 (inflation adjusted to 2008 dollars) to \$73,280 in 2008.<sup>1</sup>

### Cobbling together part-time, part-year work

Almost half (49%) of East Bay workers were in full time and year-round employment (35 hours or more per week, 50-52 weeks over the past 12 months). A higher proportion of men worked full-time and year-round than women (68% versus 50%).

Over one in five (22%) reported not working in the past 12 months. Nearly one in seven (15%) worked part time, or between 15 to 34 hours per week, and a larger proportion of women worked part-time than men (11% men, 18% women).



## 2. EARNINGS NOT RISING TO MEET COSTS

East Bay Employment by Occupation for full-time, year-round workers 16 years and older

Occupation	# of workers	Margin of Error (ME) +/-	Median Earnings	Margin of Error (ME) +/-
Management, professional, and related occupations	384,499	9,905	\$ 79,418	1,779
Service occupations	106,590	6,081	\$ 31,023	831
Sales and office occupations	190,110	6,554	\$ 46,630	931
Construction, extraction, maintenance, and repair occupations	72,394	4,604	\$ 48,339	2,762
Production, transportation, and material moving occupations	83,978	5,313	\$ 38,068	3,554
<b>Overall</b>	<b>838,982</b>	<b>12,076</b>	<b>\$ 55,022</b>	<b>1,064</b>

In a family with two adults working full-time to support two children, each adult needs to earn at least \$40,023 a year in order to meet their basic family needs in the Bay Area.<sup>2</sup> Those working in Service and some Production, and Transportation occupations do not earn enough to meet the Basic Family Wage in 2008.

**The lowest paying occupations in the East Bay pay up to a quarter less than the salary needed to meet a family's basic needs in the Bay Area.** Up to half of the workers in the lowest paying occupations only work part-time, part-year, and therefore may earn even less than what is reflected here.

East Bay Lowest Paying Occupations for full-time, year-round workers 16 years and older

Occupation	# of workers	Margin of Error (ME) +/-	Median Earnings	ME
Building and grounds cleaning and maintenance occupations	31,121	3,994	\$ 30,228	1,811
Personal care and service occupations	22,766	3,093	\$ 29,465	3,742
Food preparation and serving related occupations	23,980	3,743	\$ 23,826	1,867
<b>Overall</b>	<b>838,982</b>	<b>12,076</b>	<b>\$ 55,022</b>	<b>1,064</b>

### 3. PERPETUAL RECESSION FOR SOME IN THE EAST BAY

The East Bay is one of the most diverse regions in the country. The population is 42% non-Hispanic White, 11% Black or African American, 20% Asian, and 22% Hispanic or Latino of Any Race.

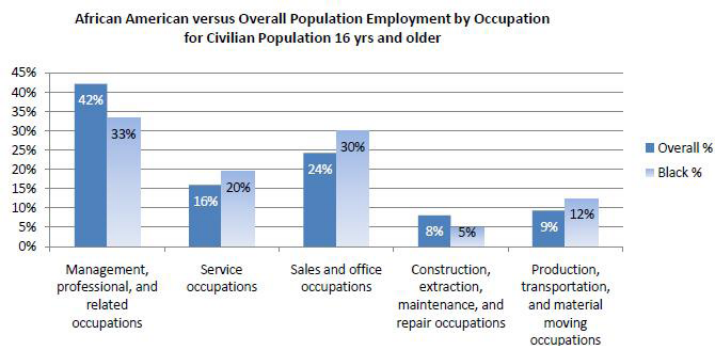
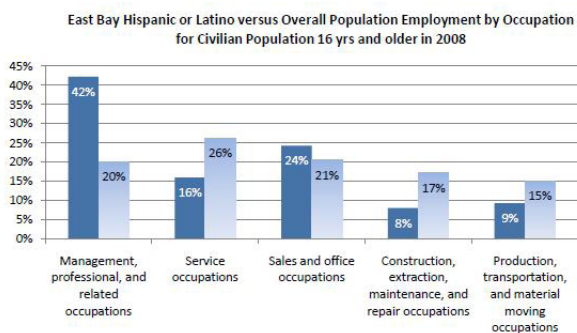
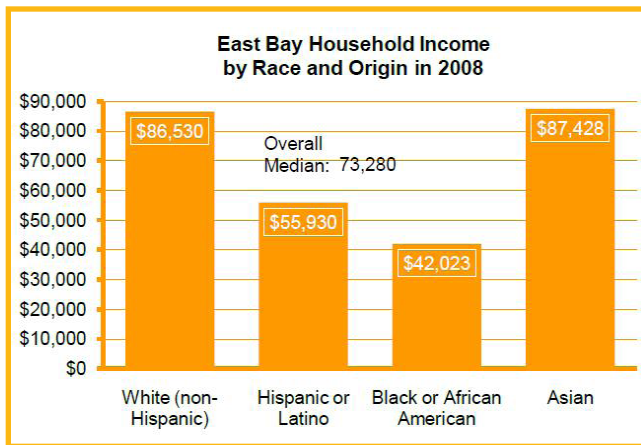
However, the East Bay economy has not benefited all households equally. **Latino median household income in the East Bay is 76% and Black or African Americans median household income is 57% of the overall household median income in the East Bay.**

By individual earnings, **Latino individuals earn 70% and African Americans earn 85% of the overall individual median earnings in the East Bay.**<sup>3</sup>

The income disparities in race are likely due to the **concentration of Latinos and African Americans in traditionally lower-paying occupations.** Latinos are under-represented in higher-paying Management and Professional occupations, and over-represented in lower-paying Service occupations. However, their over-representation in Construction and Production-related occupations which can pay above the Basic Family Wage means an opportunity to raise wages and benefits in those industries to help address these racial disparities.

For African Americans, they are also under-represented in higher-paying Management and Professional occupations and to a lesser degree Construction occupations, and over-represented in Sales and Office occupations, as well as the lower-paying Service and Production and Transportation occupations.

Furthermore, **Latinos and African Americans actually lost ground in income between 2000 and 2008.** Latino median household income decreased from \$64,325 to \$55,930 between 2000 and 2008, and African American median household income decreased from \$48,834 to \$42,023 over the same time period.<sup>4</sup>



## 4. NEARLY 280,000 PEOPLE IN THE EAST BAY ARE UNINSURED

Nation	15.1%
California	17.8%
East Bay	11.5%
Oakland City	17.5%
Richmond City	20.6%

The Census Bureau included for the first time a question on insurance rates in the annual American Community Survey. The East Bay has 285,752 people that are without health insurance coverage—the majority of whom are under age 65. The data show that the East Bay has an uninsured rate overall of 11.5%. Oakland City has an overall uninsured rate of 17.5% (63rd out of 121 cities in California by insurance rate) and Richmond City, 20.6% (89th out of 121).

### Background Information

#### About the Data

This data summary is based on American Community Survey data released on September 22, 2009. The American Community Survey is an annual survey of the U.S. Census Bureau that is conducted year-round for areas of population of 65,000 or above. Household incomes and earnings are reported for the past 12 months, and earnings are reported for the civilian employed population 16 years and over. Because the surveys are based on a sample, the U.S. Census reports margins of error.

We use the geography of East Bay in this data summary, and define the East Bay region as Alameda and Contra Costa counties. The East Bay had a combined population of 2.5 million people and 1.2 million workers over age 16 in 2008. We use the U.S. Census' Oakland-Fremont-Hayward, CA Metropolitan Division as our main geographic area, which combines Alameda and Contra Costa Counties.

Note: The Census Bureau delayed the release of American Community Survey poverty data due to a coding error. The poverty-related data are scheduled to be released on September 29, 2009.

#### About EBASE

The East Bay Alliance for a Sustainable Economy is celebrating 10 years of building power and raising standards for working families. EBASE has helped pass seven living wage policies in the region. This is EBASE's third annual brief on U.S. Census data focusing on income and occupations in the East Bay.

#### NOTES

<sup>1</sup> Note that the Census Bureau cautions that income questions were asked differently in the Decennial Census 2000, which asked for income for the entire previous year (1999) than in the ACS 2008, which asked for income for the previous 12 months. Studies of California's discrepancies in Census 2000 versus ACS 2008 show that incomes differed by approximately 5.3%. When we adjust the Census 2000 by -5.3%, the difference in median incomes compared to ACS 2008 is no longer statistically significant.

<sup>2</sup> This household income is calculated by using the California Budget Project's 2007 Basic Family Wage of \$18.53 for the 9-county San Francisco Bay Area. This estimate assumes that each of two working adults work full time (40 hours a week) year round (52 weeks including paid vacation). The 2007 Basic Family Wage is adjusted to 2008 dollars

<sup>3</sup> Household income includes the entire household, and other forms of income besides earnings and wages, such as Social Security, public assistance, or dividends from investments. Earnings are for the individual worker, and only includes wage and salary income or net income from self-employment.

<sup>4</sup> Median household incomes from 2000 are inflated to 2008 dollars. Here, even when we adjust the median incomes in 2000 by -5.3% to account for differences in the way the income question was asked when compared to ACS 2008, the difference in median incomes remain statistically significant for African Americans and Latinos.



## 2009 Poverty Addendum

### POVERTY PREVALENT AT BEGINNING OF RECESSION

The Census Bureau delayed the release of American Community Survey data regarding poverty, due to a coding error. The additional poverty data was released on September 29, 2009.

Individuals and families in the East Bay continue to suffer high rates of poverty. And because the federal poverty rate has failed to keep pace with the overall cost of living, we also measure those who have incomes at 200% of the federal poverty level to account for the real depth of economic struggle for residents in the East Bay. The dynamics of poverty in the East Bay also have deep education, race, and gender dimensions, which we explore below.

### 1. PERSISTENT POVERTY AMONG THOSE WITH LIMITED EDUCATION AND WORKERS

Over **one in three people in poverty have less than a high school diploma** (31%).

One in four of those in poverty have a high school degree or equivalency (25%).

Of those in poverty, **32% work part-time or part-year**—an estimated 57,339

people—showing that the gradual trend toward less-than-full-time work has deep poverty consequences. Seven percent (7%) of those below the federal poverty line work full-time, year round.

### 2. ONE IN TEN IN EAST BAY UNDER FEDERAL POVERTY LINE

In the East Bay, an estimated 247,035 people, or **10% of the population**, are in poverty, with incomes less than \$10,400 for individual.<sup>1</sup> An estimated 73,533 children under age 18, or **13% of the children in the East Bay, are living under the poverty line**. Over half of children in poverty live in female-headed households (53%).

A more accurate picture of poverty includes those who have incomes that are less than **200% of poverty** (making less than \$20,800 for an individual). In the East Bay, an estimated 571,471 people, or **23% of residents**—nearly one in four—are below 200% of poverty level. Those with incomes at 200% of the federal poverty level are economically disadvantaged, and can qualify for public assistance.<sup>2</sup>

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#### Notes

1. Using U.S. Department of Health and Human Services measurement of the federal poverty level for 2008. <http://aspe.hhs.gov/poverty/08Poverty.shtml>. There is no statistical change in poverty from 2007 to 2008.

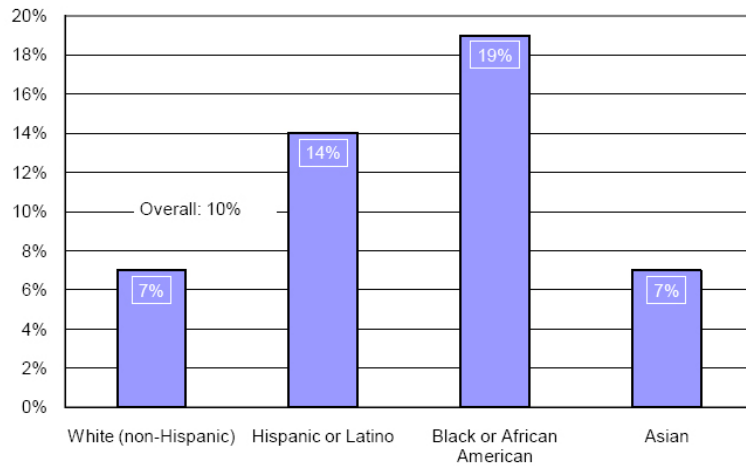
2. There was no statistical change in 200% of poverty from 2007 to 2008.

### 3. AFRICAN AMERICANS AND WOMEN STRUGGLE WITH HIGHER RATES OF INDIVIDUAL POVERTY

The racial dynamic of poverty continues to hamper the East Bay, as African Americans continue to have a **drastically higher rate of poverty**—almost double that of the overall population (19% versus 10% overall popula-

tion). By gender, **women are more likely to be in poverty than men** (56% of women versus 44% of men).

East Bay Individual Poverty Rate



### 4. FAMILY POVERTY SHOWS STARK DISPARITIES BY RACE

Disparities in family poverty by race are in some ways starker than disparities in individual poverty rates. African American families are **more than twice as likely to be in poverty as families in the overall East Bay population**, and nearly **six times more likely than white families to be in poverty**. The federal poverty rate for a family of 3 is \$17,600, and for a family of 4, \$21,200. The higher costs of living in the East

Bay mean families under the federal poverty level face extreme economic struggles.

**Fifty-one percent (51%) of families in poverty are led by women only**, while 79% of African American families in poverty are led by women. These statistics continue to point to gender disparities that also have severe effects on children and families.

East Bay Family Poverty by Race

