

# THE STATE OF WORKING SONOMA IN 2013

## *Income Inequality, Poverty and Low-Wage Employment*

### **A SUMMARY OF 2010 U.S. CENSUS DATA**

*by Ginny Browne, MURP*



## **MAJOR FINDINGS**

### **1. Stagnant Incomes and Increasing Poverty**

- In 2010, one in ten Sonoma County residents (51,774 individuals) lived below the federal poverty guideline of \$10,830 for a single adult. For Latinos, the poverty rate was 17.7% countywide and 19.7% in the City of Santa Rosa—nearly double that of the general population. For African Americans, these rates were 21.1% and 27.2%, respectively—nearly triple that of the general population. More than one in seven children in Sonoma County, or 13.6%, were living in poverty, as were 16% of children in Santa Rosa
- Countywide, 5% of people living in poverty worked full- or part-time. In Santa Rosa, this figure was 6.5%.
- Using 200% of the poverty threshold as a measure, more than one in four Sonoma County residents, or 27.6%, were living in economic hardship. In Santa Rosa, this number was one in three, or 32.7%. In Rohnert Park and Petaluma, respectively, 29% and 21.8% of residents were living in economic hardship.
- Since 2007, household incomes and individual earnings have both declined countywide. Adjusted for inflation, Sonoma County's median household income dropped 5.7%, from \$65,531 in 2007 to \$61,837 in 2010.
- Race and gender disparities in median earnings were stark, especially in Santa Rosa, where African Americans earned 61 cents for every dollar earned by whites, while Latinos earned 69 cents on the dollar. Women in Sonoma County earned 79 cents for every dollar earned by men. That number was nearly identical in the city of Santa Rosa.

### **2. Sonoma's Hourglass Economy and Growing Low-Wage Sectors**

- Approximately 15% of wage earners countywide, or one in seven, fall within the five lowest paid occupations, which, in aggregate, have a median earning of \$25,721. In Santa Rosa, nearly one in five workers (17.8%) are concentrated in the five lowest paying occupations, which, together, earn a median of \$22,734.
- In Sonoma County, workers in the five lowest occupations earn less than two-thirds of what is needed to sustain themselves (64.7%), while those in Santa Rosa earn barely more than half of what is needed (57.2%).

### **3. Housing and Healthcare Costs Increase the Burden on Working Families**

- Both at the county level and in the City of Santa Rosa, most households are paying more than 50% of their incomes toward housing costs—substantially more than 30% which is considered affordable.
- 36,044 people in Sonoma County, or one in six, are employed but have no health insurance. In Santa Rosa, more than one in five working people, 15,163 in total, have no insurance.

INDICATOR (2010)	SONOMA COUNTY		SANTA ROSA	
	NUMBER	PERCENTAGE	NUMBER	PERCENTAGE
People living below 100% of the poverty line	51,774	11%	21,642	13.3%
People living below 200% of the poverty line	130,133	27.6%	53,343	32.7%
People in poverty who work full- or part-time	18,727	4.9%	8,412	6.5%
Families living below 100% of the poverty line	7,580	6.5%	3,336	8.6%
Children living below 100% of the poverty line	14,039	13.6%	6,159	16%
Median household income	\$61,837		\$57,334	
Median earnings (full time, full year)	\$47,751		\$43,904	
Percent of workers in lowest wage occupations	15%		18%	
Earnings as % of Basic Family Budget in five lowest wage occupations	64.7%		57.2%	
Percent of people employed without health insurance	16.4%		20.3%	
Households paying more than 30% of income toward housing (owner)	54.1%		51.0%	
Households paying more than 30% of income toward housing (renter)	55.9%		55.4%	

## I. BACKGROUND

Sonoma County is located in the northern part of the greater nine-county San Francisco Bay Area. At over 1 million acres, Sonoma is the largest county in the Bay Area, and it has two coasts along both the San Francisco Bay and the Pacific Ocean. According to the U.S. Census Bureau the population of the county was 491,829 in 2012.

The county seat is Santa Rosa, located in central Sonoma County a one-hour drive north from San Francisco. With a population of 169,292, Santa Rosa is the largest city in the county and the North Bay, a region that includes Marin, Sonoma, Napa and Solano counties.

In 2012, non-Hispanic whites comprised 66 percent of the population. Latinos are the fastest growing ethnic group in the county and were 25 percent of the population in 2012. Latino residents are projected to increase to 31 percent of the total county population by 2020 and more than 51 percent by 2050 according to the California Department of Finance.

The local economy is very diversified, with employment the highest in the retail trade, government and public education, and health and educational services industry clusters, then followed by, and evenly distributed amongst, professional services, tourism and hospitality, and manufacturing that includes both hi-tech equipment and wine.

## II. INCREASING POVERTY AND STAGNANT INCOMES

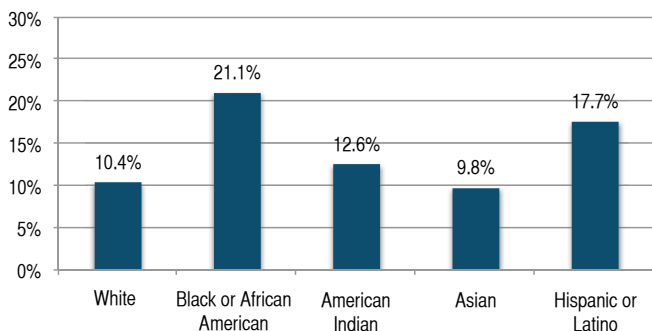
### Poverty

In 2010, **more than one in ten** Sonoma County residents (51,774 individuals or 11%) lived below the federal poverty guidelines of \$10,830 for a single adult, or \$22,050 for a family of four. This measure is up from 9.4% prior to the Great Recession in 2007. In 2010, in Santa Rosa **more than 13%** of residents were living in poverty.

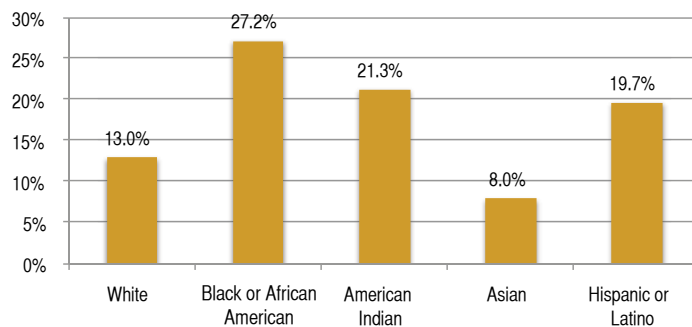
While poverty rates went up overall in the general population, the largest increases were in communities of color. For Latinos, the 2010 poverty rate was **17.7% countywide** and **19.7% in the City of Santa Rosa**—nearly double that of the general population. For African Americans, these rates were **21.1% and 27.2%**, respectively—**nearly triple that of the general population**. Three years earlier, 18.9% of African Americans in the county and 18.3% of those in Santa Rosa were living in poverty.

More than one in seven children in Sonoma County, or 13.6%, were living in poverty, as were 16% of children in Santa Rosa.

**Sonoma County poverty  
by race, origin (2010)**



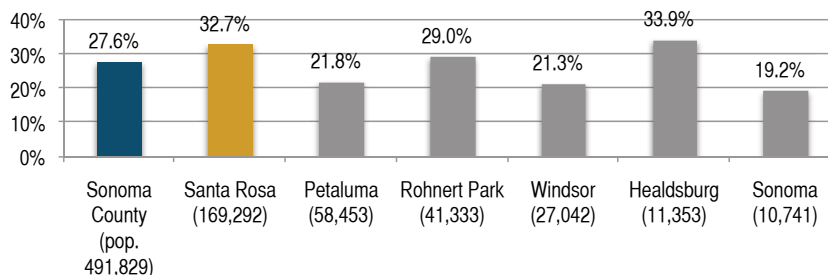
**Santa Rosa poverty  
by race, origin (2010)**



The federal poverty level was developed in 1964 using the cost of a basket of food, which, at the time, represented a third of the typical family’s income. However, although the measure of poverty has not changed, other household expenditures, especially housing, childcare, transportation, and health care, have far surpassed food in the typical family budget. For this reason, a more accurate measure of economic hardship, and one used for many public assistance programs, is 200% of the poverty guidelines. In 2010, the federal poverty guideline for the annual income of a family of four was \$22,050 and 200% of the poverty guideline was \$44,100.<sup>1</sup>

According to the 2010 census, **more than one in four** Sonoma County residents were living in economic hardship. In three cities, Santa Rosa, Rohnert Park, and Healdsburg, this number was **one in three**.

**People living below  
200% of the poverty line in the  
six largest Sonoma County cities (2010)**



<sup>1</sup> For a detailed discussion of poverty thresholds, please see these publications:

Los Angeles Alliance for a New Economy, “The Other Los Angeles: The Working Poor in the 21st Century,” 2000. pp 6-8. <http://www.laane.org/whats-new/2000/08/26/the-other-los-angeles-the-working-poor-in-the-city-of-the-21st-century-2000/>

Manuel Pastor and Justin Scoggins, “The Working Poor in the Golden State,” UC Santa Cruz Center for Justice, Tolerance, and Community, 2007. pp 9-14. [http://cjtc.ucsc.edu/pub\\_reports.html](http://cjtc.ucsc.edu/pub_reports.html)

## Incomes and Earnings

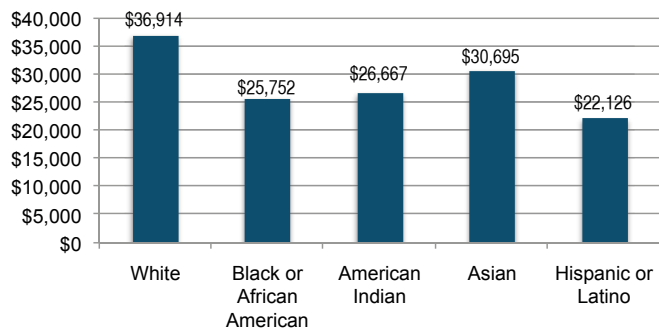
As poverty has increased countywide since 2007, household incomes and individual earnings have both declined. Adjusted for inflation, **Sonoma County's median household income dropped 5.7%**, from \$65,531 in 2007 to \$61,837 in 2010. Similarly, median household income in Santa Rosa **dropped 4%** during that time from \$59,711 to \$57,334.

Shrinking household incomes are due in large part to declining individual earnings, persistent high unemployment, and involuntary part-time employment. For individuals over the age of 16 employed either full-time or part-time, median earnings have declined 4.5% to \$31,631 and an impressive **12% in Santa Rosa** to \$29,069 between 2007-2010.

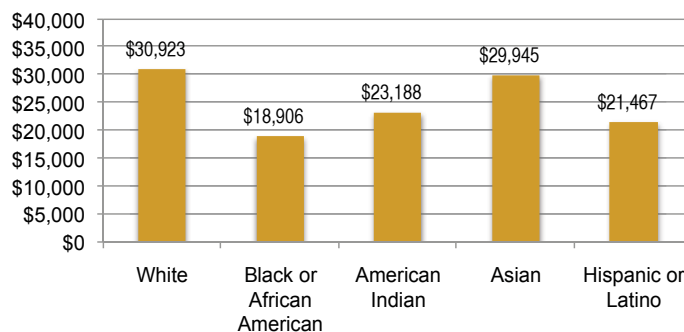
More recent U.S. census data indicate that through 2011 median household income remained flat.<sup>2</sup>

Racial inequalities existed for nearly all economic indicators in 2010, but none more starkly than for median individual earnings. In Santa Rosa, where these measures were most significant, African Americans earned **61 cents for every dollar** earned by whites, while Latinos earned **69 cents** on the dollar. In addition to racial disparities, the gender gap persisted in median earnings. Women in Sonoma County earned **79 cents on the dollar** compared with men. That number was nearly identical in the City of Santa Rosa. Countywide, men working full time earned a median of **\$53,201**, while women working full time earned a median of **\$42,243**.

**Sonoma County median earnings  
(part- or full-time, 2010)**

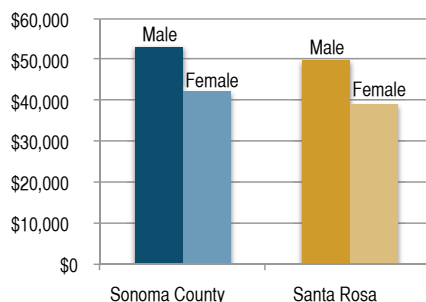


**Santa Rosa median earnings  
(part- or full-time, 2010)**



Countywide, men working full time earned a median of **\$53,201**, while women working full time earned a median of **\$42,243**.

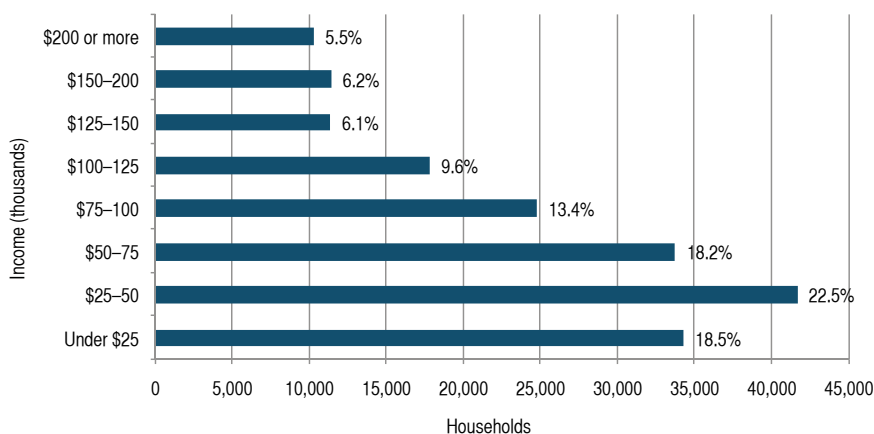
**Median earnings by gender  
(full-time, 2010)**



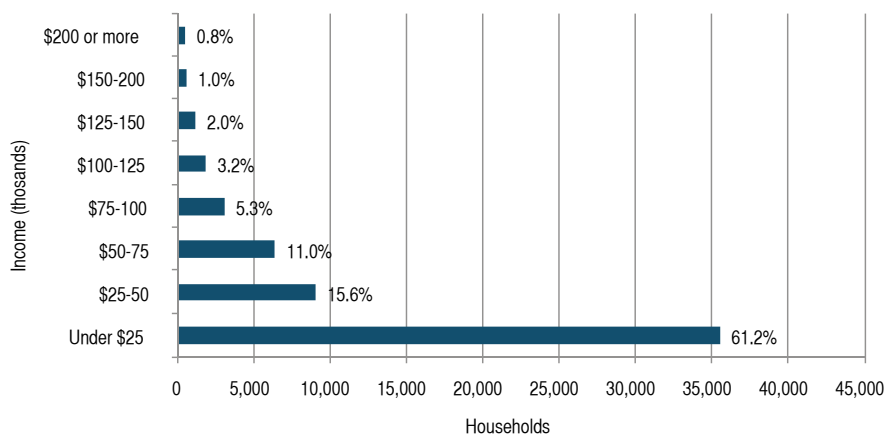
<sup>2</sup> Martin Espinoza. "Sonoma County Income Stabilized in 2011," *Santa Rosa Press Democrat*, September 19, 2011.

The 2010 census reveals a snapshot of highly unequal income distribution with a concentration of lower income households below \$50,000, and fewer middle-income households between \$75,000 and \$125,000. In 2010, nearly four-fifths of Latino households received less than \$50,000 in household income.

**Household income distribution,  
Sonoma County (2010)**



**Household income distribution,  
Latino households, Sonoma County (2010)**



### III. SONOMA’S HOURGLASS ECONOMY & GROWING LOW-WAGE SECTORS

In 2005, the North Bay-based policy research organization New Economy, Working Solutions released, “The Limits of Prosperity: Growth, Inequality, and Poverty in the North Bay.”<sup>3</sup> The report analyzed economic trends from the early 1980s through the early 2000s and found that, while economic growth had brought prosperity to some North Bay residents, the dramatic increase of low-wage jobs, the loss of middle-income jobs, and the rising cost of living led to the stagnation of incomes for the bottom two-fifths, and extreme economic hardship for many. The report demonstrated growing inequality—and a vast expansion over two decades—of the working poor, i.e. families with at least one member who reported employment income in the past year who cannot make ends meet.

3 Nari Rhee and Dan Acland, “Limits of Prosperity: Growth, Inequality, and Poverty in the North Bay,” New Economy, Working Solutions and UC Center for Labor Research and Education, 2005. [www.livingwagesonoma.org](http://www.livingwagesonoma.org)

This “**hourglass economy**,” characterized by job growth in both high-wage, professional occupations and low-wage, service occupations amidst a disappearance of middle-income, middle-skilled jobs, continues to shape the labor market and income distribution in Sonoma County.

OCCUPATIONAL EARNINGS (2010) <sup>4</sup>	SONOMA COUNTY		SANTA ROSA	
	# OF WORKERS	MEDIAN EARNINGS	# OF WORKERS	MEDIAN EARNINGS
Management, professional, and related occupations	54,900	\$67,986	16,867	\$68,045
Construction, extraction, maintenance, and repair occupations	15,265	\$46,716	4,583	\$40,492
Sales and office occupations	36,346	\$42,508	12,065	\$40,411
Production, transportation, and material moving occupations	14,721	\$36,449	5,703	\$35,147
Service occupations	23,020	\$31,189	8,980	\$27,940

According to the California Budget Project’s Basic Self-Sufficiency Family Wage in 2010, families in Sonoma County must have two wage earners working full-time and making at least **\$19.11 an hour or \$39,749 (each) per year**, in order to pay for housing, food, transportation, child care, and health care expenses.<sup>5</sup>

The 2010 census found that earnings by workers in the five lowest-paid occupations countywide fall far below the Basic Family Wage. In Sonoma County, approximately **15% of wage earners**, or one in seven, fall within the five lowest paid occupations, which, in aggregate, have a median earning of **\$25,721**. In Santa Rosa, nearly **one in five workers** (17.8%) are concentrated in the five lowest paying occupations, which, together, earn a median of **\$22,734**.

These occupations, of which many are service related, yield far less than is needed to support a family in the North Bay. In Sonoma County, full-time, year-round workers in the five lowest occupations earn **less than two thirds** of what is needed to survive (64.7%), while those in Santa Rosa earn **barely more than half** of what is needed in order to make ends meet (57.2%).

<b>Sonoma County</b>		
FIVE LOWEST PAYING OCCUPATIONS (2010)	# OF WORKERS	MEDIAN EARNINGS
Food preparation and serving related occupations	5,574	\$22,305
Farming, fishing, and forestry occupations	2,318	\$23,736
Material moving occupations	2,730	\$26,815
Building and ground cleaning and maintenance occupations	6,072	\$27,424
Personal care and service occupations	4,674	\$28,326
<b>TOTAL WORKERS</b>	<b>21,368</b>	<b>\$25,721</b>

4 This data represents workers who were employed full-time year round.

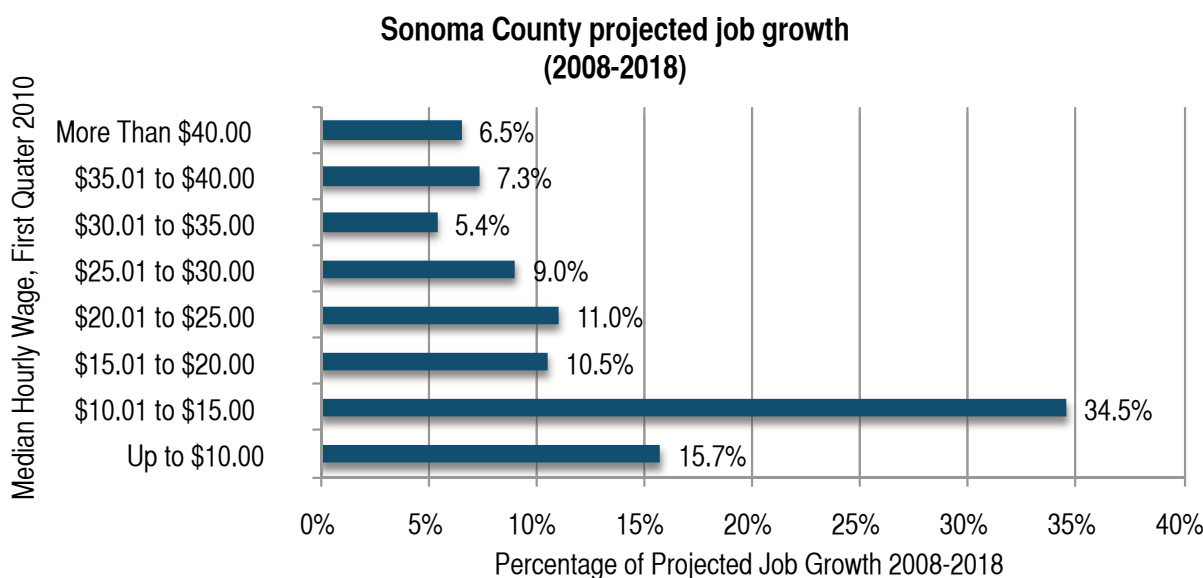
5 Calif. Budget Project, “Making Ends Meet: How Much Does It Cost to Raise a Family in California?” 2010. [http://www.cbp.org/pdfs/2010/100624\\_Making\\_Ends\\_Meet.pdf](http://www.cbp.org/pdfs/2010/100624_Making_Ends_Meet.pdf)

**Santa Rosa**

**FIVE LOWEST PAYING OCCUPATIONS (2010)**

	# OF WORKERS	MEDIAN EARNINGS
Food preparation and serving related occupations	2,386	\$21,698
Building and ground cleaning and maintenance occupations	2,386	\$26,131
Personal care and service occupations	1,841	\$25,225
Farming, fishing, and forestry occupations	393	\$17,765
Material moving occupations	1,457	\$22,851
<b>TOTAL WORKERS</b>	<b>8,463</b>	<b>\$22,734</b>

According to the California Employment Development Department (CA EDD), job growth trends between 2008-2018 will continue to reproduce and reinforce the hourglass economy: nearly **60% of all new jobs** in Sonoma County will pay a median hourly wage that is less than a self-sufficiency wage of \$19.11 per hour, and **half of new jobs will pay less than \$15.00** an hour.<sup>6</sup> Unemployment in Sonoma County declined to 7.7% in 2012 from a peak during the recession of 10.4% in 2010. Despite the optimism of many in the business community about the recovery, the majority of new jobs created do not pay wages that will enable workers and their families to move out of working poverty.



Job growth and job quality trends at the local level are consistent with national trends: according to the National Employment Law Project (NELP), low-wage jobs paying less than \$13.83 an hour comprised 21% of the jobs lost during the recovery, but 58% of the job growth. The Bureau of Labor Statistics calculates that seven out of ten top job growth occupations over the next decade will be low-wage jobs in food services, hospitality, retail and other service sector occupations.<sup>7</sup>

6 CA EDD, "2008-2018 Occupational Employment Projections," Santa Rosa-Petaluma Metropolitan Statistical Area (MSA), 2010.

7 NELP, "Low-Wage Recovery and Growing Inequality" 2012 [http://www.nelp.org/index.php/content/content\\_about\\_us/tracking\\_the\\_recovery\\_after\\_the\\_great\\_recession](http://www.nelp.org/index.php/content/content_about_us/tracking_the_recovery_after_the_great_recession).  
 NELP, "Big Business, Corporate Profits, and the Minimum Wage" 2012 <http://www.nelp.org/page/-/rtmw/NELP-Big-Business-Corporate-Profits-Minimum-Wage.pdf?nocdn=1>.

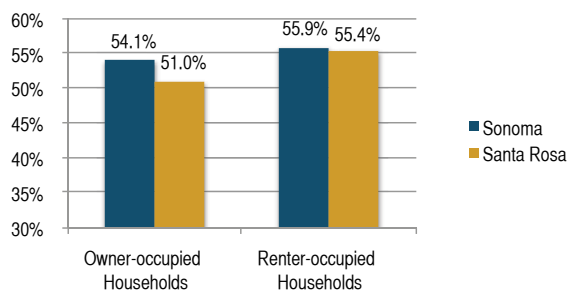
## IV. HOUSING AND HEALTHCARE COSTS

### INCREASE THE BURDEN ON WORKING FAMILIES

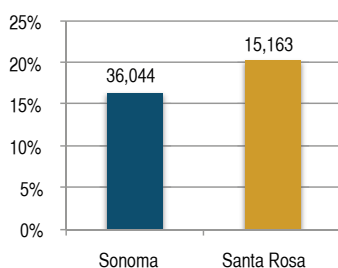
The 2010 census showed that hardships faced by those working full time for low pay were exacerbated by the growing financial burden of other basic needs. According the widely accepted measure of housing affordability—no more than 30% of household income should be paid toward housing costs—housing in Sonoma, whether renter or owner-occupied, is unaffordable across the board. Both at the county level and for the City of Santa Rosa, more than half of the households are paying more than 30% of their incomes towards housing costs.

To add to the burden of housing costs, 36,044 people in Sonoma County, or **one in six**, are employed but have no health insurance. In Santa Rosa, **more than one in five** working people, 15,163 in total, have no insurance.

**Household paying > 30% of income toward housing (2010)**



**People employed without health insurance (2010)**



#### About the author

Ginny Browne has worked as an organizer and researcher for labor, tenants rights, and community development organizations in New York City and the Bay Area. She received her Masters in Urban and Regional Planning from UCLA with a concentration in Housing and Community Development. Ginny currently works as Community Engagement Coordinator with The Participatory Budgeting Project in Vallejo, California, on the first citywide participatory budgeting process in the U.S.