



# Key Facts

May 2019

## Cost of living

- 57% of Americans could not afford a \$500 expense. ([CBS](#), [Bankrate](#), January 2017)
- Only 39% of Americans could cover a \$1,000 expense from savings. ([Bankrate](#), [January 2018](#))
- A 2018 survey by the Federal Reserve Board found that 40% of Americans could not cover a \$400 emergency expense. ([Federal Reserve Board](#), [May 2018](#))
- In a survey from March 2018, the top economic concern was that it is “too tough for the middle class to make ends meet.” ([GW Battleground Poll](#), [March 2018](#))
- Even with the economy approaching full employment, nearly 40 percent of adults reported that they or their families had trouble meeting their basic needs in 2017. ([Urban Institute](#), [August 2018](#))
- 62 percent of jobs don't pay enough to support middle-class lifestyle after factoring in metro area's cost of living. ([USA Today](#), [Third Way](#), October 2018)
- 47% of voters say that things are getting worse with regard to wages and incomes keeping up with the cost of living. ([Priorities USA](#), [August 2018](#))
- 38% of voters view the Trump tax law unfavorably, with 44% saying their increased cost of living exceeds any tax cut they may have received. ([Priorities USA](#), [August 2018](#))
- 53% of Americans believe they have not been helped much or at all from any growth in the national economy. ([Monmouth University Poll](#), [May 2018](#))
- About four in ten survey respondents stated that they had experienced an economic crisis in the previous 12 months. ([American Family Survey](#), [2018](#))
  - 44 percent of families with children said they had experienced a significant economic crisis in the past year, compared to 30 percent of those without children. ([American Family Survey](#), [2018](#))
  - Nearly three-quarters of respondents with children at home said they worried about paying monthly bills, compared to just over half of those without children in the home. ([American Family Survey](#), [2018](#))
- Over 3/4 of workers report living paycheck to paycheck (at least some of the time). ([Harris Poll for CareerBuilder](#), [August 2017](#))

## Income Volatility

- 70% of poor households are only intermittently poor. In the U.S. specifically, an AEI working paper by Angela Rachidi underscores the dynamic nature of poverty: from 2009 to 2011, “... being persistently poor or persistently jobless (meaning more than 27 of the 36-month period) was relatively rare”. For households that experienced poverty at some point (35%), the majority (69.7%) experienced it intermittently (less than half of the three-year period). ([American Enterprise Institute, July 2018](#))

## Other Economic Facts

- Women are more than eight times as likely to work poverty-level wage jobs. ([Institute for Women’s Policy Research, April 2018](#))
- The wealthiest 0.1 percent in America own the same amount of wealth as the bottom 90 percent. ([Saez & Zucman, October 2014](#))
- The median net worth of White households is 10x that of Black households, and about 8x that of Latinx households. ([Pew Research Center, November 2017](#))
- When faced with a hypothetical \$3,000 financial emergency, the IQ of low-income survey respondents dropped 13 points; while there was no effect on wealthy respondents. ([Science, August 2013](#))
- On average, a white high school dropout has more wealth than a black or Latino college graduate. ([Originally in Demos, quoted in Huffington Post, September 2014](#))
- The wealthiest 10% receive half of all the income and own 3/4 of all the wealth. ([Pew Research Center, January 2014](#))
- Minimum wage would be \$33 today if it grew like Wall Street bonuses have. ([CBS News, March 2019](#))

## EITC

- The Earned Income Tax Credit is one of the nation’s most effective anti-poverty policies. While [Social Security](#) lifts 22 million people out of poverty, the EITC touches 25 million people, but lifts 5 to 10 million people out of poverty. (Center on Budget & Policy Priorities, [April 2016](#) & [April 2018](#))

## CLR Policy Elements

- **Monthly:** The vast majority of Americans would rather earn income more evenly throughout the year to gain financial stability than earn more overall and move up the income ladder. ([Pew, March 2015](#))
- **Caregivers:** “In our country, over 40 million family caregivers provide uncompensated care valued at over \$470 billion annually. Family caregivers, just like me, spend close to \$7,000, on average, in out-of-pocket expenses a year. The financial and time burden of caregiving especially hits Black, white and Latina women who provide care to their loved ones hard.” ([Sarita Gupta, Caring Across Generations](#))
- **Childless:** “The U.S. Treasury estimates that 70 percent of improper EITC payments are from 'authentication errors.' Frequently, these result from the incredibly complex child eligibility requirements, which attempt to account for myriad factors such as relationship and residency, filing status, complicated living situations, and when married couples file as single or as head of household.” ([Bipartisan Policy Center, April 2019](#))
- **Elderly (removing upper age limit):** America’s elderly are twice as likely to work now as in 1985. For the first time in 57 years, the participation rate in the labor force of retirement-age workers has cracked the 20 percent mark. As of February, the ranks of people age 65 or older who are working or seeking paid work doubled from a low of 10 percent back in early 1985. ([Bloomberg, April 2019](#))

## Students

- According to the Government Accountability Office, more than 30 percent of students experience food insecurity. ([The Atlantic, January 2019](#))
- Two-thirds of community college students are food insecure, and 14% are homeless. ([The Atlantic, March 2017](#))
- Most low-income students who are in school half-time or more are ineligible for SNAP benefits unless they are also working 20 hours a week or have a young child. ([USDA.gov](#))
- A 2017 survey found that 42 percent of community-college students nationally experienced food insecurity within the past month—which could mean missing meals altogether or not being able to afford balanced meals—while 12 percent were considered homeless at some point in the previous year... In 1975, a federal Pell Grant covered 79 percent of the cost of attending a four-year public college. Today, it covers just 29 percent. ([The Atlantic, May 2018](#))
- Between January 1989 and January 2016 the cost to attend a university increased nearly eight times faster than wages did. ([Forbes, July 2018](#))
- 45 percent of student respondents from over 100 institutions said they had been food insecure in the past 30 days, according to a survey released this week by Temple University’s [Hope Center for College, Community and Justice](#). In New York, the nonprofit found that among City

University of New York (CUNY) students, [48 percent](#) had been food insecure in the past 30 days. ([New York Times, May 2019](#))

## LIFT Act

- According to the Institute on Taxation and Economic Policy, Senator Kamala Harris's LIFT Act could impact one in every two workers and two out of every three children in America, according . In addition, ITEP estimates approximately 1 million Pell Grant eligible students would qualify for the credit of up to \$3,000.

## Republican Tax Cuts

- 36% of Americans believe that middle class families have not benefited at all from Trump's economic policies. ([Monmouth University Poll, May 2018](#))
- 58% of voters believe that the Trump administration is not doing enough to help middle class Americans. ([Quinnipiac University Poll, August 2018](#))
- An internal poll commissioned by the Republican National Committee and obtained by Bloomberg said that, by a two-to-one margin, Americans see the tax bill as benefiting large corporations and rich Americans over the middle class. ([Bloomberg, September 2018](#))
- A 2018 Gallup poll found that 64 percent of Americans said they hadn't seen an increase in their take-home pay, and 51 percent said the cuts hadn't helped them financially. ([Gallup, October 2018](#))
- In 2017, the Center on Budget and Policy Priorities estimated that while most Americans would benefit at least somewhat, the top fifth of earners would get 70 percent of the bill's benefits, and the top 1 percent would get 34 percent. ([Center on Budget and Policy Priorities, October 2017](#))

## Minimum Wage & the EITC

- "The EITC partially subsidizes employers, and as such the minimum wage is an excellent way to combat this. So it complements, rather than substitutes, for an EITC." ([Roosevelt Institute, February 2013](#))
- Researchers have found that when the minimum wage in a state increased, or when states boosted a tax credit for working families, the suicide rate decreased. Raising the minimum wage and the earned-income tax credit (EITC) by 10 percent each could prevent about 1,230 suicides annually, according to a [working paper](#) circulated by the National Bureau of Economic Research this week.....Among adults without a college education, increasing the EITC by 10 percent

appears to have decreased non-drug suicides by about 5.5 percent. ([Washington Post, April 2019](#))

## California

- The median cost of a house in California rose to a record high of over \$600,000 in 2018 — more than double the national median of \$268,800. ([Business Insider, June 2018](#))
- The high cost of housing has been driving out low-income Californians to other, less expensive states. ([LA Times, May 2018](#))
- 1 in 5 California households pays **more than half** of their income in housing costs. ([California Budget & Policy Center, September 2017](#))
- Between 2004 and 2013, the average cost of a four year college/university in the UC/CSU system more than doubled, from \$4,000 to more than \$9,000. ([Public Policy Institute of California, November 2014](#))
- California would be the 5th largest economy in the world with a GDP of \$2.9 trillion (between Germany and UK). But CA is only the 4th best economy in the US because of its rank of 32nd in economic health (which looks at unemployment, underemployment, payroll change, poverty rate, foreclosure rate, and uninsured population). ([Wallet Hub, June 2018](#))
- 1 in every 10 CA workers is a graduate of the Cal State system, as over 50 percent of grads stay in CA. ([California State University](#))
- There are 3.9 million small businesses in California, making up 99.8 percent of the state's businesses. Those companies employ nearly 50 percent of the state's workforce. ([Blue Water Credit, November 2018](#))
- Adjusting for inflation, 90 percent of employees in Silicon Valley are making less than their equivalents were 20 years ago. The top 10 percent of Silicon Valley earners, however, have seen their wages grow. Despite sliding wages, Silicon Valley's economic output per capita has jumped by 74 percent from 2001 to 2017. ([Inc., October 2018](#))
- California experienced a 3.2 percent increase in its median home value since 2018, and was now up to \$548,700 as of March 2019. In San Francisco, the median home value was a sky-high \$1.19 million, and it was \$629,900 in Los Angeles. Meanwhile, the national median home price is \$226,300. ([Zillow, March 2019](#))
- In 1979-1980, tuition and fees at the University of California (UC) were \$2,200 in 2018 dollars, adjusted for inflation. Today's UC students pay more than **six times** that amount, \$14,400 for resident undergraduates. Students at the California State University (CSU) have experienced a similar cost increase. Between 1979 and 2019, tuition and fees at the CSU rose by \$6,800 in inflation-adjusted dollars, a **1,360% increase**. During the same period, **food and housing-related expenses increased by 40%**. ([California Budget & Policy Center, April 2019](#))