

Regional Jobs Strategy Affordability Dashboard Appendix

September 1, 2016

A limited number of economic metrics are organized into three dashboards to each be released separately: Business & Tax Climate, Affordability, and Standard-of-Living. All three dashboards will be incorporated into the final Regional Jobs Strategy and tracked to ensure accountability as a region.

The competitor metropolitan areas (metros) were selected for competitiveness in the traded economies in which the San Diego region specializes.

- Austin-Round Rock, TX
- Raleigh, NC
- Boston-Cambridge-Newton, MA-NH
- San Diego-Carlsbad, CA
- Denver-Aurora-Lakewood, CO
- San Francisco-Oakland-Hayward, CA
- Los Angeles-Long Beach-Anaheim, CA
- San Jose-Sunnyvale-Santa Clara, CA
- Portland-Vancouver-Hillsboro, OR-WA
- Seattle-Tacoma-Bellevue, WA

Unless otherwise stated, San Diego data presented in this dashboard is county-wide. Because the geographic boundaries of the San Diego metro, as defined by the Census Bureau, are identical to those of the County, the terms may be used interchangeably within this document.

Income and Wages

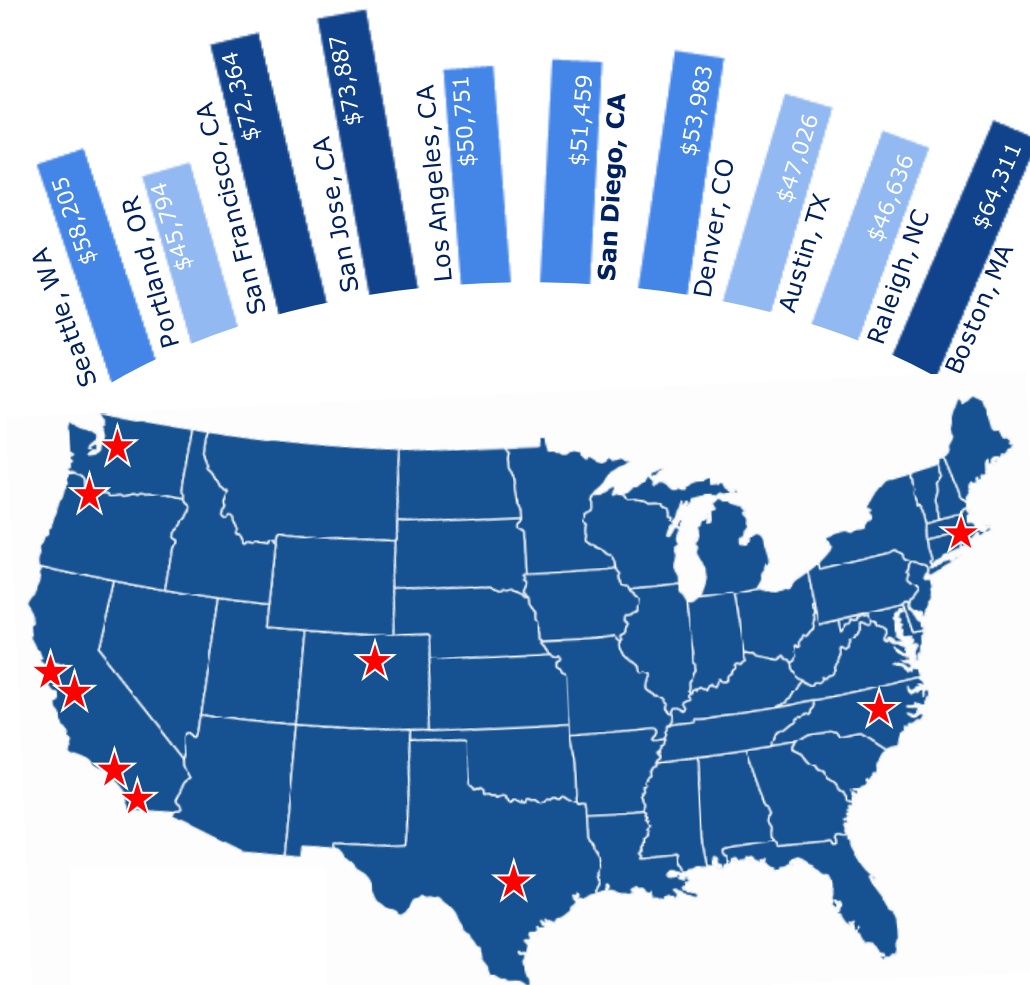
Per Capita Personal Income: The U.S. Bureau of Economic Analysis (BEA) reported Per Capita Personal Income for metropolitan areas can be found in "Personal Income Summary" [Table CA1](#).

Personal income is calculated by the BEA to include "wages and salaries, supplements to wages and salaries, proprietors' income with inventory valuation (IVA) and capital consumption adjustments (CCAdj), rental income of persons with capital consumption adjustment (CCAdj), personal dividend income, personal interest income, and personal current transfer receipts, less contributions for government social insurance plus the adjustment for residence." Per capita personal income is personal income divided by the resident population of the area.

Metro	Rank	Per Capita Personal Income
San Jose, CA	1	\$73,887
San Francisco, CA	2	\$72,364
Boston, MA	3	\$64,311
Seattle, WA	4	\$58,205
Denver, CO	5	\$53,983
San Diego, CA	6	\$51,459
Los Angeles, CA	7	\$50,751
Austin, TX	8	\$47,026
Raleigh, NC	9	\$46,636
Portland, OR	10	\$45,794

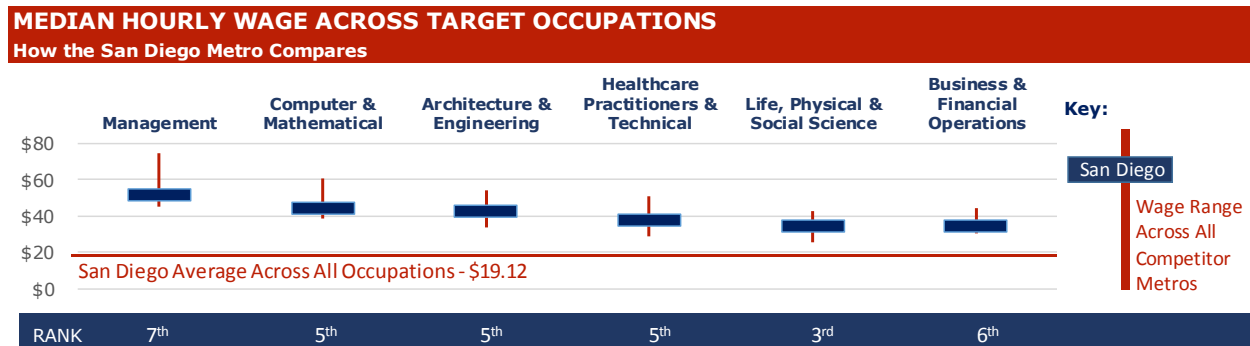
The source of this data is important to note as the results vary substantially based on whether the data originates from the Census, or the BEA. While the BEA measure of income includes some items not counted by the Census, such as Medicare payments, the major difference is that the Census simply divides the total income reported, by the total population. The income therefore does not include the income of people who live in places like military barracks. It is for these reasons that the BEA data is typically seen as more accurate data.

Compared with competitor metropolitan areas, San Diego ranks sixth in per capita personal income.



Median Hourly Wages across Target Occupations: Occupations largely aligning with higher wage industries in which we compete with the designated metros for businesses and talent were selected and displayed below. The source is the U.S. Bureau of Labor Statistics' (BLS) Occupational Employment Statistics "[May 2015 Metropolitan and Nonmetropolitan Area Occupational Employment and Wage Estimates](#)." For the following graphic, the red line indicates the range of median wages across the selected competitor metros.

Metro	Management	Computer & Mathematical	Architecture & Engineering	Healthcare Practitioners & Technical Occupations	Life, Physical, & Social Science Occupations	Business & Financial Operations	Overall
San Jose, CA	\$74.88	\$60.40	\$54.17	\$50.83	\$38.19	\$44.07	\$28.32
San Francisco, CA	\$62.81	\$51.70	\$46.22	\$50.80	\$42.69	\$40.29	\$24.19
Boston, MA	\$55.21	\$45.19	\$40.60	\$37.35	\$32.84	\$36.43	\$23.09
Seattle, WA	\$55.11	\$51.79	\$43.54	\$36.88	\$31.61	\$35.21	\$22.27
Denver, CO	\$55.98	\$43.43	\$39.46	\$33.49	\$32.13	\$34.08	\$19.83
Portland, OR	\$45.53	\$39.63	\$37.95	\$37.55	\$29.83	\$30.72	\$19.29
San Diego, CA	\$51.67	\$43.64	\$42.69	\$37.41	\$34.47	\$34.52	\$19.12
Los Angeles, CA	\$52.22	\$42.36	\$43.05	\$39.15	\$34.20	\$34.54	\$18.60
Austin, TX	\$49.33	\$38.45	\$37.90	\$29.20	\$25.25	\$30.79	\$17.95
Raleigh, NC	\$51.25	\$39.75	\$34.11	\$28.69	\$27.75	\$30.01	\$17.46
SD's Rank	7th	5th	5th	5th	3rd	6th	7th



Expenditures

Typical San Diego Metro Household Spending: The Bureau of Labor Statistics (BLS) reports "Average annual expenditures and characteristics, 2013-2014" [Table 3032](#) as part of its Consumer Expenditure Survey although not for all of our selected competitor metropolitan areas. Other sources were used to provide a comparison with competitor metros.

The expenditures reported by the BLS do not include some payments that may have been made such as business expenses, payments on past purchases, savings other than on pensions and social security, or income taxes.

Average annual income before taxes was also reported by the BLS Consumer Expenditure Survey. This figure, of \$77,805, was used to determine the percentage of income each major expenditure category represented.

Category	Expenditures	Percent of Income
Housing	23,774	30.6%
Transportation	10,319	18.3%
Food	6,936	12.3%
Healthcare	4,395	7.8%
Entertainment	2,894	5.1%
Other	8,057	14.3%
Apparel and services	1,977	3.5%
Cash contributions	1,752	3.1%
Miscellaneous	1,091	1.9%
Education	1,068	1.9%
Personal care products and services	744	1.3%
Alcoholic beverages	681	1.2%
Life and other personal insurance	350	0.6%
Tobacco products and smoking supplies	232	0.4%
Reading	162	0.3%
Retirement Contributions	6,812	12.1%

The Council for Community and Economic Research publishes an [index comparing the cost of living](#) in numerous areas. This product is, by far, the most often cited and most popular product of this type offering cost of living information. The data is created by surveyors reporting prices on specific goods and services at a given point and the average price of each good in each area is reported along with a calculated index figure for major spending categories. The data is not collected around and entire metro, but rather reflects the cost of living in the major city associated with each metro. The indices, and associated rankings among the designated competitor metros are reported in the following tables.

Index





Metro	Overall	Groceries	Housing	Utilities	Transportation	Healthcare	Misc.
San Francisco, CA	176.4	127.9	319.4	108.2	132.0	118.1	118.3
San Jose, CA*	150.0	119.8	245.3	125.8	111.4	116.7	106.7
San Diego, CA	144.8	108.8	230.6	123.1	129.1	110.6	102.8
Boston, MA	144.3	105.0	193.7	151.7	110.0	130.4	129.2
Los Angeles, CA	140.3	106.3	213.3	115.6	132.7	109.3	106.1
Portland, OR	129.5	115.5	166.8	83.5	119.0	110.5	123.9
Seattle, WA	125.8	116.1	155.5	96.0	118.6	123.4	116.6
Denver, CO	109.6	99.2	130.2	94.5	98.4	107.7	105.0
Austin, TX	96.0	84.2	90.3	101.5	97.7	103.5	102.2
Raleigh, NC	90.5	102.3	72.4	98.0	89.6	99.6	97.9

*2014 data for San Jose is displayed as 2015 is not available.

Rank

Metro	Overall	Groceries	Housing	Utilities	Transportation	Healthcare	Misc.
San Francisco, CA	1	1	1	5	2	3	3
San Jose, CA*	2	2	2	2	6	4	5
San Diego, CA	3	5	3	3	3	5	8
Boston, MA	4	7	5	1	7	1	1
Los Angeles, CA	5	6	4	4	1	7	6
Portland, OR	6	4	6	10	4	6	2
Seattle, WA	7	3	7	8	5	2	4
Denver, CO	8	9	8	9	8	8	7
Austin, TX	9	10	9	6	9	9	9
Raleigh, NC	10	8	10	7	10	10	10





*2014 data for San Jose is displayed as 2015 is not available.

		DOLLARS SPENT ANNUALLY	PERCENTAGE OF INCOME	RANK AMONG TEN COMPETITOR METROS
HOUSING		\$23,774	33%	3rd
TRANSPORTATION		\$10,319	14%	3rd
FOOD		\$6,936	9%	5th
HEALTHCARE		\$4,395	6%	5th

The Cost of Housing: Because it was clear the housing was the most substantial expenditure of the typical household, we reported on this issue in a little bit more depth.

For owning a home, we chose to report the median price for a single family home in addition to the percent of homeowners with a mortgage spending over 30 percent of their income on housing. According to the Greater San Diego Association of REALTORS® [Monthly Indicators](#), the median price for a single family home in San Diego County as of August 2016 was \$567,000. The 2014 American Community Survey 1-Year Estimates “Selected Housing Characteristics” [Table DP04](#) show that 42 percent of households that own a home with a mortgage pay over 30 percent of their income on housing.

For renting a home, we chose to report the weighted average rent for a one-bedroom apartment in San Diego County of \$1,368 as reported by the San Diego County Apartment Association Spring 2016 Vacancy & Rental Rate Survey. The 2014 American Community Survey 1-Year Estimates “Selected Housing Characteristics” [Table DP04](#) show that 57 percent of households that rent a home pay over 30 percent of their income on housing.

 \$567,000	OWNING A HOME The median price for a single family home in San Diego County.	 \$1,368 PER MONTH	RENTING A HOME The weighted average rent for a one-bedroom apartment in San Diego County.
	42 Percentage of owners spending 30% or more of income on housing in San Diego County.		57 Percentage of renters spending 30% or more of income on housing in San Diego County.

Affordability Index

The term 'affordability' is often misused to refer to cost of living. When housing and other costs are substantially higher in San Francisco, for example, it is often concluded that San Francisco is less affordable than San Diego. Cost of living however, is only half of the equation. Because incomes are higher on average, San Francisco is actually notably more affordable based on this more complete measure. It should be noted that these are averages and individuals may have different experiences based on their particular spending patterns, and the marketability of their skills in each local economy.

As previously stated, the Council for Community and Economic Research publishes an [index comparing the cost of living](#). This product is, by far, the most often cited and most popular product of this type offering cost of living information. It is commonly used to provide affordability information to someone moving from one city to another. Calculators are often licensed for use on chamber websites across the country, or the data is used to create calculators by [the media](#), to inform people of how much they would have to make in the city they are considering a move to in order to maintain their current spending habits.

The data is created by surveyors reporting prices on specific goods and services at a given point and the average price of each good in each area is reported along with a calculated index figure for major spending categories. The data is not collected around an entire metro, but rather reflects the cost of living in the major city associated with each metro.

The following table uses the per capita income in each of our selected competitor metros to calculate the income they would need to earn in San Diego, to maintain their current spending patterns. The purchasing power of each city's average income is then presented as how much farther the average income goes than San Diego average income goes. Nearly all competitor metros' anchor cities are more affordable than San Diego, with the exception of Portland Oregon. Despite a lower average income in Raleigh, it goes 45% farther than the typical income goes in San Diego due to a much lower cost of living. In San Francisco, the cost of living is substantially higher, but not as much higher as the average income is so it is still considered more affordable than San Diego.

Competitor Metro Anchor City	Per Capita Personal Income	CCEC Cost of Living Index	How Far Income Goes	
			Farther than San Diego	Rank
Raleigh, NC	\$46,636	90.5	45.0%	1
San Jose, CA	\$73,887	150	38.6%	2
Denver, CO	\$53,983	109.6	38.6%	3
Austin, TX	\$47,026	96	37.8%	4
Seattle, WA	\$58,205	125.8	30.2%	5
Boston, MA	\$64,311	144.3	25.4%	6
San Francisco, CA	\$72,364	176.4	15.4%	7
Los Angeles, CA	\$50,751	140.3	1.8%	8
San Diego, CA	\$51,459	144.8	--	9
Portland, OR	\$45,794	129.5	-0.5%	10

Taxes

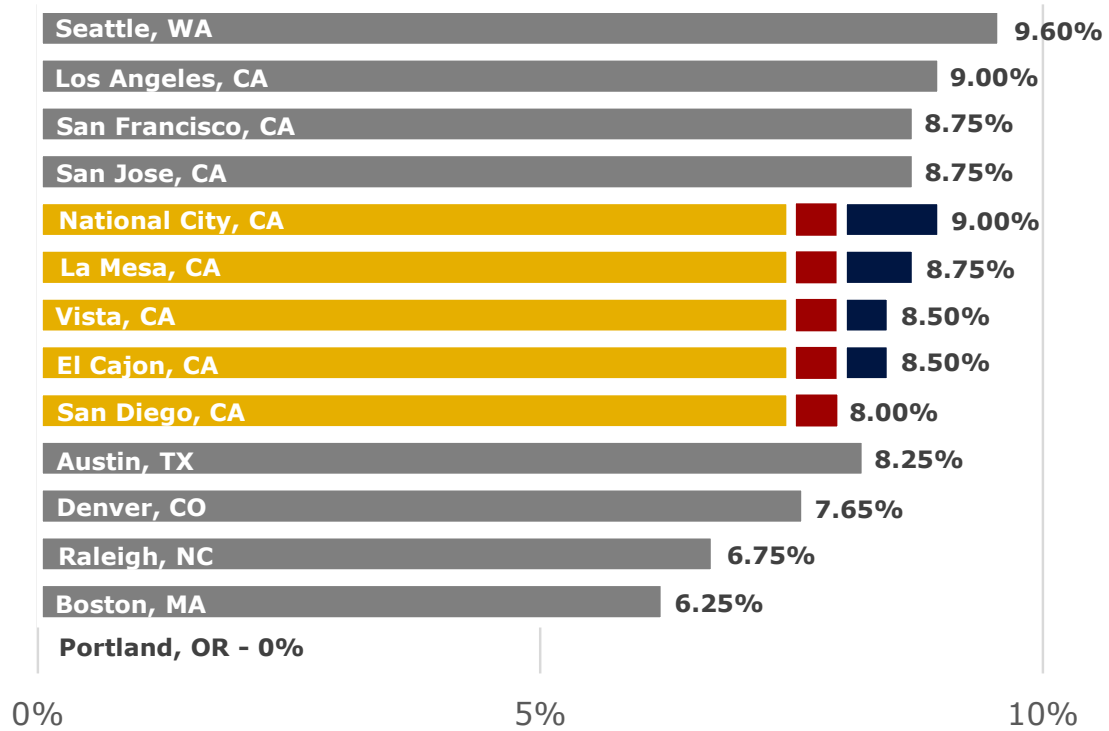
Income Taxes: The Tax Foundation, a Washington D.C. based think tank and the nation's leading independent tax policy research organization, reported State & Local Individual Income Tax Collections per Capita for all 50 states in their recently released report "Facts & Figures: How Does Your State Compare" for Fiscal Year 2013 in [Table 14](#). The following chart ranks against each other the seven states that include the selected competitor metros. California's collections per capita are second highest behind Massachusetts. Texas and Washington do not have personal income taxes.

State	Collections Per Capita	Rank Among All States	Rank Among States Home to Competitor Metros
MA	\$1,919	4	1
CA	\$1,739	5	2
OR	\$1,594	7	3
NC	\$1,124	18	4
CO	\$1,049	22	5
TX	\$0	44 (Tied for Lowest)	6 (Tied)
WA	\$0	44 (Tied for Lowest)	6 (Tied)

Property Taxes: The Tax Foundation also reported State & Local Property Tax Collections per Capita for all 50 states in their report "Facts & Figures: How Does Your State Compare" for Fiscal Year 2013 in [Table 32](#). The following chart ranks against each other the seven states that include the selected competitor metros. Despite California's Proposition 13 limitation to property tax increases passed in 1978, property tax collections per capita continue to rank high behind only Massachusetts and Texas.

State	Collections Per Capita	Rank Among All States	Rank Among States Home to Competitor Metros
MA	\$2,069	8	1
TX	\$1,560	14	2
CA	\$1,365	22	3
WA	\$1,350	23	4
CO	\$1,333	24	5
OR	\$1,285	26	6
NC	\$903	39	7

Sales Taxes: The effective sales tax differs throughout the County of San Diego as some cities have passed local sales taxes. All cities within the County pay a half percent sales tax for regional transportation infrastructure through the San Diego Association of Governments (SANDAG). Cities within San Diego County are presented in color with the gold representing the California required tax, the red representing the SANDAG administered tax, and the blue representing locally passed taxes.





About the Regional Jobs Strategy

The Regional Jobs Strategy is an initiative of the San Diego Regional Chamber of Commerce in Partnership with the City of San Diego, the County of San Diego, SANDAG, and dozens of other groups that are all focused on job creation. Through dashboards, a regional inventory of job creation initiatives, a “Strengths, Weaknesses, Opportunities and Threats” analysis, and ultimately a final report, the Regional Jobs Strategy is designed to place the attention of the entire business community on proven strategies and the issues that matter most for job creation.

About the San Diego Regional Chamber Foundation

The San Diego Regional Chamber Foundation is a 501(c)3 foundation. The Foundation’s mission is to create the most business-friendly region in California through investment in research, education, and leadership. The Foundation focuses its research, education, and leadership cultivation around the issues that influence San Diego’s business climate: workforce development, cross-border business, veterans employment, infrastructure, and quality of life.