# Updating the San Francisco Distress Index:

## July, 2010 – February, 2011

Christopher Wimer, Stanford University
Jean Guo, University

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In September 2010, the Stanford Center for the Study of Poverty and Inequality released the working paper *Measuring Economic Distress in San Francisco,* which tracked how levels of economic distress were changing over the course of the Great Recession, and how these levels compared to earlier in the decade. The purpose of this report is to provide an update on what has happened to economic distress in San Francisco in the months that followed, from July 2010 to February 2011.

We proceed as follows: First, we give a brief description of how the distress index was originally constructed. Second, we document changes that we have been made to the original index since its creation. Finally, we present new results for the Distress Index that capture the most up-to-date dynamics of economic distress available for the city of San Francisco.

The original Distress Index aggregated monthly data from the following 11 monthly indicators (see Wimer and Ryo, 2010 for a full description of the contents and sources of each indicator):

- ➢ CalWORKs Enrollment
- ➢ CalWORKs Homeless Assistance Requests
- ➢ Bankruptcies
- ➢ Food Stamps Applications
- ➢ Food Bank Pantry Visits
- ➢ MediCal Medically Needy Enrollment

- Healthy San Francisco Enrollment
- Foreclosures
- Unemployment
- Unemployment Insurance (UI) Recipients
- CAAP Participation

Analysis of these indicators showed that since December 2007, the first official month of the Great Recession, economic distress in San Francisco had almost doubled by the last month we had on record at the time, June 2010. Moreover, we found that average levels of economic distress over the Great Recession were fully 39% greater than during the dot-com-era recession of the early 2000s.

Since the publication of the original index, we have been monitoring and collecting updated data as they have become available. CalWORKs enrollment, CalWORKs homeless assistance requests, bankruptcies, food stamps applications, foreclosures, Healthy San Francisco enrollment, unemployment, and unemployment insurance recipients have all been updated to November 2010. Four substantive changes to the index, however, have been made for this update. First, we were unable to obtain updated data for CAAP participation, so this indicator is no longer included in the construction of the index. Second, the San Francisco Food Bank merged with the Marin Food Bank, creating complications in the creating a consistent measure over time of the numbers of households visiting the food bank, so this indicators was also removed. Third, data on foreclosures were only available to us on a quarterly basis. Thus, we took the quarterly number of foreclosures in San Francisco and assumed they divided equally between each of the three months of that quarter. Finally, the MediCal Medically Needy enrollment indicator has been replaced by the Healthy Families program enrollment indicator. MediCal enrollment essentially depends on CalWORKs eligibility, as family members enrolled in CalWORKs also qualify for MediCal, resulting in potential redundancy. MediCal data is also only available for the most recent 24 months. The Healthy Families program captures individuals who do not qualify for MediCal, and provides complete data back to the beginning of our index series.

**Healthy Families Program Enrollment:** Healthy Families is low-cost insurance that provides health, dental, and vision coverage to children who do not have insurance and do not qualify for no-cost MediCal. We use the total subscribers currently enrolled in the program each month.

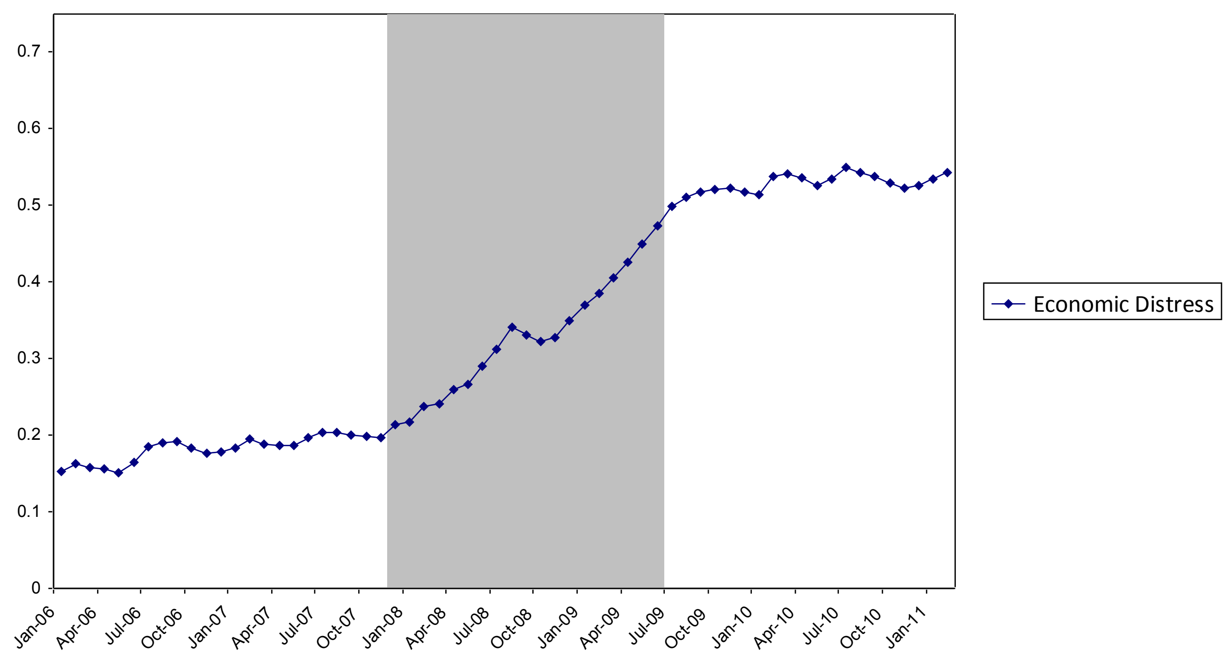
Given these changes, we recalculated a new version of the index using 9 indicators (8 of the original 11, plus Healthy Families Enrollment in lieu of MediCal Medically Needy Enrollment). We show our updated index from the beginning of 2006 (nearly 2 years before the December 2007 start of the Great Recession) to February 2011, the most recent month for which all data were available.

**Results: Updating the San Francisco Distress Index to February 2011**

Figure 1 shows the results of our updated analysis (the official beginning and end of the Great Recession is shown in the shaded area behind the figure). As can be seen in the figure, since June 2010, distress levels have been holding fairly steady. Since June 2010, distress declined slightly up to November 2010 before moving back upward from December to February. Thus, by historical standards, levels of economic distress are still extraordinarily high. In fact, distress is still fully 90% higher than it was at the start of the recession in December 2007. Figure 2 shows the percentage change in each of the 9 indicators from the most recent 8 months since our last report (July 2010-February 2011) compared to average levels in the preceding 8 months. As can be seen in the figure, the relative stasis we see in the overall index results from a combination of some indicators beginning to decline, while other continue to rise. Some indicators, like the number of people enrolled in Unemployment Insurance and the number of foreclosures, are coming down in recent months, while others like bankruptcies, Healthy San Francisco Enrollment, and requests for Homeless Assistance, are climbing. But the overall trend after aggregating all indicators is a persistent stagnation in high levels of economic distress – this nearly two years after the "official" end of the recession in June of 2009.

So in total, there is some small reason to be hopeful, as levels of economic distress seem to have leveled off from their near-meteoric rise throughout the course of the recession. But signs of true recovery remain dim, and we have a long way to go before we return to pre-recession levels of economic distress in San Francisco.

# Figure 1: San Francisco Distress Index (Jan. 2006-Feb. 2011)



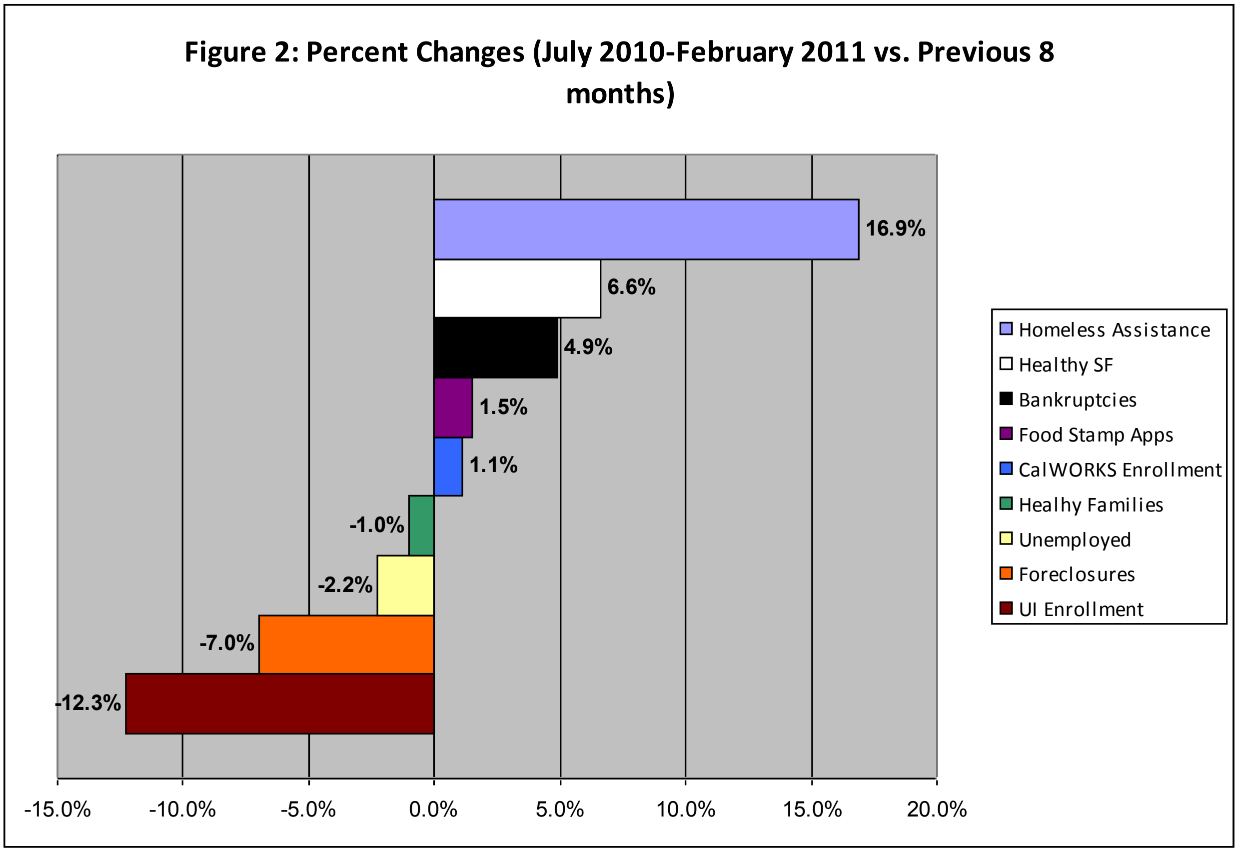


Figure 2: Percent Changes (July 2010-February 2011 vs. Previous 8 months)
16.9%
6.6%
4.9%
1.5%
1.1%
-1.0%
-2.2%
-7.0%
-12.3%
-15.0%
-10.0%
-5.0%
0.0%
5.0%
10.0%
15.0%
20.0%
Homeless Assistance
Healthy SF
Bankruptcies
Food Stamp Apps
CalWORKS Enrollment
Healhy Families
Unemployed
Foreclosures
UI Enrollment