

Making \$300,000 in San Francisco can still mean you're living paycheck-to-paycheck and you are fucked!

By [Amy Graff](#), SFGATE

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Living A Middle Class Lifestyle On \$300,000 A Year In An Expensive Metropolitan Area		
	Annual	Monthly
Gross Income	\$300,000	\$25,000
401k Contribution (combined max contribution)	\$37,000	\$3,083
Taxable Income After 401k Contributions	\$263,000	\$21,917
Taxable Income After \$24,000 Standard Deduction and 401k Contributions	\$239,000	\$19,917
Tax Bill (24% Federal, 9% State, 7.65% FICA, 32% Effective Total)	\$76,480	\$6,373
Net Income + \$2,000 Child Tax Credit + \$24K non-cash standard deduction	\$188,520	\$15,710
Expenses	Annual	Monthly
Childcare & babysitting assistance (1 child, \$20/h, 25h/week)	\$24,000	\$2,000
Food for three (includes weekly date night)	\$25,200	\$2,100
Mortgage (\$2K principal / \$1.9K interest a month)	\$46,800	\$3,900
Property tax (1.28% on \$1.5M)	\$19,200	\$1,600
Property insurance	\$1,560	\$130
Property maintenance	\$3,600	\$300
Life insurance (\$2M term)	\$1,800	\$150
Umbrella policy (\$2M)	\$420	\$35
Health Care (employer subsidized)	\$8,400	\$700
Baby/toddler (diapers, toys, crib, stroller, play pen, etc)	\$6,000	\$500
Three weeks of vacation per year	\$7,800	\$650
Car payment (Volvo XC90 SUV)	\$8,400	\$700
Car insurance and maintenance	\$1,200	\$100
Gas (92 octane or higher)	\$3,000	\$250
Utilities (electric, water, trash)	\$2,640	\$220
Clothes for all three (Coach instead of Gucci, BR/Gap instead of Armani)	\$6,000	\$500
529 Plan (K-12 + college)	\$8,400	\$700
Charity (foster care, Feed The Children, UNICEF)	\$2,400	\$200
Entertainment (Netflix, shows, sporting events, social functions, w/e getaways)	\$7,200	\$600
Total Expenses	\$184,020	\$15,335
Cash Flow After Expenses To Pay For Miscellaneous	\$4,500	\$375
Cities in consideration: SF, NYC, Boston, LA, San Diego, Seattle, DC, Boston, Miami, Denver, Vancouver, Toronto		
Source: FinancialSamurai.com		

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Photo: Financial Samuri
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[Financial Samurai](#) personal finance blogger Sam Dogen breaks down a budget for a family of four with a household income of \$300,000 living in a coastal city such as San Francisco or New York.

With the median price of a home in the U.S. at \$300,000, you can achieve homeownership and the idealized middle-class lifestyle in most parts of the country making a salary just under or above six figures.

In San Francisco's land of \$2 million fixer-uppers, the income needed to reach this status is obviously more. But how much more?

S.F.-based finance expert Sam Dogen pinned that number at \$300,000, after surveying dozens of readers on his [Financial Samurai](#) blog and asking about their incomes and expenses living in the notoriously high-priced coastal cities.

With their feedback, Dogen broke down the budget of a couple with one to two children in San Francisco, Seattle or New York. He found \$300,000 is the income necessary to put something away for retirement, save for your child's education, own a three-bedroom home, take three weeks of vacation a year and retire by a reasonable age.

"It's not an extravagant lifestyle," Dogen says. "It's a middle-class lifestyle if you consider a middle-class person should be able to afford a modest home, have at least one car, have a kid or two. There are no private jets in this budget."

Dogen has put together a detailed [blog](#) post where you'll find analysis and explanation on each expense, but here are a few points to note:

- The \$24,000-a-year childcare expense takes into consideration a babysitting rate of about \$20 an hour, the standard charge in a city such as San Francisco. Preschool easily costs \$18,000 to \$20,000 a year in metro areas.
- The mortgage is based on a \$1.5 million, 1,750-square-foot, three-bedroom, two-bathroom home on a 2,500-square-foot lot.
- The car expenses are based on a single larger car that accommodates a family.
- Entertainment expenses include everything from Netflix to tickets to an occasional ball game to date night, which easily costs \$200 in San Francisco when you consider expense for dinner and babysitting.

ALSO: [Why a \\$400,000 income means you still think you're middle class](#)

Dogen adds that at \$300,000, a family is still living paycheck-to-paycheck and not saving outside their 401K and 529 plans.

"We're in this perpetual grind in San Francisco, and it's a city for people who are willing to hustle," he says. "At one point in the past, \$300,000 was a lot of money. Now at this amount, you're probably always going to end up working a long time and having a constant struggle to keep up."

His recommendation is to make moving out of the region a goal.

"There's a moving truck shortage in places like San Francisco because so many people are moving out of this expensive city and other expensive coastal cities," he [writes](#). "If you live in an expensive metropolitan area, consider relocating to lower your cost of living or at least try and take advantage of the valuation differential by investing in Middle America.

"Thanks to technology, there's no need to grind so hard in cities where the median home price is over \$1 million."