

High costs of owning a car force tough choices



Bonnie Eslinger, The Examiner
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SAN FRANCISCO -

Beauvlen Latimore can't afford her 2002 Hyundai Sonata, but she also can't afford not to have a car. Her job — working for the city of San Francisco, helping other low-income families connect to available social services — requires her to be in different parts of The City throughout the day, often carrying printed information, applications and sometimes a card table.

(Cindy Chew/The Examiner)
Beauvlen Latimore pays mounting auto expenses and visits a food pantry to feed her family.

For a while, after her first used car broke down, Latimore, 55, tried doing the job while riding the bus, but with her age and health

problems, it was a physical hardship she couldn't bear.

As a single mother, financially supporting her 23-year-old daughter while she goes to college, as well as her seven-year-old grandson, money is tight. Latimore's monthly auto payments are about \$300, and she pays another \$123 a month for full car insurance coverage — required since the vehicle is financed. Rising gas prices further pinch the family budget.

She has a full-time job that she's held for five years, yet Latimore sometimes stops at the local food pantry in her Bayview neighborhood to make sure her family is fed.

"I actually have to use the services that I tell other people to use, and I'm working every day," she said. "But a lot of people are saying they can't help me because I make \$17 an hour, which is not enough for me to take care of my family."

Transportation is the third-largest budget item for low-income families in California's metropolitan areas, according to a 2004 study done by the Public Policy Institute of California, just behind housing and food costs. A low-income family with a car annually spends about \$3,586, or nearly \$300 a month, the report estimated.

Low-income residents may actually pay more for their automobile than car owners with higher incomes, according to the Brookings Institution, a Washington, D.C.-based think tank. They live in high-crime neighborhoods where auto accidents, theft and vandalism raise premiums. They often have poor credit scores, which translates into more costs and risks involved in financing. Studies have shown that low-income consumers do less comparison shopping, which leaves them more open to questionable business practices.

San Francisco had the third-highest rate of uninsured motorists statewide, according to 2003 data, with one out of every five drivers — 89,282 motorists — on the road without coverage.

California has taken a lead in looking for ways to support low-income drivers, through the creation of a Low Cost Automobile Insurance Program. To date, 977 San Francisco residents have signed up for the program, which offers drivers the opportunity to purchase coverage for less than \$400 a year.

The California Department of Insurance is conducting outreach to get more low-income residents enrolled.

Bus discount for poor called inadequate

San Francisco has a bus pass for low-income riders, but not many people know about it — and some say it's not much of a bargain.

The Lifeline monthly pass costs \$35 — a \$10 discount from the regular Muni adult pass — and is available to residents with household incomes that are no more than double the Federal Poverty Level — approximately \$10,000 a year for one person and \$21,000 a year for a family of four. Unlike the adult pass, the Lifeline pass cannot be used on BART within San Francisco.

Lifeline passes are available at two locations in The City — 170 Otis St. and 3120 Mission St. — and are sold on the first and last two business days of each month.

Lifeline purchasers come from all over The City, according to the Department of Human Services, which handles distribution of the passes. Approximately 2,250 passes were sold last month, up from just a few hundred two years ago.

This year, The City is working with the Tenderloin Housing Clinic doing outreach to low-income households to increase awareness of the pass, according to documents presented to the Board of Supervisors.

Tenderloin Housing Clinic staff attorney Paul Hogarth said initial survey results are showing that getting the Lifeline pass is, for some people, more trouble than it's worth.

“The reality of the Lifeline pass is it's not that good of a bargain. They should lower it to \$10 like the senior and disabled pass,” Hogarth said. “It's supposed to address the needs of the working poor, but it's \$35, you can't use it on BART, the offices are only open during business hours and you have to provide this insane documentation to prove you're low-income.”

Working to survive

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