



# Struggling to Stay Afloat: The Real Cost Measure in California 2019

Los Cien — October 22, 2020



United Ways of California



# What We Hope to Address Today

The Real Cost Measure in California 2019

Overview of the Real Cost Measure

Discuss Key Findings from New Study

Explore Interactive Resources



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## Struggling to Stay Afloat The Real Cost Measure in California 2019

Betsy Baum Block, Henry Gascon, Peter Manzo



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[unitedwaysca.org/realcost](https://unitedwaysca.org/realcost)



## About the Real Cost Measure

Real Cost Measure = more accurate  
measure of who is struggling in California

Real Cost Measure incorporates the cost  
of housing, food, health care, child care,  
& other basic needs

Focus is on working households

State, regional, county, and  
neighborhood-level data

Nearly 1,200 household budgets by  
household size for every CA county



# Real Cost Measure Methodology

Budget Component	Real Cost Measure 2019 (based on 2014-2017 data)
Population Focus	Households
Housing	Fair Market Rent Rates Dept. of Housing and Urban Development
Food	Low Cost Food Plan Dept. of Housing and Urban Development
Child care	CA Department of Education
Health care	Consumer Expenditure Survey
Transportation	Consumer Expenditure Survey
Miscellaneous	10% of Basic Needs
Taxes	Federal/State Taxes/Payroll Taxes & Child Care and Child Tax Credits

RCM Methodology: [www.unitedwaysca.org/realcost](http://www.unitedwaysca.org/realcost)

# How this Release is Different from Previous Releases

## The Real Cost Measure in California 2019

Adoption of Payroll Taxes

Age-appropriate Food Budgets

Annual Demographic Data

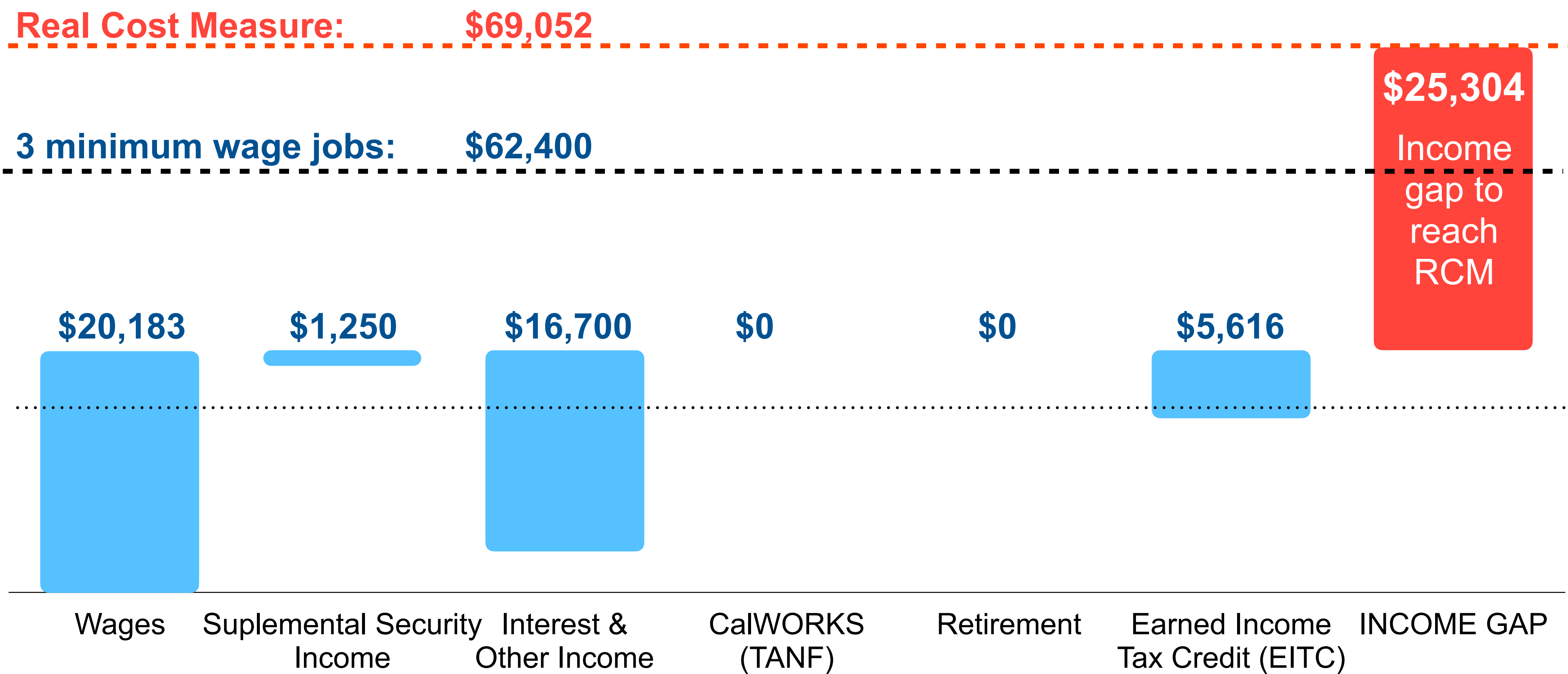
Real Cost Measure Dashboard



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# How much does a family *below the Real Cost Measure* in Sonoma County need to stay afloat?

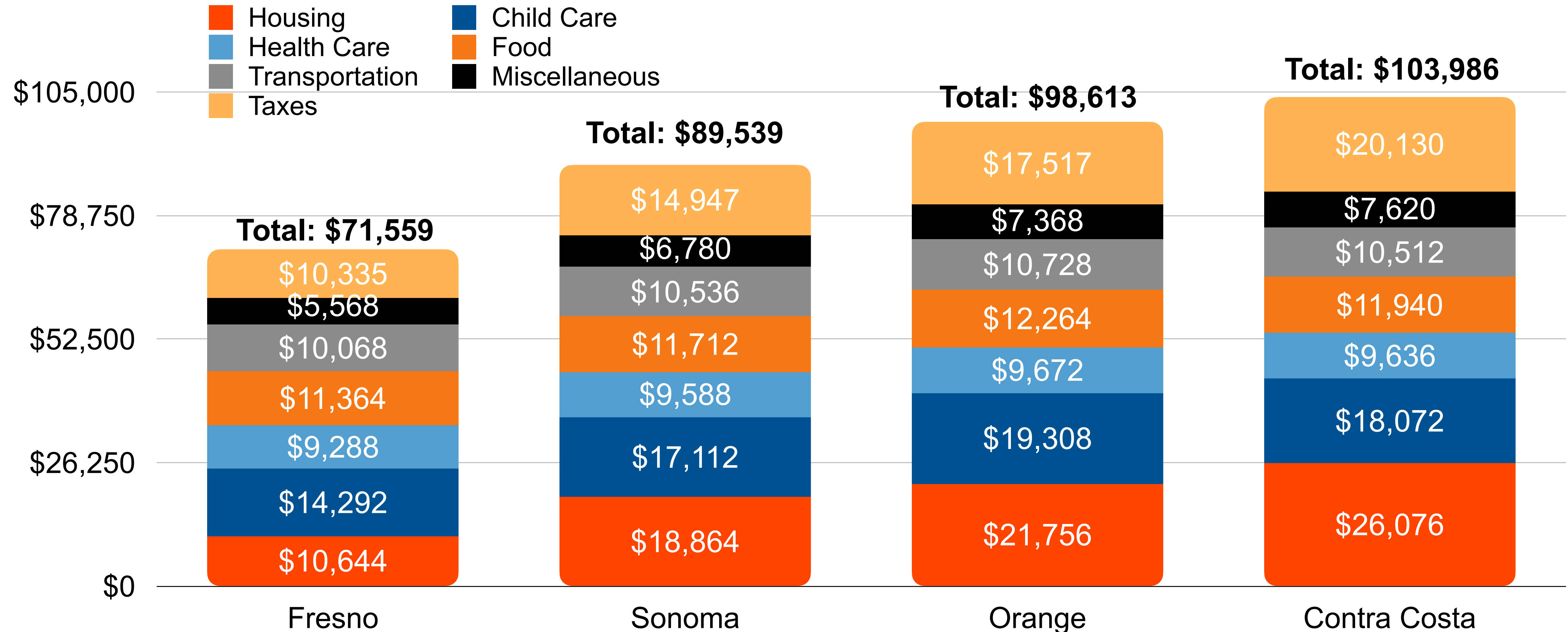
*\* average based on: 2 adults, 2 teenagers*



# What Does it Cost to Live in CA?

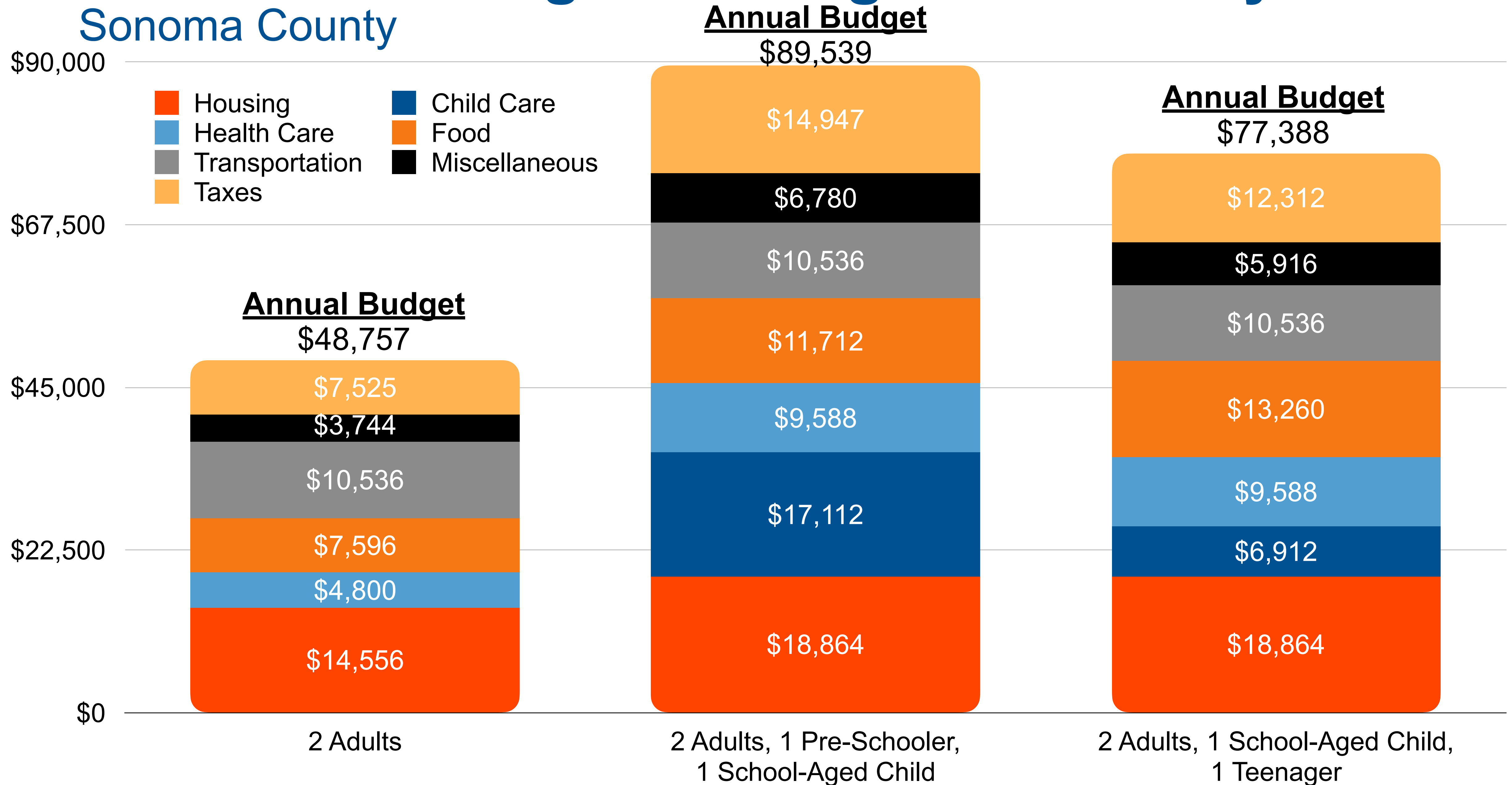
The Real Cost Measure in California 2019

*\* annual budget based on 2 adults, 1 pre-schooler, 1 school-aged child*



# Household Budgets Change with Family Size

## Sonoma County





**More than 1 in 3 households in  
California (37%) struggle to  
meet basic needs**

**3,884,756 estimated households!**

**Nearly 1 in 3 households in  
Sonoma County (28%) struggle  
to meet basic needs**

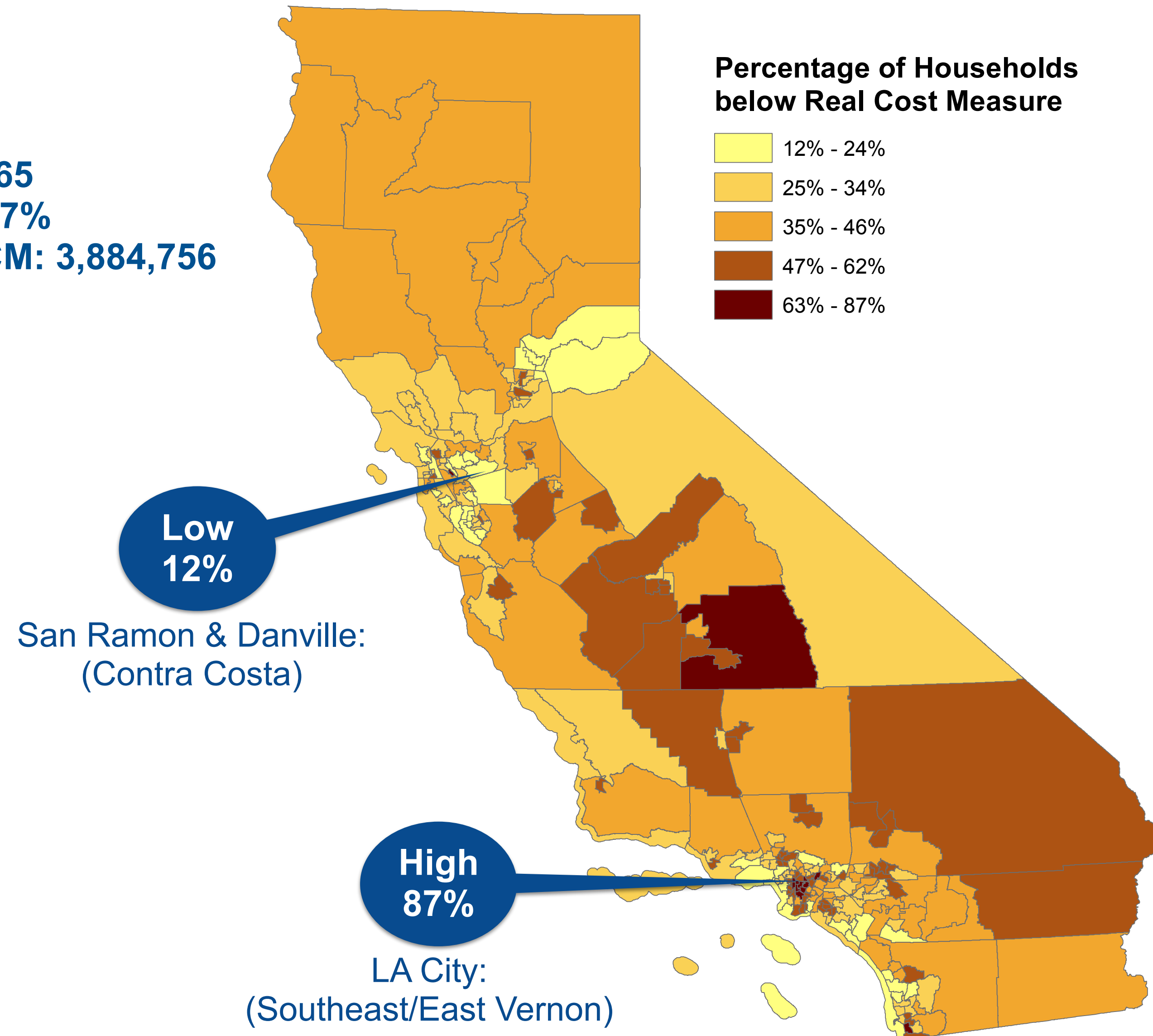
**42,793 estimated households!**



# Real Cost Measure by Neighborhood Clusters

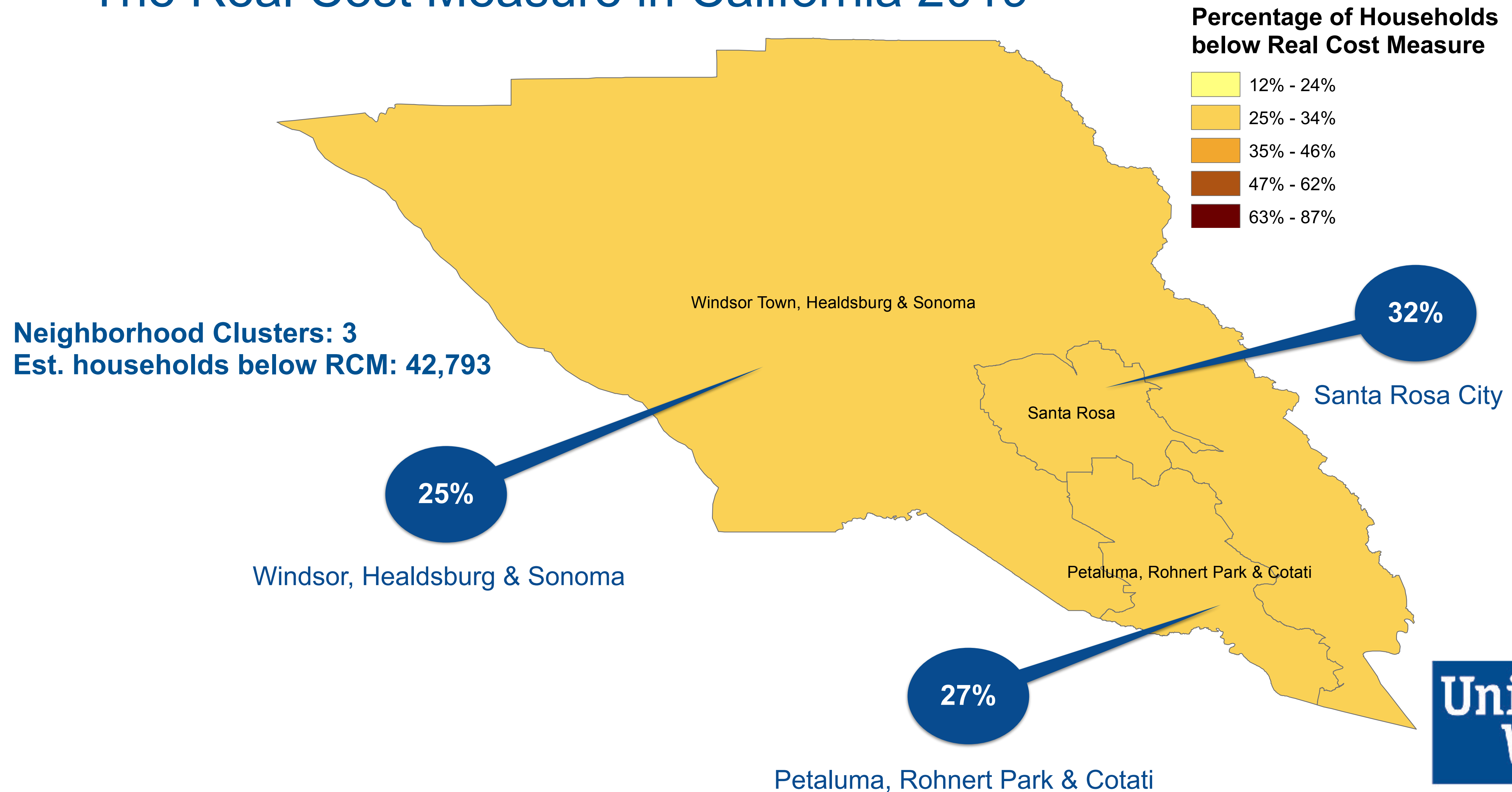
## The Real Cost Measure in California 2019

Neighborhood Clusters: 265  
% below RCM (average): 37%  
Est. households below RCM: 3,884,756



# Real Cost Measure in Sonoma County

The Real Cost Measure in California 2019



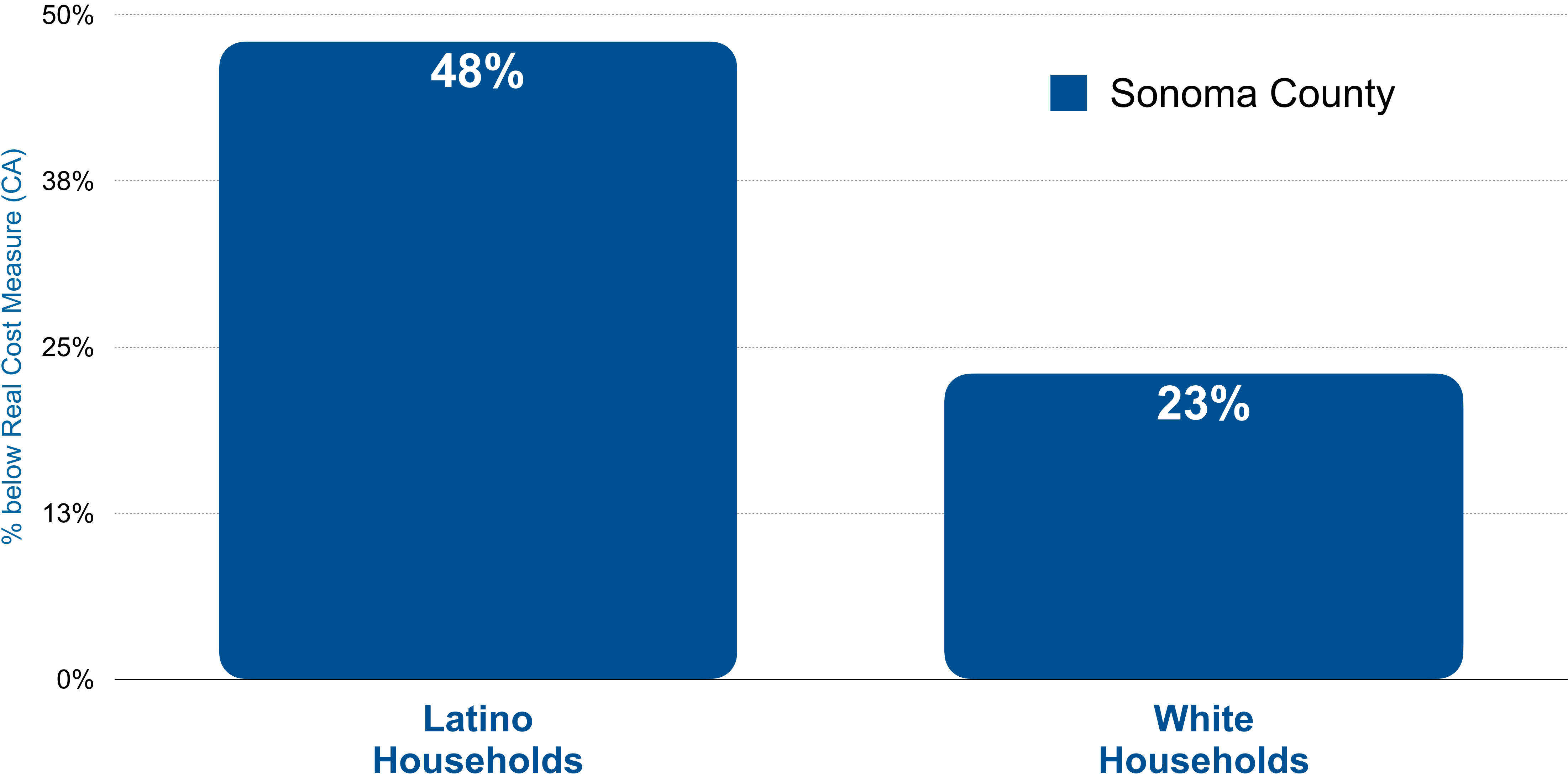


**57% of Latino households in CA  
struggle to meet basic needs**

**1,842,069 estimated households!**

# Percent below Real Cost Measure by Ethnicity

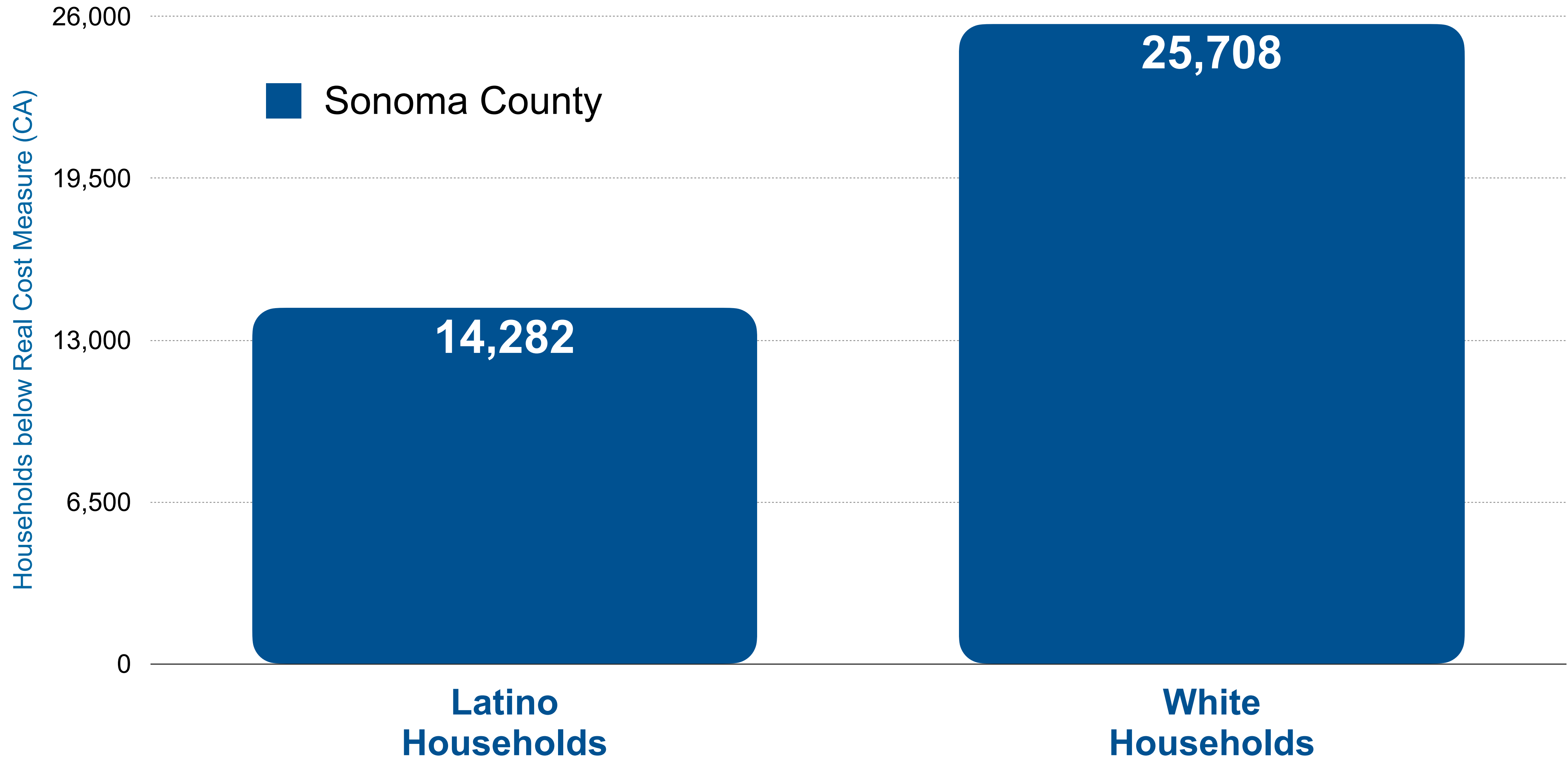
The Real Cost Measure in California 2019





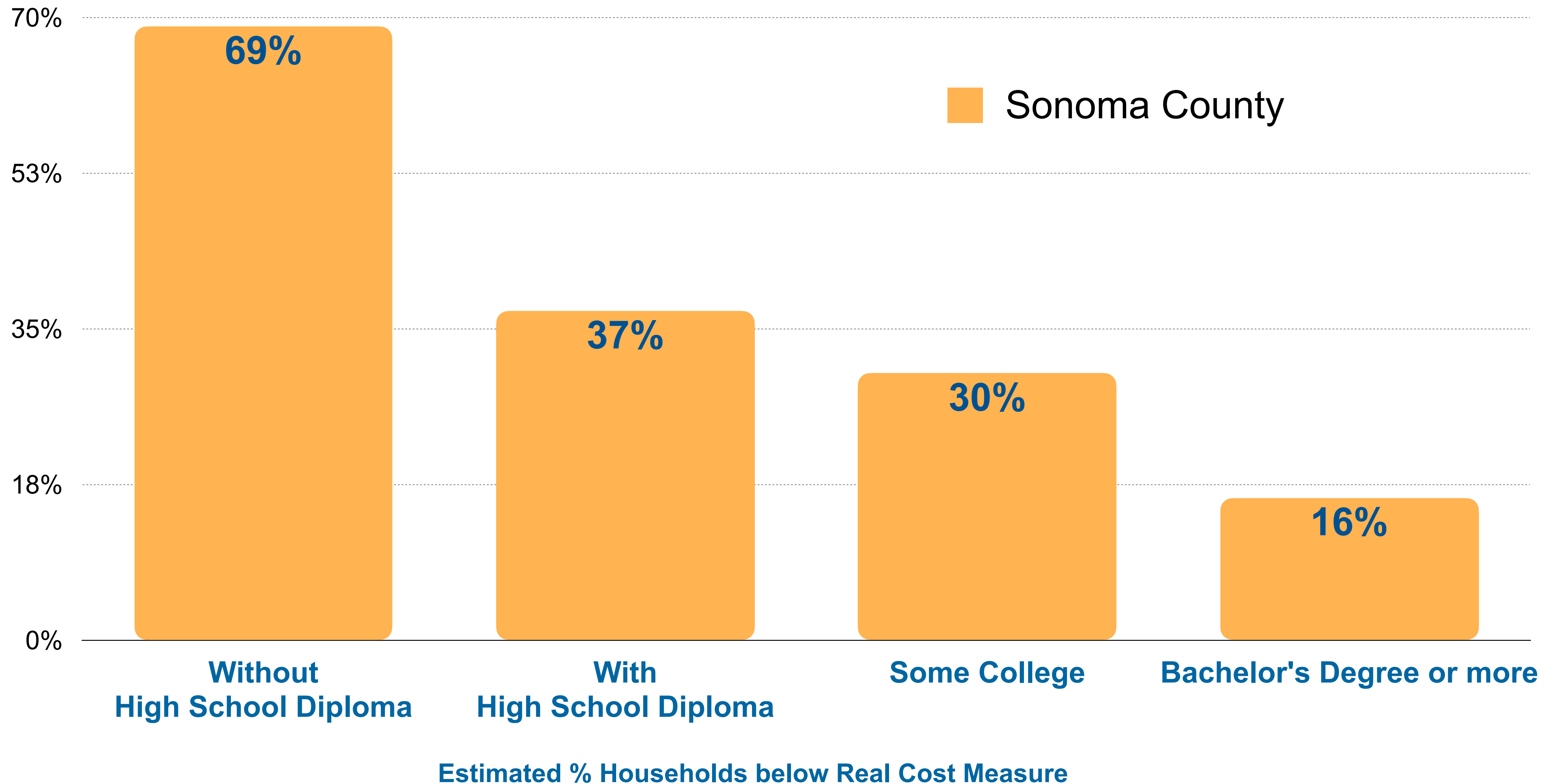
# Estimated Households below Real Cost Measure by Ethnicity

## The Real Cost Measure in California 2019



# Educational Attainment and Real Cost Measure

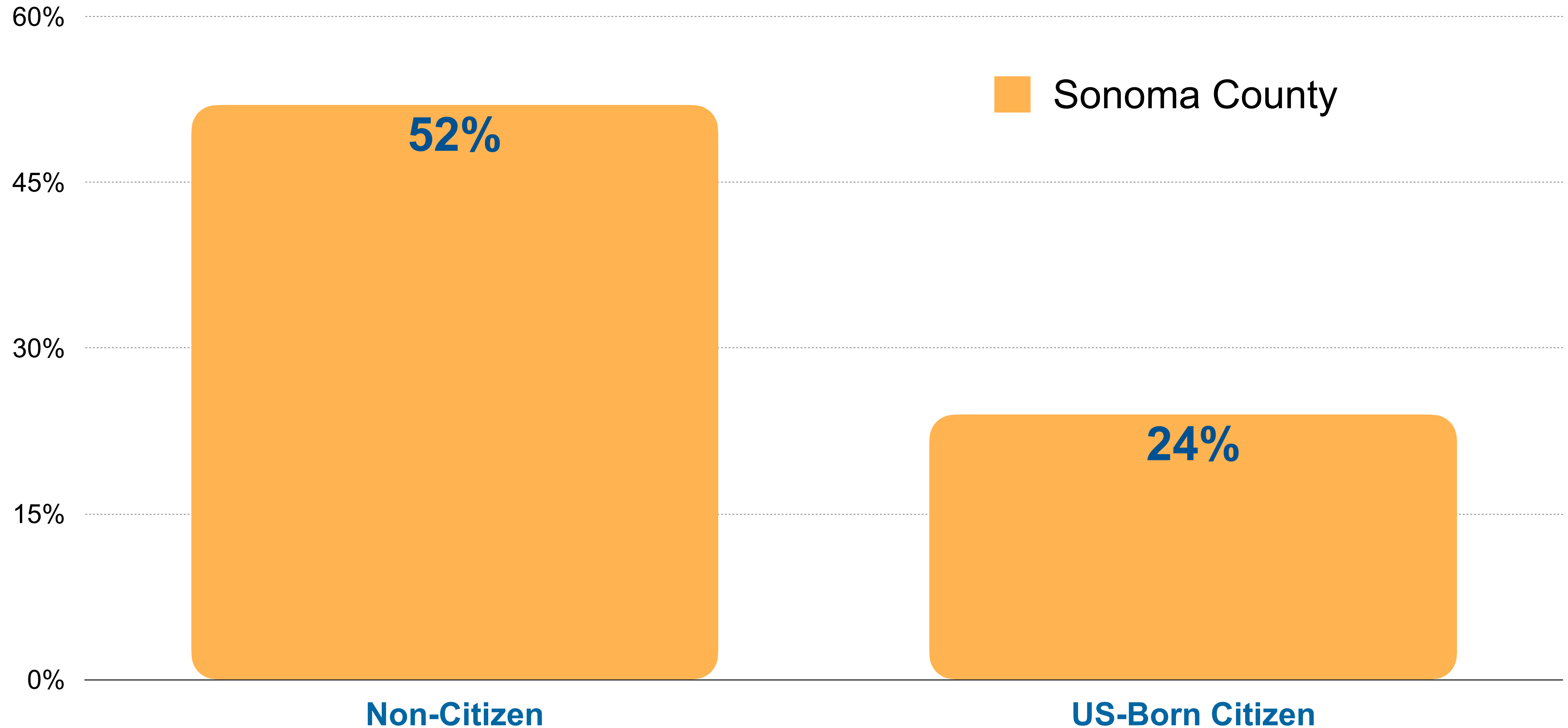
The Real Cost Measure in California 2019





# Citizenship Status and Real Cost Measure

The Real Cost Measure in California 2019

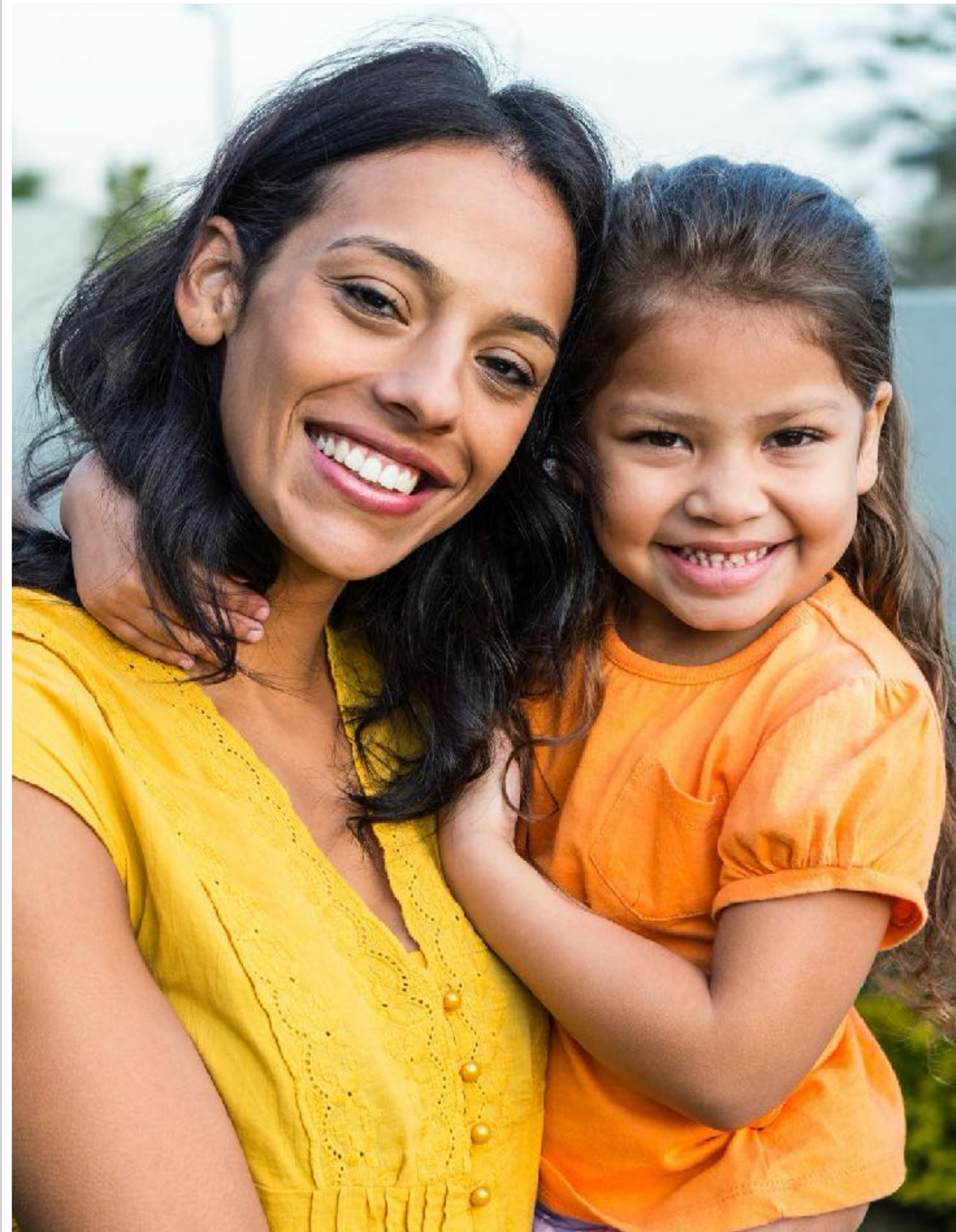


Estimated % Households below Real Cost Measure

**Nearly 7 in 10 Single Mothers in  
Sonoma County (68%) struggle to  
meet basic needs**

**6,761 estimated households!**






**Over 5 in 10  
households with  
children under  
the age of 6 (52%)  
struggle to meet  
basic needs in  
Sonoma County**

**8,520 estimated  
households!**





# **24% of seniors struggle to meet basic needs in Sonoma County**

Data source: Elder Index. UCLA Fielding School of Public Health.



**Nearly 4 in 10 households in California  
(38%) pay more than 30% of their  
income on housing**

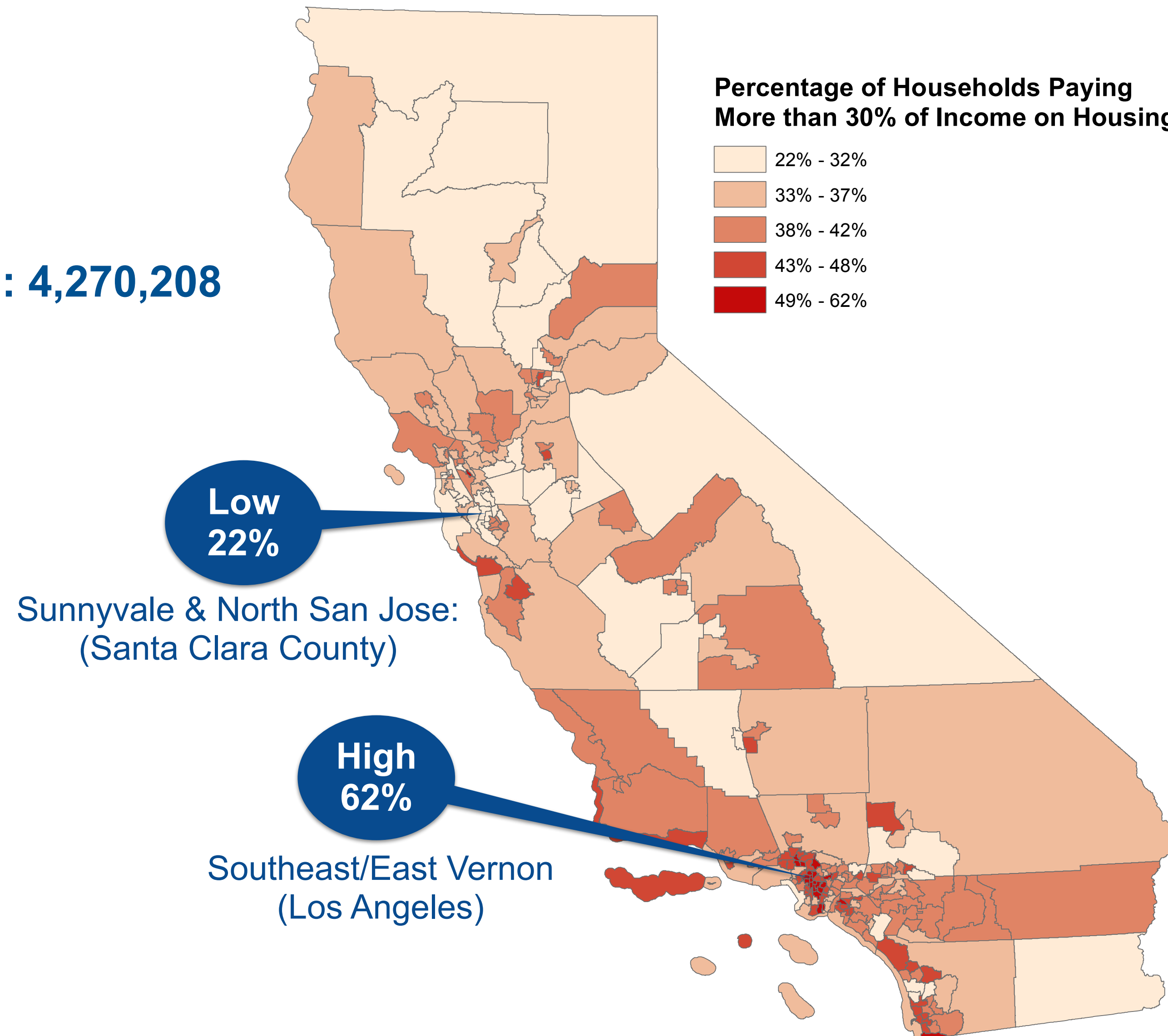
**4,270,208 estimated households!**

# Housing Burden in California

The Real Cost Measure in California 2019

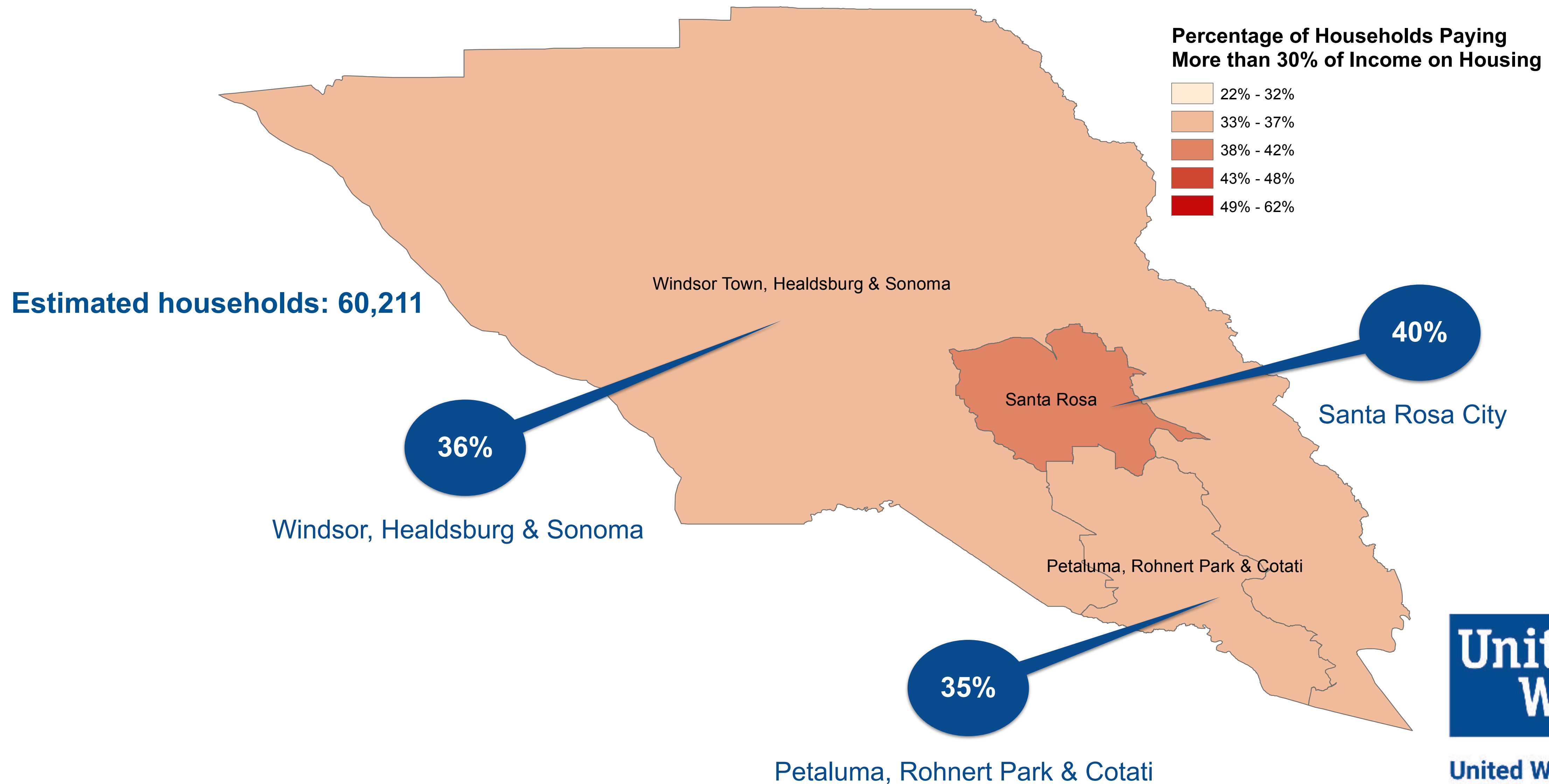
**State Average: 38%**

**Estimated households: 4,270,208**



# Housing Burden in Sonoma County

The Real Cost Measure in California 2019

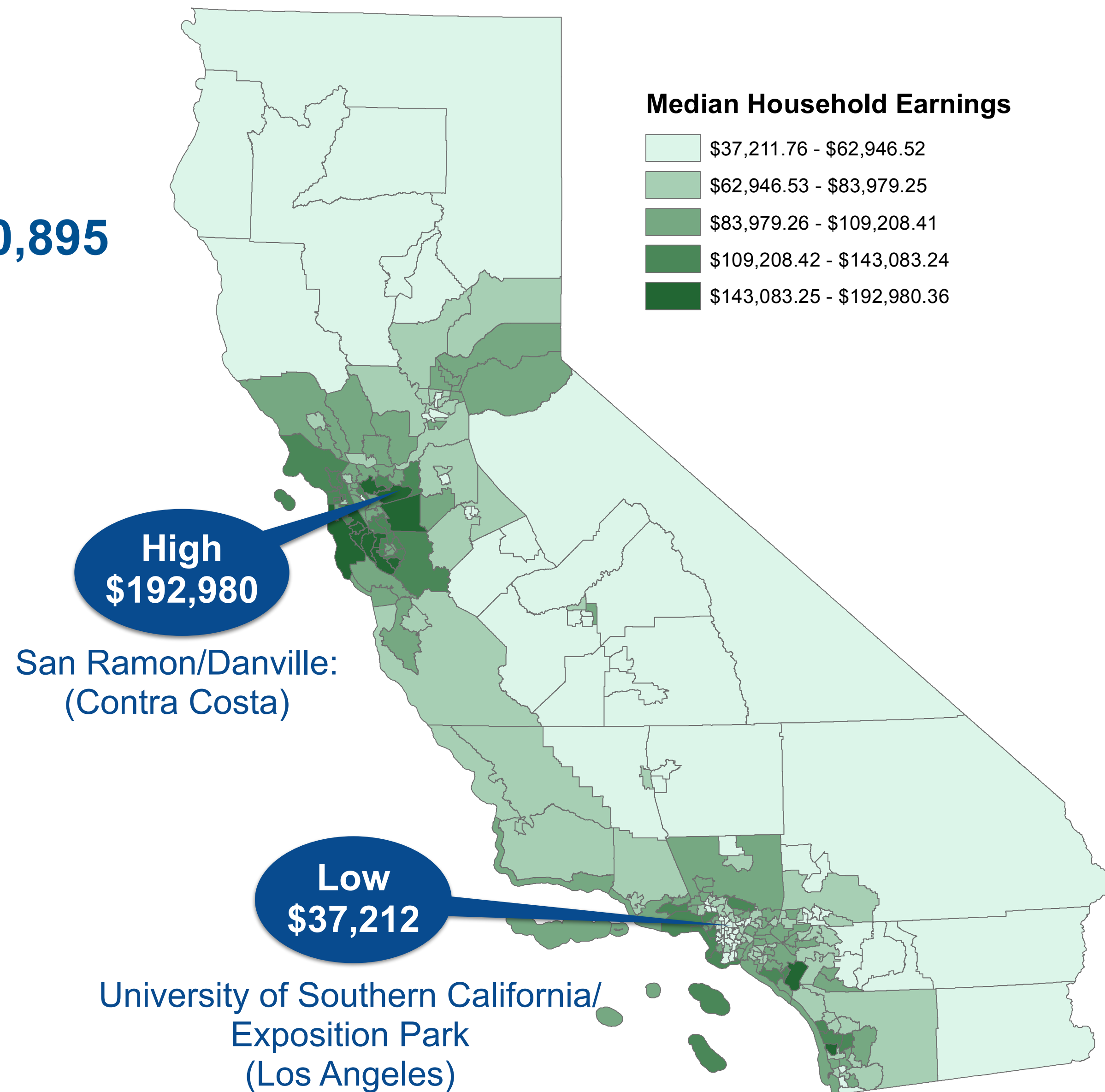




# Median Household Earnings by Neighborhood Clusters

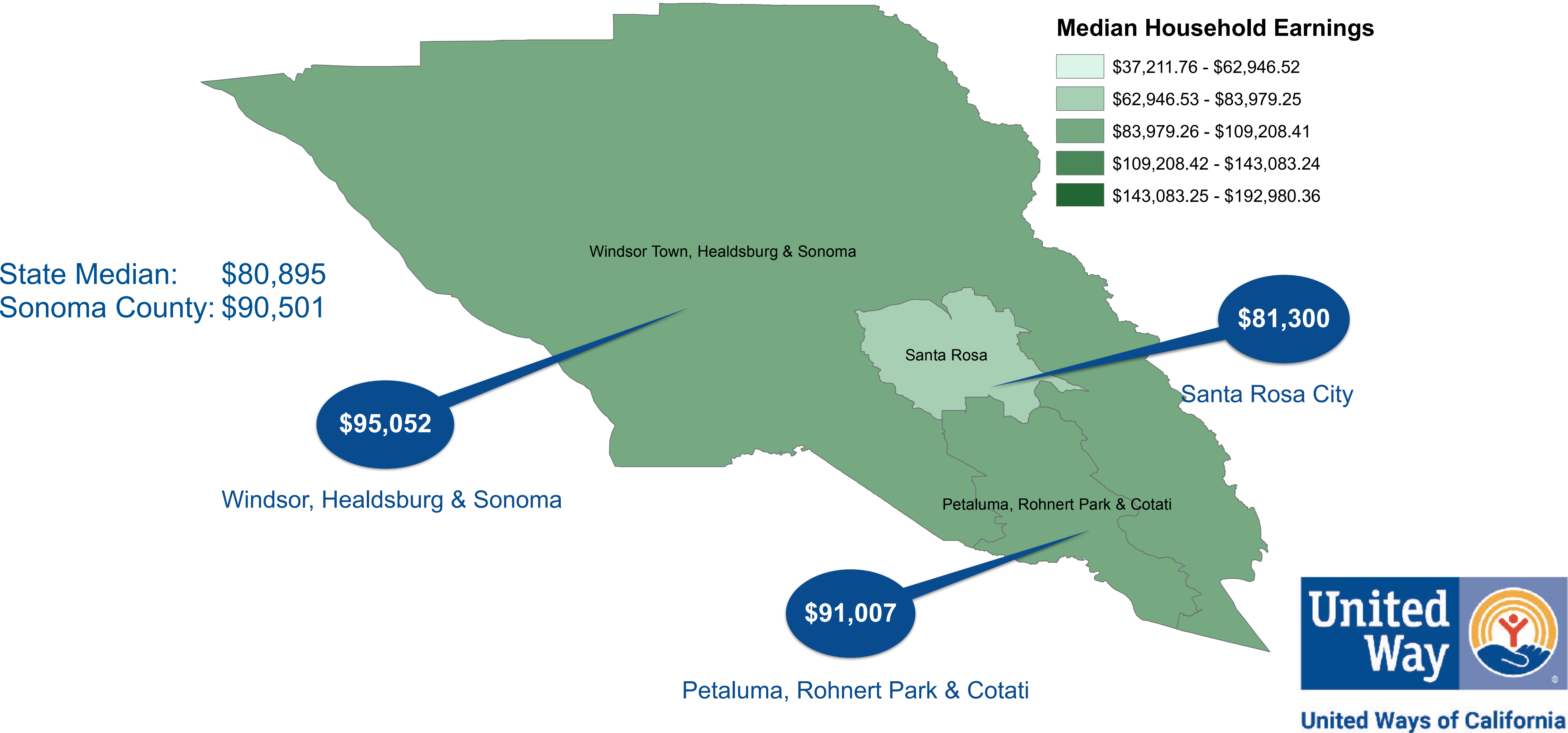
## The Real Cost Measure in California 2019

**State Median: \$80,895**



# Median Household Earnings in Wine Country

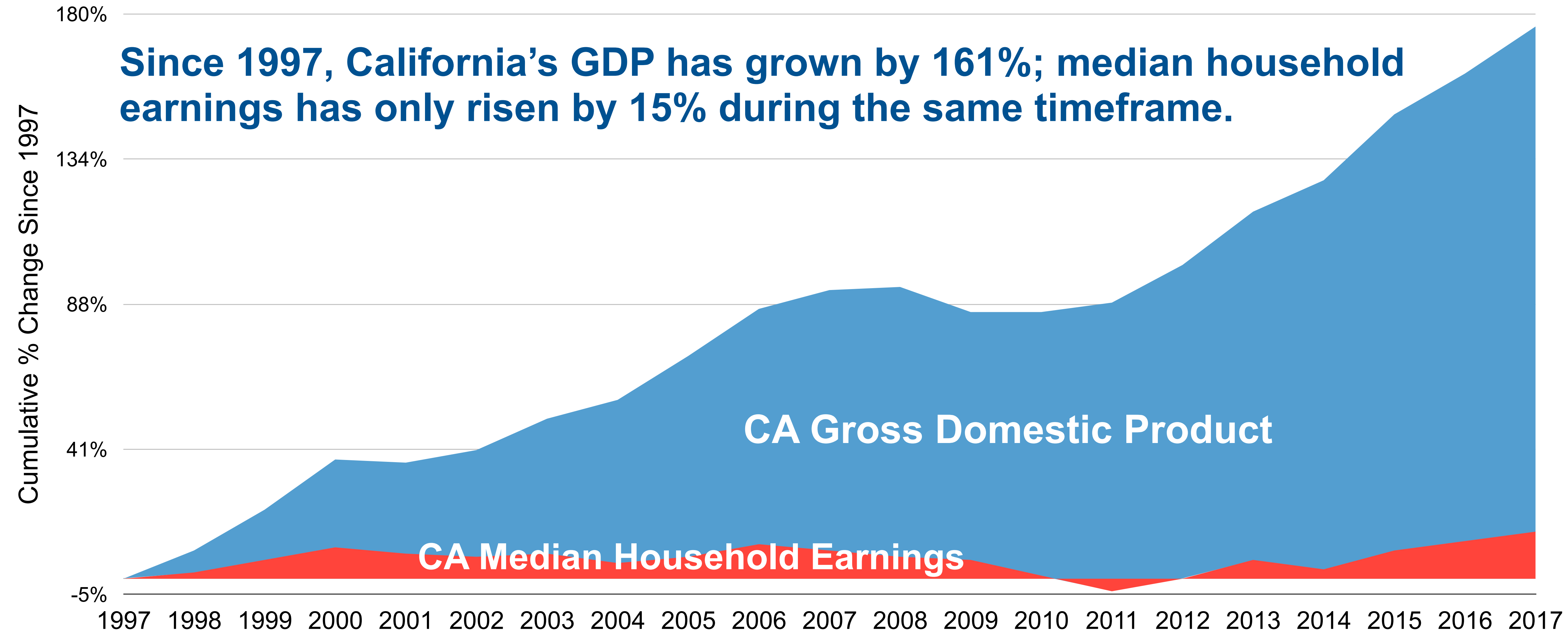
The Real Cost Measure in California 2019



# CA GDP and Median Household Earnings

The Real Cost Measure in California 2019

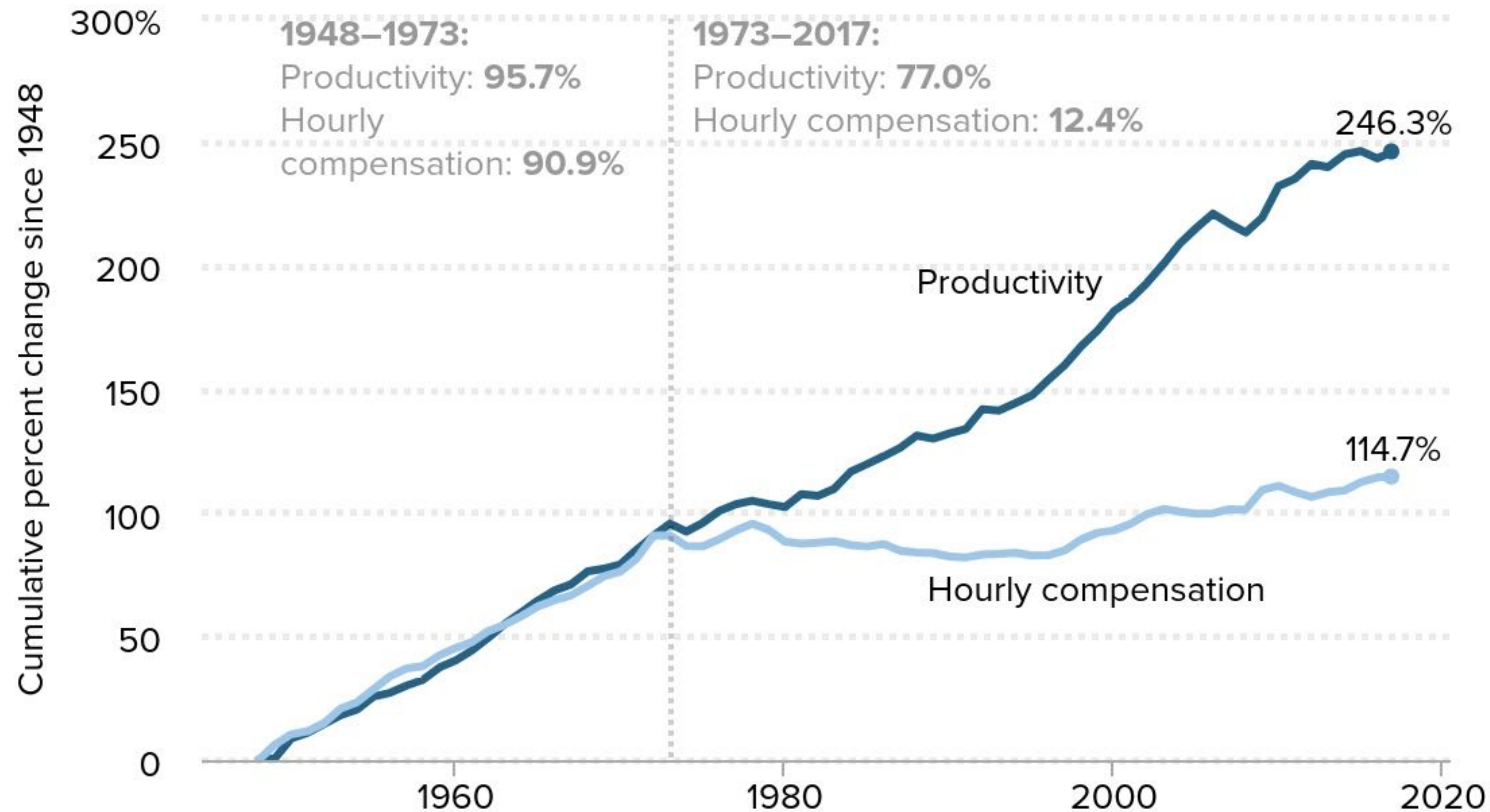
**Since 1997, California's GDP has grown by 161%; median household earnings has only risen by 15% during the same timeframe.**





# Gap Between Worker's Productivity & Compensation

## 1948-2017





# Real Cost Measure Resources

Executive Summary

Interactive Household Budgets

Real Cost Measure Dashboard

Neighborhood and County Maps

County Profiles

Legislative Profiles

Public Data Set

Press Articles

[www.unitedwaysca.org/realcost](http://www.unitedwaysca.org/realcost)



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# How to Use the Real Cost Measure

## The Real Cost Measure in California 2019

Engage Fellow Colleagues/Partners about the Cost of Living in Los Angeles County

Advocate for Changes to Help Families Move Up

Use Real Cost Measure to inform grant making and community impact decisions

Use it as a Financial Literacy Tool



# Advocacy Levers

## The Real Cost Measure in California 2019

Maximize EITC, CalFresh and other Income Supports

Expand Child Care, free or low-cost

Help Adults Level Up their Education

Increase Support for Renters, Expand Multi-Family Housing Stock

Adapt to the Changing Nature of Work



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# Contact Information

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