



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

United Way of Santa Barbara County — August 22, 2019



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

Suggestions for Adoption



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**#realcost2019 @unitedwaysca  
@unitedwaysb**





**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







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## 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	<b>Fair Market Rent Rates</b> Dept. of Housing and Urban Development
Food	<b>Low Cost Food Plan</b> Dept. of Housing and Urban Development
Child care	<b>CA Department of Education</b>
Health care	<b>Consumer Expenditure Survey</b>
Transportation	<b>Consumer Expenditure Survey</b>
Miscellaneous	<b>10% of Basic Needs</b>
Taxes	<b>Federal/State Taxes/Payroll Taxes &amp; Child Care and Child Tax Credits</b>

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

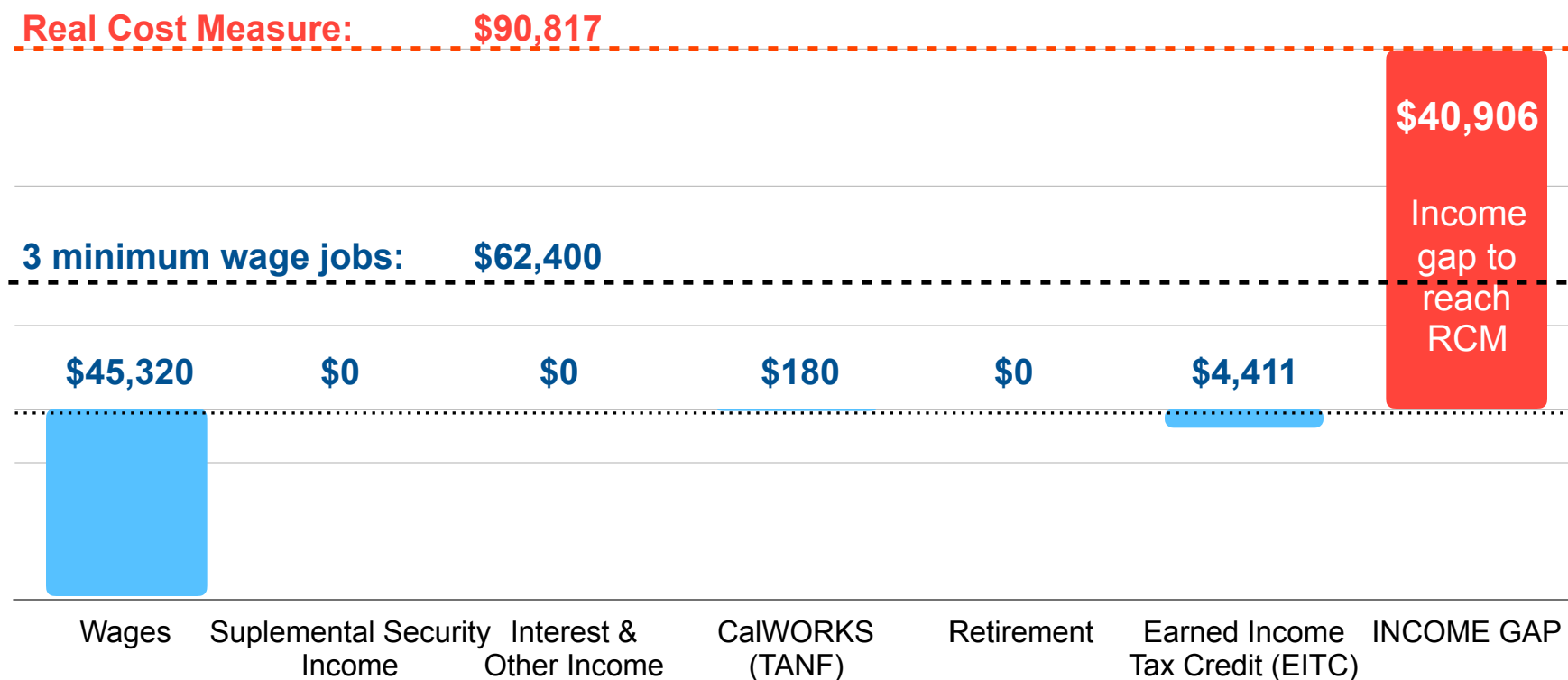


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# How much does a family *below the Real Cost Measure* in Santa Barbara County need to stay afloat?

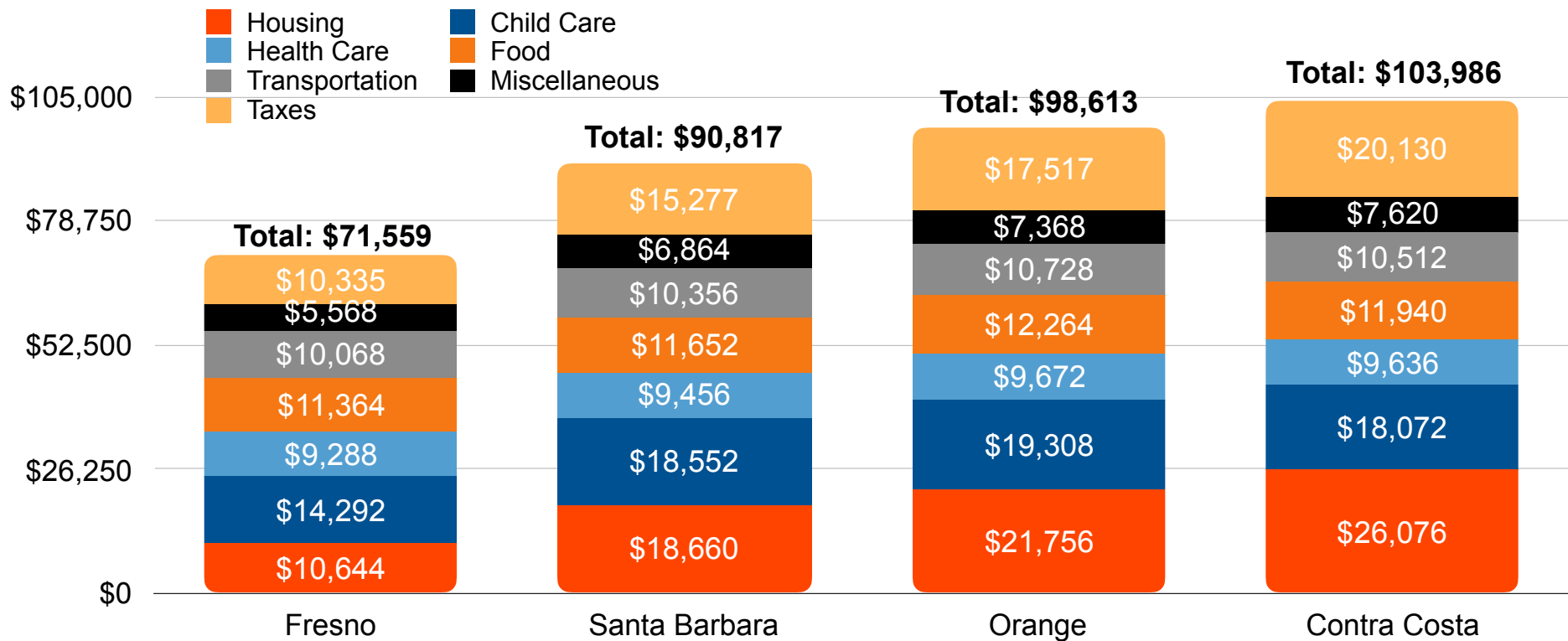
\* average based on: 2 adults, 1 pre-schooler, 1 school-aged child



# What Does it Cost to Live in CA?

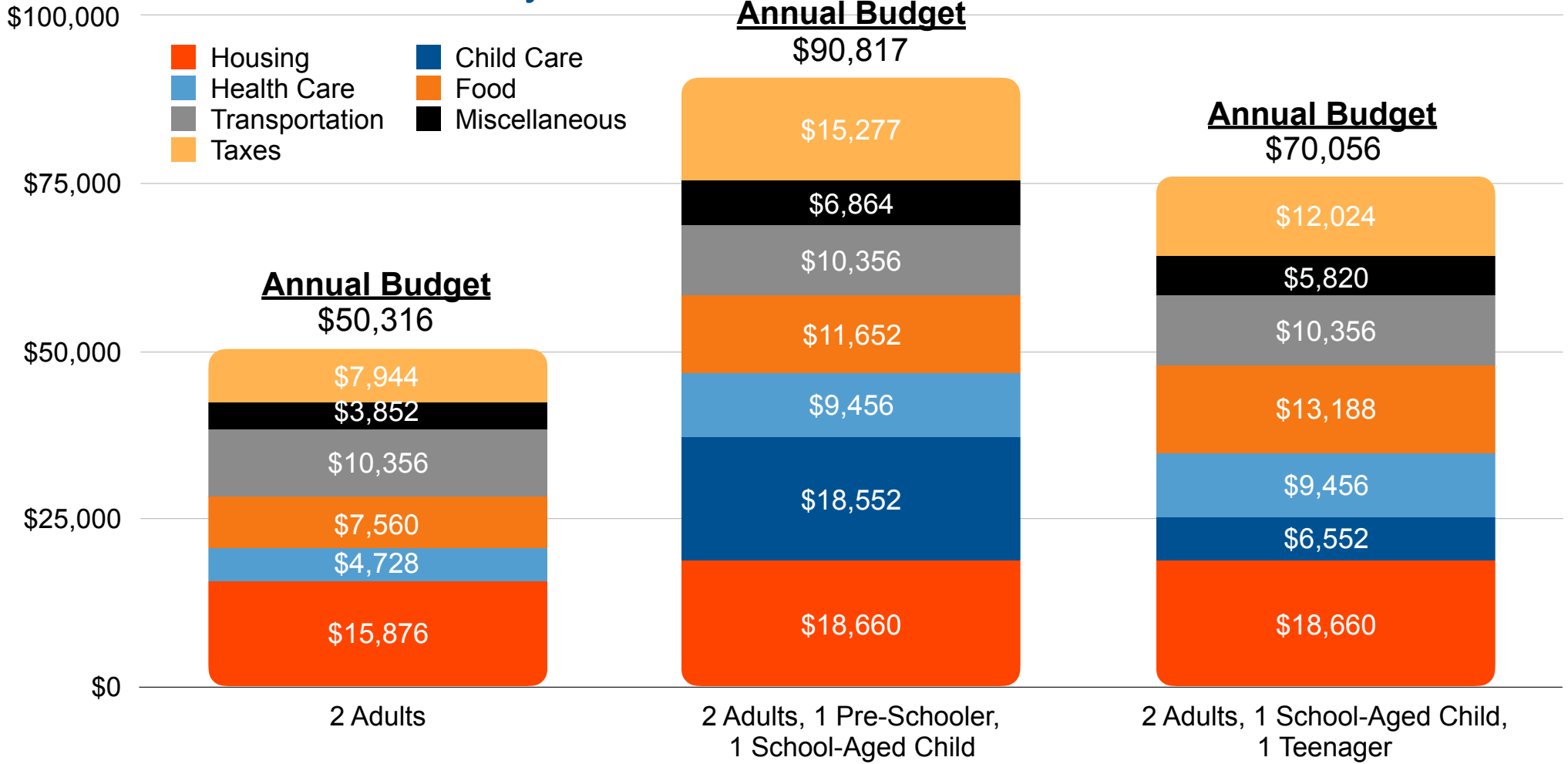
The Real Cost Measure in California 2019

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



# Household Budgets Change with Family Size

## Santa Barbara County





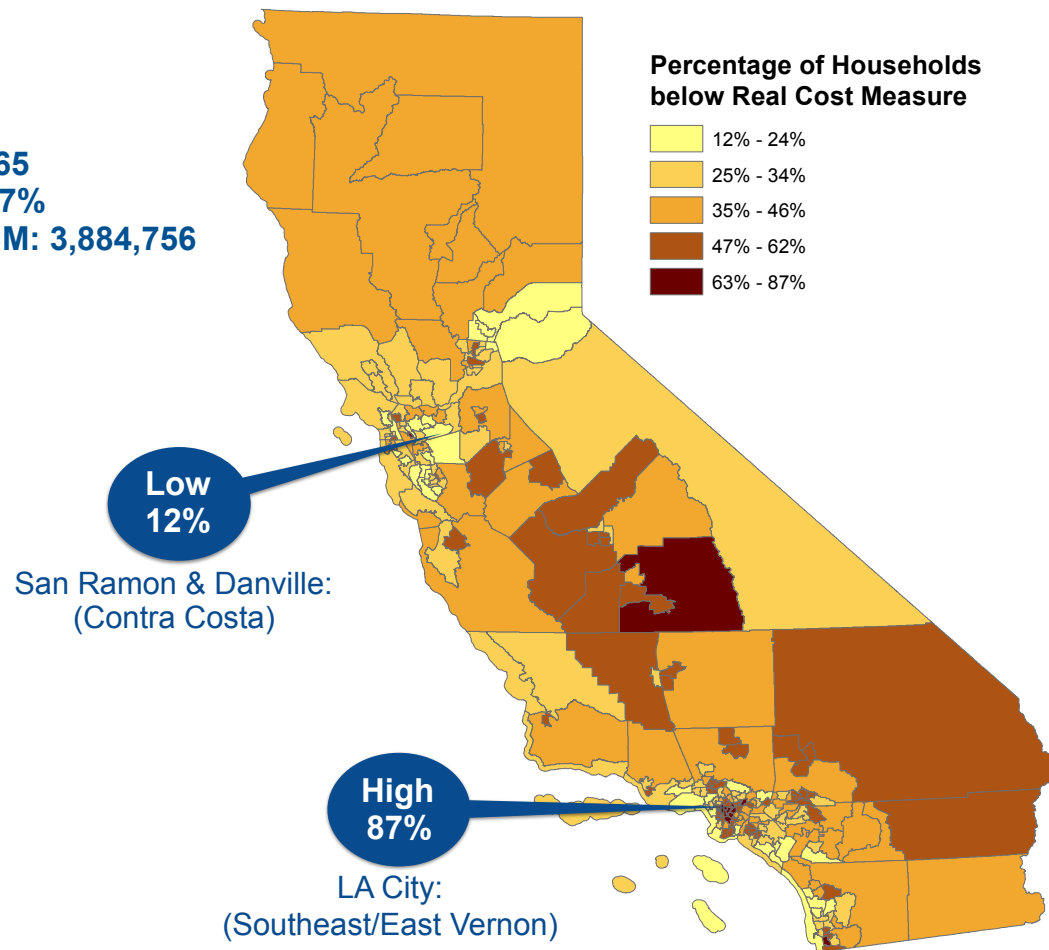
**More than 1 in 3 households in  
California (37%) struggle to  
meet basic needs**

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

# Real Cost Measure by Neighborhood Clusters

## The Real Cost Measure in California 2019

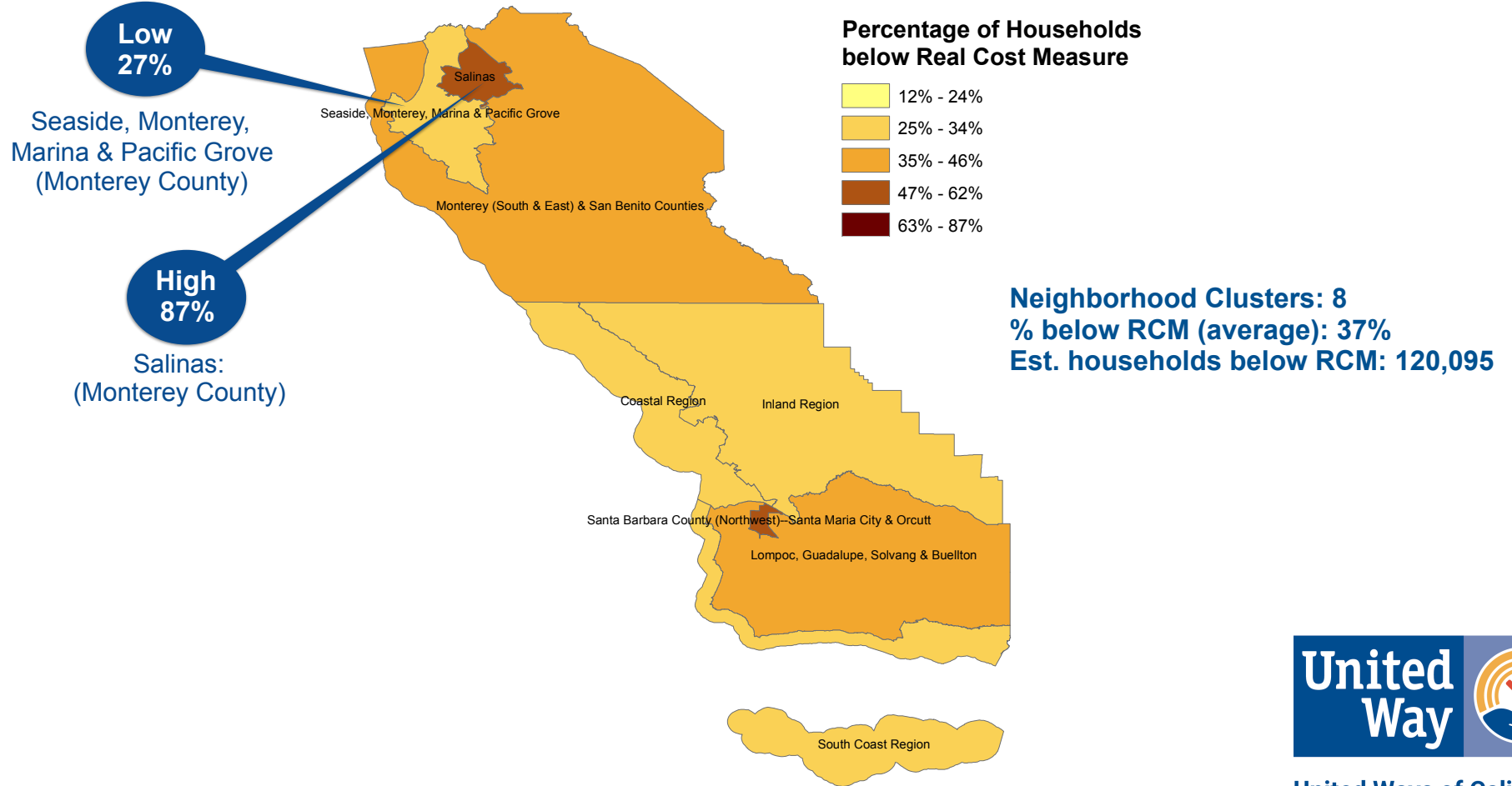
**Neighborhood Clusters: 265**  
**% below RCM (average): 37%**  
**Est. households below RCM: 3,884,756**



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# Real Cost Measure in the Central Coast

## The Real Cost Measure in California 2019



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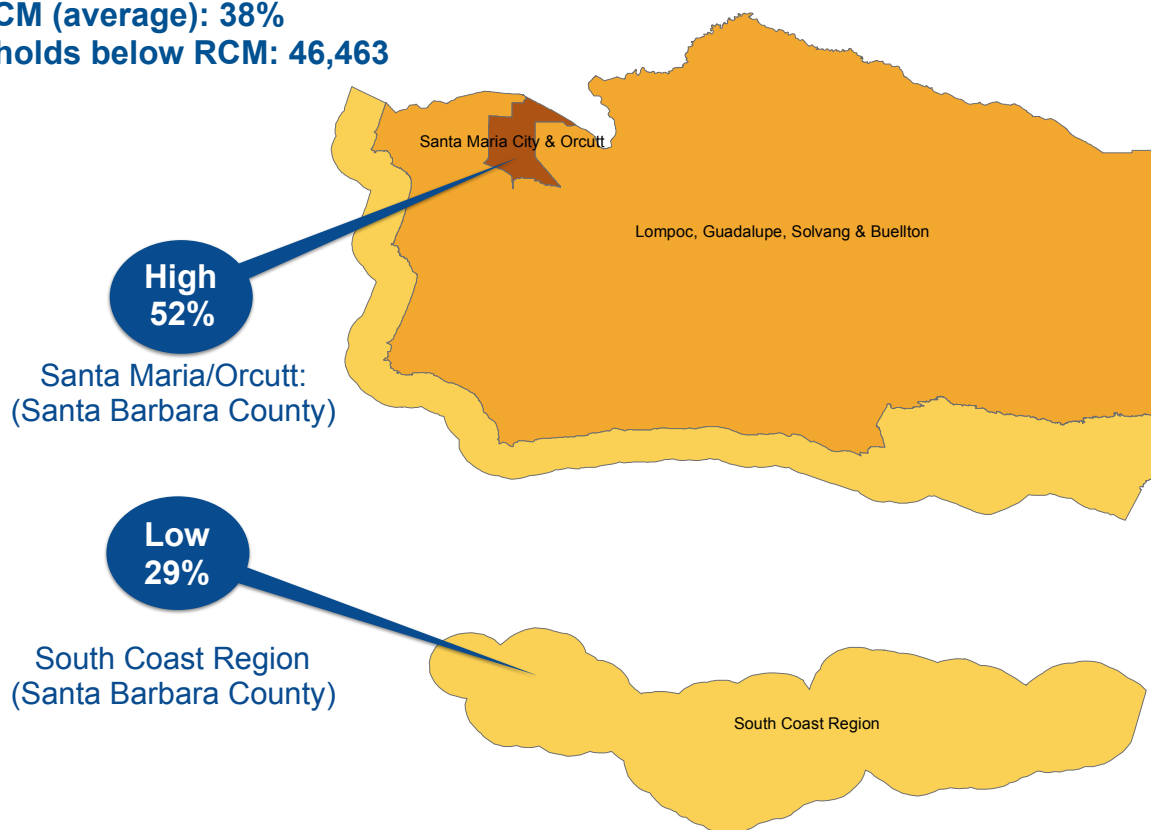
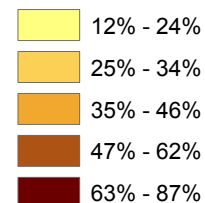


# Real Cost Measure in Santa Barbara County

## The Real Cost Measure in California 2019

**Neighborhood Clusters: 3**  
**% below RCM (average): 38%**  
**Est. households below RCM: 46,463**

**Percentage of Households below Real Cost Measure**



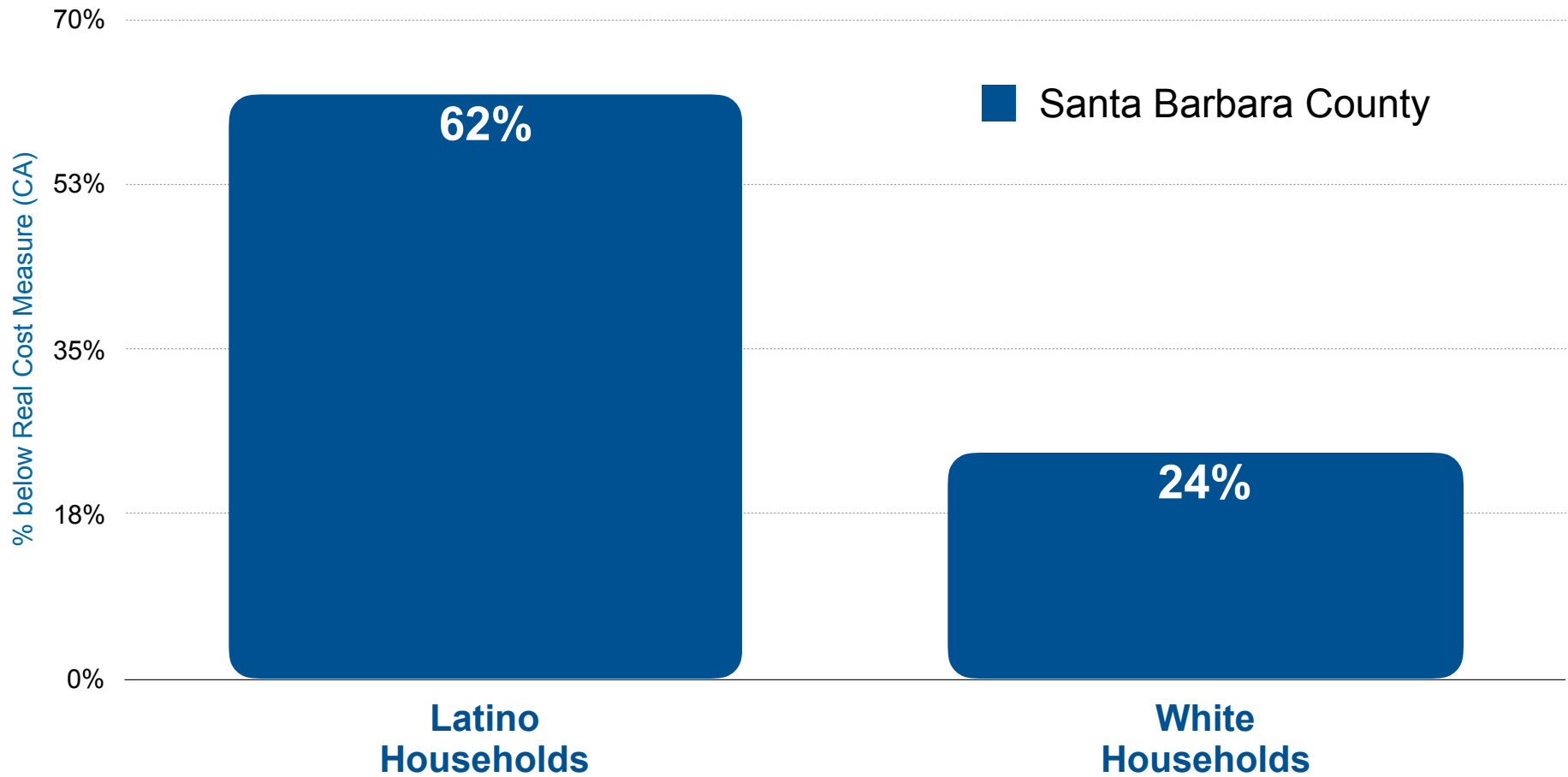
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**57% of Latino households in CA  
struggle to meet basic needs**

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

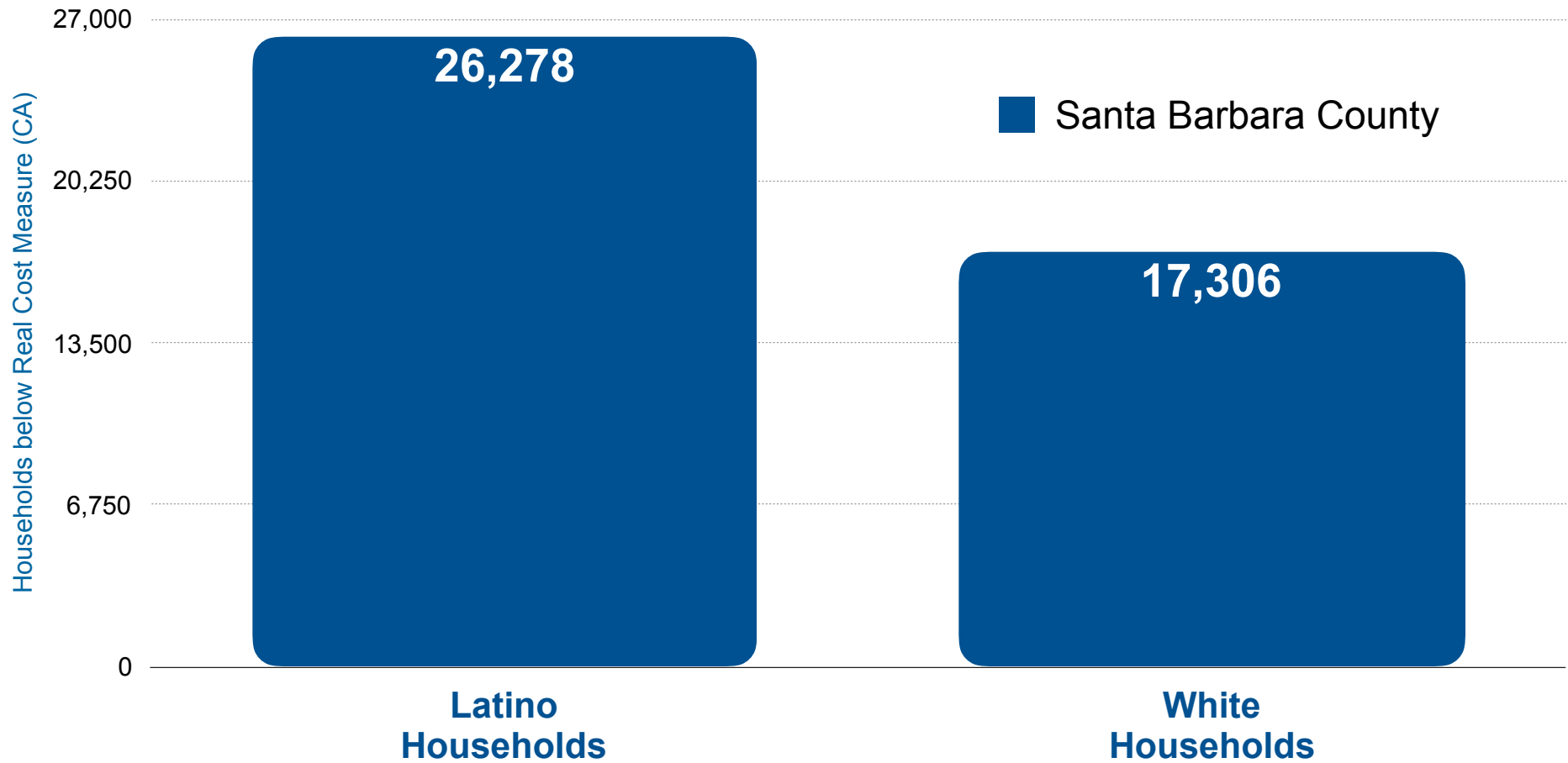
# Percent below Real Cost Measure by Ethnicity

The Real Cost Measure in California 2019



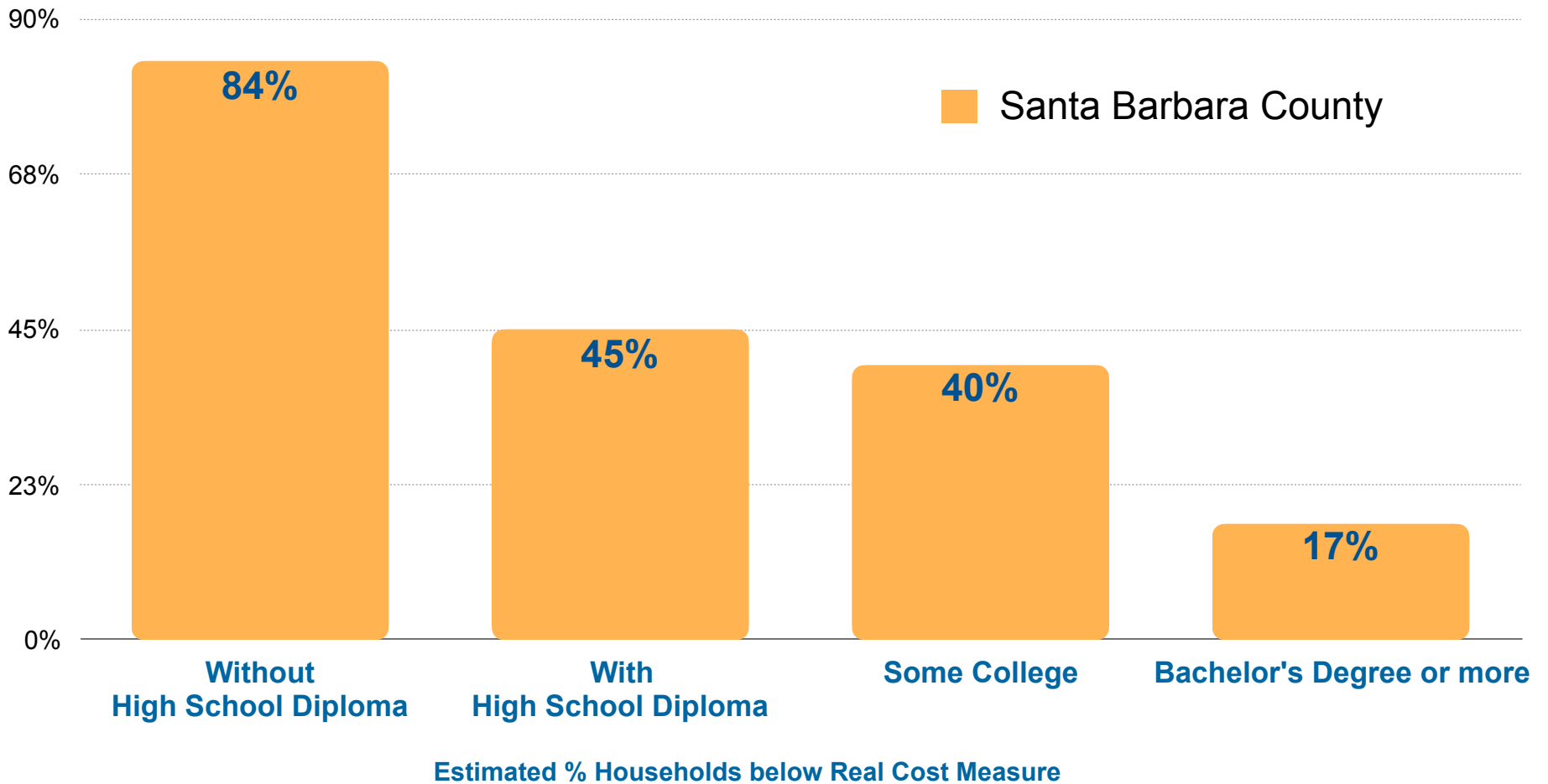
# Estimated Households below Real Cost Measure by Ethnicity

## The Real Cost Measure in California 2019



# Educational Attainment and Real Cost Measure

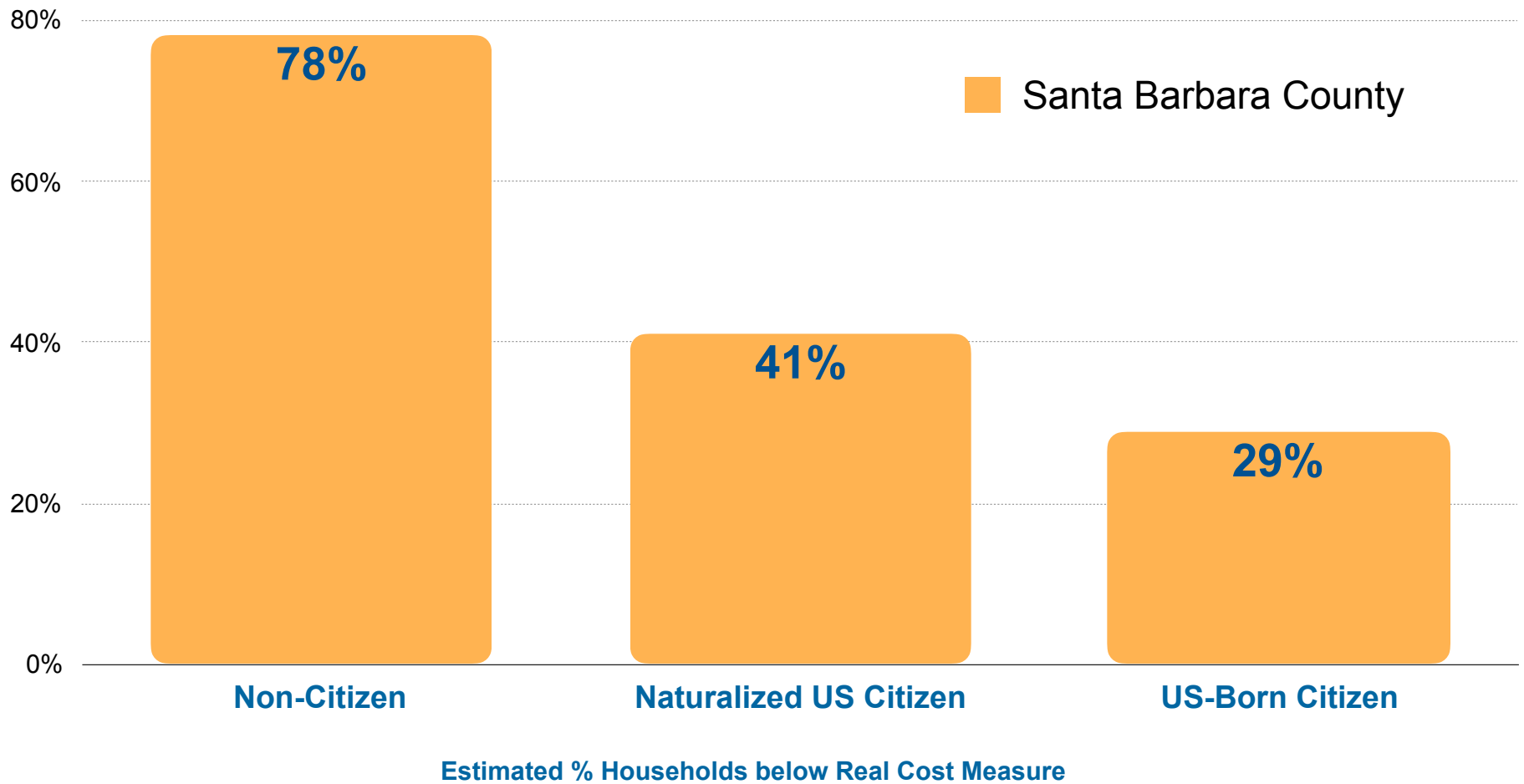
## The Real Cost Measure in California 2019





# Citizenship Status and Real Cost Measure

The Real Cost Measure in California 2019



**Over 7 in 10 Single Mothers in the  
Santa Barbara County (77%) struggle to  
meet basic needs**

**7,469 estimated households!**



**Over 7 in 10  
households with  
children under the  
age of 6 (74%)  
struggle to meet  
basic needs in  
Santa Barbara  
County**

**12,620 estimated  
households!**





**28% of seniors  
struggle to  
meet basic  
needs in Santa  
Barbara County**

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

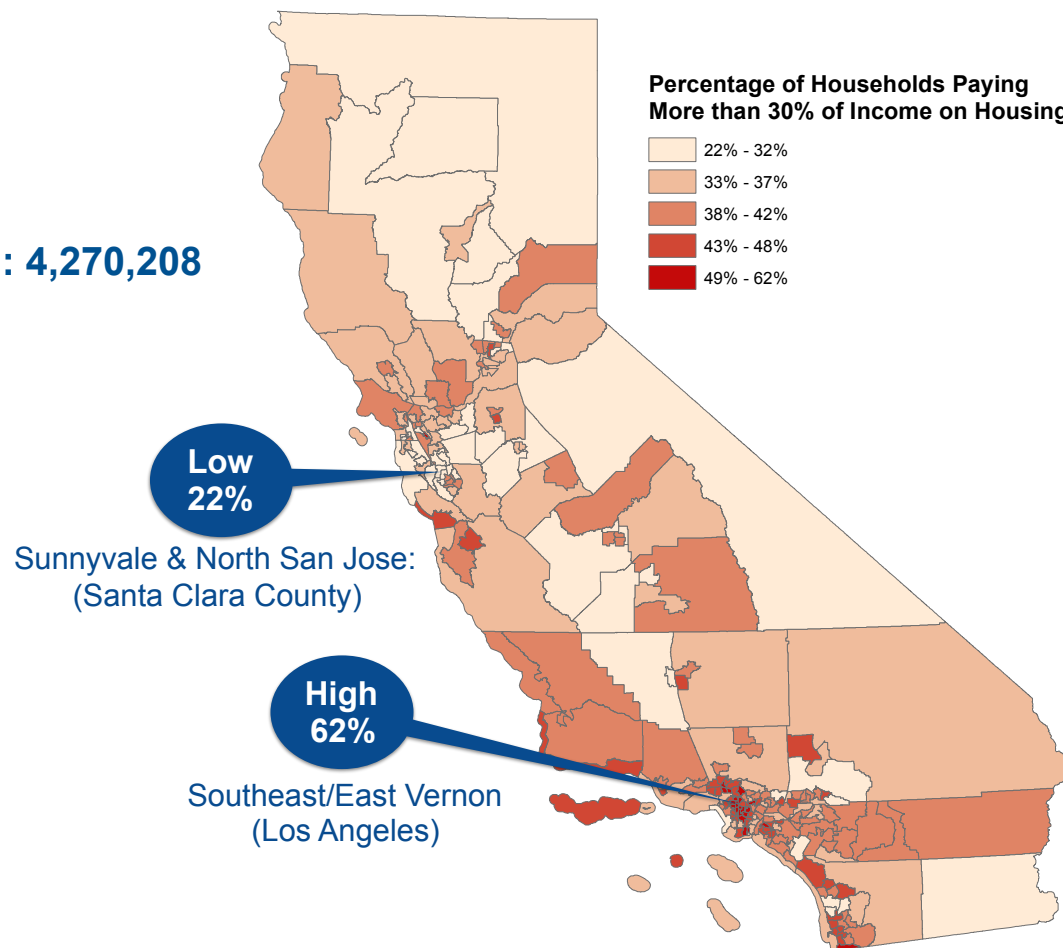
**Nearly 4 in 10 households in California  
(38%) pay more than 30% of their  
income on housing**

4,270,208 estimated households!

# Housing Burden in California

## The Real Cost Measure in California 2019

**State Average: 38%**  
**Estimated households: 4,270,208**

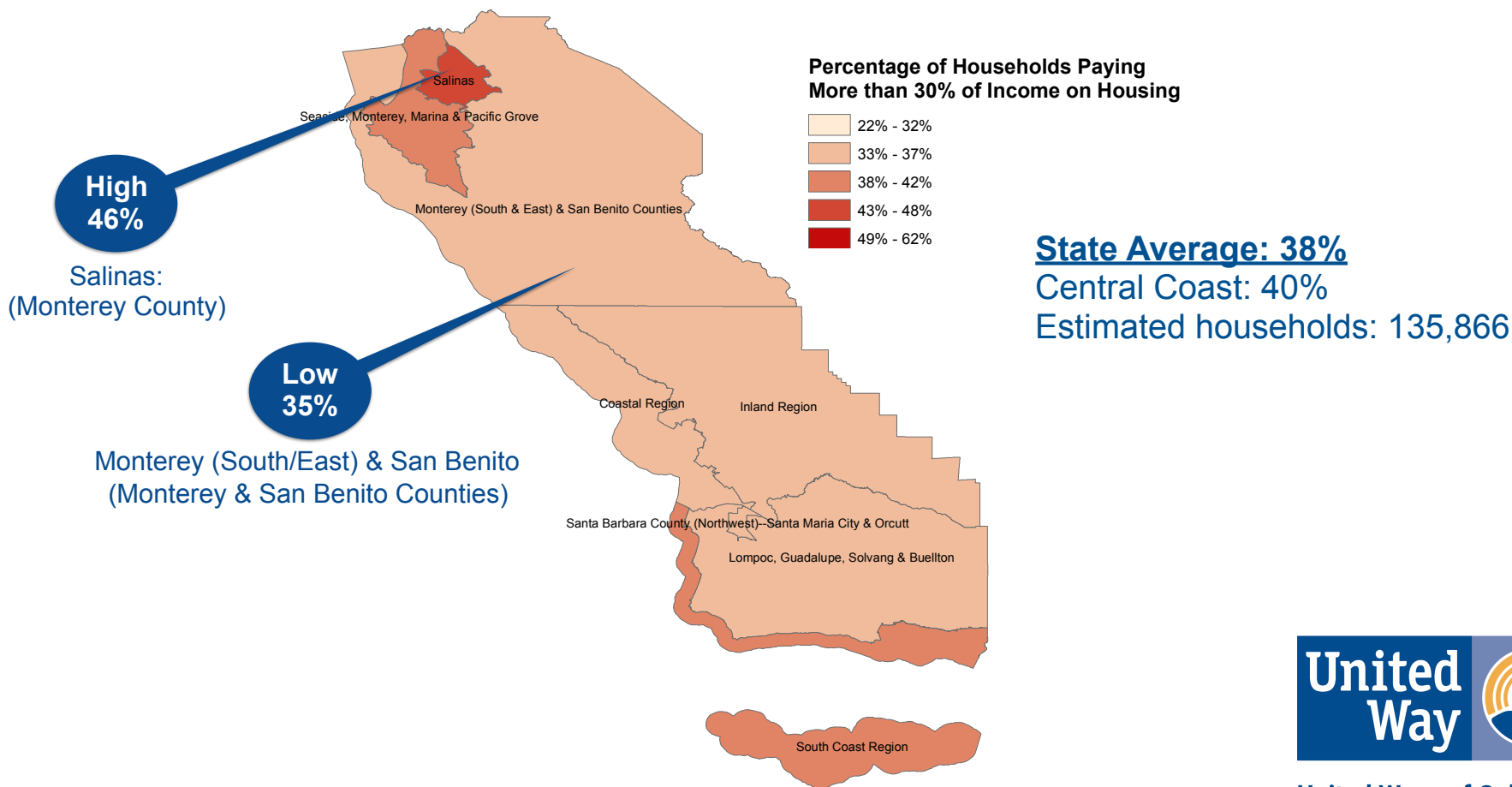


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# Housing Burden in the Central Coast

## The Real Cost Measure in California 2019



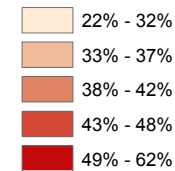
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# Housing Burden in Santa Barbara County

## The Real Cost Measure in California 2019

**State Average: 38%**  
Santa Barbara: 41%  
Estimated households: 51,456

Percentage of Households Paying  
More than 30% of Income on Housing

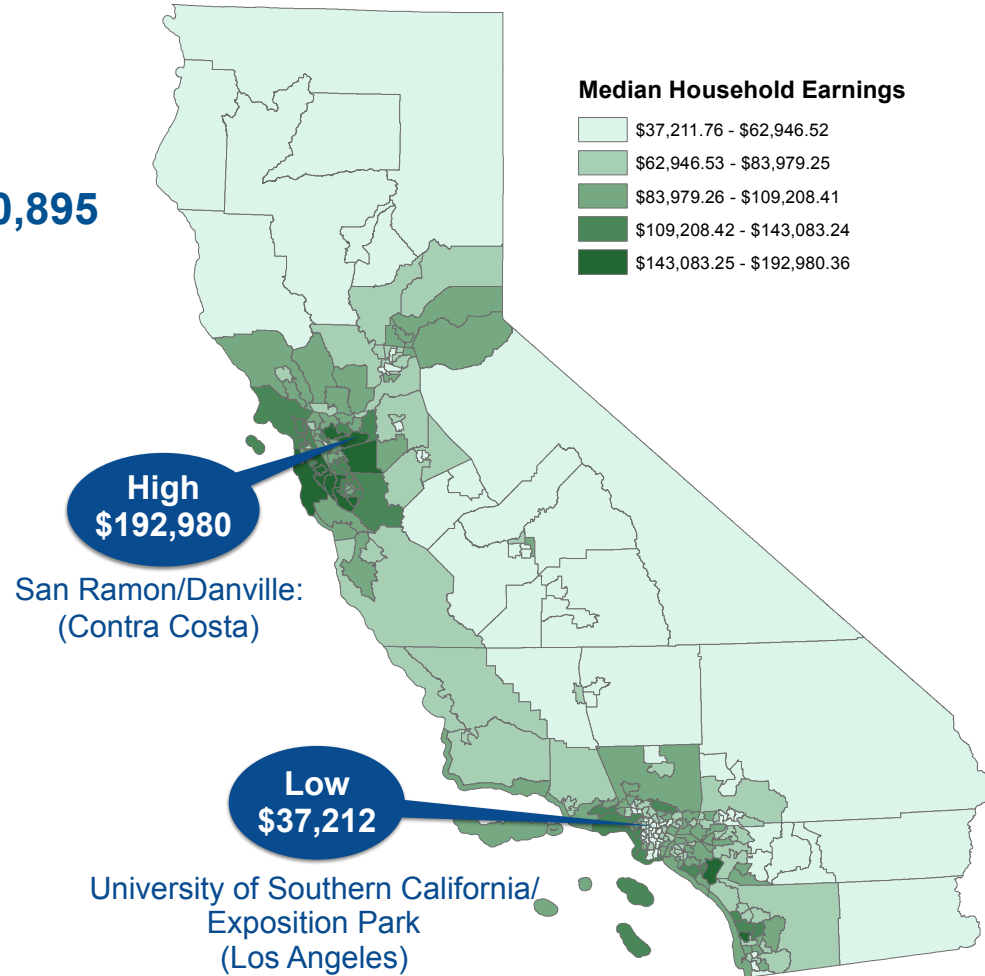


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# Median Household Earnings by Neighborhood Clusters

## The Real Cost Measure in California 2019

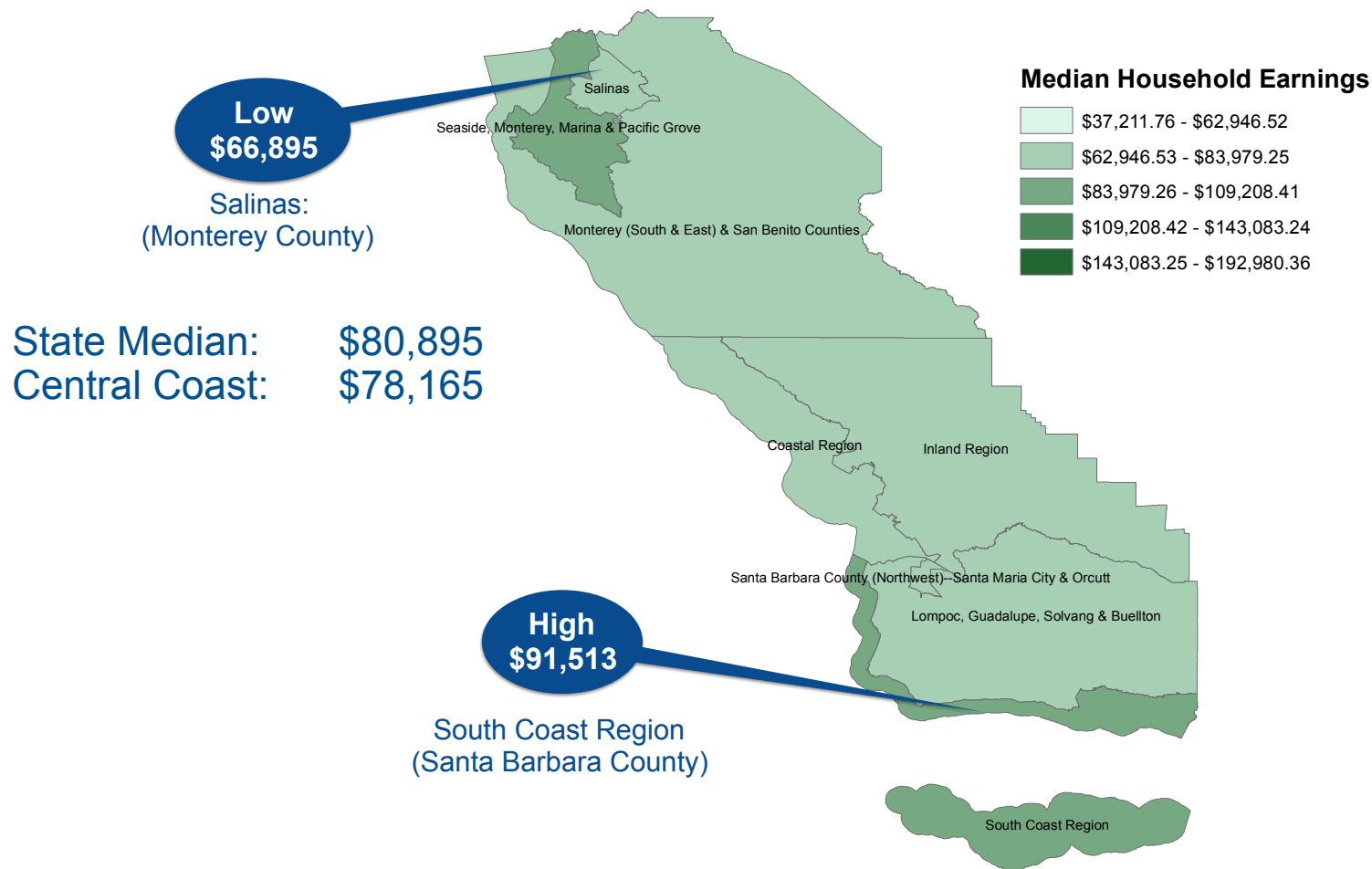
**State Median: \$80,895**



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# Median Household Earnings in Central Coast

## The Real Cost Measure in California 2019



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# Median Household Earnings in Santa Barbara County

## The Real Cost Measure in California 2019

State Median: \$80,895  
 Santa Barbara: \$78,064

### Median Household Earnings

\$37,211.76 - \$62,946.52
\$62,946.53 - \$83,979.25
\$83,979.26 - \$109,208.41
\$109,208.42 - \$143,083.24
\$143,083.25 - \$192,980.36

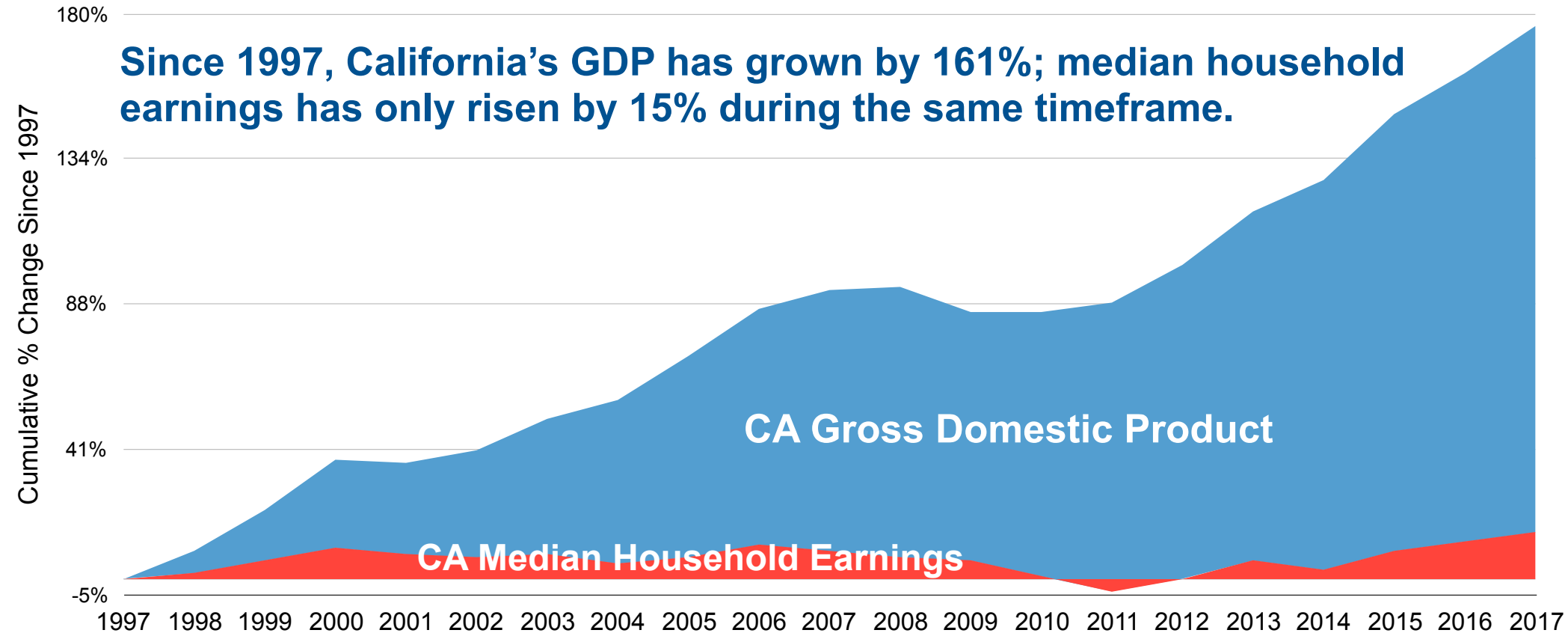


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# CA GDP and Median Household Earnings

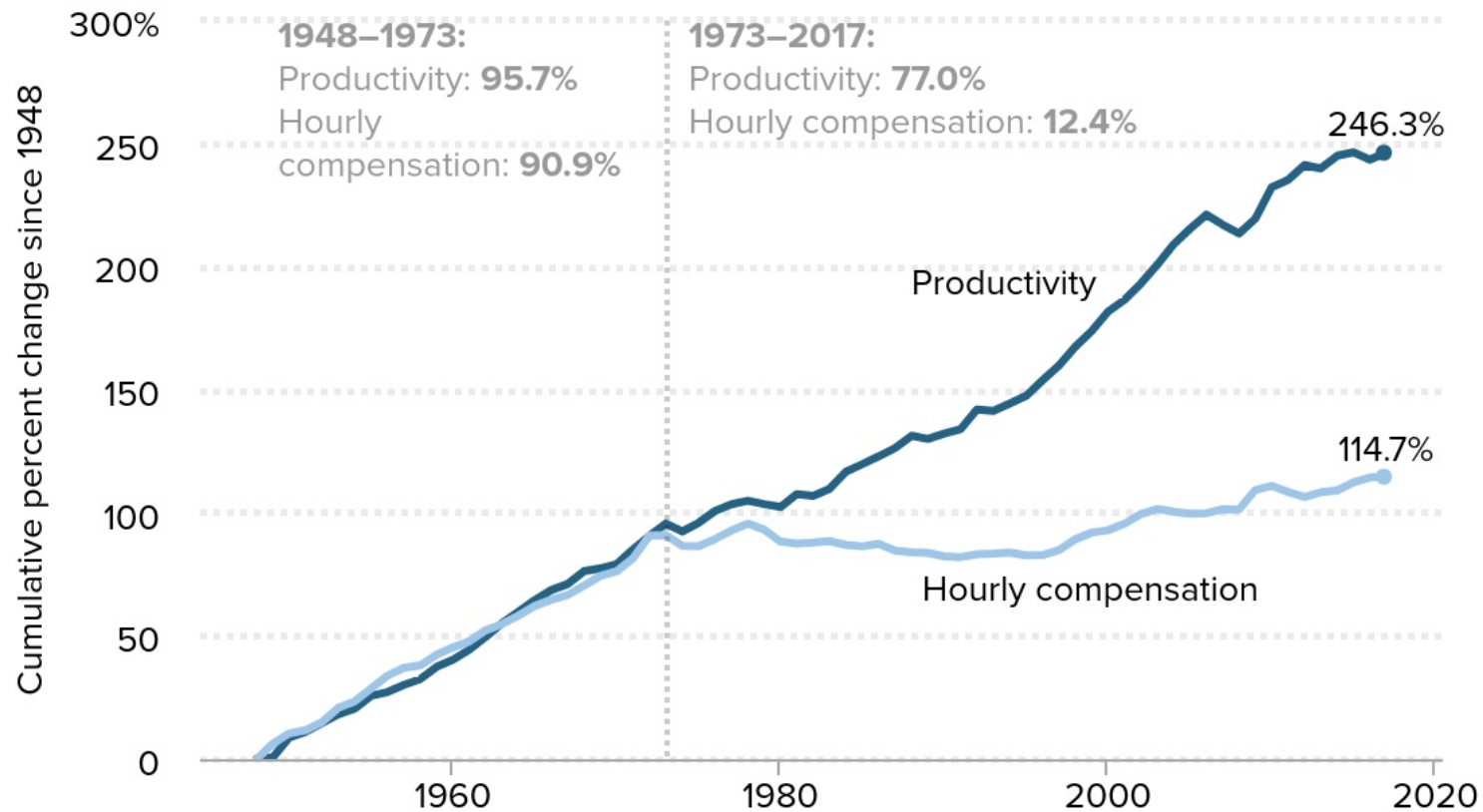
The Real Cost Measure in California 2019

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



Data sources: *Annual Gross Domestic Product by State*. Bureau of Economic Analysis. U.S. Department of Commerce and *Median Household Income by State*. Historical Income Tables. U.S. Census Bureau.

# Gap Between Worker's Productivity & Compensation 1948-2017



Source: *The Productivity Pay Gap*. Chart by Economic Policy Institute. August 2018. Data Source: Bureau of Labor Statistics. <https://bit.ly/2EVqBr9>





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## Real Cost Measure Resources

Executive Summary

Interactive Household Budgets

Real Cost Measure Dashboard

Neighborhood and County Maps

County Profiles

Public Data Set

Press Articles

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

# 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

Engage Partners in Grant Philanthropy Program

Use it as a Financial Literacy Tool



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# Contact Information

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