How much does it cost to live in your neighborhood?

Imagine living in your neighborhood as a family of four with two adults, one pre-schooler and one-school aged child.

How much would you spend monthly on housing?

How much would you spend monthly on child care?

How much would you spend monthly on food?

How much would you spend monthly on health care?

How much would you spend monthly on transportation?

How much would you spend on miscellaneous (everything else)?
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 1,600 household budgets by household size for every CA county
## Real Cost Measure Methodology

<table>
<thead>
<tr>
<th>Budget Component</th>
<th>Real Cost Measure 2021 (based on 2014-2019 data)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population Focus</td>
<td>Households</td>
</tr>
<tr>
<td>Housing</td>
<td>Fair Market Rent Rates</td>
</tr>
<tr>
<td></td>
<td>Dept. of Housing and Urban Development</td>
</tr>
<tr>
<td>Food</td>
<td>Low Cost Food Plan</td>
</tr>
<tr>
<td></td>
<td>Dept. of Housing and Urban Development</td>
</tr>
<tr>
<td>Child care</td>
<td>CA Department of Education</td>
</tr>
<tr>
<td>Health care</td>
<td>Consumer Expenditure Survey</td>
</tr>
<tr>
<td>Transportation</td>
<td>Consumer Expenditure Survey</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>10% of Basic Needs</td>
</tr>
<tr>
<td>Taxes</td>
<td>Federal/State Taxes/Payroll Taxes &amp;</td>
</tr>
<tr>
<td></td>
<td>Child Care and Child Tax Credits</td>
</tr>
</tbody>
</table>

**Real Cost Methodology:** [www.unitedwaysca.org/realcost](http://www.unitedwaysca.org/realcost)
Income Gap after Wages and Public Assistance for Average Household below the Real Cost Measure

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

Real Cost Measure: $95,112

Los Angeles County

- Wages: $49,063
- Supplemental Security Income: $44
- Interest & Other Income: $567
- CalWORKS (TANF): $107
- Retirement: $21
- Earned Income Tax Credit (EITC): $1,930

Income gap to reach RCM: $43,380
Average total income: $51,732

INCOME
What Does it Cost to Live in CA?
The Real Cost Measure in California 2021
*annual budget based on 2 adults, 1 pre-schooler, 1 school-aged child

- Fresno: Total: $69,356
  - Housing: $11,472
  - Child Care: $7,391
  - Transportation: $12,814
  - Health Care: $12,279
  - Food: $17,243
  - Miscellaneous: $5,605
  - Taxes: $8,929

- Los Angeles: Total: $95,112
  - Housing: $21,491
  - Child Care: $7,391
  - Transportation: $12,279
  - Health Care: $12,814
  - Food: $19,750
  - Miscellaneous: $9,901
  - Taxes: $10,102

- Orange: Total: $101,087
  - Housing: $24,442
  - Child Care: $7,813
  - Transportation: $12,573
  - Health Care: $11,422
  - Food: $19,750
  - Miscellaneous: $10,633
  - Taxes: $10,633

- Contra Costa: Total: $120,028
  - Housing: $32,554
  - Child Care: $9,000
  - Transportation: $12,227
  - Health Care: $13,117
  - Food: $21,420
  - Miscellaneous: $13,117
  - Taxes: $13,117
Household Budgets Change with Family Size
Los Angeles County

Annual Budget $95,112

- $13,792 Housing
- $7,391 Child Care
- $12,279 Health Care
- $12,814 Food
- $10,102 Transportation
- $21,491 Miscellaneous
- $11,536 Taxes

Annual Budget $83,275

- $11,536 Housing
- $6,515 Child Care
- $12,279 Health Care
- $14,499 Food
- $10,102 Transportation
- $21,491 Miscellaneous
- $6,853 Taxes

Annual Budget $53,757

- $7,293 Housing
- $4,221 Child Care
- $12,279 Health Care
- $17,243 Food
- $5,055 Transportation
- $21,491 Miscellaneous
- $6,853 Taxes

2 Adults

2 Adults, 1 Pre-Schooler, 1 School-Aged Child

2 Adults, 1 School-Aged Child, 1 Teenager
Nearly 1 in 3 households in California (33%) fall below the Real Cost Measure estimated 3,564,522 households
97% of households below the Real Cost Measure in California have at least one working adult.
4 in 10 households in Los Angeles County (40%) fall below the Real Cost Measure estimated 1,102,221 households
Real Cost Measure in Los Angeles County Over Time
The Real Cost Measure in California, 2014 - 2019

2014: 43%
2015: 42%
2016: 44%
2017: 42%
2018: 41%
2019: 40%
Real Cost Measure by Neighborhood Clusters
The Real Cost Measure in California 2021

- **San Ramon/Danville:** (Contra Costa County)
  - **LOW 11%**

- **Southeast LA City/East Vernon:** (Los Angeles County)
  - **HIGH 80%**

**Neighborhood Clusters:** 265
**% below RCM (average):** 33%
**Est. households below RCM:** 3,564,522
Real Cost Measure in Los Angeles County

The Real Cost Measure in California 2021

Neighborhood Clusters: 69
% below RCM (average): 40%
Est. households below RCM: 1,102,221

Percent of Households below Real Cost Measure
- 11% - 21%
- 22% - 31%
- 31% - 42%
- 42% - 58%
- 58% - 80%

LOW 12%
Redondo Beach, Manhattan Beach & Hermosa Beach (Los Angeles County)

HIGH 80%
Southeast LA City/East Vernon: (Los Angeles County)
52% of Latino households in California struggle to meet basic needs

1,730,999 estimated households!
Percent below Real Cost Measure by Ethnicity

The Real Cost Measure in California 2021

- African American Households: 43%
- Asian American Households: 34%
- Latino Households: 58%
- White Households: 22%

Los Angeles County
Estimated Households below Real Cost Measure by Ethnicity
The Real Cost Measure in California 2021

- African American Households: 99,824
- Asian American Households: 149,594
- Latino Households: 617,674
- White Households: 227,922
Educational Attainment and Real Cost Measure

The Real Cost Measure in California 2021

![Bar chart showing estimated percentage of households below the Real Cost Measure by educational attainment in Los Angeles County.]

- Without High School Diploma: 75%
- With High School Diploma: 56%
- Some College: 42%
- Bachelor's Degree or more: 19%

Estimated % Households below Real Cost Measure
Citizenship Status and Real Cost Measure

The Real Cost Measure in California 2021

Estimated % Households below Real Cost Measure

- Non-Citizen: 67%
- Naturalized US Citizen: 40%
- US-Born Citizen: 30%

Los Angeles County
63% of households led by women fall below the Real Cost Measure in Los Angeles County.

Estimated 243,739 households.
Family Types below the Real Cost Measure
The Real Cost Measure in California 2021

Estimated % Households below Real Cost Measure

- Married Households: 36%
- Male-headed Households: 50%
- Female-headed Households: 63%
- Informal (unrelated but cohabitating) Households: 32%

Los Angeles County
Nearly 8 in 10 Single Mothers in Los Angeles County (77%) fall below the Real Cost Measure

166,921 estimated households!
Over 6 in 10 households with children under the age of 6 in Los Angeles County (61%) fall below the Real Cost Measure

243,644 estimated households!
Over 4 in 10 households in Los Angeles (44%) pay at least 30% of their income on housing

estimated 1,226,930 households
Percentage of Households Paying At Least 30% of Income on Housing by Neighborhood Clusters

<table>
<thead>
<tr>
<th>Neighborhood Cluster</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inner Mission/Castro</td>
<td>22%</td>
</tr>
<tr>
<td>Southeast LA City/East Vernon</td>
<td>61%</td>
</tr>
</tbody>
</table>

Neighborhood Clusters: 265
% Housing Burdened: 38%
Estimated households: 4,168,537
Percentage of Households Paying At Least 30% of Income on Housing by Neighborhood Clusters

Neighborhood Clusters: 69
% Housing Burdened: 44%
Estimated households: 1,226,930

- HIGH 61%
  - Southeast LA City/East Vernon: (Los Angeles County)

- LOW 34%
  - Castaic (Los Angeles County)

Lakewood, Cerritos, Artesia & Hawaiian Gardens (Los Angeles County)
The Real Cost Measure in California 2021

Median Household Income by Neighborhood Clusters

State Median: $91,923

Bakersfield City (Southeast): (Kern County)

LOW $46,972

Cupertino/Saratoga/Los Gatos: (Santa Clara County)

LOW $221,222
Median Household Income in Los Angeles County
The Real Cost Measure in California 2021

State Median: $91,923
Los Angeles County: $82,832

LOW
$47,477
Southeast LA City/East Vernon: (Los Angeles County)

HIGH
$151,522
San Gabriel Valley Region (North) (Los Angeles County)
Since 1984, California’s GDP has grown by 155%; median household earnings has only risen by 11% during the same timeframe.

Preserve and expand health coverage

Maximize EITC, CalFresh and other Income Supports

Expand child care, free or low-cost

Level up post-secondary education
Advocacy Levers
The Real Cost Measure in California 2021

Protect assets from predatory financial practices

Integrate and naturalize immigrants

Increase support for renters, expand housing stock

Make work pay

Adapt to the changing nature of work
Real Cost Measure Features

Executive Summary

Household Budgets Calculator

Real Cost Measure Dashboard (NEW)

Neighborhood and County Maps

State, Region and County Fact Sheets (NEW)

Legislative Profiles

Public Data Set

Press Articles

www.unitedwaysca.org/realcost
How to Adopt the Real Cost Measure

Engage Fellow Partners about the Cost of Living in your Community

Incorporate Findings into Government, Nonprofit and Foundation Decision-making

Grantwriting tool for Nonprofits

Engage your own Family on Cost of Living

Financial Literacy Tool

Compliment the Real Cost Measure with other Research/Community Data

Advocacy Tool to Help Families Move Up
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Advocacy Tool to Help Families Move Up
New California Human Development Report

Modeled after internationally recognized United Nations study

Measures well-being in health, education and financial stability

Supported by California United Ways

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