

State of California The Real Cost Measure in California 2021



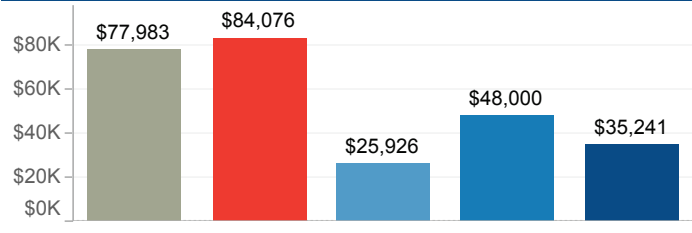
United Ways
of California

The Real Cost Measure (RCM) estimates the amount of income required to meet basic needs (the “Real Cost Budget”) for a given household type in a specific community. The Real Cost Measure builds a bare-bones budget that reflects constrained yet reasonable choices for essential expenses: housing, food, transportation, health care, taxes and child care.

If any results show blank values, that indicates the sample size is too small to illustrate Real Cost Measure results. Per our methodology, estimates with a cell size of greater than 5,000 are assumed to be accurate within +/-1% based on design factor analysis. Cell sizes less than 5,000 are suppressed.

# of Households below Real Cost Measure	% of Households below Real Cost Measure	% of Households below Real Cost Measure with at least 1 Working Adult
3,564,522	33%	97%

Annual Income Comparison *(based on a household of 2 adults, 1 pre-schooler, 1 school-aged child)*



*based on \$12.00 per hour, 40 hours per week, 50 weeks per year.

- Median Adjusted HH Income
- RCM Budget
- Median Poverty Threshold
- 2 Minimum Wage Jobs*
- Supplemental Poverty Measure

Household Budgets

	1 Adult	2 Adults	2 Adults 1 Pre-schooler 1 School-aged
Housing	\$12,092	\$13,981	\$17,765
Food	\$4,142	\$7,593	\$11,717
Health Care	\$2,363	\$4,726	\$9,453
Child Care	\$0	\$0	\$16,458
Transportation	\$5,358	\$10,717	\$10,717
Miscellaneous	\$2,397	\$3,702	\$6,612
Taxes/Credits	\$4,554	\$5,946	\$11,355
FINAL BUDGET	\$30,905	\$46,665	\$84,076

Households of color struggle disproportionately...

- Across the state, African Americans and Latinos have a disproportionate number of households with incomes below the Standard. In this area, of the 3,564,522 households below the Real Cost Measure, 1,730,999 are Latino.

Families with children face a larger barrier to economic security...

- 54% of households with children under six struggle, a rate much greater than that of the rest of the state.
- Single mothers are most likely to struggle. 71% in the state are below the Real Cost Measure.

Families work, but don't earn enough...

- 97% of households below RCM have at least one working adult.
- 79% of heads of household who work are employed full time and year round.
- A family of four (2 adults, 1 infant, 1 school-aged child) would need to hold more than 3 full time, minimum-wage jobs to achieve economic security.**

High housing costs are a major challenge for struggling households...

- 38% of all households in the state spend more than 30% of their income on housing.

**based on \$12.00 per hour, 40 hours per week, 50 weeks per year.

Education # below RCM % below RCM

Less than High School	869,653	68%
High School Diploma or Equivalent	842,023	47%
Some College, Assoc. or Voc.	1,132,499	35%
College degree or higher	715,262	16%

Ethnicity # below RCM % below RCM

Latino	1,730,999	52%
African American	260,943	41%
Asian American/Pacific Islander	482,846	28%
White	1,067,328	21%
Native American/Alaska Native	13,652	39%

Household Type # below RCM % below RCM

Single Mothers	574,750	71%
Seniors	457,752	24%
Married Couples	1,420,316	30%
Informal Families	673,488	28%

Citizenship/Nativity # below RCM % below RCM

Foreign Born, Non-Citizen	901,519	59%
Foreign Born, Naturalized	772,474	36%
Born a US Citizen	1,890,529	26%

Findings drawn from The Real Cost Measure in California 2021, by United Ways of California in partnership with B3 Consults. Data calculated for this geographic profile is from 2019. For detailed methodology, visit <http://unitedwaysca.org/realcost>.