



# Struggling to Move Up: The Real Cost Measure in California 2021

United Way of Santa Barbara County: Executive Club Luncheon  
June 28, 2022



United Ways of California

# 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)?



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Peter Manzo, Henry Gascon, Betsy Baum Block, and Dan Beeby



## 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

Budget Component	Real Cost Measure 2021 (based on 2014-2019 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

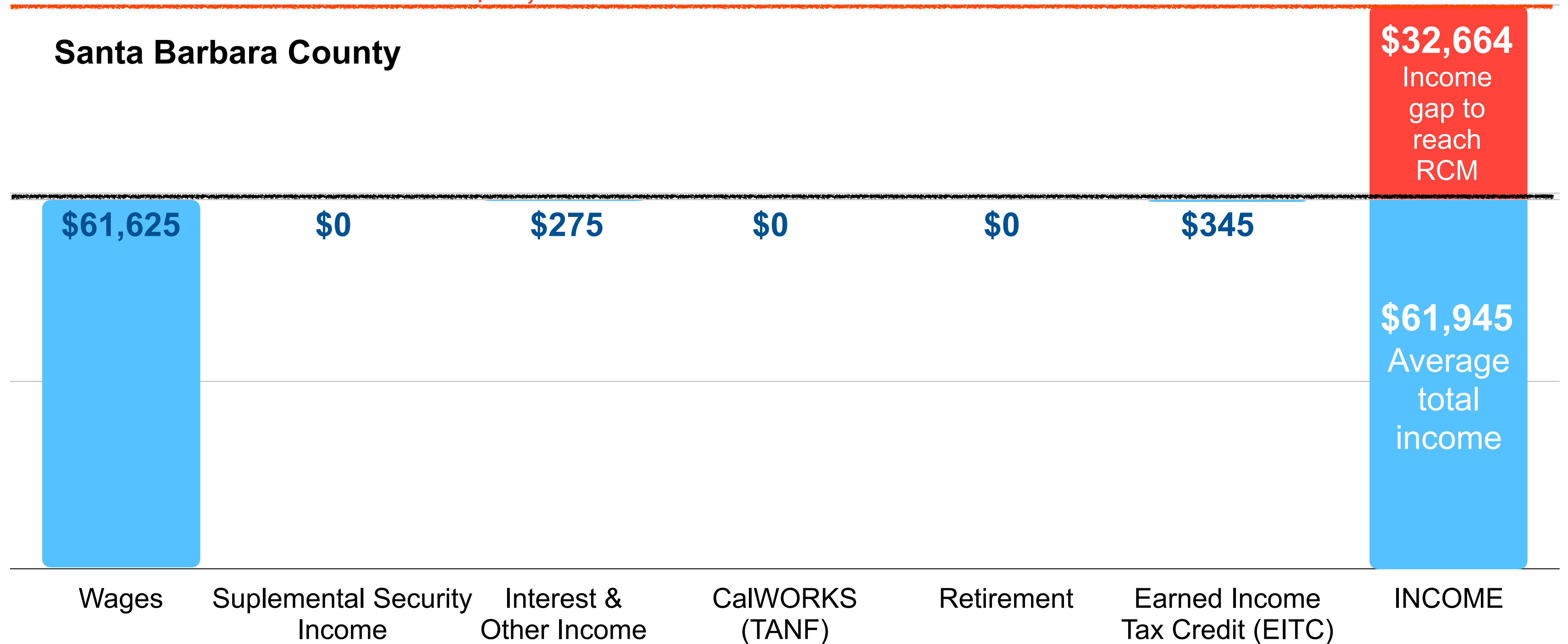
Real Cost Methodology: [www.unitedwaysca.org/realcost](http://www.unitedwaysca.org/realcost)

# 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: \$94,909**

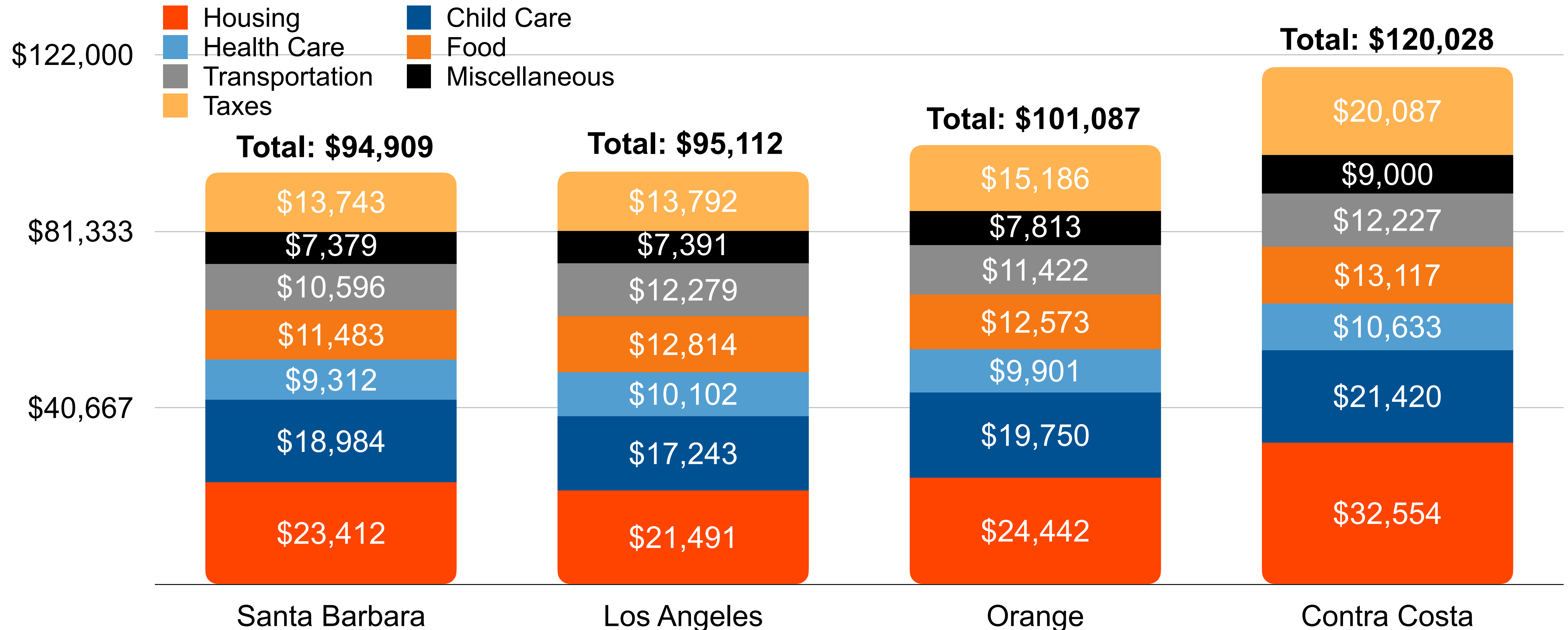
**Santa Barbara County**



# What Does it Cost to Live in CA?

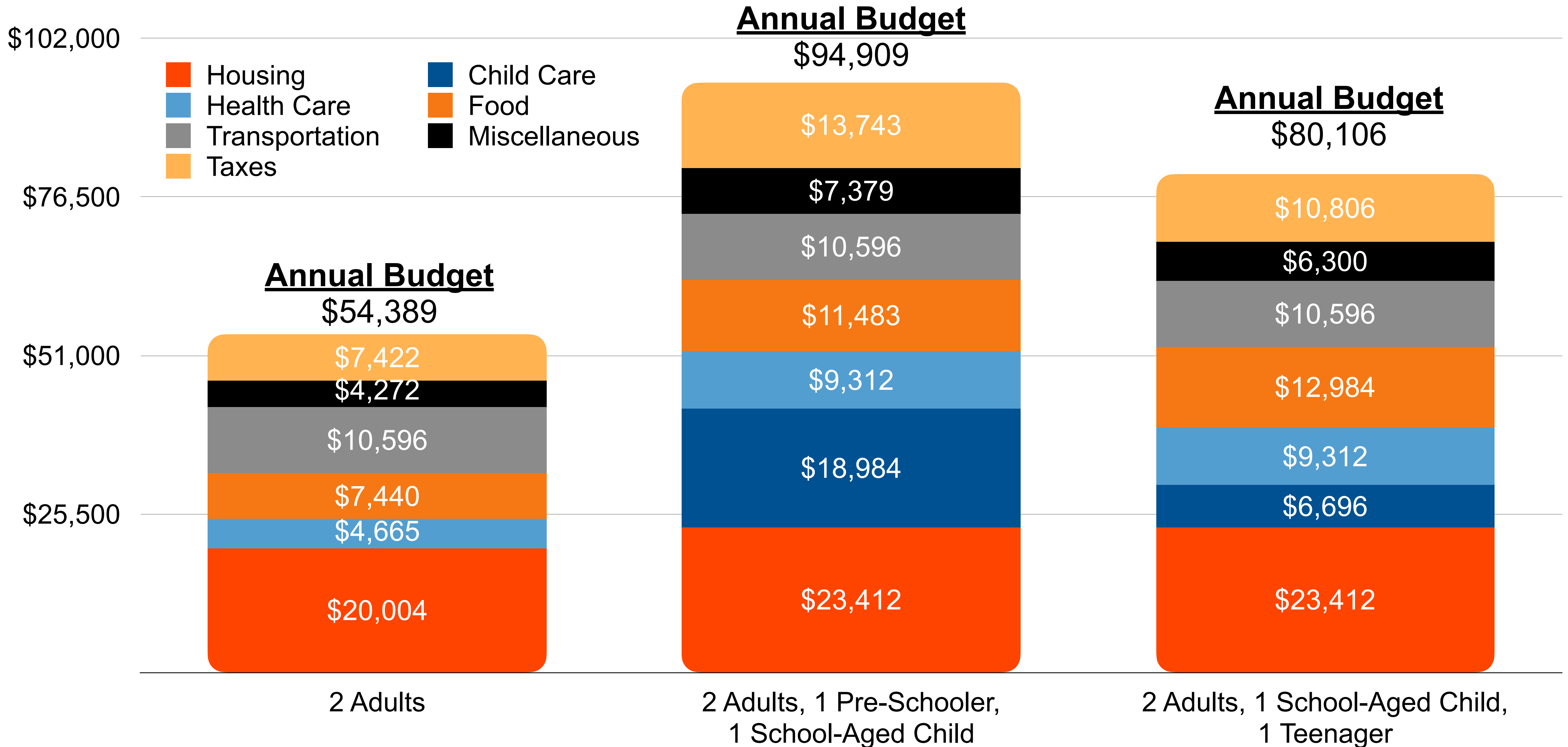
The Real Cost Measure in California 2021

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



# Household Budgets Change with Family Size

## Santa Barbara County



**Nearly 1 in 3 households in  
California (33%) fall below the  
Real Cost Measure**

estimated 3,564,522 households



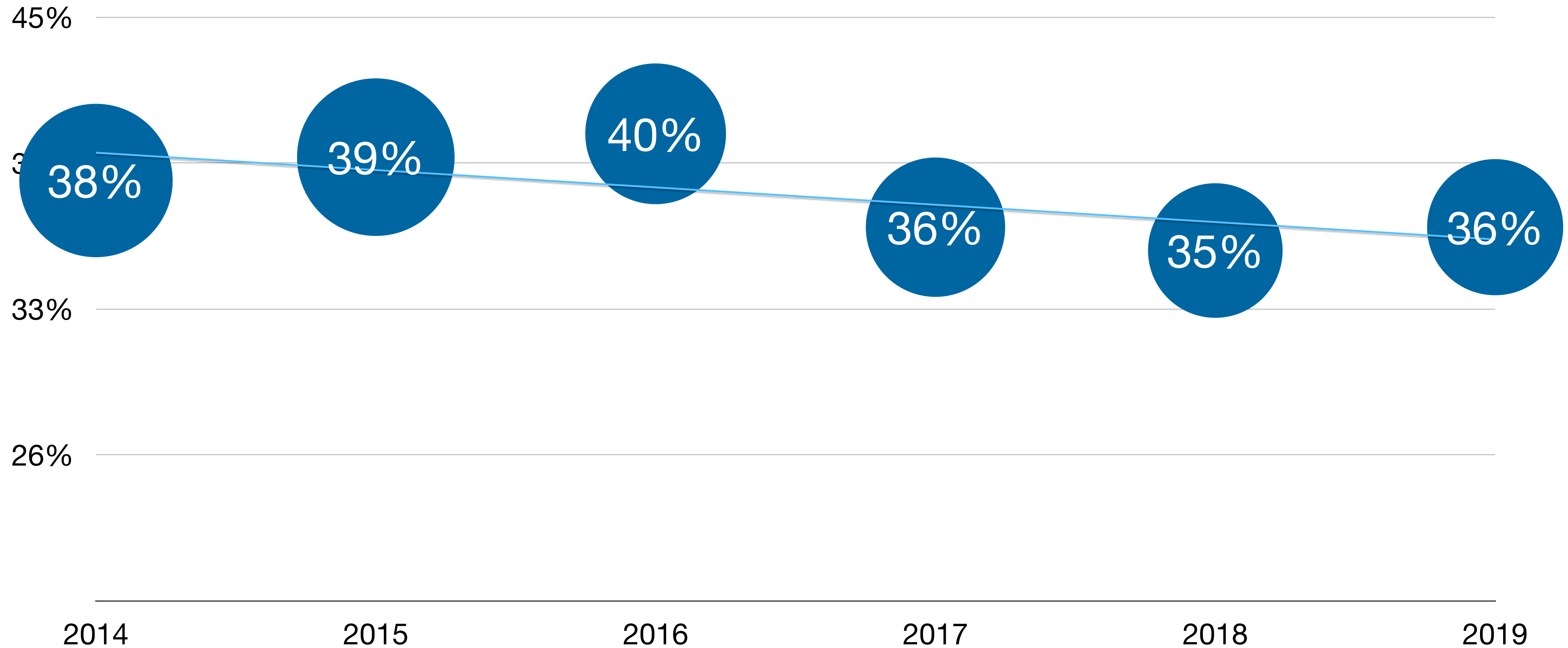
**97% of households below the  
Real Cost Measure in California  
have at least one working adult**

**More than 1 in 3 households in Santa  
Barbara County (36%) fall below the  
Real Cost Measure**

estimated 43,188 households

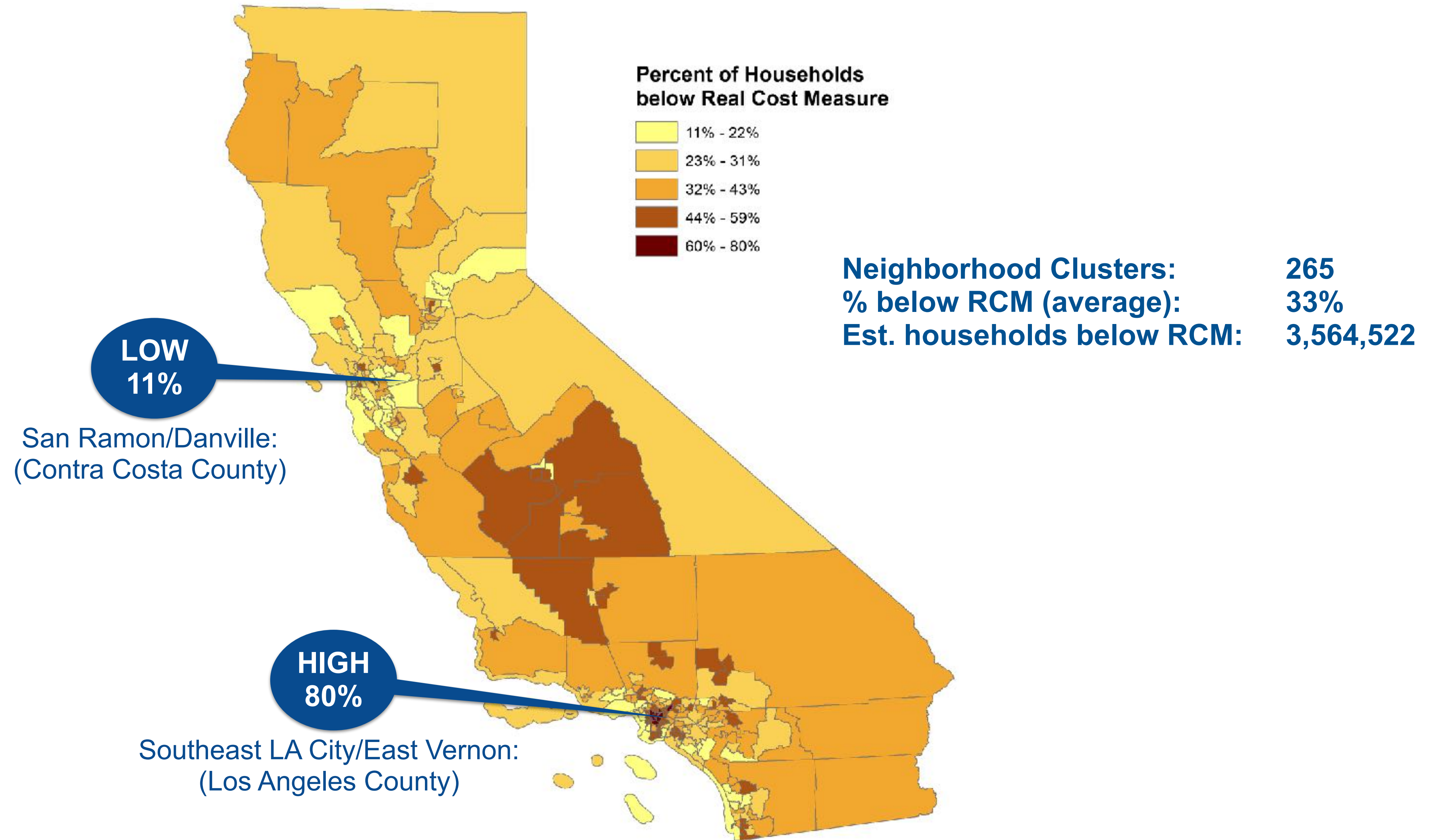
# Real Cost Measure in Santa Barbara County Over Time

The Real Cost Measure in California, 2014 - 2019



# Real Cost Measure by Neighborhood Clusters

## The Real Cost Measure in California 2021

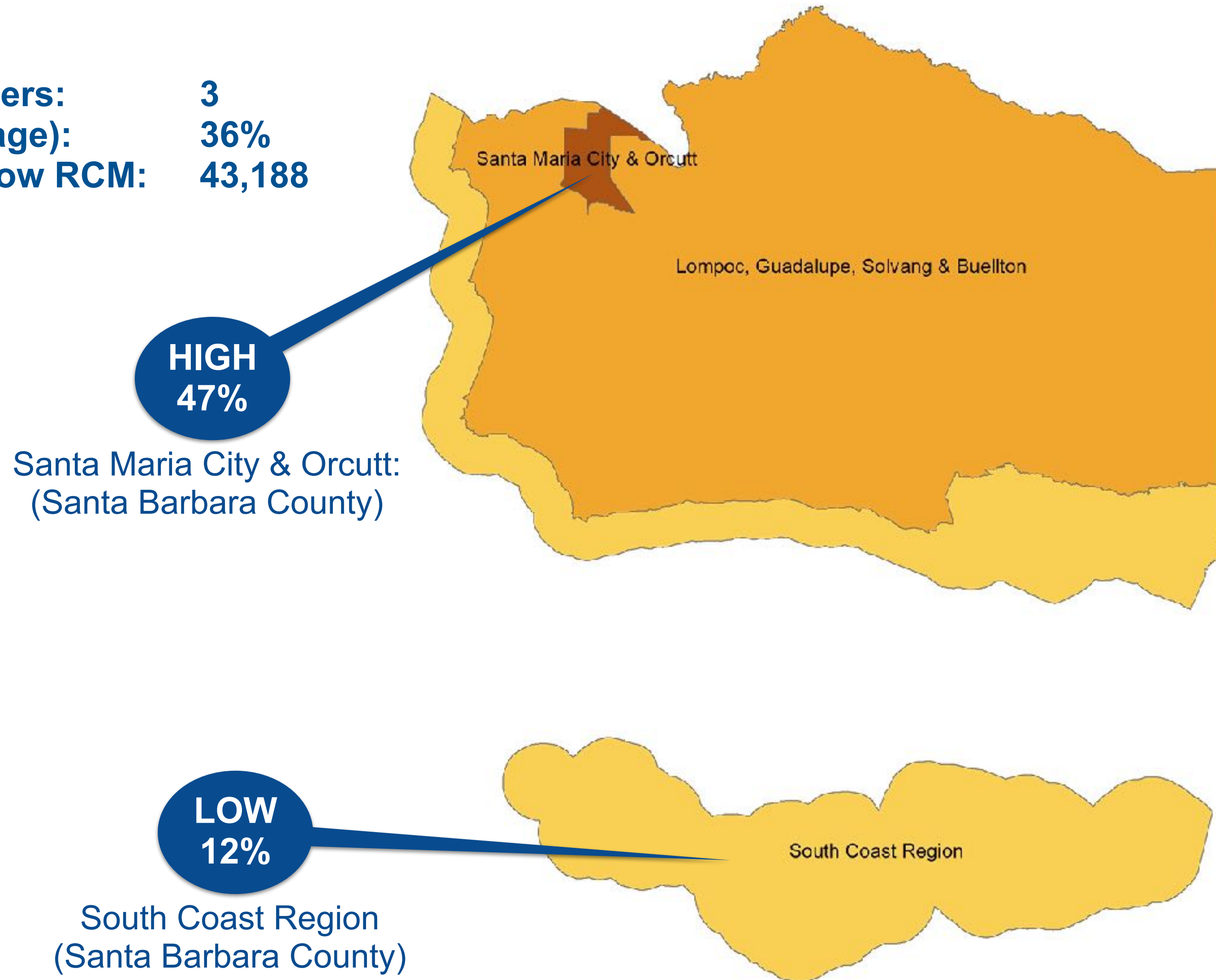
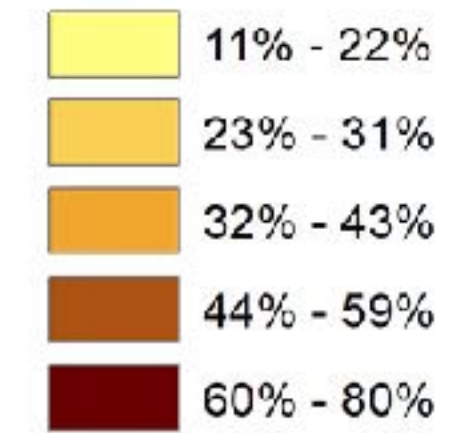


# Real Cost Measure in Santa Barbara County

## The Real Cost Measure in California 2021

Neighborhood Clusters: 3  
% below RCM (average): 36%  
Est. households below RCM: 43,188

Percent of Households below Real Cost Measure

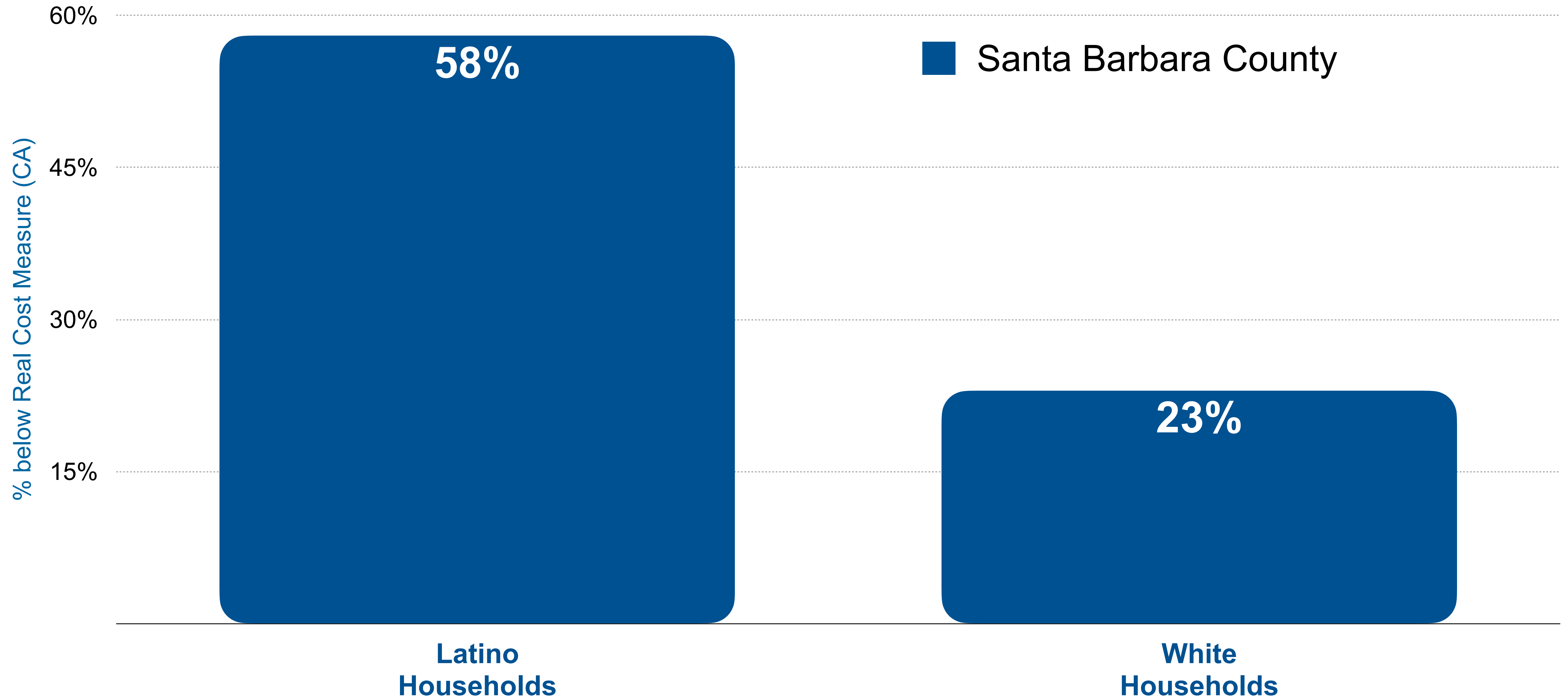


**52% of Latino households in California  
struggle to meet basic needs**

**1,730,999 estimated households!**

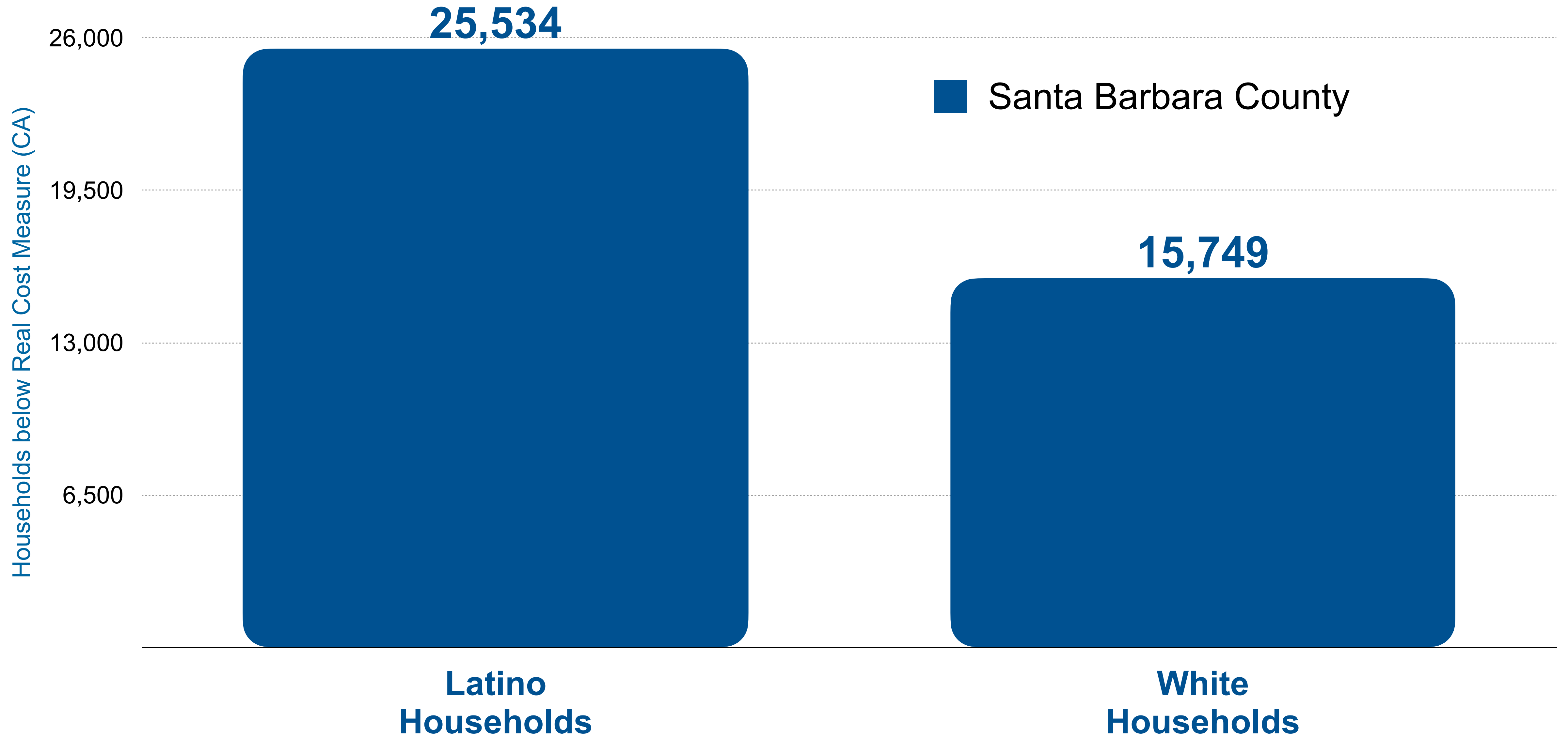
# Percent below Real Cost Measure by Ethnicity

The Real Cost Measure in California 2021



# Estimated Households below Real Cost Measure by Ethnicity

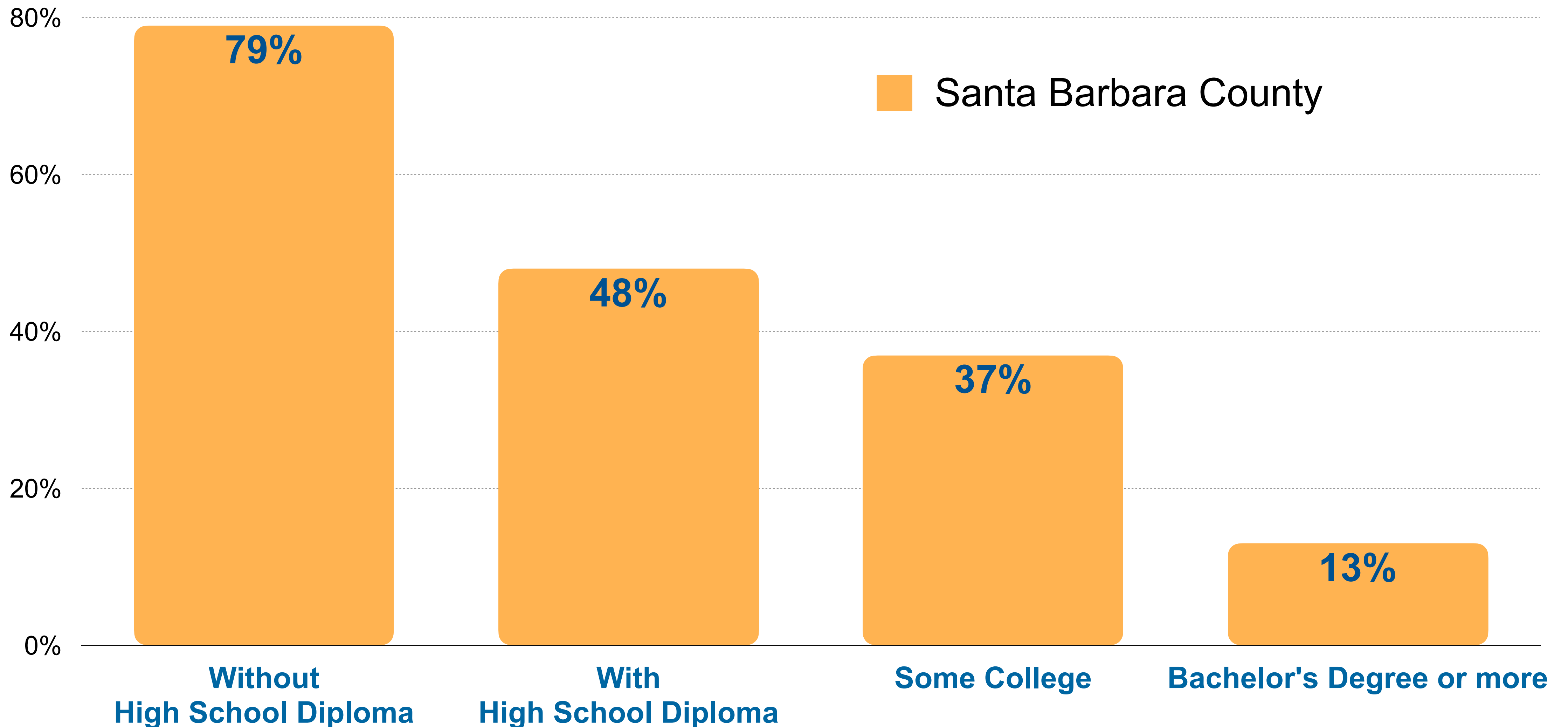
The Real Cost Measure in California 2021





# Educational Attainment and Real Cost Measure

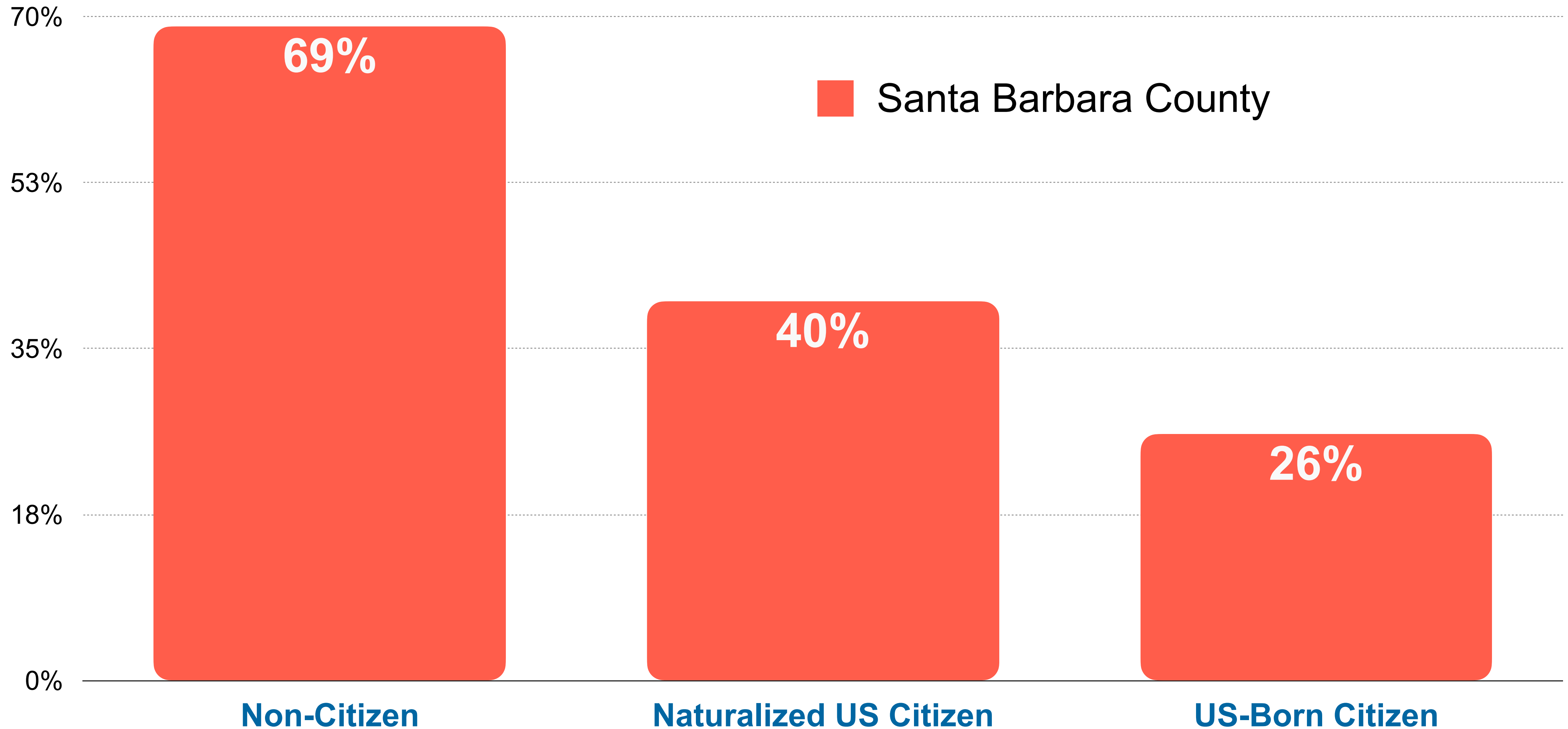
The Real Cost Measure in California 2021



Estimated % Households below Real Cost Measure

# Citizenship Status and Real Cost Measure

The Real Cost Measure in California 2021



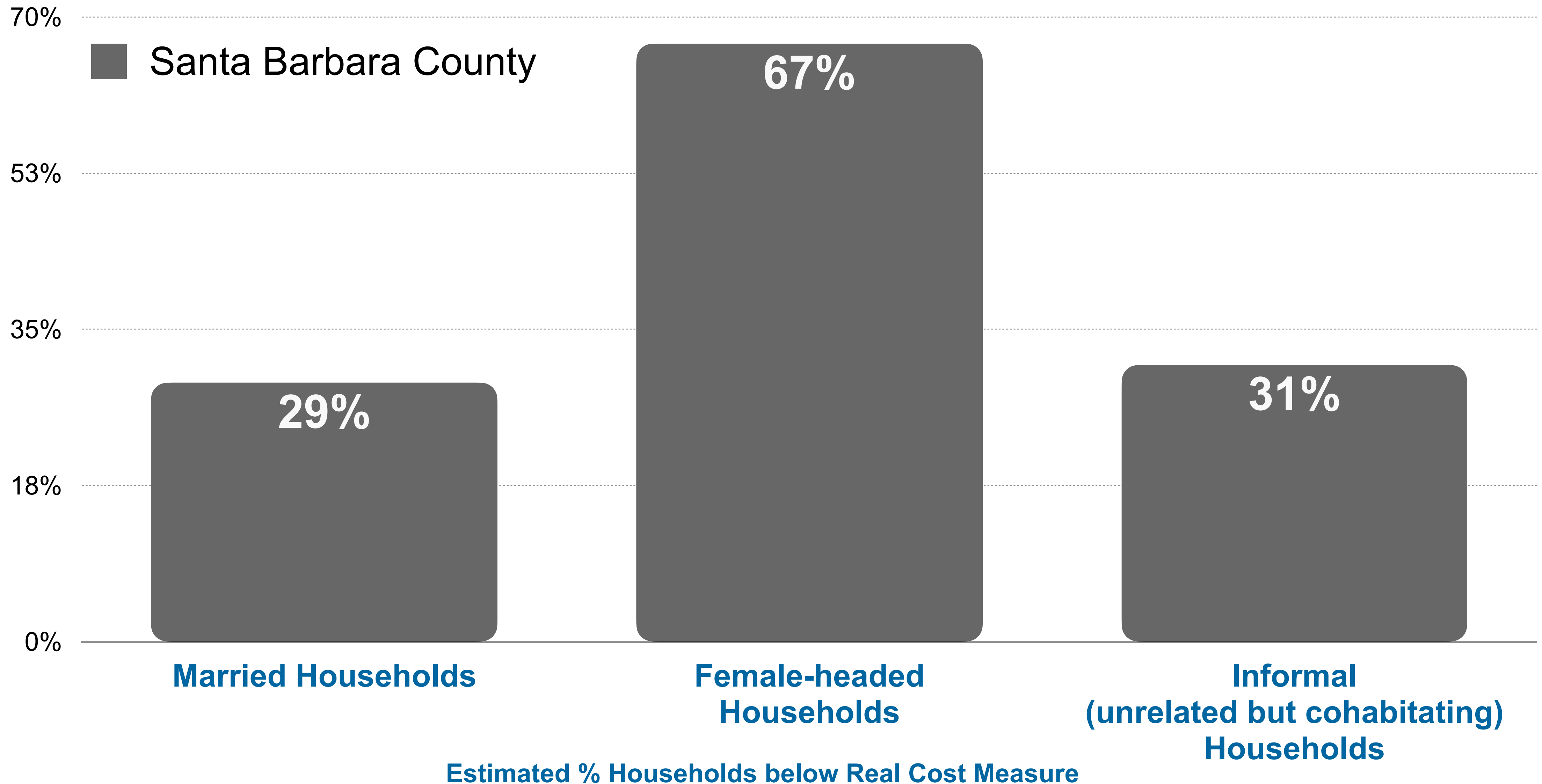
Estimated % Households below Real Cost Measure

**67% of households led by women  
fall below the Real Cost Measure  
in Santa Barbara County**

estimated 38,632 households

# Family Types below the Real Cost Measure

The Real Cost Measure in California 2021



**Over 8 in 10  
Single Mothers  
in Santa Barbara  
County (82%) fall  
below the Real  
Cost Measure**

8,558 estimated households!





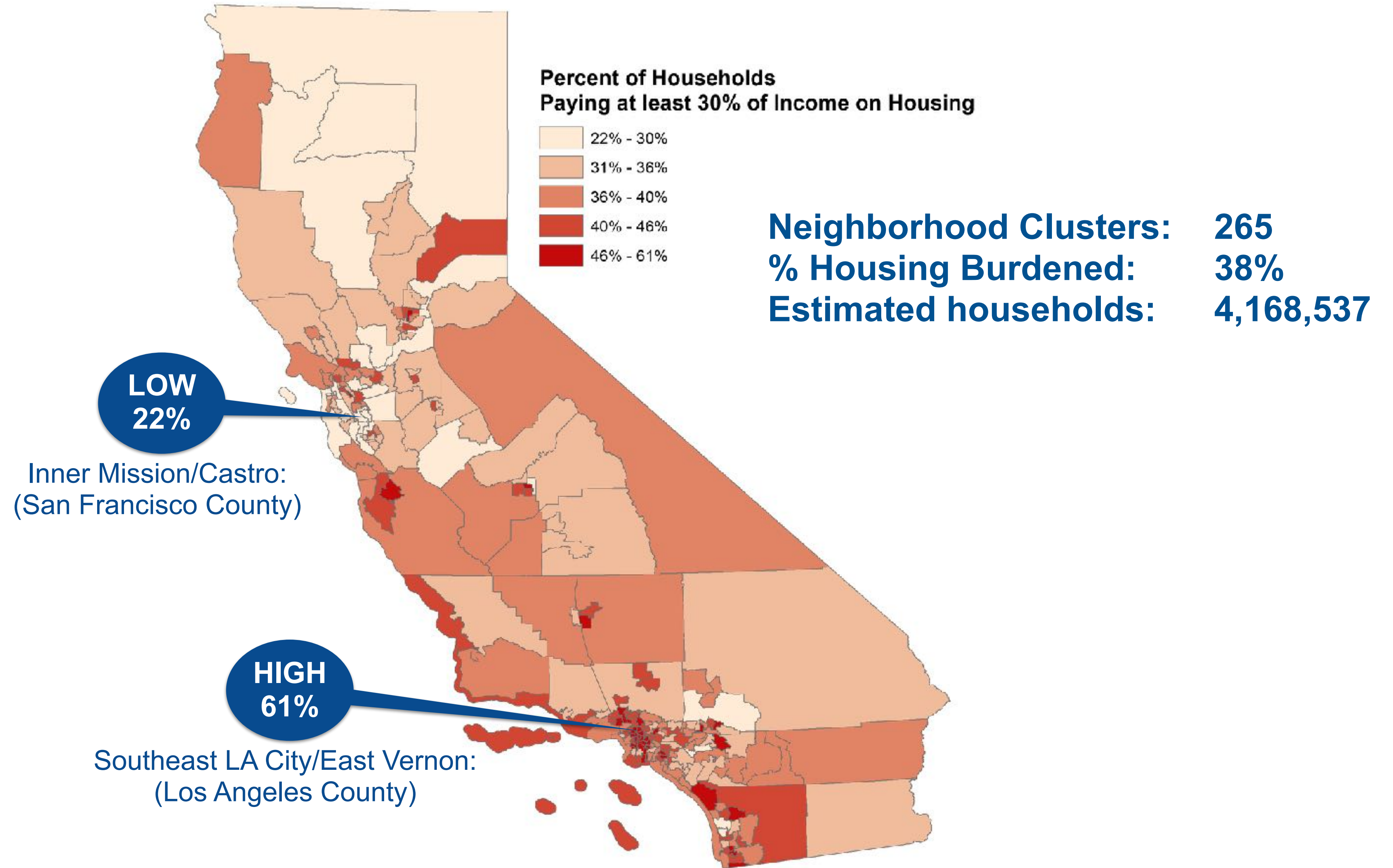
**Over 6 in 10  
households with  
children under  
the age of 6 in  
Santa Barbara  
County (62%) fall  
below the Real  
Cost Measure**

**9,553 estimated households!**

**Over 4 in 10 households in  
Santa Barbara County (42%) pay at  
least 30% of their income on housing**

**estimated 50,498 households**

# Percentage of Households Paying At Least 30% of Income on Housing by Neighborhood Clusters

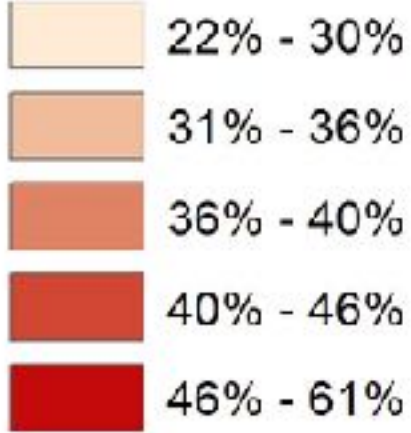




# Percentage of Households Paying At Least 30% of Income on Housing by Neighborhood Clusters

Neighborhood Clusters: 3  
% Housing Burdened: 42%  
Estimated households: 50,498

Percent of Households Paying 30% of Income on Housing



**LOW**  
36%

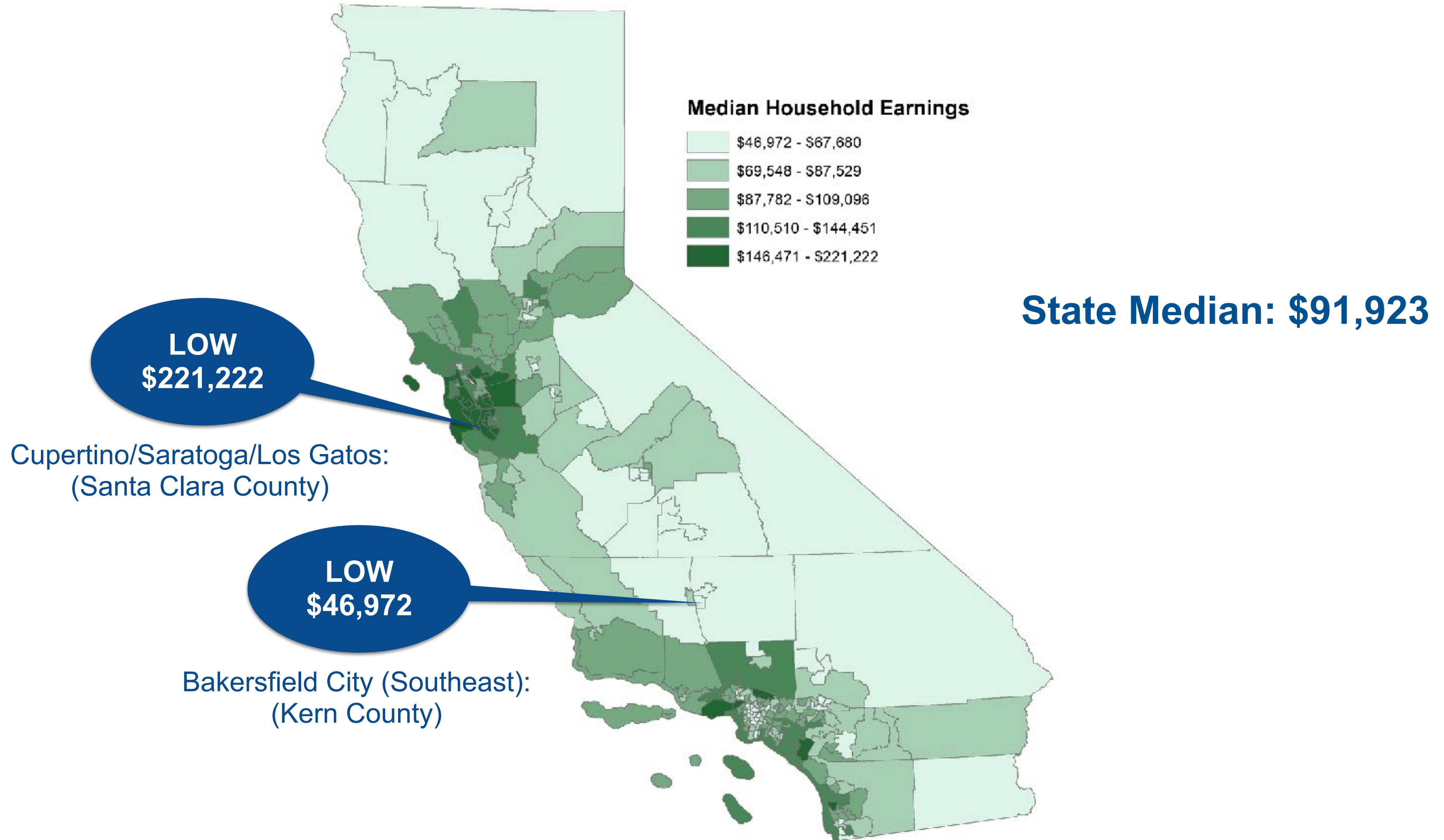
Lompoc, Guadalupe, Solvang & Buellton  
(Santa Barbara County)

**HIGH**  
45%

South Coast Region  
(Santa Barbara County)

# Median Household Income by Neighborhood Clusters

## The Real Cost Measure in California 2021



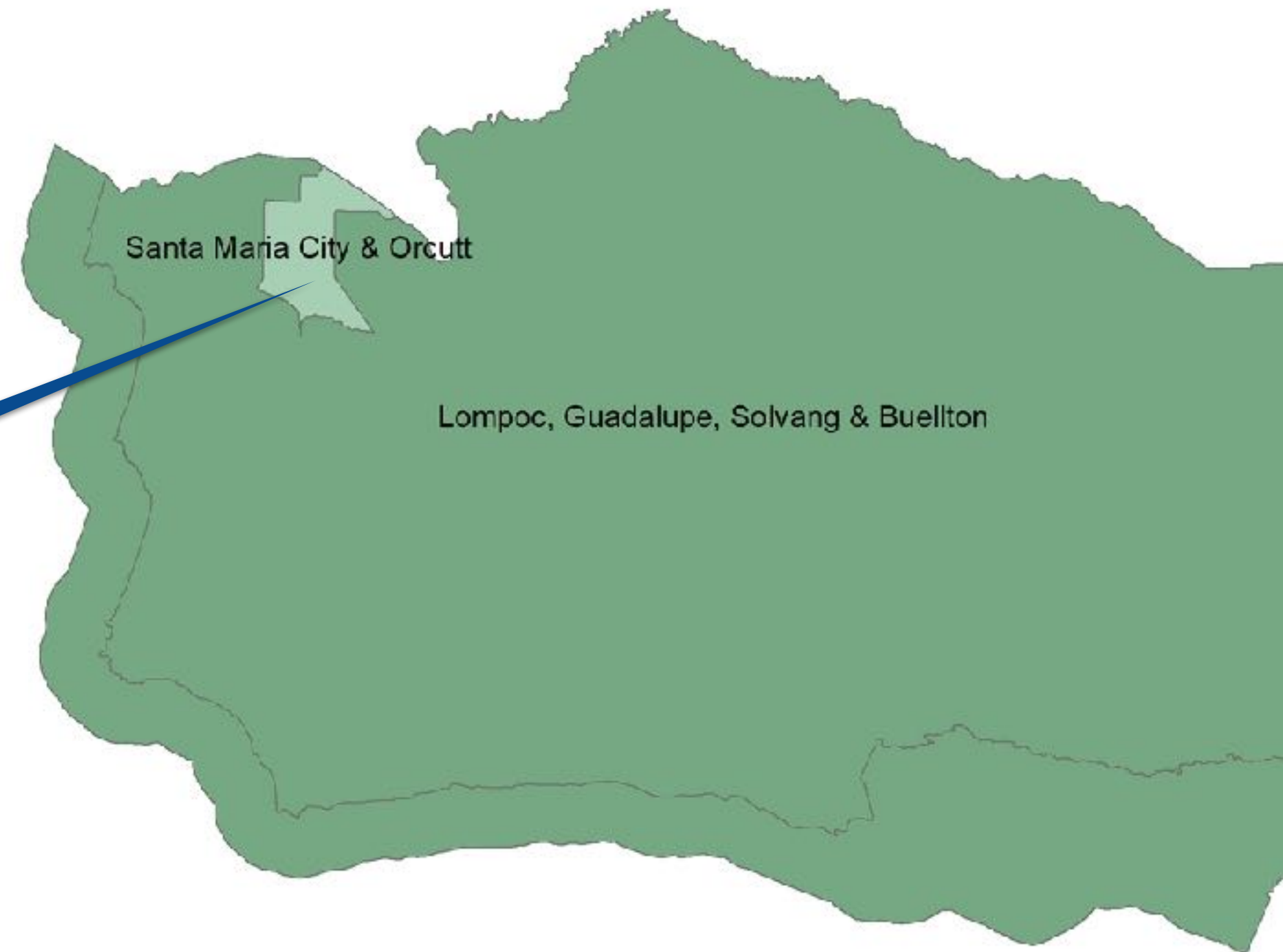
# Median Household Income in Santa Barbara County

## The Real Cost Measure in California 2021

State Median: \$91,923  
Santa Barbara County: \$90,913

**LOW**  
**\$76,468**

Santa Maria City & Orcutt:  
(Santa Barbara County)



### Median Household Earnings



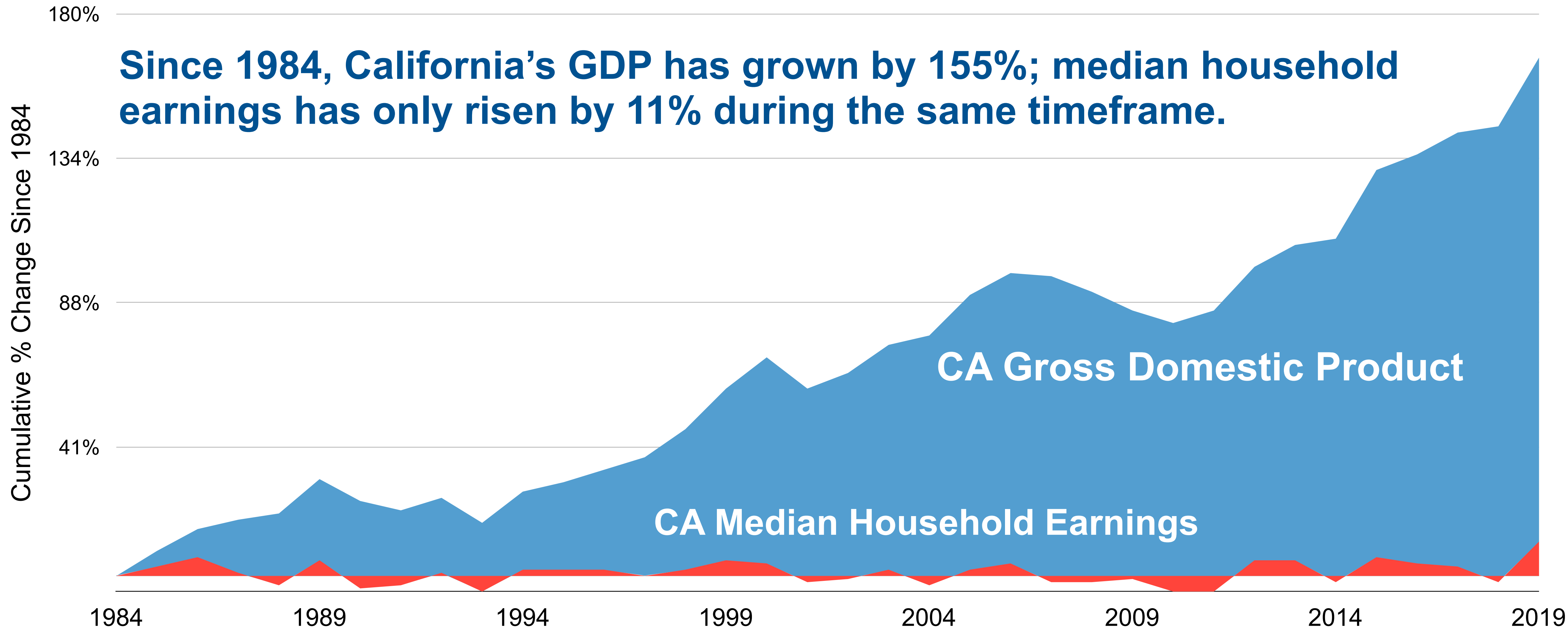
**HIGH**  
**\$101,419**

South Coast Region:  
(Santa Barbara County)

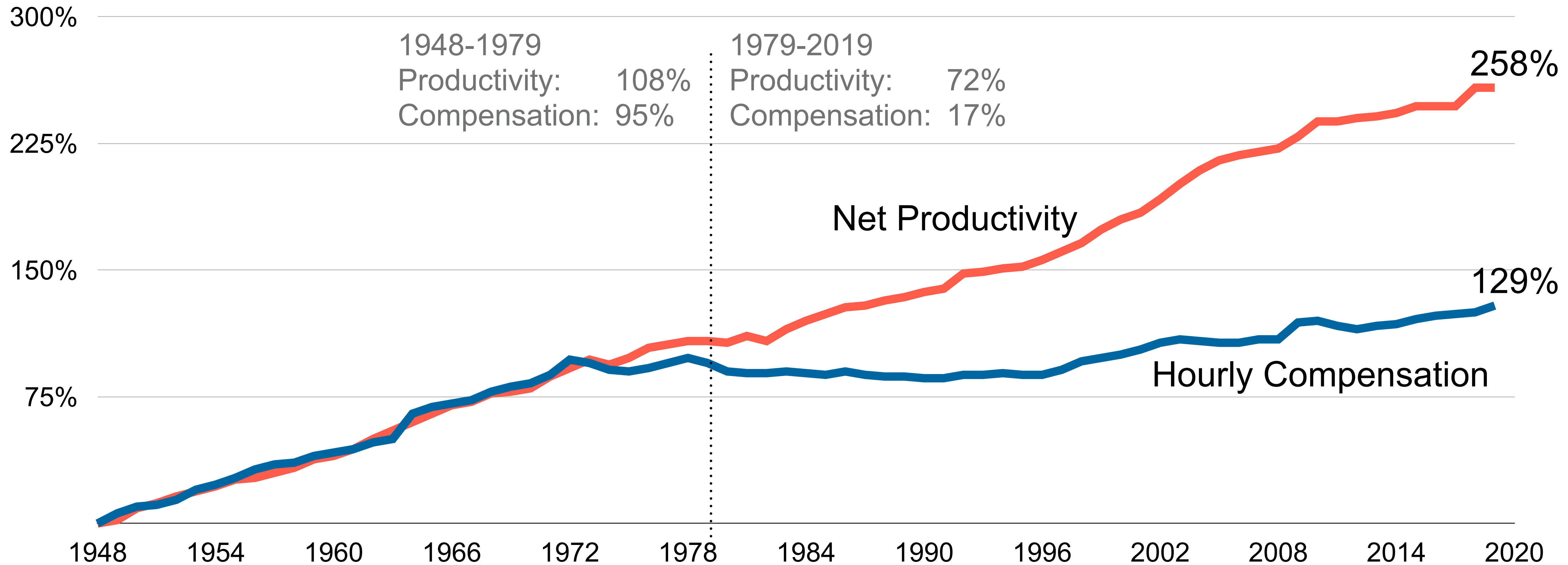
# CA GDP and Median Household Earnings

The Real Cost Measure in California 2021

**Since 1984, California's GDP has grown by 155%; median household earnings has only risen by 11% during the same timeframe.**



# Hourly Compensation and Net Productivity in United States 1948-2019



Data Source: EPI analysis of unpublished Total Economy Productivity data from Bureau of Labor Statistics (BLS) Labor Productivity and Costs program, wage data from the BLS Current Employment Statistics, BLS Employment Cost Trends, BLS Consumer Price Index, and Bureau of Economic Analysis National Income and Product Accounts Updated from Figure A in *Raising America's Pay: Why It's Our Central Economic Policy Challenge* (Bivens et al. 2014). <https://www.epi.org/productivity-pay-gap>.



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



# 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](https://www.unitedwaysca.org/realcost)



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## 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



THE MEASURE OF AMERICA SERIES

# A PORTRAIT OF CALIFORNIA 2021-2022

Kristen Lewis

HUMAN DEVELOPMENT  
AND HOUSING JUSTICE



## 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

Statewide launch at 9:30am on November 10.  
<https://bit.ly/3qesv0C>



# Contact Information

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