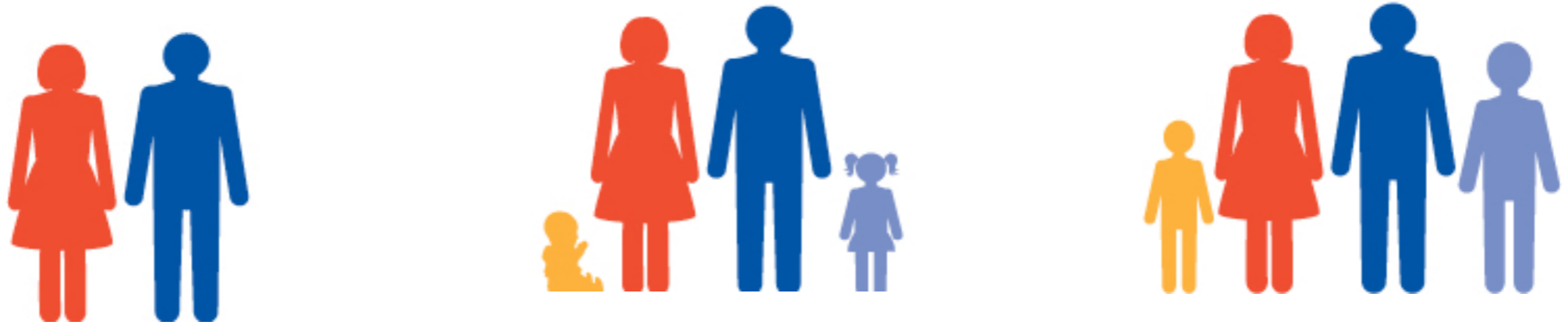


Struggling to Get By: The Real Cost Measure in California 2015



CSAC Poverty Working Group
August 5, 2015

Betsy Block, B3 Consults
for United Ways of California

***Anyone who has ever struggled
with poverty knows how extremely
expensive it is to be poor.***

James Baldwin

Fifth Avenue Uptown: A Letter from Harlem

July 1960

Presentation Agenda

- Why?
- Brief Overview of Report/Online Resources
- What the Real Cost Measure Looks Like
- Understanding the Wage Gap
- Review Report Findings
- Policy Levers for Struggling Households

Why?

About *Struggling to Get By*

The Real Cost Measure:
basic needs budgets (2012)

Focus on households

Consider 1,088 household
types

Elder Index to address
challenges facing seniors

Demographic Analysis -
regional, county* and
neighborhood cluster views

The image shows the cover of a report titled "STRUGGLING TO GET BY: The Real Cost Measure in California 2015". The cover features a blue background with a map of California. An orange banner at the top left contains the title. Below the banner, the authors' names are listed: Betsy Baum Block, Henry Gascon, Peter Manzo, and Adam D. Parker. At the bottom of the cover, there are three small photographs: an elderly woman with a young child, a family of four sitting on steps, and a young girl smiling. The United Way logo is in the bottom right corner, and the text "GIVE. ADVOCATE. VOLUNTEER. unitedwaysca.org/realcost" is in the bottom left.

STRUGGLING TO GET BY
The Real Cost Measure in California 2015

Betsy Baum Block, Henry Gascon,
Peter Manzo, Adam D. Parker
with research support from Sarah Kogod
and Margo Owens

GIVE. ADVOCATE. VOLUNTEER.
unitedwaysca.org/realcost

United Way
United Ways of California

www.unitedwaysca.org/realcost

What do we mean by basic needs?

Basic Need	Notes
Housing	HUD's fair market rent rates
Food	USDA Thrifty Food Plan (also used by CalFresh)
Childcare	Year-round care at a licensed family-based facility, based on age of child and school participation
Health Care	Consumer Expenditure Survey, average annual expenses for healthcare (non-seniors)
Transportation	Consumer Expenditure Survey, average annual expenses for <u>private</u> transportation
Miscellaneous	10% of all other expenses
Taxes	calculated per federal and state tax laws, inclusive of tax credits

The cost breakdown: 2 Adults, 1 Infant & 1 School-Aged Child

**\$1021/
month**

Real Cost Budget 2012	Tulare County	Sacramento County	San Francisco County
Housing (2 bdm)	\$8,700	\$12,252	\$22,860
Child care	\$8,643	\$10,587	\$14,701
Food	\$9,053	\$9,437	\$11,240
Health care	\$6,229	\$6,344	\$6,820
Transportation	\$8,836	\$8,999	\$9,675
Miscellaneous	\$3,282	\$3,703	\$5,059
Tax Credits	(\$3,836)	(\$3,836)	(\$3,609)
Taxes	\$2,322	\$3,108	\$7,147
Total Annual	\$42,229	\$50,595	\$73,894

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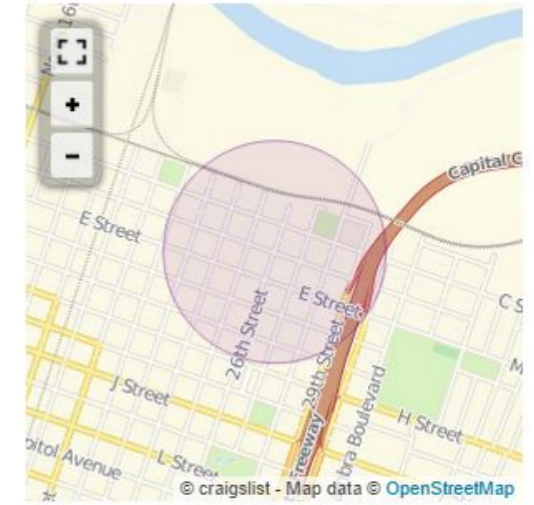
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★ \$1017 / 2br - 725ft² - midtown sacramento apartment 2 bed pets ok (2321 d street)



d at 23

[\(google map\)](#)

2BR / 1Ba 725ft²

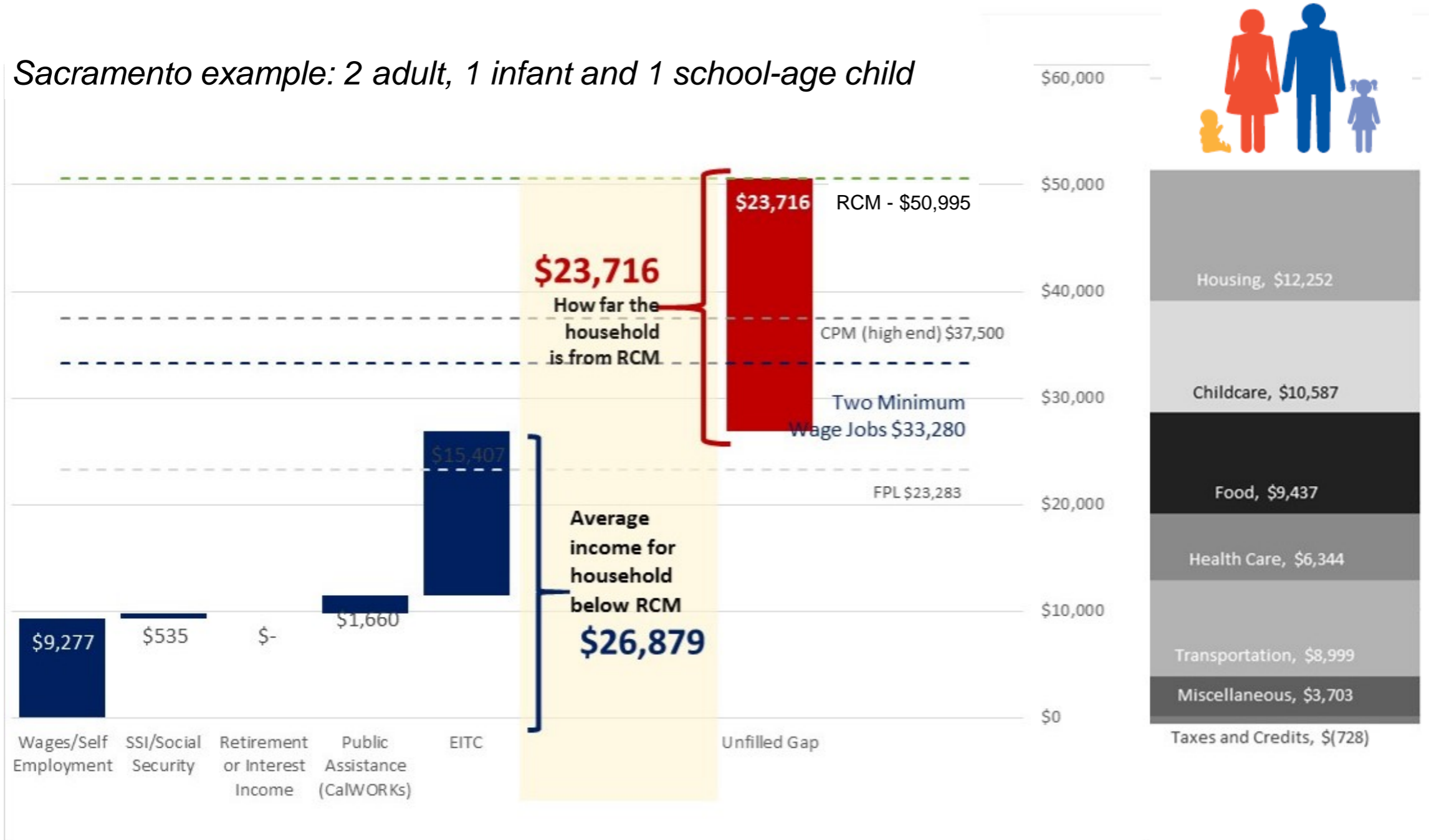
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Sacrentals.com

Sacrentals.com

Income Gap after Wages/ Public Assistance

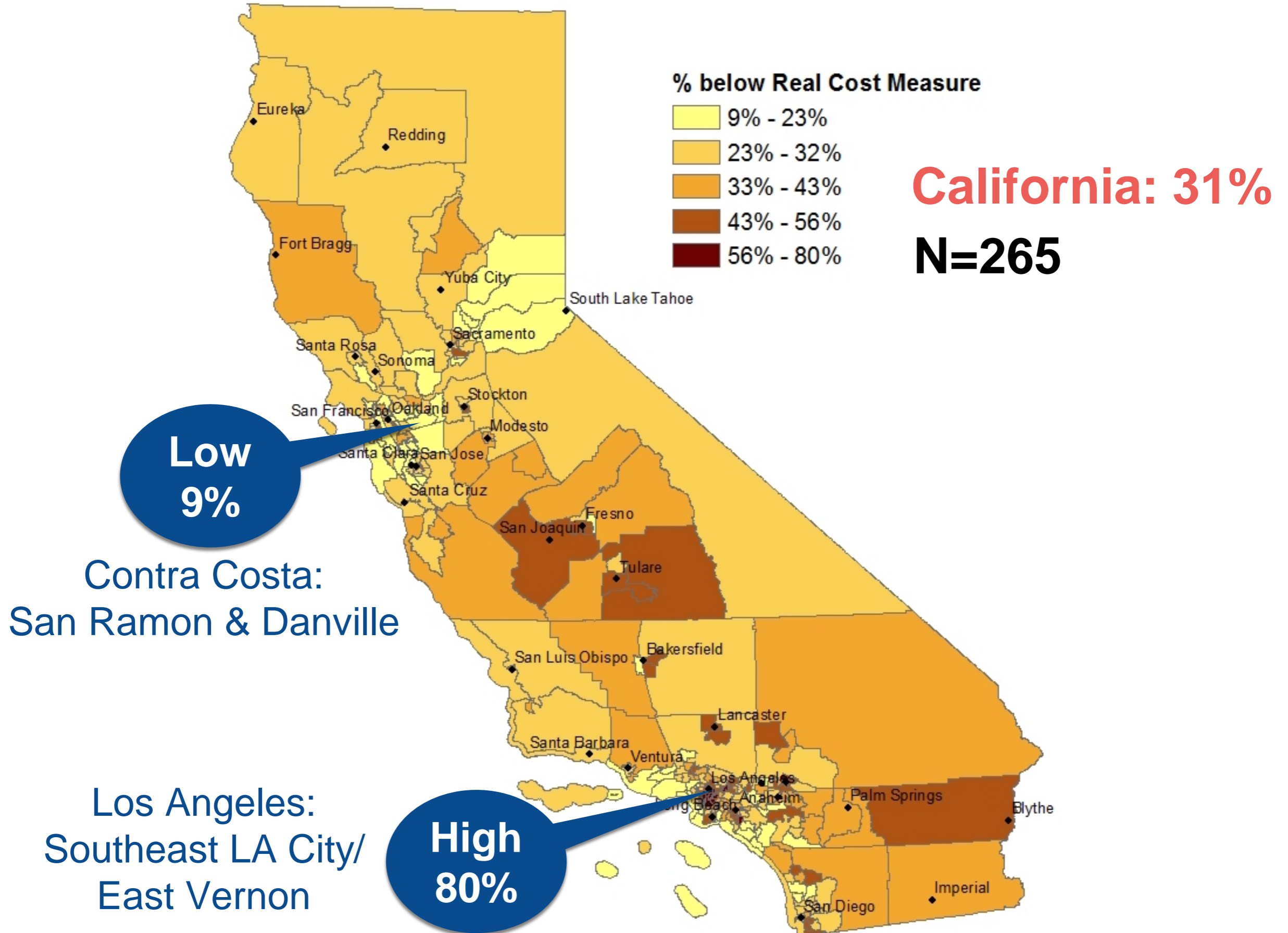
Sacramento example: 2 adult, 1 infant and 1 school-age child



**1 in 3 California households
(31%) struggle to meet
basic needs**

3.2 million households!

Real Cost Measure by Neighborhood Clusters



87%

of households below RCM with at
least one working adult

68%

of householders with less than a high school diploma struggle to meet basic needs

Educational Attainment	Whites	Asians	Latinos	African Americans
Less than High School	50%	66%	71%	76%
High School Diploma or Equivalent	31%	50%	54%	54%
Some College	24%	35%	38%	43%
College Degree or Higher	11%	15%	18%	18%

Disparities in economic stability depend on....

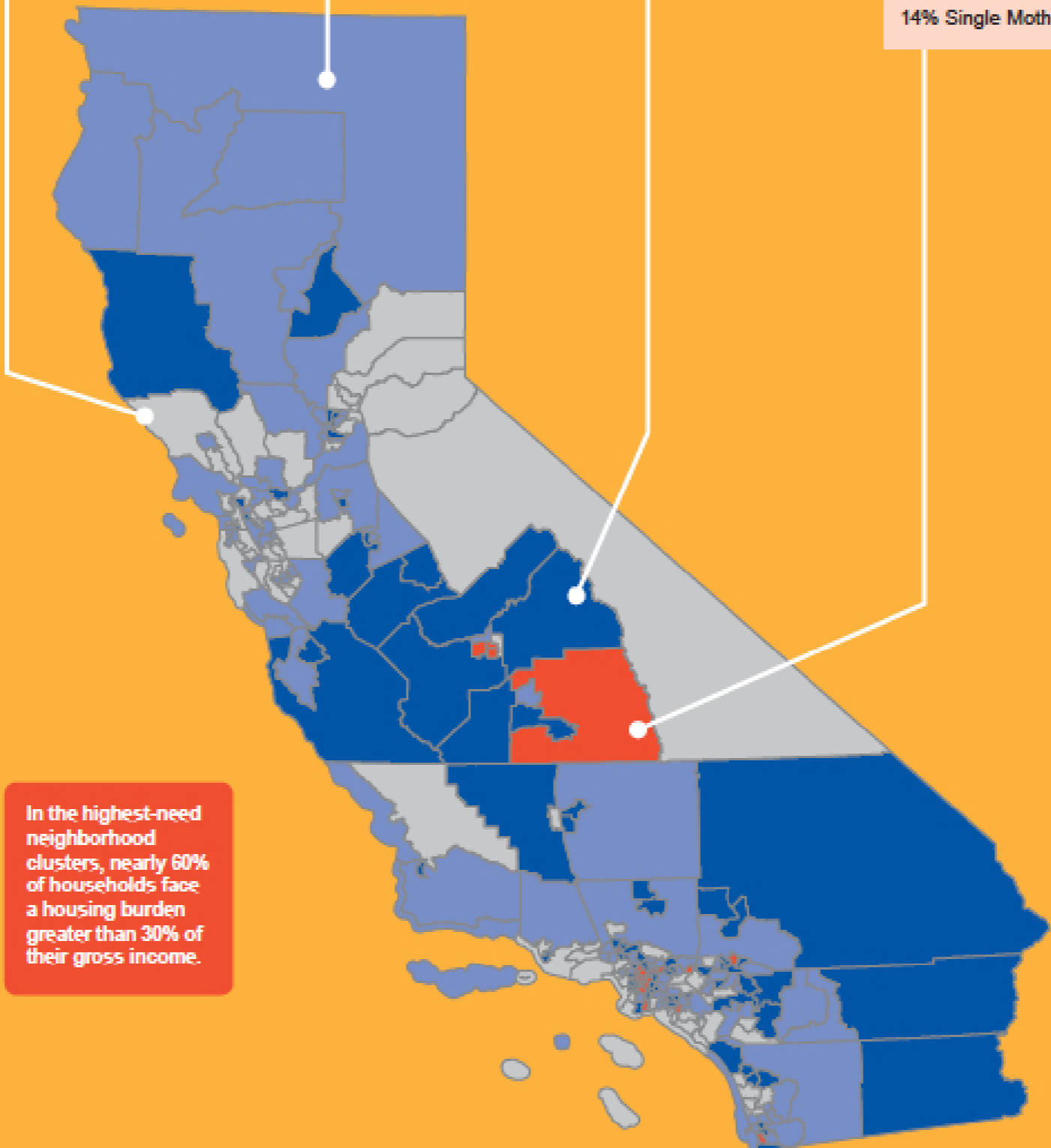
- your educational attainment
- who is in your family
- whether or not you were born in the US, and if you've become a citizen
- and, of course race/ethnicity

QUARTILE 1
9-25% Below:
73% Born U.S. Citizen
49% College Graduates
63% White

QUARTILE 2
26-35% Below:
71% Born U.S. Citizen
12% Less than HS Graduate
46% with Housing Burden >30%
24% Latino
55% White

QUARTILE 3
36-50% Below:
23% Less than HS Graduate
21% College Graduate
42% Latino
11% Single Mothers Raising at Least One Child

QUARTILE 4
51%-80% Below:
55% Non-Citizen or Naturalized Citizen
38% Less than HS Graduate
15% College Graduate
59% Pay >30% of Income to housing
59% Latino
14% Single Mothers



In the highest-need neighborhood clusters, nearly 60% of households face a housing burden greater than 30% of their gross income.

Policy Levers

Phase-out periods & public assistance programs

Earning power

Effective cost of housing

Vulnerable populations

Contact Information

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