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## **New United Way Report Finds More than 1 in 3 Households in California (37%) Struggle to Meet Basic Needs**

**Los Angeles, CA.** United Ways of California is pleased to release *Struggling to Stay Afloat: The Real Cost Measure in California 2019*, a new report on the financial challenges facing working families.

"The Real Cost Measure determines what a decent standard of living really costs in California. We find that over 1 in 3 (37%) households in California struggle to meet basic living costs, which is roughly three times as many as federal poverty statistics would indicate. The Real Cost Measure provides us the ability to better understand the challenges facing struggling households in our community, and to engage local community partners, civic leaders, the business sector and our elected officials in addressing their everyday hardships" says Peter Manzo, President & CEO of United Ways of California.

Some of the key findings from *Struggling to Stay Afloat: The Real Cost Measure in California 2019* include:

- ❖ **More than one in three California households—over 3.8 million families (37%)—do not earn sufficient income to meet basic needs**
- ❖ **Workers:** Of the estimated 3.8 million households in California that fall below the Real Cost Measure, 9 in 10 have at least one working adult
- ❖ **6 in 10 Young Children Live in Struggling Households:** 60% of households in California with children aged between 0 and 5 fall below the Real Cost Measure
- ❖ **Housing Burden:** Nearly 4 in 10 households in California (38%) pay more than 30% of their income on housing. Households living below the Federal Poverty Level can spend up to a staggering 76% of their income on housing.
- ❖ **Households of all Ethnicities Struggle, but Rate is Higher for Latino and African Americans:** Over 1.8 million Latino households are estimated to fall

below the Real Cost Measure compared to over 1.2 million white households, 524,000 Asian American households, and 269,000 African-American households

- ❖ **Single Mothers:** Over 7 in 10 households led by single mothers in California (74%) fall below the Real Cost Measure
- ❖ **As Education Increases, Rate of Struggling Households Falls:** Nearly three-fourths of California householders without a high school diploma or equivalent (74%) fall below the Real Cost Measure, compared to those with at least a high school diploma (53%), those with at least some college education (38%), and those with at least a bachelor's degree (18%)
- ❖ **Foreign-Born Householders Have More Trouble Staying Afloat:** Nearly one-third (30%) of California households led by a person born in the United States earn income below the Real Cost Measure. By contrast, 40% of households led by a person born outside the U.S. are below the Real Cost Measure, and that number rises to 62% when the householder is not a citizen.

"We are troubled to see that the rate of households living with incomes below the Real Cost Measure is increasing, even while the economy is claimed to be growing and official unemployment low," Manzo continued. "Households living below the Real Cost Measure are overwhelmingly working families. They are doing their part, but as our data make clear, hard work alone is not enough to get ahead. We hope our results will be useful to community, business, civic, nonprofit and philanthropic leaders working to help struggling families move up."

Unlike the official federal poverty level, which does not accurately account for local costs of living, the Real Cost Measure factors the costs of housing, food, health care, child care, transportation and other basic needs to determine what it truly costs to live in every county in California. The results of this extensive study are presented in a data-rich website that examines each of California's 58 counties at the neighborhood level, with county profiles and interactive maps. Also included are interactive household budgets where anyone in California can select the name of the county they live in, enter the number and ages of members of their household, and determine the minimum costs a family needs to make ends meet. Historical data from 2014-2016 is also available on our Real Cost Measure Dashboard. To see all of this information and learn more about the Real Cost Measure, please visit <https://www.unitedwaysca.org/realcost>.

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