Report documents rising cost of living in California

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7 September 2015

Over 3.2 million families in California, one of every three households, struggle every month to meet basic needs. The state's economy would be considered the world's eighth largest if it were a country, with a GDP of $2.312 trillion.

Although they create this massive amount of social wealth through their labor, workers in the state find themselves in desperate living conditions, as they are squeezed out of housing in one of the country's most inflated markets. Especially inflated were rents in Los Angeles, San Francisco, San Diego and San Jose—cities with some of the highest costs of living in the country.

These are some of the many staggering findings presented in a recent report by the charitable organization United Ways of California. *Struggling to Get By: The Real Cost Measure in California*, documents the scope of poverty in California compared to the Federal Poverty Line, which does not take into account rising cost-of-living and greatly underreported financial need.

The report introduces what it refers to as a Real Cost Measure, which accounts for the basic needs of families by calculating the budgets of households considering the cost of housing, transportation, childcare, health care, and taxes in different cities, to determine if household incomes meet this minimum threshold to provide basic necessities.

Of the 3.2 million households below the Real Cost Measure, "87 percent have at least one working adult, and 76 percent of those are working 48 weeks per year or more," according to the report.

While the majority of those who earn below the Real Cost Measure pay at least half of their income on rent each month, the United Way's report found that the poorest among them, those living below the Federal Poverty Level, spent an astonishing 80 percent of their monthly income on housing.

Rising housing costs, coupled with low and stagnant wages, have resulted in some of the lowest home ownership rates in recent history, reported the Legislative Analyst's Office (LAO) of California. The LOA notes that "a typical California home cost[s] $437,000, more than double the typical US home ($179,000). California renters also face higher costs. In 2013, median monthly rent in California was $1,240, nearly 50 percent more than the national average."

The average rent for a two-bedroom residence in San Francisco and San Mateo counties is $1,900. According to the California Housing Partnership, the average Los Angeles County apartment rental price is $1,716. In order to afford this and meet basic needs, a full-time worker would need to make at least $33 an hour ($68,640/year). The average rental in San Diego is $1,575, an increase of nearly nine percent compared to 2014, according to Marketpointe Realty Advisors.

Currently, the California minimum wage is $9 an hour ($18,720/year). A $13.25 hourly wage would amount to $27,560 annually, while raising it to $15 an hour would equal $30,000. These figures expose as completely inadequate the demand of a $15/hour minimum wage by a section of the Democratic Party and the trade unions. The "Fight for 15" doesn't even meet the Real Cost Measure , and cannot ensure that even the most basic needs for families are met.

It is becoming increasingly impossible to live in California's high-cost large cities. The LAO report notes that the state's residents are forced to commute 10 percent further to work every day than elsewhere.

"People are having to cut back on food, medication, providing their children clothes to go to school," Larry Gross, executive director of the nonprofit Coalition for Economic Survival, told NBC's Southern California affiliate. “All the other essentials of life people have are being squeezed in order to maintain the roof over their heads.”

Gross added, “A lot of people say we need to build more housing, but the fact of the matter is we’ll never build our way out of the housing crisis we’re in because there’s no funding for it … but at the same time, we need to preserve affordable housing.”

The roots of the current demand and inflated pricing can be traced to the 2008 financial crash. The US government bailed out the financial elite and big banks, which benefited directly from predatory lending, putting families into foreclosures while buying up foreclosed homes at a fraction of the cost. At its peak in 2010, the number of home foreclosures reached 2.9 million.

Many of the families who lost their homes as a result of the crisis now find themselves permanent renters, increasing the housing demand.

Additionally, the dismal job market created by the financial crisis has had an overwhelmingly detrimental effect on young people, who find themselves unable to afford to live on their own, while life events such as marriage and starting a family move further out of reach.

Coupled with massive college debt and few prospects, the number of youth living at home is at an all-time high. According to the United States Census Bureau, more than 20 million adults between the ages of 18 and 34—nearly one in three—continue to live with their parents or family members, as they are unable to afford to live on their own. This figure has increased by three million since the recession. In California, 1.6 million people ages 18-29 have returned home.

This phenomenon, however, extends far beyond youth. Chronic unemployment, underemployment, home foreclosures, fixed incomes, a bleak job market, and skyrocketing rents have forced increasing numbers of middle-aged people to return to their childhood bedrooms.

The *Los Angeles Times* cited the UCLA Center for Health Policy Research and the Insight Center for Community Economic Development, reporting that “for seven years through 2012, the number of Californians aged 50 to 64 who live in their parents’ homes swelled 67.6 percent to about 194,000.”

Debbie Rohr, 52, her husband and children were forced to move in with her 77-year-old mother. “I said, ‘Mom, I’m so sorry but I don’t know what to do,’“ she said. “I dreaded it. If it wasn’t for my boys I wouldn’t have done it. I would have lived in my car.”

“It’s really hard mentally,” Rohr told the *Times*. “You feel kind of helpless, that you can’t provide for your family anymore and you have to move back home to Mom’s house.”

Californians are four times more likely to live in a crowded home environment compared to the rest of the country. Cramped living and difficult circumstances create high stress levels and unhealthy environments. A 2014 report by the non-profit organization Housing Long Beach (HLB), found that individuals and families experienced persistent stress, anxiety, depression and even shortened lifespans.

Children were especially affected as they are more likely to develop issues with their interpersonal skills, mental health, cognitive development, and are more likely to fall behind in their schooling and exhibit behavioral issues.

There are still many for whom even overcrowded living spaces are not an option. The Economic Roundtable, a nonprofit research group, recently reported that in Los Angeles County alone, about 13,000 people on public assistance fall into homelessness every month.

The high cost of living and inflated rental situation facing households in California are taking an enormous physical and mental toll on millions of families throughout the state. Access to affordable housing, where adults and children have privacy, quiet personal space, and the ability to flourish mentally and physically, is a social right, which can only be fought for on the basis of a socialist perspective.

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