

The Cost of Being Californian 2021

KEY FINDINGS: LOS ANGELES COUNTY

In 2021, the number of struggling California households persists despite policymakers' efforts to tackle poverty.

- **In Los Angeles County, 41% (995,453) of households do not get paid enough to make ends meet.**

Black, Latinx, Asian, and Native households struggle to keep afloat in an economy not built for them to thrive.

In Los Angeles County and across the state, the rules of our economy set by policymakers continue to favor the wealthy and white, while simultaneously preventing Black and brown communities from reaching economic security. **Black, Latinx, Asian, and Native households make up 68% of the total population in Los Angeles County, but comprise 82% of the households struggling to meet their basic needs.**

Households That Struggle To Meet Basic Needs, By Race

	Los Angeles County	California
Black	46%	44%
Latinx	56%	52%
AAPI	32%	29%
Native	59%	44%
White	23%	24%

Women face unique barriers to reaching economic security due to embedded sexism within the labor market.

In Los Angeles County, almost 1 in 2 women - and 40% statewide - are caught in financial precarity due to unequal pay, unpaid care for small children or other family members, underemployment, and workforce discrimination.

	Women	Men
Los Angeles County	45%	37%
California	40%	31%

In the run up to the pandemic, families saw significant cost increases for housing, child care, and health care.

For Los Angeles County households with two adults, one school-age child, and a preschooler:

- Accounting for inflation, the cost of basic expenses rose by 21% between 2018 and 2021, with housing and childcare now taking up more than half (53%) of a family's monthly budget.
- Childcare costs skyrocketed between 2014 and 2021, increasing by 45%.
- Health care expenses, including premiums, deductibles, and out-of-pocket costs under an employer-sponsored health plan rose by 35% between 2018 and 2021.

	NO CHILDREN	1 CHILD	2 CHILDREN	3 CHILDREN
Los Angeles County	30%	47%	55%	74%
California	26%	39%	46%	67%

Far from “the great equalizer,” educational attainment fails to lift thousands out of economic insecurity.

The educational attainment of the head of household plays a major role in determining whether or not a household makes enough to afford basic needs.

And yet, in Los Angeles and statewide, obtaining a bachelor's degree is no guarantee that employers will pay enough for families to cover their most basic expenses.

Families Struggling To Make Ends Meet, By Educational Attainment Of Head Of Household

	Los Angeles County	California
Less than high school diploma	73%	69%
HS diploma or GED	56%	50%
Some college or associate's degree	44%	39%
Bachelor's degree	23%	20%
Master's degree or higher	14%	13%

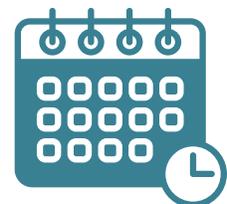
Despite recent increases to the minimum wage, Los Angeles County households must work practically non-stop to just scrape by.

As costs continue to outpace wages, more and more Californians will be an emergency away from long-term financial precarity. **Even in families with one or more working adults, 1 in 3 households in Los Angeles County cannot make ends meet.**

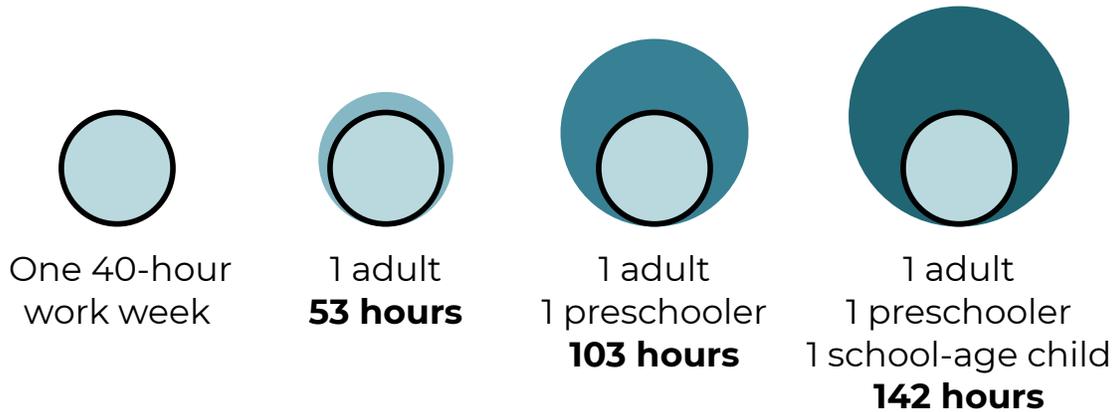
Households Struggling To Afford Basic Needs, By Work Status Of Adults

	Los Angeles County		California	
	One adult in household	Two+ adults in household	One adult in household	Two+ adults in household
Not in workforce	86%	64%	80%	58%
Full-time, full year	29%	32%	25%	26%
Part-week and/or part-year	65%	50%	64%	44%

In Los Angeles County, a single adult employed in a minimum wage position (\$15/hour) would have to work at least 53 hours a week to meet basic needs. Single adults with a preschooler must work 103 hours while paid minimum wage - practically nonstop - in a single work week. For single adults with a preschooler and a school-age child, there are not enough hours in a work week (142) to be paid enough to make ends meet.



Number of hours/week in a minimum wage position 1 adult must work to make ends meet in Los Angeles County.



As Los Angeles costs continue to climb, we need an accurate and holistic measure of economic health for all families.

For over 700 family types, the Family Needs Calculator determines the income needed for a household to be economically secure and afford basic needs such as housing, utilities, transportation, and groceries now and in the foreseeable future. Below are selected family types for Los Angeles County to give you a picture of the differences.

Minimum Income to Afford Basic Needs in Los Angeles County, 2021	
Family Type	Calculator
Single Adult	\$38,217
Single Adult, 1 preschooler	\$74,515
2 Adults, 1 school age child, 1 preschooler	\$102,308

Visit www.insightccd.org to learn more about the income needed for family types across all 58 counties.