REAL COST MEASURE METHODOLOGY

The Real Cost Measure is a poverty measure designed by United Ways of California. Unlike the official poverty measure which does not accurately account for local costs of living, the Real Cost Measure incorporates the cost of housing, food, health care, child care, transportation and other basic needs.

The Real Cost Measure is designed to measure the income a household needs to meet basic needs in a given community. These needs include the barest “essentials”—housing, food, health care, transportation—and does not account for the cost of electricity, school supplies, or investments like saving for college, or preparing for retirement. Many items that most people consider necessities, like Internet access, are not used to calculate these standards (beyond a small allowance for miscellaneous expenses). A basic needs budget approach is intuitive and easy for most people to understand, as it is grounded in a household budget composed of things all families must address such as food, housing, transportation, child care, out-of-pocket health expenses, and taxes. A basic needs budget approach also takes into account different costs of living in different communities and conveys a better sense of the hardship for families because it invokes the notion of tradeoffs between competing needs—if you have an inadequate level of income, do you sacrifice on food, gas, or child care?

Assessment of whether households can meet this measure is based on their self-reported income, which includes earned income as well as public assistance programs like CalFresh. The Earned Income Tax Credit, which is discussed later in the document, is not included, nor is any private assistance (such as a gift from a relative).

Struggling to Stay Afloat: The Real Cost Measure in California 2018 is a successor to two previous reports supported by California United Ways including Overlooked and Undercounted 2009 and Struggling to Get By: The Real Cost Measure in California 2015.

The Real Cost Measure has evolved since the 2015 report and addresses the reality that the lowest cost food budget was insufficient for California households. This report also introduces a new partnership with Benefit Kitchen to produce household budgets and leverages new efficiencies to produce a more comprehensive view of budgets, and the ability to produce household budgets for other states. Overlooked and Undercounted 2009 applied the Self-Sufficiency Standard, with data analysis by Dr. Diana Pearce from the Center for Women’s Welfare at the University of Washington, who pioneered that standard. Both models apply a basic needs budget approach, share many similarities and yield comparable results. The Real Cost Measure, focuses on a constrained set of budget choices compared to the Self-Sufficiency Standard. We chose to build on the Real Cost model in this report for several reasons, including a focus on a streamlined set of households, more robust demographic analysis and a greater ease re-producing the report regularly in future years.
## Self Sufficiency Studies Supported by United Ways of California

<table>
<thead>
<tr>
<th>Study</th>
<th>Date Released</th>
<th>Primary Data Source</th>
<th>% of Population Households Struggling</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overlooked and Undercounted 2009: Struggling to Make Ends Meet in California</td>
<td>December 2009</td>
<td>2007 American Community Survey Population Estimates (does not include seniors)</td>
<td>31%</td>
</tr>
<tr>
<td>Struggling to Get By: The Real Cost Measure in California 2015</td>
<td>July 2015</td>
<td>2011-2013 American Community Survey Population Estimates (3-year population estimates)</td>
<td>31%</td>
</tr>
<tr>
<td>Struggling to Stay Afloat: The Real Cost Measure in California 2018</td>
<td>June 2018</td>
<td>2014, 2015 and 2016 American Community Survey (aggregated file using 1-year population estimates)</td>
<td>33%*</td>
</tr>
</tbody>
</table>

N.B. Given methodological differences (i.e. adoption of different American Community Survey population survey estimates, disaggregation of households, adoption of public use microdata areas, and the Elder Index with the Real Cost Measure), the table above is not intended to serve as an “apples to apples” comparison of household income inadequacy. The purpose of the table is to merely illustrate financial stability reports supported by United Ways of California.

* The 2015 and 2018 Real Cost Measure reports are not directly comparable due to changes in methodology, most notably, the increase in food budgets for families. We estimate the difference in Real Cost Measure budgets from 2015 to 2018 to be, on average, 6% higher due overall to these methodological changes.

### Real Cost Measure Focuses on Households

The Real Cost Measure focuses on households, not individuals, with personal data based on the “head of household” according to tax returns filed with the Internal Revenue Service. This does not mean that 33% of Californians are below the Real Cost Measure, but rather that 33% of households are below the Real Cost Measure. Similarly, a finding that 25% of whites are below the measure would not refer to all whites, but rather the heads of households themselves. One implication of this is that if a household consists of two adults of different ethnicities, educational levels, or ages (for example), only the characteristic of the head of household would be measured. Therefore, one should not use these numbers as a perfect proxy for all California residents.

### Real Cost Approach

**Be Simple and Be Comprehensive**

One goal of the methodology is to create a simple approach that would encompass the most variations in family household, allowing for sensitivity to the high costs of the youngest children which decrease as they become school age and experience less care.
**Geography**

The Real Cost Measure utilizes various levels of geography, including the calculation of county-level data for household budgets regarding expenses—food, housing, etc.—which is then used to build budgets based on household type for residents of those counties. Using this county-specific data enables substantially more accuracy than would an approach reliant on statewide averages, especially given California's diversity of regional economies. When county-specific information is unavailable, information from larger geographical areas (a grouping of counties corresponding to census delineations) is used and then adjusted using cost-of-living information for the county in question.

The Real Cost Measure also utilizes public use microdata areas (PUMA's) for demographic analyses. PUMA's are contiguous neighborhood clusters consisting of 100,000 – 200,000 people and are defined at the conclusion of every decennial census. There are currently 265 neighborhood clusters in California. The adoption of public use microdata areas offers us the ability to examine what the Real Cost Measure looks like across and within counties, and are generally more statistically reliable than counties and census tracts.

**Family Composition**

The Real Cost Measure household compositions reflect a wide variety by utilizing the total number of persons in a household, the total adults and total children. The following represents the household compositions used, and continues up to a total of 20 members in a household:

<table>
<thead>
<tr>
<th>Number in Household</th>
<th>1 Person</th>
<th>2 Persons</th>
<th>3 Persons</th>
<th>4 Persons... and so on</th>
</tr>
</thead>
<tbody>
<tr>
<td>Composition</td>
<td>1 Adult</td>
<td>2 Adults</td>
<td>3 Adults</td>
<td>4 Adults</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 Adult, 1 Child</td>
<td>2 Adults, 1 Child</td>
<td>3 Adults, 1 Child</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 Adult</td>
<td>2 Adults, 2 Children</td>
<td>1 Adult, 1 Child</td>
</tr>
</tbody>
</table>

The budgets are based on the numbers of adults and children in each household, and in the following section we explain how adjustments made for the age of the children present. The Real Cost Measure uses individual budgets for households of all configurations (combinations of adults and children) up to twenty individuals—1,272 per county in all.

**Leverage the Best Data Available**

We focus on standardized data from scholarly or credible sources, which are updated regularly, are geographic and age-specific as appropriate, and have the potential to be leveraged by additional states.

**Elder Index**

Because seniors have different budgetary needs and income patterns (for example, they are more likely to have savings but less likely to have earned income than working-age adults), this report uses a somewhat different measure than the Real Cost Measure for assessing the economic well-being of senior-led households. Researchers at the UCLA
Center for Health Policy Research and the Insight Center for Community Economic Development have refined a national tool, the Elder Economic Security Standard Index (or Elder Index), to measure well-being for seniors.

As with the Real Cost Measure, the Elder Index constructs budgets for different categories of people (in this case single or couple, renter or homeowner) to determine the amount of annual income needed to meet a standard for economic security. The Real Cost Measure applies the Elder Index for each county in California, and is available online.

UCLA’s Elder Index documents include separate budgets for the city of Los Angeles and for Los Angeles County. In this report, we have used Los Angeles County’s budget, and made updates to include one additional elder household type now offered by UCLA: where the head of household is senior, but adult children are living in the home. This adjustment increased the percentage of total households in California included by 5%.

**Household Budgets: Methodology, Assumptions and Sources**

A primary objective of the Real Cost Measure is to be consistent, accurate and precise. One corollary of this is to avoid “false precision.” The construction of household budgets require numerous methodological choices. While attempting to be as accurate as possible, the authors recognize that there are places where the data does not support precise estimates of costs. The authors have striven in this report not to make unwarranted assumptions in the name of divining perfect budgetary estimates.

**General Notes**

We created household budgets to reflect annual basic needs for households at the county level. Using a variety of institutional and validated data sources, such as Fair Market Rents by the U.S. Department of Urban Development and Consumer Expenditure Survey data by the Bureau of Labor Statistics, the household budget calculations include the most basic budget components on which a household could meet living expenses. The base year for household budgets in this report is 2016, and all costs are based on 2016 values or adjusted accordingly.

The Real Cost Measure features 1,272 budgets, which are determined by the number of adults and the number of children (17 and under) in a household. All adults in one and two-adult households are assumed to work full-time, which affects calculation of transportation and health costs. If more than two adults are in the household, additional adults are assumed not to be working and not incur worker-related expenses but incur other expenses such as food.

As a result of the methodological changes presented herein, including changes to the calculation of household types, data sources and other adjustments, the results are not directly comparable to the 2015 report. For guidance on comparability, please contact the authors.
Assumptions about Households

The unit of analysis for Real Cost Measure and Elder Index is a household. A household is not presumed to be a family but are presumed to be sharing expenses. Familial relationships are not considered in applying a budget, only the age of the individual in the house for considering if that individual should be considered as an adult (18+) or a child (17 and under).

The number of working adults has effects in many portions of the budget, beyond the amount of income household members are earning and the taxes (and credit) to which that household is subject. The level of several expenses (such as transportation and child care) are affected by whether (and how many) adults need to commute to work and whether the household has adults available to provide child care.

Retiring the Child Care Net Approach

In the 2015 Real Real Cost Measure report, we adopted a “childcare net” approach which added child care costs and increased tax burden later on in the analytical process. Thanks to our partnership with Benefit Kitchen, this approach is retired, and child care is now calculated consistently with other household expenses.

Cost Component of Real Cost Measure Budgets

The housing budget is based on Housing and Urban Development’s Fair Market Rent for 2016, which is provided at a county level. The Fair Market Rent is the 40th percentile of gross rents. This rent includes the sum of the rent paid to the owner plus any utility costs incurred by the tenant. Utilities include electricity, gas, water/sewer, and trash removal services, but not telephone service. If an owner pays for all utilities, then the gross rent equals the rent paid to the owner.

The assignment of number of bedrooms is based on the following assumptions:
• a single adult will live in an efficiency unit (adults and children)
• a bedroom may have one or two adults
• a bedroom may have one or two children

Child Care

The child care budget is based on the average annual cost of care for a child in Registered Family Child Care Homes (the least expensive child care option). Data was compiled from the Reimbursement Ceiling for Subsidized Child Care provided by the California Department of Education. At the time of this research, rates effective October 1, 2015 were available online and were applicable for 2016.

The cost basis for care is determined as follows:
• Full-time, year-round rates are used for infants and toddlers
• Nine months of part-time care (during the school year) and three months of full-time care (summer vacation and other holidays) are assumed for school-age children
• No child care costs are assumed for teenagers
Ages of children are considered as follows:

- Infant: up to 1 year
- Toddler: ages 2-5
- School Age: 6-12
- Teenager 13-17

As discussed in the section above, child care costs are calculated as an additional net cost and added during the demographic analysis phase of this project. Base budgets for household types use the least-cost approach, which is assuming the child is a teenager and has no child care costs. The California Child Care Center Maximum Reimbursement Rate can be accessed at http://bit.ly/1kMksxa for effective rates 2005-2014.

**Food**

*The Real Cost Measure in California 2015* used the Thrifty Food Plan which is the least expensive of the four plans designed by the United States Department of Agriculture (USDA) to ensure that people can acquire a sufficiently nutritious diet. This report applies the Low-Cost food plan which represents the second quartile of food expenditures according to a survey of consumption patterns and eating habits conducted by the USDA. In other words, the Low-Cost food plan considers the spending patterns of people in the lowest 25%-50% in the survey. As such, we find the Low-Cost Food Plan to be a more accurate measure of food costs for working households featured in this report.

The food budget uses June 2016 data, and varies by whether the individual is a child or adult. Given that the Low-Cost food plan is in the lower spending category, we decided to use the maximum potential cost for each cost grouping by using the male food costs. The budget calculator tool assumes all children are male aged 14-18, and all adults are male aged 19-50. As the USDA Food Plans are national figures, the Real Cost Measure utilizes the Grocery Index from the Cost of Living Index published by the Council for Community and Economic Research to adjust figures to a county level. The national unadjusted rate for children is $240.50/month and for adults is $238.80/month.

**Transportation**

The transportation budget is calculated using average annual expenditures for transportation by car and by public transportation from the Bureau of Labor Statistics’ 2016 Consumer Expenditure Survey (CES) National estimates. Private transportation expenses include gas and other vehicle maintenance expenses, but not lease/car loan payments, or major repairs.

The total annual costs of transportation, less outlays and public transportation, is $5,415; divided by the average earners in the household of 1.3 gives an average per-earner transportation cost of $4,165. The Real Cost Measure uses this national transportation estimate and adjusts it using the Transportation Index from the Cost of Living Index published by the Council for Community and Economic Research to adjust figures to a county level.
The 2015 Real Cost Measure report assumed the use of public transportation in Bay Area counties where more than 8% of the population uses public transit, which is a proxy for the idea that population density and public transportation infrastructure are sufficient to enable significant numbers of low and moderate-income workers to commute by public transit. Based on two key points, the 2015 Real Cost Measure report used private transportation costs for all Californians, and the methodology remains unchanged for this report.

- The difference based on presumed transit patterns shows a negligible difference between the CES private transportation cost estimate and the probable commute cost from a given county. In using public transit estimates, the Real Cost Measure (as well as Self Sufficiency Standard) presume a one-county or one-transit system fare. Based on analysis of census data conducted by the Association of Bay Area Governments, approximately half of Bay Area workers commute across county lines. Utilizing the 511.org Trip Planner, and adjusting for monthly pass purchases, we concluded that the public transportation costs are higher than other reports assume—and approach the costs of private transportation.

<table>
<thead>
<tr>
<th>County</th>
<th>2012 Public Transportation (CES Expenditures adjusted by COLI)</th>
<th>2012 Public Transit (within county)</th>
<th>2012 Public Transit (expanded)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alameda</td>
<td>$381</td>
<td>AC Transit Monthly ($75)</td>
<td>AC Transit + BART ($151-$277), over $351 if using 3 modes, or paying for parking</td>
</tr>
<tr>
<td>Contra Costa</td>
<td>$383</td>
<td>County Connection (CC) Monthly</td>
<td>CC + BART ($226-$296), over $366 if using 3 modes, or paying for parking</td>
</tr>
<tr>
<td>San Francisco</td>
<td>$403</td>
<td>MUNI Metro Monthly</td>
<td>MUNI + BART ($220-$320), over $390 if using 3 modes, or paying for parking</td>
</tr>
</tbody>
</table>

- The Brookings Institute released a study in 2014 that demonstrated that low income individuals are most likely to commute in private car. While the report does not indicate that the individual necessarily owns the car, it specifically addresses the Bay Area and the high likelihood that a low-income Bay Area individual with income inadequacy will take private transportation to work.
**Health Care**

Health care costs were derived using national 2016 Consumer Expenditure Survey. We divided the household cost provided by the CES by average household size and used that to approximate a per-person cost for health care. We then adjusted this per-person cost by the Health Index of the Cost of Living Index published by the Council for Community and Economic Research and tailored them to the county level. All individuals in a county, regardless of age under 65, were assigned the same cost of health care.

The following expenditures were used to derive overall health care costs:

- **Health insurance**—includes traditional fee-for-service health plans, preferred-provider health plans, health maintenance organizations (HMO’s), commercial Medicare supplements, and other health insurance
- **Medical services**—includes hospital room and services, physicians’ services, service by a professional other than a physician, eye and dental care, lab tests and X-rays, medical care in a retirement community, care in convalescent or nursing home, and other medical care services
- **Drugs**—includes vitamins, nonprescription drugs, and prescription drugs
- **Medical supplies**—includes topicals and dressings, antiseptics, bandages, cotton, first aid kits, contraceptives, syringes, ice bags, thermometers, sun lamps, vaporizers, heating pads, medical appliances (such as braces, canes, crutches, walkers, eyeglasses, and hearing aids), and rental and repair of medical equipment

This year, we considered using the Medical Expenditure Panel Survey (MEPS) and reviewed the comparative cost points to determine if it would be more appropriate for the Real Cost Measure. We decided to continue to use the Consumer Expenditure Survey due to the following reasons:

- The most recent MEPS data, at the time of preparing the report, was 2014, and a direct adjustment would be methodologically challenging given the introduction of the Affordable Care Act.
- The Consumer Expenditure Survey is neutral to source of health insurance. MEPS would have focused only on employer-provided insurance costs, whereas our census analysis indicated that households below RCM are likely to have blended forms of care.
- Also comparing with unsubsidized Covered California Premium costs, which were the highest of costs we compared, the Consumer Expenditure survey, on the face of it, was the middle ground of health care costs.

**Miscellaneous**

To allow for additional expenses not defined in the narrow categories above, the budget includes 10% of the subtotal of all other budget items. In the Real Cost Measure, this amount is added before tax burden is calculated.

**Taxes**

Taxes are calculated per Internal Revenue Service and California State tax regulations by an application interface to Taxee.. Single adults are calculated according to individual filers,
single-adult led families are handled as heads of household. All multiple-adult households (regardless of family status) are calculated as joint filers. Although the inclusion of non-married households results in some non-family/non-dependent filers being treated as joint filers, we anticipate the impact to the overall prevalence of households struggling is minimal.

Included in the tax calculation are, as appropriate, Child Care and Child Tax Credits. Due to technical constraints, we applied Child Tax Credits for 17 year old children who would normally not qualify. Additionally, with consideration that households ideally would claim the Alternative Child Tax Credit, we simplified and allowed the Child Tax Credit to put the household into a refund status.

The Earned Income Tax Credit (EITC) is not included. As the aim of the Real Cost Measure is to present a budget measure at which a household would not qualify for public aid, very few Real Cost Measure household budgets would “qualify” for EITC. Rather than ignore the impact of EITC, we attempted to estimate the monetary impact EITC is likely to have (assuming that EITC is not included in income reported to the ACS). The income of a household is presumed to exclude EITC, an assumption that is consistent with the IRS and data analysis from Public Policy Institute of California. For analysis of impact of EITC, it is done using the adjusted household income figures and calculated according to IRS rules.

Cost of Living Adjustments

The Real Cost Measure utilizes three national-level figures, and adjusts those to a county level by using the 2017 Cost of Living Index (COLI) from the Community Council for Economic Research (C2ER). The county level file was produced for United Ways of California in March of 2016. Erol Yidrim, Senior Vice President at C2ER, advised United Ways of California to use the 2017 index values for the 2016 analysis, and that no adjustment was needed to cross over the years. An index was not produced for 2016. This approach was similarly used for the 2015 report.

The COLI has specific and different indexes for several areas, and this report specifically uses the Grocery, Transportation and Health care Index values.

Demographic Analysis

Creating Three Year File

In 2015, the United States Census Bureau ceased publishing the 3-year American Community Survey population estimates due to Congressional budget cuts. Our primary reason for adopting 3-year population estimates in our inaugural report was to create a linear mechanism to release a new version of the Real Cost Measure report every three years. Rather than using currently available 1-year or 5-year population estimates, we aggregated one-year files to create a 3-year file using one-year population estimates from 2014, 2015 and 2016 to keep our primary data source as consistent as possible. This was done by aggregating individual one-year files, creating a modified weight per guidance from the Census Bureau, and adjusting using the Census adjustment factor to normalize to 2016 dollars.
For weighting, guidance from a Census conference concurred that reliable estimates can be produced by dividing the weighting factor by the number of files included in the resulting aggregated file; in this case, with three years of data, we divided the person #1 weight (head of household) by 3 to create a weight for variables that were analyzed across three years. The broadband data variable was only included in the 2016 data file, and analysis of that variable is done with the regular weighting variable.

All dollars are normalized to 2016 and adjusted using census provided factors. Most budget elements relate to only one year of that period, and are adjusted using Consumer Price Index as needed. The factors do not perfectly align.

**Design Factors and Confidence Intervals**

The recommended approach to determining confidence intervals is a design factor approach. Based on analysis comparing many of the cross-tabulations using this method, cell sizes greater than 5,000 produced a confidence interval within +/- 1% of the value. Confidence intervals greater than this will be noted in the text, and/or cell sizes suppressed.

**Excluded Household Types**

This report excludes all group quarters, as well as households led by an individual with a disability. The research team made the following assumptions in conducting the analysis in 2015 and has not updated this analysis.

- The data analysis assumes that all members of household (ACS sample unit) share expenses.
- A “family” budget is actually a household budget, and any adults living in the household are assumed to contribute to shared household expenses; all children are assumed dependent on the adults.
- All income in the household is considered when determining if a household is above or below the Measure, including income from children under 18.
- For the purposes of tax calculations, households are treated as a single tax entity: 4.5% of households in this analysis have sub-families, though that rate is slightly higher for households below the Real Cost Measure at 7% (and 12-13% for households led by a single man or woman).
- Based on the building budgets and matching households to budgets, the demographic analysis captures 93% of non-group quarters and non-disabled households.

<table>
<thead>
<tr>
<th>Households</th>
<th>Total Households</th>
<th>% of CA Households</th>
<th>% of Capture</th>
</tr>
</thead>
<tbody>
<tr>
<td>Majority of Households*</td>
<td>9,092,898</td>
<td>67.9%</td>
<td>Nearly 100% (&lt;6,000 households excluded)</td>
</tr>
<tr>
<td>head of household is a non-senior, not disabled; household is not in group quarters</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Head of Household is Senior*</td>
<td>2,634,958</td>
<td>19.7%</td>
<td>68%</td>
</tr>
<tr>
<td>Head of Household is Person with a Disability</td>
<td>851,069</td>
<td>6.4%</td>
<td>0%</td>
</tr>
</tbody>
</table>
### Geographic Specificity

The lowest unit of analysis for the Public Use Micro Sample data (PUMS) is the neighborhood cluster or Public Use Micro Area (PUMA). The rules for a PUMA boundary require a minimum population of 100,000. In densely-populated urban areas such as San Francisco and Los Angeles, this allows for sub-county analysis. However, in more dispersed or rural counties, such as the Northern California counties or the Sierras, a PUMA may include several counties.

Of California’s 58 counties, 31 have one or many PUMA’s within county boundaries and can be treated as geographically distinct. Twenty-four counties are aggregated within 7 different PUMA’s, and weighted average budgets are used to analyze those populations. Budgets are weighted based on population size.

### PUMA to County Conversion

All PUMA boundaries utilize the 2010 census, the most recent currently available, and are mapped accordingly.

### Households Led by People with Disabilities

United Ways of California deeply considered the inclusion of persons with a disability as the number of households led by a person with a disability in California is over 850,000, approximately 6.5% of the overall household population. The number of working-age Californians with a disability numbers is higher, roughly 2.8 million according to a recent California Employment Development Department Report, nearly 10% of the population.²

Ultimately, we concluded that the Real Cost Measure, the Elder Index or some combination of them could not adequately capture the income needs of a household led by a person with a disability. Two key assumptions behind the Real Cost Budget is that the first two adults in the household are working full-time and have private health care costs. According to our analysis, only 24% of heads of household with a disability participate in the labor market (regardless of actual employment status). Even for those that do participate in the labor force, persons with a disability are far more likely to work part-time than a person who does not. The key assumptions behind the Elder Index include only addressing household types with one or two adults and without children, and where the primary health insurance is government provided.

Empirically, we know that these households are difficult to describe with these two tools—they may receive government provided health-insurance, and also have children and fully participate in the labor force. The two available budgets do not provide a reasonable

<table>
<thead>
<tr>
<th>Household in Group Quarters</th>
<th>812,650</th>
<th>6.1%</th>
<th>0%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Head of Household is Under 18</td>
<td>2,946</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>13,394,521</strong></td>
<td><strong>100%</strong></td>
<td><strong>93% of intended, 82% overall</strong></td>
</tr>
</tbody>
</table>

* Household types analyzed in this report.
framework for such a household. After a detailed analysis of households led by a person with a disability and attempting to align relevant households, we would at best describe less than 50% of households led by a person with a disability, and with a low degree of confidence that the assumptions were appropriate for those households. Hence, for this iteration of our methodology, we did not include households led by a person with a disability.

United Way of California acknowledges the challenges of households led by persons with disabilities, and strongly supports the work of organizations that work to promote their economic security. From our analysis we know that among non-senior households led by a person with a disability:

- 37.2% are married couple households, but over 38% are in non-family household arrangements (versus 51.4% and 27.2% for non-disabled/non-senior led households);
- 37% obtain health coverage through government health care versus 8.6%;
- Nearly one third (31.5%) have difficulty living independently;
- Three-quarters (75.0%) are over age 45;
- Only 17% have a college degree, versus 37% among non-disabled/non-senior led households;
- People with disabilities report CalFresh (SNAP) assistance at a much higher rate (20.5% versus 9.4%); and
- Over 11% currently serve or have served in the military (versus 6.3%).

The Real Cost Measure does include households that have persons with disabilities, where the head of household is disabled. Those with disabilities living in households captured by our methodology number over one million, and over 457,000 of these persons with disabilities live in the 392,111 households that struggle with income below the Real Cost Measure. The rate of income inadequacy among these households is 41%, versus 34% for households that do not have a person with a disability (and versus the 34% rate overall). In half of these households, the 2nd person in the household, anticipated be the wage earner, is a person with a disability.

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