

A Penta White Paper

**Penta** Policy Insiders

# California Insights Review Series

Cost of Living and Housing

January 2024  
[policyinsiders.pentagroup.co](https://policyinsiders.pentagroup.co)

# Executive summary

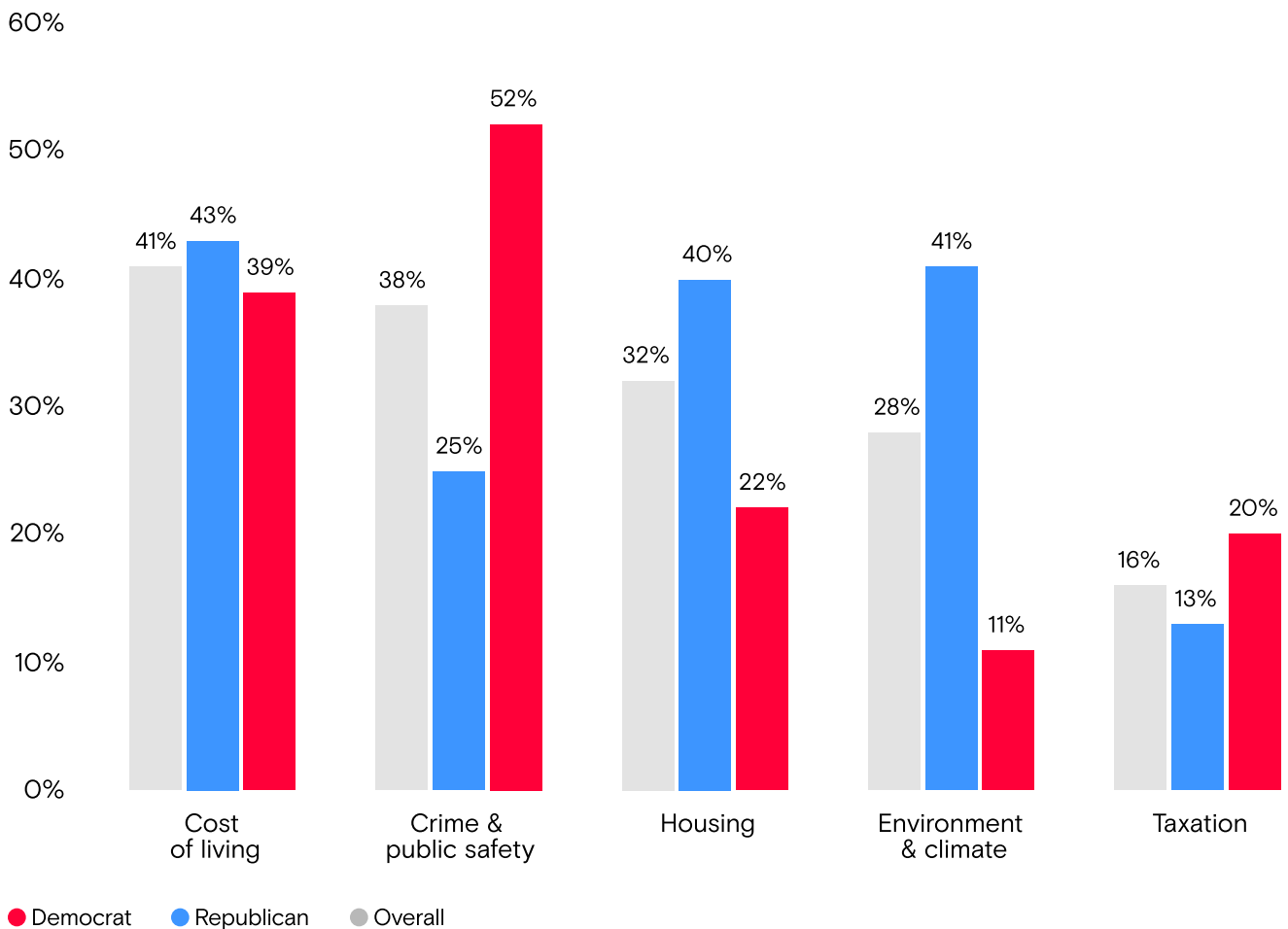
We are pleased to share our findings in the California Insights Review for 2023. From July to October 2023, we surveyed over 300 policymakers in the state about their policy priorities and the top issues facing their communities.

Cost of living is the top concern for California policymakers in 2023, with over 40 percent of policy staff identifying the lack of affordability in the state as a major issue. Additionally, this concern is cited as an underlying contributor to several of the other main priorities for California’s policy leaders - housing, crime and public safety, and taxation. Both parties highlight the inability of many working families to afford rent or purchase a home. This, in turn, can exacerbate homelessness and its perceived connection to increased criminal activity. These themes, according to policymakers, all tie back to Californians struggling with the rising cost of living and needs to be addressed urgently.

This report is the second in a series that examines four of California policymakers’ top priorities, which include (i) cost of living and Housing (ii) crime and public safety (iii) taxation and (iv) environment and climate.

## Top policy priorities in California

Multiple selections permitted

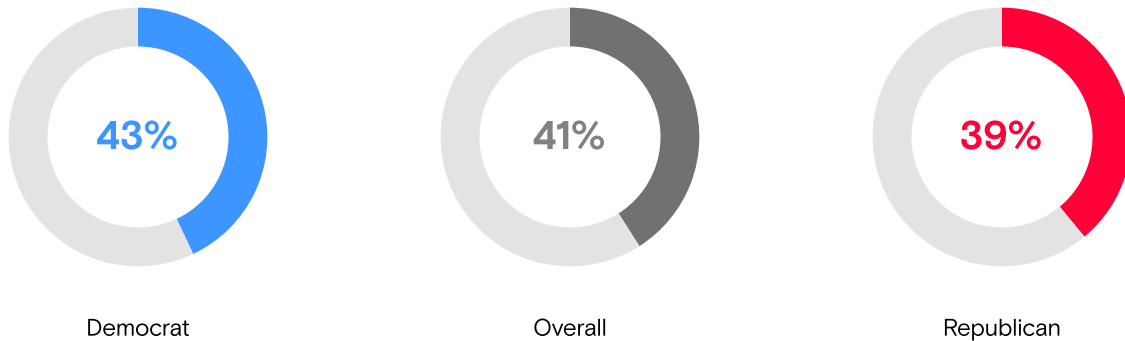


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## California deep dive

# Cost of living and housing

There is widespread consensus that California is one of the states with the highest cost of living in the United States.<sup>1</sup> In fact, according to a number of reports, the Golden State is among the top three most expensive places to live in the country.<sup>2,3</sup> The high cost of renting and home ownership continue to exacerbate this issue, as well as contributing to the high number of unhoused individuals.



Policy leaders across the aisle express alarm around the rising costs of basic goods and services. Policymakers recognize that high cost of living is not unique to the state but cite certain challenges with policies and wage disparities in California that might be further exacerbating the issue, especially for lower income earners.



We always drive a slightly higher cost of living here for a couple different reasons, some of it of our own doing policy-wise...But generally speaking, **the cost of living in the last two years has gone up worldwide.... it's even more pronounced in California because we already had a pretty big wage disparity.** You have a decent-sized wage disparity between your low-income earners and your high-income earners. Making the cost of living less affordable for your low-income earners, proportionally, means that **your cost of living hits harder here in California.**

Chief of Staff, California State Senate, D



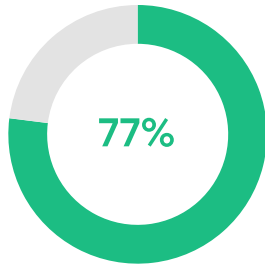
**[Cost of Living] is extremely high. Inflation has hit everything.** Home ownership is out of reach. Gas is \$1.50 more here than anywhere else. Utilities are more expensive here than anywhere else. **Everything's more expensive here.** That's just how it is.

Legislative Director, California State Assembly, N/A

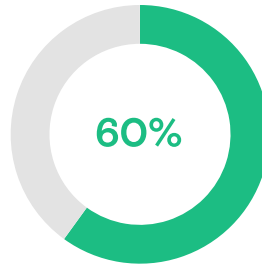
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## Housing

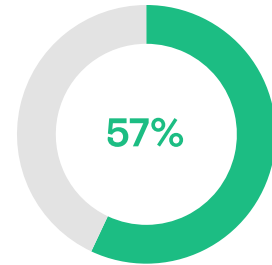
The lack of affordable housing is a persistent challenge in California. Policy staff are troubled by the cost of both renting and owning homes, and how these issues are contributing to the high volume of unhoused individuals in the state. In fact, addressing the issue of homelessness was identified as another top policy issue in 2023.



Homelessness



Cost of ownership



Cost of renting

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## Price and availability



For most Californians, **it's too expensive to pay rent and buy houses. there's a huge shortage in the number of houses and the cost of housing is too high.** I guess the cost of living in general, but housing is a huge component of that.

Chief Policy and Planning Advisor, Executive, D

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## Government regulations



It's not a secret at this point.. **it's very expensive to live here. And part of that is an issue of lack of affordable housing.....** there's a lot of back and forth on how do you streamline housing in California...**it's been a constant struggle here.** And I think that they're doing everything they can, but there's just a lot of factors to consider when you're building housing.

Director, California State Assembly, R

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## Homelessness surges

In the United States, homelessness increased by 5.8 percent in California. Furthermore, California hosts 28 percent of the country's entire homeless population, making any increase especially significant.<sup>4</sup>

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**We are trying to manage and work around the housing crisis here in California. We're seeing more persistent, long-term homeless.** A lot of those individuals have disabilities, and many of them have behavioral health or mental health disabilities that are not treated. So for us here particularly, **we're very concerned about the long-term ramifications of this.**

Deputy Director, Executive, D

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**We have so many unhoued, and it's becoming more frequent, too.** More unhoued seniors and veterans. And **we need to be worrying about those folks,** and maybe be making the border a little bit harder to get across - so, we can house our seniors' interventions. And our homeless population too.

Councilmember, California State Municipality, I

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## Conclusion

Policymakers acknowledge the issues of cost of living and housing are interlinked, and both remain top priorities for policy leaders in California. Some of the most notable issues include the state's high population of unhoued individuals and the high cost of renting and home ownership.



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Penta Policy Insiders provides direct feedback from policymakers to government relations professionals, improving advocates' ability to understand, validate, and improve the efficiency and effectiveness of their engagement.

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### Citations

1. <https://www.businessinsider.com/top-states-with-highest-living-expenses-2023-8>
2. <https://worldpopulationreview.com/state-rankings/most-expensive-states-to-live-in>
3. <https://www.forbes.com/advisor/mortgages/cost-of-living-by-state/>
4. <https://sfstandard.com/2023/12/17/californias-homeless-population-rose-5-8-in-2023-while-u-s-rate-surged-12/>

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