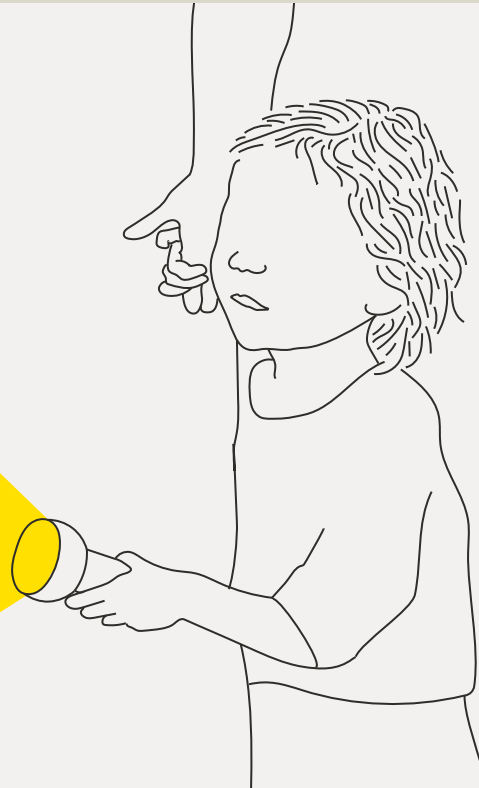


Utility costs rise, leaving California parents of young children in a tough spot



November 2024



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RAPID measures material hardship as difficulty in the last month affording basic needs, such as food, housing, utilities, child care, healthcare, and activities that support well-being (e.g., counseling). Consistent access to basic needs contributes to the stable home environments and the economic well-being that supports healthy development of young children and their families.

Since 2022, RAPID has been asking California parents of young children about their family's economic circumstances, well-being, use of child care, and more. This multi-year, statewide survey aims to better understand the experiences of California families with children under age 6, lift up parent voices, and promote data-informed policies and programs that support families. The survey includes questions designed to better understand the economic circumstances of families with young children. This includes asking parents about experiences of material hardship.



Stanford
Center on Early Childhood

What is your biggest challenge or concern right now?

“The high cost of utility bills.”
Parent in Yuba County

Utility companies have significantly increased rates over the past decade, and in May 2024, California lawmakers approved a flat increase in energy costs for all households that takes effect next year. We use data collected in April 2024 and August 2024 to better understand the hardship families are facing amid the backdrop of this statewide increase in utility costs.

“Not being able to pay for my electricity bill.” Parent in Los Angeles County

One in three California families with young children have trouble paying for utilities

“Just getting through the summer with this high electric bill while making sure we have everything we need.”
Parent in Imperial County

RAPID asks California families with young children about their experiences of material hardship. In August 2024, just three months after the new flat increase in utilities was approved, the majority of California parents (68%) report experiencing material hardship in at least one area of basic need. Of the California parents experiencing material hardship, more than a third (37%) specifically face difficulty paying for utilities, nearly double the percentage (19%) that RAPID reported just one year prior in July 2023. As California families receive utility bills that start to include the new flat increase, RAPID will continue to ask about their ability to meet basic needs, including affording utilities.

The August 2024 data show that utilities are the highest category of material hardship, followed closely by healthcare (36%). Nearly all California parents (96%) report difficulty affording their electricity bills. California parents also report difficulty affording gas (63%), water/sewer (63%), internet (33%), phone (28%), and trash (22%); parents

How does the increased amount you pay in utility bills affect your household?

“I find myself worrying more about keeping the house warm enough for my child during the winter.”
Parent in Contra Costa County

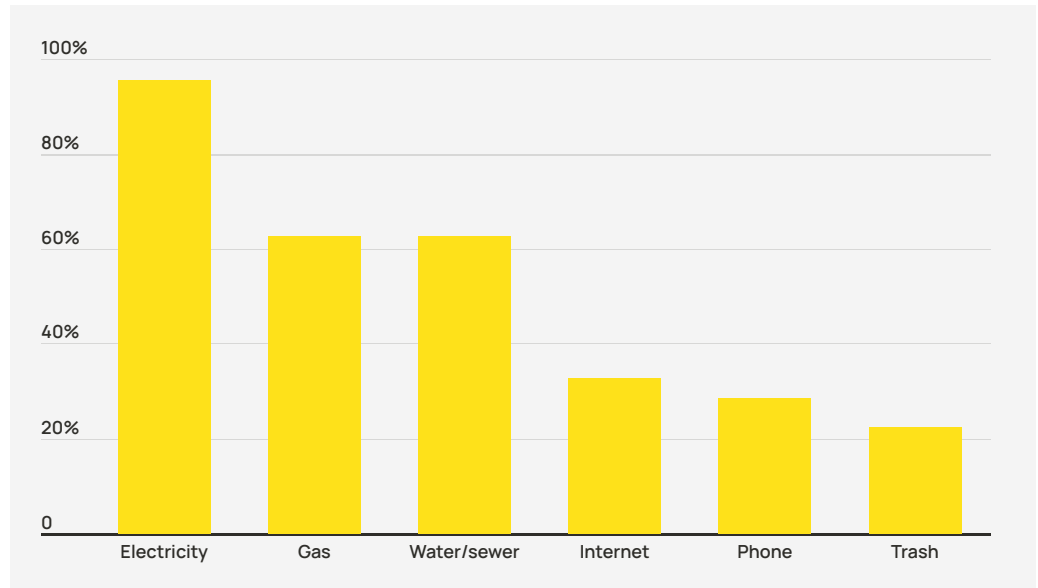
“The increased energy bills have forced me to cut back on other household expenses, like groceries and activities for my child.”
Parent in Los Angeles County

“I’ve had to rely more on my family for financial help because the energy bills are so high.” Parent in San Bernardino County

could select more than one category of utilities in their response.

To understand how the cost of utilities might be changing, we ask parents: How does the amount you currently pay on utility bills compare to the amount you paid a year ago? More than one in three California parents (38%) across all income levels say their utility bills are higher than the previous year. We hear from parents in their responses to open-ended survey questions that these increased costs cause concern and stress, and they need to make difficult choices between basic needs like heat and food.

Type of utility caregivers have difficulty paying for, overall



“Cutting back on other expenses to compensate for energy costs.”
Parent in San Diego County

Paying utility bills on time is a challenge for many California parents with young children

We ask California parents with young children about their experiences of facing overdue utility bills. Overall, 34% of California parents with young children have overdue utility bills and, in particular, 52% of California families living in rural areas have overdue utility bills. Reports of families experiencing hardship affording utilities, and especially affording electricity, are particularly concerning in rural California communities that are more vulnerable to the impacts of extreme weather due to limited access to resources from remote locations.

“We can’t pay the bills. We pick and choose which bills to pay not to get cut off.” Parent in Los Angeles County

Eligibility for utility payment assistance was unclear to lower-income California families

California offers utility payment assistance to those who qualify based on parents’ income status, to support families in meeting this basic need. We ask parents about their experiences applying for and receiving assistance with utility payments.

“I try not to turn on the stove too much. Nights are really freezing cold. Sometimes going to the laundromat to help lower the cost of electricity.”
Parent in San Francisco County

Almost one in three (28%) lower-income California parents who are eligible for utility payment assistance say they have not applied for assistance. We also ask parents to select from a list of reasons for not applying. The top reason that parents said they did not apply is

that they are not sure they would be eligible (37%). Other reasons include:

- I don't think my family needs it (21%)
- I was not aware there are financial assistance programs available (20%)
- I was told my family is not eligible (17%)
- I did not apply because the process seemed too complicated (7%)
- I tried to apply but wasn't able to complete the process (5%)

In the context of high rates of material hardship, difficulty paying for utilities, and increased costs of utilities, it is concerning that more than one in three lower-income California parents are unsure if they are eligible for financial assistance. These data highlight that more can be done to ensure that families that might benefit from utilities assistance can effectively access the support. RAPID will continue to explore how financial assistance programs can help families who need support to meet their basic needs.

Conclusion

Reports of families experiencing material hardship are concerning, as RAPID survey data has consistently revealed evidence of a chain reaction of hardship. That is, as parents' experiences of material hardship increase, they also experience more emotional distress (higher levels of stress, anxiety, depression, and loneliness), which, in turn, is associated with parents reporting increased emotional distress among their young children. This chain reaction of hardship can undermine the stable, nurturing care that parents seek to provide and that is so essential to healthy development in early childhood. There is also extensive evidence of the links between experiences of early adversity and poorer outcomes in terms of health, education, well-being, and income later in life.

Given the high rates of material hardship among parents of young children in California, there is a need to ensure parents and families of young children receive early and necessary support so that all children and families can thrive. The costs to families associated with changes in California's utilities infrastructure may increase the hardship many families are already experiencing. Implementing utilities assistance programs is an important step in helping families to meet their basic needs. Agencies and organizations that support families to apply for and receive utilities assistance can do more to connect this program to those who can benefit from it.

About the RAPID State Surveys

The RAPID Survey Project is based in the [Stanford Center on Early Childhood](#), under the direction of Philip Fisher, PhD, Director of the Center.

RAPID partners with cities, counties, and states to gather essential and ongoing information and caregiver voices, provide timely and relevant data to inform local policies and programs, and develop the capacity of local organizations to employ rapid-cycle survey methods and enhance the impact of their work on behalf of child, families and the child care workforce.

This set of analyses on RAPID-California data is based on responses collected from 1,238 parents of children under age 6 in April 2024 and August 2024. These parents represent a range of voices: 16.3% are Black/African American, 28.1% are Latinx, and 34.7% live below 200% of the federal poverty level. Proportions/percentages are calculated based on the item-level response rates, not out of the total sample size. The data for these analyses are not weighted.