The Transparency Foundation

The Cost of California 2025

How Costly Mandates and Negligent Policies Give California Residents the Highest Cost of Living in the Nation

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Contents

ABOUT THE COST OF CALIFORNIA PROJECT

The Transparency Foundation is a non-profit, non-partisan organization committed to making public institutions more transparent and accountable to the people they serve. Our Cost of California project is designed to provide the public with a complete calculation and understanding of the true net impact on their cost of living from costly mandates and negligent policies enacted by their state and local elected officials. This report will be published annually so it can serve as an ongoing benchmark for evaluating policy impacts on Californians' cost of living. Learn more at SaveCaliforniaPlan.org

California’s Cost-of-Living Crisis
BY THE NUMBERS

$29,753.16

The “California Cost-of-Living Penalty” for 2024 – defined as the added financial burden of living in California for a middle-class family earning $130,000 a year as calculated by comparing their basic living costs in California to the basic living costs under national averages.

$1,715.88 (6.1%)

The increase in the “California Cost-of-Living” Penalty in 2024 compared to 2023. The penalty increased from $28,037.28 in 2023 to $29,753.16 in 2024. While the US had an inflation rate of 2..9% in 2024, California’s inflation rate as measured by our methodology of 6.1% gives it a 210% higher inflation rate than the US average.

13.2 million people (34.8%)

Number of Californians living in or near poverty according to a PPIC study[1]

56%

Percentage of Californians who have considered moving away from the state with their main reason being the cost of living.

60%

Percentage of Californians who say the state is going in the WRONG direction.

50%

Percentage of Californians who say they are experiencing “financial hardship” because of rising prices. 80% of those making less than $40,000 per year said they were experiencing financial hardship.

$191,042

Level of income that still puts you in the definition of “High-End Middle-Class” in California.

75%

Percentage of Californians who say they expect BAD financial times ahead in the coming year.

33%

Percentage of Californians who say they and their families are financially WORSE off than a year ago.

59%

Percentage of Americans without enough savings to cover an unexpected $1,000 emergency expense.

$33,232

The amount that inflation has increased costs in California since 2021 according to the Joint Economic Committee (JEC) in the U.S. Congress.

[1] https://www.ppic.org/publication/poverty-in-california/

Executive Summary

California Faces a Severe Cost-of-Living Crisis Driven by Costly Mandates and Negligent Government Policies

By now most people generally consider California to be an incredibly expensive state to live in – but many do not have a clear understanding as to how bad the situation really is and why it is getting worse, not better. In a list of the most expensive U.S. cities to live in, according to a study from U.S. News & World Report, seven out of the top ten were in California.[2] While California is known an expensive place to live, politicians and their bad policies are directly responsible for this problem.

Whenever a cost spike becomes the topic of public attention (spike in gas prices, a spike in electricity rates, etc.) California's politicians shamefully deflect the blame and dishonestly accuse the "market" of "price gouging." If we had a nickel for every time Governor Gavin Newsom has decried price gouging and ordered a special "state investigation" into a price spike we could almost pay for a gallon of gas in the state under the latest price as of the release of this report. Of course, Newsom never releases the results of any of the so-called investigations he says he is conducting.

In addition, inflation continues to hurt all American families, but especially those already suffering with high costs in California. Last year, a Joint Economic Committee (JEC) inflation study from the U.S. Congress estimates that the average California household has spent $33,232 MORE due to inflation since January 2021. Inflation has eaten away at the very little that is left over after Californians pay their taxes and higher costs for everything from gasoline and electricity to housing and childcare. Almost sixty percent of Americans say they can't even afford a $1,000 emergency expense.[3] Working families can barely afford an emergency, let alone the rising costs for necessities. We are currently at a crisis level with families struggling to survive every day. Many people find themselves working multiple jobs just to keep up with basic bills every month.

What's worse, this dishonest deflection game goes completely unchallenged by California's liberal media outlets who have shown themselves to be either unwilling or unable to bring the truth to light.

That's why the nonpartisan and nonprofit Transparency Foundation has committed to an annual research study into the cost of living in California under its "Cost of California Initiative." It started with the release of our first and comprehensive "The Cost of California 2023 - Cost of Living Report".[4] Since 2023, has the state made progress or does it continue to saddle residents with costly mandates, fees, and big government policies? Last year, the Transparency Foundation's study[5] showed things getting worse with a 5.9% increase in the "California Cost-of-Living" penalty compared to 2022.

This year, the Transparency Foundation continues to take a deep dive into what it actually costs to live in California, including a detailed breakdown of an average family's budget in the state. From gasoline to groceries, from water and electricity to healthcare and childcare – we have been able to calculate the full cost of living picture on a component-by-component basis. Specifically this report:

1. Establishes a reliable annual metric of the cost of living in California for a typical household that can now be used to track changes year-to-year;
2. Determines what is driving the increased costs in California in key benchmark areas – specifically what costs are caused by government policies and which are caused by market failures;
3. Offers recommendations for policymakers to consider reducing the cost of living in California

[2] https://www.ktvu.com/news/heres-the-most-expensive-us-cities-to-live-in

[3] https://www.cbsnews.com/news/saving-money-emergency-expenses-2025/

[4] "The Cost of California 2023 - Cost of Living Report"

[5] "The Cost of California 2024 - Cost of Living Report"

Among the findings and recommendations we make in this report:

1. California Has a Cost-of-Living Crisis
There is simply no doubt about it. By every metric and standard, California has a severe cost-of-living crisis. This crisis has obviously been exacerbated by the national inflationary environment, but California's unique crisis is that it costs so much more than the national average in almost every single budget category.

2. California "Cost-of-Living Penalty" in 2024 Was $29,753.16 or $1,715.88 Worse than in 2023
Our methodology calculates that a typical middle-class family of three earning $130,000 a year faces a "Cost of California" penalty of $29,753.16 versus if they simply paid the national average of cost in each category.

What's worse, due to inflation and other increasing costs, the typical family under our methodology would also run an annual deficit of $2,637.84 if their costs were simply benchmarked to the national average in each category.

3. Government Mandates and Negligent Policies Drive Costs
California politicians have been allowed to falsely claim that higher costs in their state is the result of greedy market forces engaging in price gouging. To believe them you would have to swallow the absurd notion that these same forces do not operate in the 49 other states in the country.

The simple truth is California politicians are uniquely to blame for the financial burdens imposed on working families in their state.

A few quick examples from our analysis of costs illustrate that:

- California's gasoline prices are $1.38 more per gallon or 50% HIGHER than the national average. That's because California politicians have imposed the highest gas taxes in the nation (excise and Cap & Trade taxes) and have imposed absurd laws and regulations making oil production and gas refining exponentially more expensive in the state versus other states.

- California's per kWh electricity rates are 101% higher than the national average. That's because California politicians refuse to allow utilities to purchase clean, cheap and reliable energy. On top of that, the politicians through the California Public Utilities Commission have imposed over $4.5 billion in hidden state taxes and fees to utility rates.

- Californians pay 75% more for an emergency room visit than the national average – reflective of higher costs for health care services and procedures seen throughout the state. California politicians are about to make the situation worse by enacting an unnecessary minimum wage bill for health care providers that will cost $8-10 billion per year. Already the state has been hit by a $4 billion cost spike in its state budgeted healthcare programs because of the law. Consumers will see a $4-6 billion cost spike as well – from the enactment of just this one single costly law!

In every cost category the cost inflation in California can be directly tied back to costly mandates and negligent policies imposed by state and local politicians. To reduce these costs, these bad policies must be reformed.

4. Create a Cost of California Commission
California politicians have taken the typical middle-class family from financial security to deep indebtedness – and for what? California politicians will argue their costly mandates and regulations have some sort of benefit, but they are never held accountable for quantifying those so-called benefits.

But the cost of the mandates and regulations can be quantified in terms of direct financial costs that are now being borne by all Californians. By calculating and making these costs more transparent, it is our hope that Californians demand a true cost-benefit analysis on every California law, regulation and mandate that is imposed by the state that are not seen in other US states.

That is why our report recommends that policymakers adopt the same regulations as the lowest cost state in each cost category.

To force this cost-benefit analysis and begin the dialogue on how to reduce costs, California should consider creating a “Cost-of-Living Benchmark” Commission to identify ways to harmonize California regulations and policies to national ones in each cost category AND propose the entire package of reforms for adoption or rejection by voters at the next state election. Commissioners should be selected by random method to prevent political manipulation. At the very least the exercise could shame politicians into reforming some of their costly mandates and regulations on a case-by-case basis.

After completing its reports in 2023 and 2024, the Transparency Foundation has updated our Cost of California calculation this year – and it’s unfortunately more bad news. Costs continue to rise and stand far above other states across the country.

Without immediate action by policymakers, however, the cost crisis in California will only get worse. Working families are suffering in the meantime – and fleeing to lower cost states every day.

The Garcia Family: A Typical Family Budget In California In 2024

In order to show the impact of all of California’s high costs on the average family, the Transparency Foundation has put together the following scenario based on what a household budget would look like for a typical family of three.

Alejandro Garcia and his wife Sarah have a five-year-old son, Daniel. The Garcia family still lives in San Diego and have a total household pre-tax income of $130,000. Alejandro continues to work a construction job and makes $85,000 per year while his wife, Sarah, makes $45,000 per year working as a teacher’s aide. They drive two vehicles – one new and one used.

The Garcia’s expenses aren’t lavish. They somehow manage to keep monthly discretionary expenses to just $500 flat – and are healthy enough not to do many doctor visits during the year. However, imagine if the Garcia family had just one ER visit for their young son – they’d be looking at an additional bill for more than $3,200!

Here is what a sample monthly budget for the Garcia family might look like simply based on averages:

Total Garcia Household Income: **$130,000**

Average Income Taxes: **$42,813**

Garcia Family Total Net Income: .... **$87,187/year or $7,265.58/month**

2024 Total monthly cost of living in California: .... **$9,964.83 (increase of $296.44)**

Total monthly cost of living if paying national averages: .... **$7,485.40 (increase of $153.45)**
Annual expected shortfall for Garcia family from living in California: .... **-$32,391.00**
Annual expected shortfall for Garcia family if paying national averages: .... **-$2,637.84**

Net "Cost of California" in 2024: **$29,753.16**

The Garcia Family: A Typical Family Budget In California In 2024

Household Budget Item	Cost to Garcia Family	2024 National Cost	2024 Monthly Cost Penalty for Living in California	Garcia Family Net by National Average	Garcia Family Net in CA
INCOME	NA	NA	NA	$7,265.58	$7,265.58
Rent	$3,400/month	$1,754.00/month	$1,646 more or 94% higher in CA	$5,511.58 left	$3,865.58 left
Electricity	$244.36/month	$127.36/month	$117 or 92% higher in CA	$5,384.22 left	$3,738.22 left
Water	$172.00/month	$115.86/month	$56.14 more or 48% higher in CA	$5,268.36 left	$3,566.22 left
Grocery Bill	$297.72 per week or $1,190.88 per month	$270.21 per week or $1,080.84 per month	$27.51 more per person or 10 % higher in CA	$4,187.52 left	$2,375.34 left
Car Payment (Used)	$529.00/month			$3,658.52 left	$1,846.34 left
Car Payment (New)	$749.00/month			$2,909.52 left	$1,097.34 left
Car Insurance	$3,010 per year, per vehicle, assuming a family policy and good driver discount their total cost of insurance per month for two vehicles is $312.50	$2,513 per year - or $266 for two vehicles per month assuming family policy, good driver discount	$54.29 more or 20% higher in CA	$2,643.52 left	$784.84 left
Gasoline *Based off of one car	1,250 miles driven per month at 15,000 per year 25 miles per gallon average per vehicle 50 gallons of gas per month at $4.59/gallon is $229.50 per month	$3.21 per gallon nationally 50 gallons of gas per month at $3.21/gallon is $160.50 per month	$69 more or 43% higher in CA	$2,483.02 left	$555.34 left
College Loans	$0				
Healthcare	$906.59 per month for family coverage Bronze Level (includes state subsidy of $159) Plus $303/month out of pocket	$968.84 per month for family coverage Bronze Level Plus $183/month out of pocket		$1,514.18 left	-$351.25 in debt
Credit Card(s) Spending	$500.00 per month for various spending			$1014.18 left	-$851.25 in debt
Renter's Insurance	$19.00/month	$23.00/month	$4.00 less or 17% lower in CA	$991.18 left	-$870.25 in debt
Childcare	$1,829/month	$1,211/month	$618 more or 51% higher in CA	-$219.82 in debt	-$2,699.25 in debt

Californians Know There Is A Cost-Of-Living Crisis

While California politicians and their friends in the liberal media think they are successfully keeping the state's growing cost-of-living crisis a secret, the joke is on them as the public is coming quickly to the realization that there is a big affordability problem.

Cost-of-Living Fueling Flight of Californians to Other States

First, take a look at the extraordinary flight of working families from the state itself. In the last several years, California has lost nearly 3 million residents to other states. When adjusting for the handful of people moving into California from other states, the net domestic migration stands at -1.4 million from 2018 to 2022.

Net Domestic Population Flight from California

2018: -184K

2019: -254K

2020: -222K

2021: -347K

2022: -407K

TOTAL FOR 5 YEARS: -1,414k net migration

Source: California Department of Finance

Why are people leaving? Polling continuously shows California's high cost of living is the main driver.

An Emerson College Polling/Inside CA Politics/The Hill survey conducted in October 2024 found that 56% (!) of Californians have considered moving away from the state with the main reason being, "the cost of living."[6] It's quite clear that with numbers that high, California has major problems ahead.

High Cost of Living Weighs on California Residents

Second, polling data overwhelmingly shows that California residents are worried about their economic future and the added financial burden posed by higher prices.

In a Public Policy Institute of California (PPIC) survey conducted in May of this year, Californians were asked a variety of questions about the state and its direction. When asked what the top three most important issues facing the state were, over a third of Californians (37%) said the cost of living, the economy, and inflation - a top issue across party lines, regions, and all demographics.[7]

Additionally, 50% of all adult respondents said that they are experiencing financial hardship due to rising prices. Worse still, 80% of those making less than $40,000 per year said they were experiencing financial hardship, with 37% describing it as a "serious hardship." Even among those making between $40,0000 and $99,999 per year, 64% said they were suffering.[8]

[6] https://californiaglobe.com/fl/56-of-californians-have-considered-a-move-away-from-california-according-to-a-new-poll/
[7] https://www.ppic.org/publication/ppic-statewide-survey-californians-and-their-government-june-2025/
[8] Ibid

This high cost of living creates a dire situation where many Californians who work hard still find themselves living at or near the poverty line. A separate PPIC study from 2023 found that 34.8% of Californians (13.2 million people) were considered “poor” or “near poor.” This number had risen 33.3% just since 2022. Californians are struggling and the high cost of living created by bad policies is making it worse every year.[9]

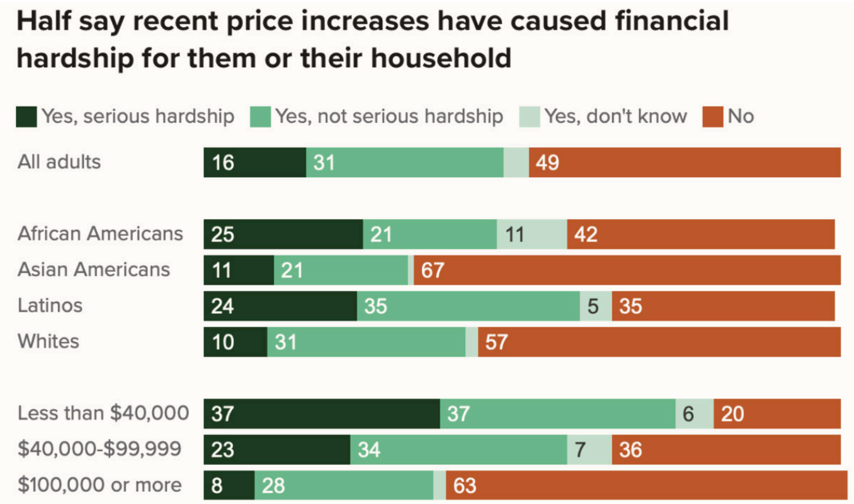

Figure 1: 2025 PPIC Survey[10]

Looking ahead, do residents expect economic conditions to get any better? Absolutely not – and the numbers are astonishing. Last year, the same PPIC poll showed 69% of Californians expecting bad economic times. Now, this year, that number is three in four Californians or 75%! At a time when millions of Californians are already barely surviving, 75% said they expected their situation to get even worse. That should send a shockwave through the state and a dire warning for politicians. Major reforms and changes are needed and the people suffering can’t hold on much longer.

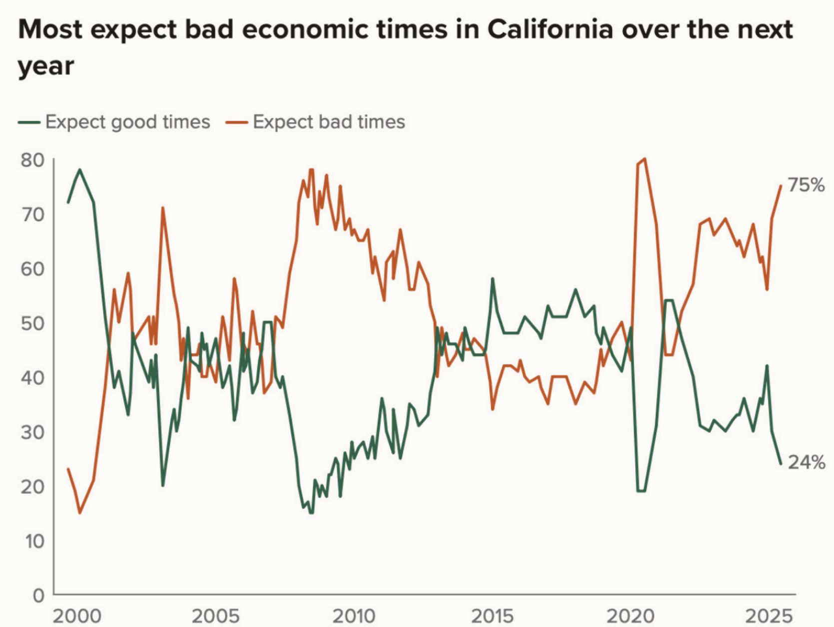

Figure 2: 2024 PPIC Survey[11]

Is the State on the Right Track?

Do Californians think that the state is headed in the right direction on the issues? Absolutely not. Continuing a trend over many years now, six in ten Californias (60%) said the state is generally going in the wrong direction, an overwhelming number.[12]

[9] https://www.ppic.org/publication/poverty-in-california/

[10] https://www.ppic.org/publication/ppic-statewide-survey-californians-and-their-government-june-2025/

[11] Ibid

[12] Ibid

U.S. Congressional Joint Economic Committee (JEC) Report

Using the August 2024 Consumer Price Index data release by the Bureau of Labor Statistics, the Joint Economic Committee (JEC) State Inflation Tracker estimates that the average household in California is paying $1,250 more per month to purchase the same basket of goods and services as in January 2021.

Cumulatively, the average California household has spent $33,232 more due to inflation since January 2021.[13]

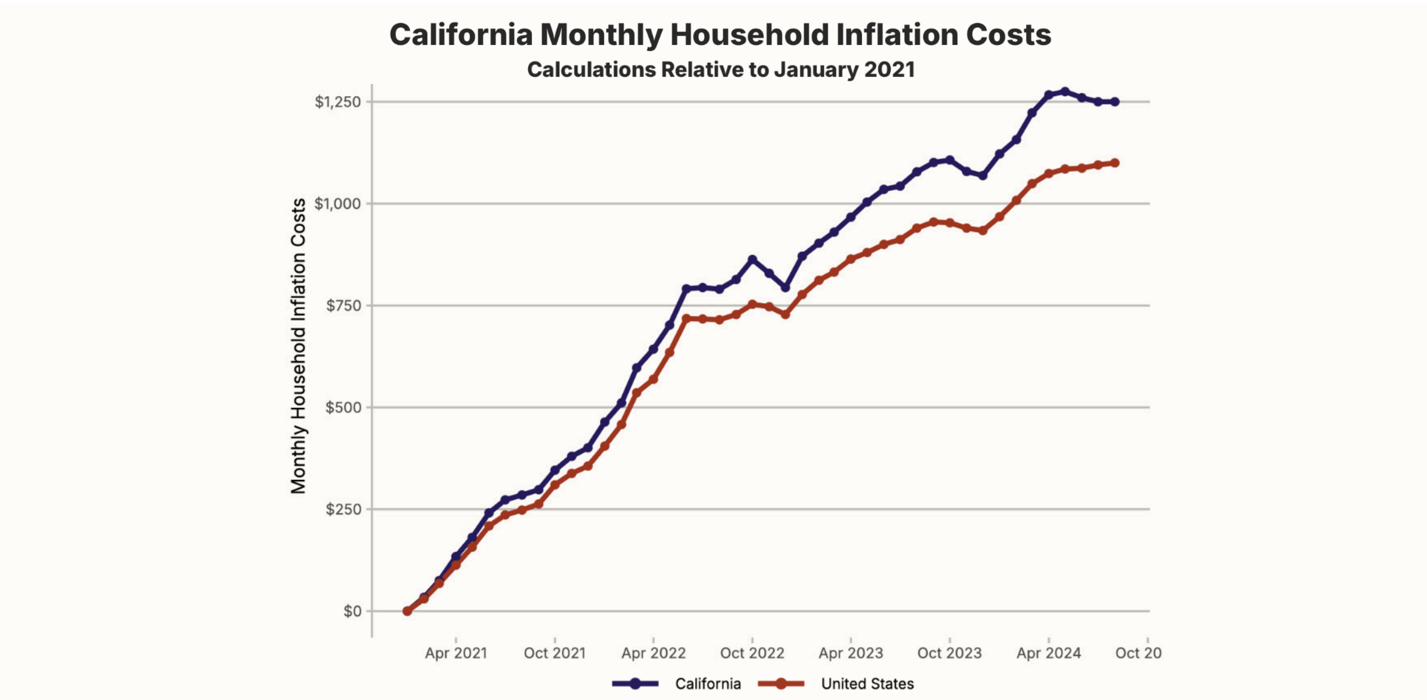

Figure 3: 2024 JEC Report[14]

California Housing is More Expensive Than Ever – and Twice the National Average

Californians know that housing affordability is a challenge throughout the state. But recently these costs have grown dramatically and rapidly – especially compared to a mid-tier home in the rest of the country. Rents continue to rise but so do monthly mortgage costs in state where housing is TWICE as expensive as the typical U.S. home according to the California Legislature's Nonpartisan Fiscal and Policy Advisor – The Legislative Analyst's Office (LAO).

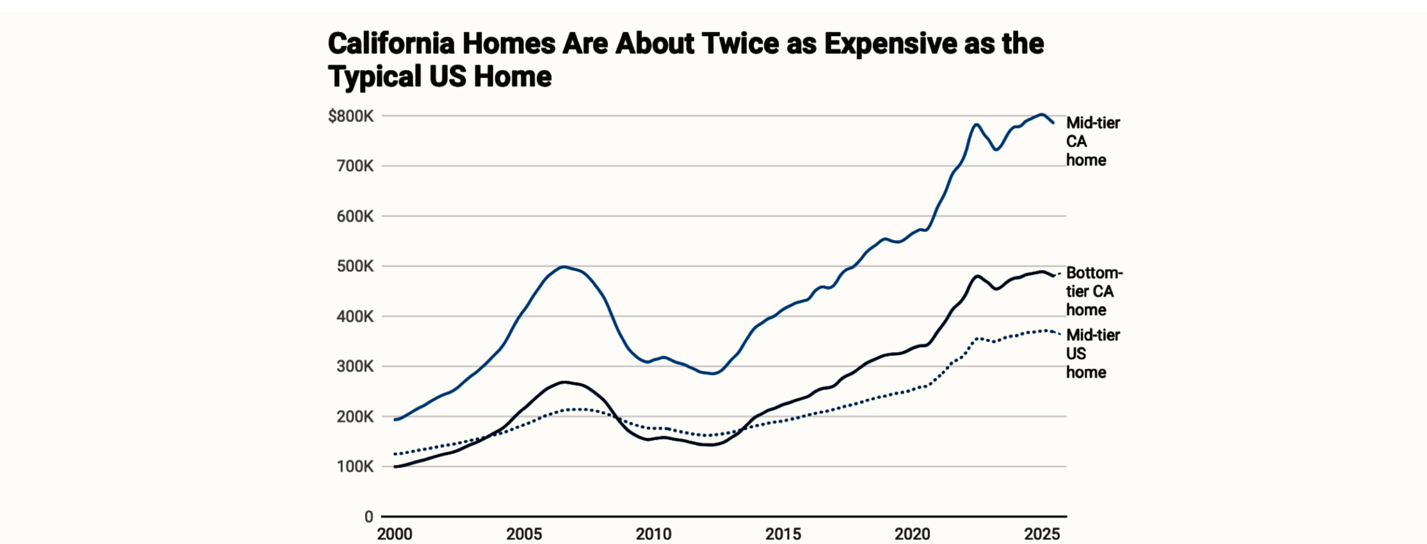

Figure 4: LAO's California Housing Affordability Tracker[15]

[13] https://www.jec.senate.gov/public/index.cfm/republicans/california-inflation-report/
[14] Ibid
[15] https://lao.ca.gov/LAOEconTax/Article/Detail/793

What It Takes To Be Middle Class In California

When conducting research into the cost of living, the Transparency Foundation used data from the latest U.S. Census Bureau numbers which provided median incomes as well as both low-end and high-end figures. Included below is a breakdown of the national middle-class average income, along with the California statewide middle-class income, and the state with the lowest middle-class threshold: Mississippi.

California stands above the national average when it comes to middle-class income, but does that mean that Californians have a better quality of life and more money in their pocket? No. Instead, average Californians are struggling just to pay their bills.

National Middle-Class Average Income

Methodology	Average National Household Income	Low-End National Middle Class Income	High-End National Middle Class Income
U.S. Census Bureau	$76,976	$51,313	$153,953

California Statewide Middle-Class Income

Methodology	Median Household Income	Low-End Middle Class Income	High-End Middle Class Income
U.S. Census Bureau	$95,521	$63,674	$191,042

Mississippi (State with the lowest middle-class threshold)

Methodology	Median Household Income	Low-End Middle Class Income	High-End Middle Class Income
U.S. Census Bureau	$54,203	$36,132	$108,406

"Middle Class" Analysis – By City

City	Low-End Middle Class Income	$ and % Higher than Low-End National Average	High-End Middle Class Income	$ and % Higher than High-End National Average
Anaheim	$57,000	$5,687 or ~11% higher	$170,000	$16,047 or ~10% higher
Bakersfield	$53,000	$1,687 or ~3% higher	$159,000	$5,047 or ~3% higher
Fresno	$45,000	$6,313 or ~12% lower	$135,000	$18,953 or ~12% lower
Irvine	$85,000	$33,687 or ~66% higher	$256,000	$102,047 or ~66% higher
Long Beach	$61,000	$9,687 or ~19% higher	$163,000	$9,047 or ~6% higher
Los Angeles	$51,000	$313 or ~1% lower	$159,000	$5,047 or ~3% higher
Oakland	$65,000	$13,687 or ~27% higher	$194,000	$40,047 or ~26% higher
Riverside	$59,000	$7,687 or ~15% higher	$176,000	$22,047 or ~14% higher
San Diego	$71,000	$19,687 or ~38% higher	$212,000	$58,047 or ~38% higher
San Francisco	$84,000	$32,687 or ~64% higher	$253,000	$99,047 or ~64% higher
San Jose	$91,000	$39,687 or ~77% higher	$272,000	$118,047 or ~77% higher
Stockton	$51,000	$313 or ~1% lower	$152,000	$1,953 or ~1% lower

Definition: There are many arguable definitions to what "middle class" constitutes, but according to Pew, it's defined as those earning between two-thirds and twice the median American household income, which in 2023 was $76,976, according to the latest data from the United States Census Bureau[16]

**Numbers have been rounded up or down (ex. 50,788 = 51,000)*

[16] https://smartasset.com/data-studies/middle-class-2025

California's Housing Costs: HIGHER

Housing costs are the largest expense for families and individuals' monthly budgets. Californians know that these costs have risen dramatically and take more and more of their income each month. The data reinforces what Californians already knew – they pay more than almost any other state. Most financial experts advise that housing should never take up more than a third of your monthly salary but families in California are paying far more than that.

DATA SOURCE	CALIFORNIA PRICE	LOWEST STATE	NATIONAL AVG	COST DIFFERENCE LOW STATE %	COST DIFFERENCE NATIONAL %
Home Value Index	Average Mortgage Payment $4,951.79	West Virginia $1,613.76	$2,209.00	418% higher in CA	124% higher in CA
Yardi	Average Rent Payment $2,632.00	Oklahoma $1,064.00	$1,754.00	147% higher in CA	50% higher in CA

Average Apartment size ~ 907sq.ft.

PROPOSED REFORMS TO CUT CALIFORNIA HOUSING COSTS

California has become absolutely toxic for housing development - and as a result California is not seeing the flow of investment capital into housing projects. Builders and housing developers have concluded they can get a far better return on their investments in other states. California is notoriously expensive and difficult to build in. Even worse, simple housing development projects can often take a decade or more to build out. Here are some immediate reforms policymakers can take to reduce costs.

1. **Reform CEQA:** Protect housing projects from frivolous lawsuits and union shakedowns by suspending CEQA for 10 years and only allow the county District Attorney to file CEQA suits in the meantime.
2. **Repeal Anti-Landlord Laws:** Several laws have been adopted in recent years that make California toxic for rental housing development. Repeal rent control mandates and enact strong rental contract enforcement guarantees.
3. **Cap Housing Development Costs and Timelines:** Create cost certainty by capping permit fees as a percentage of each project and mandate expedited review timelines be met by local government agencies and utility companies on plans and permits.
4. **Resist Housing Taxes:** Ban the idea of a "Vehicle Miles Traveled" tax on housing projects. While Californians deal with extremely high housing prices, there is one safeguard that prevents their home's property taxes from being raised dramatically – Proposition 13. This proposition protects homeowners by capping their property tax increase to up to 2% per year. This allows families to budget and better manage any increases in their property taxes, which is still a large bill to pay. Repealing Prop 13 would cause housing costs to spike dramatically.

Per Year Cost in California

Total Annual Costs: $59,421.48 and Rent $31,584

CA Cost Penalty vs National Average

Mortgage $38,373.48 more annually (or $3,197.79 more per month) and Rent $10,536 more annually (or $878 more per month)

California's Gasoline Costs: HIGHER

Californians already know they have the highest state gas taxes and car taxes in the nation. Nearby states often pay at least $1-2 less per gallon of gasoline. In addition, working families tend to live far away from their jobs and commute long distances every week. They need to get to work to make a living, but the high price of gas cuts into their take home pay significantly.

DATA SOURCE	CALIFORNIA PRICE	LOWEST STATE	NATIONAL AVG	COST DIFFERENCE LOW STATE %	COST DIFFERENCE NATIONAL %
AAA*	$4.59/per gallon	$2.733/per gallon in Mississippi	$3.210/per gallon	$1.86 per gallon more 68% higher in California	$1.38 per gallon more 50% higher in California

fuel pricing as of 8/28/2025

PROPOSED REFORM TO CUT CALIFORNIA GASOLINE COSTS

1. **Suspend the California Gas Taxes:** Californians have been paying excess taxes for decades and yet we still have some of the worst roads in the nation. It is time to drop the ruse that gas taxes go to fix roads. Families need immediate relief. The state should suspend all state taxes on a gallon of gas – this includes the state excise tax, Cap and Trade tax, low carbon program tax and underground storage tax which adds almost $1.50 per gallon of gasoline. This would instantly save the average Californian almost $900 per YEAR.
2. **Allow Domestic Oil Production:** We can immediately increase environmentally sustainable oil production in the state of California. This would also reduce transportation costs on oil.
3. **Benchmark CA Regulations On Gas Refining to Other States:** California needs more refining capacity and needs to allow refineries to operate far more efficiently. From refinery operations to fuel blends, California should immediately harmonize its regulations to the same standard as other states. If it's good enough for them, then it can certainly be good enough for California.

Per Year Cost in California

Total Annual Cost: $2,754.00 per year, per driver for gasoline in California

CA Cost Penalty vs National Average

$828.00 more annually per driver

****Calculation assumptions: assumes 15,000 of mileage per year per car with an average of 25 MPG.*

California's Electricity Costs: HIGHER

While Californians have complained about their utility companies for decades, they often forget that electricity rates must be approved by unelected bureaucrats in Sacramento. Over the past decade, the California Public Utilities Commission (CPUC) has supported "Green New Deal" policies that have shut down clean, safe electrical power options like nuclear and natural gas. These changes have skyrocketed what Californians pay for their electricity. At the same time that Californians are being asked to pay more, they endure regular rolling blackouts and "Public Safety Power Shutoffs."

DATA SOURCE	CALIFORNIA PRICE	LOWEST STATE	NATIONAL AVG	COST DIFFERENCE LOW STATE %	COST DIFFERENCE NATIONAL %
EIA (kWh cost)	33.52 cents per kilowatt-hour	11.42 cents per kWh in Nevada	17.47 cents per kWh	189% higher in CA	101% higher in CA
(Monthly Bill)	$244.36/per month	$83.25 per month	$127.36	189% higher in CA	101% higher in CA

Note: Monthly electricity costs can vary greatly due to size of home/apartment and additional amenities (pools, jacuzzi, lighting, etc.)

PROPOSED REFORM TO CUT CALIFORNIA ELECTRICITY COSTS

1. **Enact an "All of the Above" Energy Approach:** It is time for California to repeal its Green New Deal policies. California can stop the bleeding of residents for their electricity bills by a new energy approach that identifies and values the resourcefulness of ALL energy. Currently, Nuclear energy only powers about 8% of California's overall electricity. Solar and wind can't power everything for over 40 million residents and we can't conserve our way out of this problem. The state needs to expand opportunities for nuclear power and other sources of energy or California will literally be left in the dark.

2. **Eliminate Hidden State Taxes and Climate Change Mandates on Utility Rates:** The Transparency Foundation's own study, from February 2023, exposed $4.5 BILLION worth of hidden state taxes and climate change mandates that are costing families billions. Removing these taxes would immediately grant residents a 25% reduction in their monthly rate on top of a $2,500 immediate refund of these deceptive taxes that were paid over the course of many years.

Per Year Cost in California

Total Annual Cost: $2,932.32 per year, per household in California

CA Cost Penalty vs National Average of $1,528.32

$1,404.00 more per year in California

Calculation assumptions: Average household in CA using 729 kWh per month at 33.52 cents per kWh which means that they are paying $1,404.00 MORE per year for electricity.

Average monthly based on average kWh usage per state X price per kWh.

California average = 729 kWhs per month

California's Healthcare Costs: HIGHER

Healthcare costs have skyrocketed throughout the country, especially within the last decade. People can't afford to get sick but accidents happen every day, especially for families with children. While California's health insurance costs are close to the national average, the cost of health care services are substantially higher. So unless you use absolutely no health services during the year with your slightly lower health insurance, you are likely paying HIGHER costs for health care overall if you live in California.

DATA SOURCE	CALIFORNIA PRICE	LOWEST STATE	NATIONAL AVG	COST DIFFERENCE LOW STATE %	COST DIFFERENCE NATIONAL %
Value Penguin	$656 per month or $7,872 per year Average Healthcare cost per person	$373 per month or $4,464.00 per year in New Hampshire	$621 per month or $7,452 per year	76% higher in CA	5% higher
Study on ER Claims	Average Cost of ER Visit $3,238.00	$682.00 per ER visit in Maryland	$2,715.00	375% higher in CA	19% higher in CA
Hospital Pricing Specialists	$2,407.00 Average cost of Ambulance Service	$661.50 Average cost of Ambulance Service in North Carolina	N/A	264% higher in CA	N/A

PROPOSED REFORM TO CUT CALIFORNIA HEALTHCARE COSTS

1. **Benchmark Healthcare Regulations to National Average:** In order to bring costs down for everyone, California should adopt a sweeping package of reforms that includes aligning California healthcare regulations with other states. Currently, California has the costliest staffing ratios for healthcare facilities, absurd overtime requirements, and other mandates and regulations that unnecessarily increase healthcare related expenses. If the state aligns our regulations with the lowest cost states, we can reduce the burden families pay on their monthly premiums.

2. **Enact "You Sue, You Lose, You Pay" Tort Reform:** The number of frivolous lawsuits in the healthcare field is astronomical. While the lawsuits make lawyers millionaires, they drive up healthcare costs for average families. If we reform the way lawsuits are handled for medical malpractice and in the healthcare industry, we can reduce the high insurance costs that providers and doctors alike must carry in order to help patients.

Per Year Cost in California

Total Annual Insurance Cost: $7,872 for individual coverage.

Total Health Care Service Costs: Depending on usage; one ER visit is $523 higher in California than the national average

CA Cost Penalty vs National Average

$420 more expensive for *insurance* per year in California.

California’s Water Costs: HIGHER

Water is literally essential to life and is something we all use every day. Whether it’s taking a shower before work, doing the dishes after a meal, or washing our clothes, water is a necessity. Utility bills, like water, are supposed to be some of the smallest, most affordable bills we pay each month. However, Californians pay some of the highest rates in the nation – and it’s only getting worse!

DATA SOURCE	CALIFORNIA PRICE	LOWEST STATE	NATIONAL AVG	COST DIFFERENCE LOW STATE %	COST DIFFERENCE NATIONAL %
US Geological Survey	**$172.00/per month in CA**	**$39.00/per month in Wisconsin**	**$115.86/per month average in US**	**341% higher in California**	**48% higher in California**

Note: Monthly water costs can vary greatly due to size of home/apartment and additional amenities (pools, jacuzzi, etc.)

PROPOSED REFORM TO CUT CALIFORNIA COSTS

1. **Labor Cost And Pension Reforms:** Water projects in California have become boondoggles due to bloated union bureaucracies, wasteful salaries, and bloated pensions. Capital projects for water districts require prevailing wage requirements and backroom Project Labor Agreements (PLAs). Both of these things have caused enormously higher costs for important water projects around the state which in turn raises water rates. Prevailing wage requirements and PLAs should be eliminated completely. Water project contracts should be nondiscriminatory, providing open, fair bidding to take place in order for customers to get the best price and deal. In addition, pension reform is another necessary step to reducing long term liabilities of water agencies.

2. **Change California’s Crazy Water Allocation Policies:** In the past year, California had record, historic rain. This was welcome news to many after years of drought. However, due to the state’s ludicrous environmental laws, we failed to store much of this water for future use. The amount of water we could have stored could have saved state taxpayers billions of dollars. Instead, almost all of the water from the torrential rains was flushed out to sea. We need to demand a new approach on this issue from lawmakers that prioritize water storage. Residents are constantly being asked to pay more for their water bills when the biggest solution to our problem is literally being dumped into the ocean.

Per Year Cost in California

Total Cost: $2,064 per year

CA Cost Penalty vs National Average

$673.68 more in California and $1,596 more in California vs the lowest state

California's Food Costs: HIGHER

Everyone has to go to the grocery store — and many people go at least once per week to buy food. Inflation has caused these grocery bills to skyrocket over the past year or so. The Transparency Foundation focused on the average grocery bill and the three most basic grocery necessities that American families purchase each week: milk, eggs, and bread. To put the impact of the cost of these items into perspective, the average American drinks 18 gallons of milk per year, while Americans collectively consume 95 million dozen eggs and 53 pounds of bread!

DATA SOURCE	CALIFORNIA PRICE	LOWEST STATE	NATIONAL AVG	COST DIFFERENCE LOW STATE %	COST DIFFERENCE NATIONAL %
USDA*	$5.32/gallon of milk	$3.56/gallon of milk in Arizona	$4.36/gallon of milk	49% higher in California	22% higher in California
BLS	$7.24/per dozen eggs	$1.99/per dozen eggs in Washington	$4.84/per dozen eggs	264% higher in California	50% higher in California
BLS	$4.03/per loaf of bread	$1.65/per loaf of bread in Nevada	$2.50/per loaf of bread	144% higher in California	61% higher in California
U.S. Census Bureau Household Pulse Survey	Overall Grocery Bill $297.72/ per week or $1,190.88/per month	$221.46 per week or $885.84/per month in Wisconsin	$270.21 per week or $1,080.84 per month	24% higher in California	27% higher in California

***Gallon of milk example is reduced fat 2% milk**

PROPOSED REFORM TO CUT CALIFORNIA FOOD COSTS

1. **Stop Smash And Grabs – Prosecute The Criminals:** This state needs to implement law and order again. Everyone has seen the outrageous and infuriating videos of criminals smashing their way into stores with carts or bats and grabbing thousands of dollars worth of merchandise as everyone watches the criminals walk right out with no recourse. While criminals get away with stealing, the average California family is left footing the bill. The stores end up making up these losses by saddling law abiding citizens with higher costs of food and other items. Voters approved Proposition 36, which increased penalties for certain theft and crimes, in November 2025, overwhelmingly (almost 70% of voters voted "YES"). However, Gov. Gavin Newsom and state legislative Democrats have refused to fund Prop. 36, leaving cities and counties unable to adequately address crime.

2. **Align California's Minimum Wage With The Federal Minimum Wage:** California consumers are victims to the union tax when it comes to grocery shopping. Union contracts have contributed to the higher prices at grocery stores across the state. Once again, these costs are passed on to residents in the form of higher costs and prices By aligning California's minimum wage with the federal minimum wage, we can not only provide more opportunity to younger workers, but we can also reduce costs for your weekly grocery bill.

Per Year Cost in California

Total Cost: $14,290.56 per person

CA Cost Penalty vs National Average of $11,280

$3,010.56 more per person in California

California's State & Local Tax Costs: HIGHER

A number of the other cost categories are higher because of special state or local taxes - e.g. gas tax, sales tax, property taxes, Vehicle Mileage Tax, etc. The reality is California's high taxes impact everyone's cost of living and impede economic growth and job creation.

DATA SOURCE	CALIFORNIA	LOWEST STATE	NATIONAL AVG	COST DIFFERENCE LOW STATE %	COST DIFFERENCE NATIONAL %
Tax Foundation / U.S. Census Bureau	$10,319 per capita in California	$4,722 per capita in Alabama	$7,109 per capita	119% higher in California	45% higher in California

PROPOSED REFORM TO CUT CALIFORNIA TAX COST

1. **Cut Statewide Sales in Half to 4% – Freeze It for 5 Years:** The most regressive tax is the Sales Tax – it hurts working families the most. In the 1990s, California had a 4% State rate for sales and use taxes. If it was good enough for the government and the state then, it's good enough now. Imagine the impact of providing an immediate reduction like this to the cost of living. Politicians will say they cannot afford to give tax relief to working families. Have you seen a government budget lately? Lots of easy ways to cut wasteful spending and bloated labor costs!

Per Year Cost in California

Total Cost: $10,319

CA Cost Penalty vs National Average

$3,210 more per person in California

Will ultimately depend completely on each individual's income, but per the Tax Foundation, expect a 14% higher average burden.

California’s Childcare Costs: HIGHER

With the high cost of living in California, families now face the reality that they can no longer live on the salary of a single parent. Both parents are forced to work just to keep up with basic expenses. But at what cost? When both parents are working, someone still needs to take care of their child when they’re very young or when they come home from school. Still, not every family is lucky enough to live close to relatives or grandparents, especially when so many have moved away. Parents with children must factor in the sky-high cost of childcare.

DATA SOURCE	CALIFORNIA PRICE	LOWEST STATE	NATIONAL AVG	COST DIFFERENCE LOW STATE %	COST DIFFERENCE NATIONAL %
Economic Policy Institute (EPI)/BLS/Census	$21,945/ average annual cost	$6,868/average annual cost in Mississippi	$14,530.78	220% higher in California	51% higher in California

Note: Estimates based on *one* child

PROPOSED REFORM TO CUT CALIFORNIA CHILDCARE COSTS

1. **Enact A $2,500 Childcare Tax Credit:** Parents deserve to have some tax relief to help with their rising childcare costs. California State Assemblymember Laurie Davies, whose district covers south Orange County and north San Diego County, proposed Assembly Bill 14 (AB 14) last year that would grant families a $500 tax credit for childcare expenses. We believe this bill is a great start, but The Transparency Foundation believes a $2,500 tax credit would be even better and provide more relief.

Per Year Cost in California

Total Cost: $21,945 per year ($1,828.75 per month)

CA Cost Penalty vs National Average:

$7,414.22 more per year (or $617.85 more per month)

California's Car Costs: HIGHER

In a large state like California, driving and owning a vehicle isn't a luxury, it's a necessity. Often times, the lowest income residents live farthest away from their place of work. Having a car and paying for insurance isn't cheap in this state but there are few other options providing the convenience, reliability, and mobility of a personal vehicle.

DATA SOURCE	CALIFORNIA	LOWEST STATE	NATIONAL AVG	COST DIFFERENCE LOW STATE %	COST DIFFERENCE NATIONAL %
Average Used Car Price	$35,759	$31,445 in Vermont	$32,635	14% more in California	10% more in California
Average Car Repair Cost	$478.00 (parts and labor)	$401.64 (parts and labor) in Maine	$444.54	19% higher in California	8% higher in California
Car Sales Tax	7.25%	0%			
Car VLF DMV Tax	$540				
Car Insurance per year	$3,010.00 average per year	$1,504 average per year in Vermont	$2,513.00	100% higher in California	20% higher in California
Average Used Car Monthly Payment	$529				
Average New Car Monthly Payment	$749				

Note: Average car repair costs updated numbers based on inflation year over year

PROPOSED REFORM TO CUT CALIFORNIA COSTS

1. **Eliminate Or Reduce The Car Sales Tax:** While some states have ZERO car sales tax, California has one of the highest in the nation at 7.5% and this doesn't even include other taxes and fees that are required for licensing, etc. The overwhelming majority of residents need a vehicle to go to work every day. Having one of the highest tax rates in the nation just to purchase a car is excessive and unnecessary. It hits working families the most and is just one more way that the state chips away at every last hard-earned dollar.

2. **Cut the Car Tax:** Politicians used a false and misleading ballot title in 2018 election to fraudulently keep voters from repealing a massive increase to the state's car tax. Give drivers immediate relief by repealing that car tax hike.

Per-Year Cost of California

Total Cost: $10,314.00

CA Cost Penalty vs National Average of $9,750

$563.92 more per year

Calculation: assumes the purchase of a used car once every 4 years (outside a dealer so no sales tax) and 2 repairs a year.

California's Home & Renter's Insurance Costs: LOWER

Many Californians may be surprised by the data showing home and renter's insurance costs are slightly lower in their state than the national average. Unfortunately, that is all about to change and costs are projected to be increasing very soon under a new risk and rate model approved by state politicians that will allow insurance companies to charge more.

DATA SOURCE	CALIFORNIA	LOWEST STATE	NATIONAL AVG	COST DIFFERENCE LOW STATE %	COST DIFFERENCE NATIONAL %
Study from Quadrant Information Systems for Insurance.com*	$3,264 per year for Homeowners' Insurance or $272/month	$1,632.00 per year in Vermont or $136/month	$4,816.00 per year or $401.33	100% more per year in California	32% lower in California
Quotewizard/ Lending Tree	$228 per year or $19/month for renter's insurance	$192 per year or $16/month in Montana	$276 per year or $23/month	19% more per year in California	17% lower in California

Note: While homeowners' insurance may be "lower" in California compared to the national average, many California families also struggle with the rising cost of fire insurance, the cancellation of fire insurance plans, limited providers of fire insurance, and the unaffordable rates of the so called "California FAIR Plan" for high fire-risk properties.

PROPOSED REFORM TO CUT CALIFORNIA HOME AND RENTAL INSURANCE COSTS

1. **Thin The Forests And Clear The Brush – Better Wildland Fire Management:** California politicians have refused to pursue common sense forest management policies for decades in the name of "climate change." However, policies focused on the thinning of high-risk forest areas by clearing brush would help protect residents from devastating wildfires AND prevent tons of toxic smoke. We can plan for and manage wildfire risk but we must have politicians willing to make this work a priority.

Per-Year Cost of California

$3,264 per year for homeowner's insurance or $228 per year for renter's insurance

CA Cost Penalty vs National Average:

$1,552.00 less in California than national average for homeowner's insurance; $48 less per year for renter's insurance

**Home Insurance based on $600k in dwelling coverage*

Table of Data Sources

Data Sets - Cost Calculations

COST AREA	METRIC	LINK
Average Income	**Census Bureau**	• 2025 Middle Class Study: https://smartasset.com/data-studies/middle-class-2025
Housing	**Home Value Index and Yardi**	• Average Rent Prices 2025: https://www.rentcafe.com/average-rent-market-trends/us/ • Council for Community and Economic Research 2024: https://www.houzeo.com/blog/average-mortgage-payment/
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Electricity	**EIA**	• Electricity Rates by State 2025: https://www.eia.gov/electricity/monthly/epm_table_grapher.php?t=epmt_5_6_a • Average Electricity Use Per Household in CA: https://nrgcleanpower.com/learning-center/average-electric-bill-in-california/
Healthcare – Insurance	**Value Penguin**	• *ValuePenguin – Average Cost of Health Insurance 2025:* https://www.valuepenguin.com/average-cost-of-health-insurance#cost-table
Healthcare – Ambulance Ride	**Study on ER Claims**	• **https://www.beckershospitalreview.com/finance/10-states-with-the-highest-lowest-average-price-for-ambulance-service-with-advanced-life-support.html**
Healthcare – ER Visit	**Hospital Pricing Specialists**	• Emergency Room Visit Cost With and Without Insurance in 2025 update: https://www.talktomira.com/post/how-much-does-an-er-visit-cost • Emergency Room Visit Cost with and Without Insurance 2025: https://www.talktomira.com/post/how-much-does-an-er-visit-cost
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Food - **Milk** - **Bread** - **Eggs**	**USDA, BLS, U.S. Census Bureau/Household Pulse Survey**	• *Retail Milk Prices Report:* Retail Milk Prices ReportCornell Universityhttps://downloads.usda.library.cornell.edu › files

- **Grocery Bill**		• *How Much Does a Dozen Eggs Cost in Each State:*https://www.coventrydirect.com/blog/average-egg-price-and-how-each-state-takes-their-eggs/ • *Bread Prices: Zippia. Zippia.com. Jul. 10, 2023, https://www.zippia.com/advice/dozen-eggs-cost-each-state/* • *"Average Cost of Groceries in America:* https://www.move.org/the-average-cost-of-food-in-the-us/ • How Much Do Groceries Cost in 2025: https:/beehivemeals.com/blogs/trending-topics/how-much-do-groceries-really-cost-in-2025?srsltid=AfmBOop6ARzn13fJmVtg5zPkRkJuAvf1FqZtRkoTjRogPUIDo1rQ5Cwq
State and Local Tax Burden	**Tax Foundation/U.S. Census Bureau**	• State and Local Tax Collections Per Capita by State 2025: https://taxfoundation.org/data/all/state/state-local-tax-collections-per-capita/
Childcare	**BLS, EPI/Census**	• Economic Policy Institute: Childcare Costs in the US: https://www.epi.org/child-care-costs-in-the-united-states/#/CA
Average Used Car Price	**Used Car Sales, ISeeCars**	• **https://www.iseecars.com/used-car-prices-by-state-study** • Ahttps://www.iseecars: .com/what-happened-to-affordable-cars-study#:~:text=Highlights:,price%20of%20$23%2C159%20in%202019.
Cost of Owning A Vehicle		• *GoBankingRates – Cost of Owning a Car for a Year in Every State:*https://www.gobankingrates.com/saving-money/car/cost-owning-car-by-state/
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