

Exhibit 1: Methodology Summary for Additional Child Costs for Grandparents, 65 and over, raising Grandchildren with No Nonelderly Adults in Household*, Elder Index 2011

Household Costs	Data Source	Methods
Housing	Rent: US Department of Housing and Urban Development. Fair Market Rents for 2 bedroom – 2009, 2010, 2011 http://www.huduser.org/portal/datasets/fmr.html Fair Market Rents for 3 bedroom – 2009, 2010, 2011 http://www.huduser.org/portal/datasets/fmr.html Fair Market Rents for 4 bedroom – 2009, 2010, 2011 http://www.huduser.org/portal/datasets/fmr.html Owner costs: no extra housing cost	3-year county average: - Average rental difference between 1 and 2 bedroom FMR for 1 extra bedroom for one grandchild - Average rental difference between 1 and 3 bedroom FMR for 2009, 2010, 2011 for 2 additional bedrooms for two grandchildren * Note: for third and fourth grandchild – EI assumes .5 bedroom per grandchild - Average rental difference between 1 and 4 bedroom FMR for 2009, 2010, 2011 for 3 additional bedrooms for five or six grandchild
Food†	U.S. Department of Agriculture, Low-cost food plan – 2009, 2010, 2011. http://www.cnpp.usda.gov/USDAFoodCost-Home.htm ACCRA for county-level adjustments Obtained from WOW CPI for food inflation http://data.bls.gov/cgi-bin/dsrv?cu	Average cost across school ages (6-17). ACCRA used for county-level adjustments. 2009 and 2010 costs are inflated to 2011 using CPI for food. 3 year average is calculated after adjustments and inflation.
Transportation†	USDA Expenditures on Children by Family, 2011 – Urban West region http://www.cnpp.usda.gov/Publications/CRC/crc2011.pdf	Uses average per child family-related transportation costs for two-parent household in urban west region with income in the lowest tertile – average cost across school ages (6-17).
Miscellaneous	20% of total additional per child costs to cover expenses for personal care, clothing and school supplies.	Miscellaneous expense is calculated for the additional costs for renters with one additional grandchild. This amount is then applied to misc. costs for homeowners with one grandchild and multiplied by number of grandchildren in other family sizes in both household types.

*Households may include nonelderly spouse.

† Costs for 1-5 year olds are excluded from calculations due to the small proportion of younger grandchildren (10%) residing with grandparents in California according to ACS data.