

POVERTY IN CALIFORNIA

Sarah Bohn

► California's poverty rate spiked during the Great Recession.

After declining to 12% in 2006 (the lowest level since the mid-1980s), the poverty rate in California spiked upward: as of 2010, it was 16%. This amounts to nearly six million Californians in families below the federal poverty level of income (about \$22,000 for a family of four). Unofficial poverty rates are even higher when California's high cost of living is accounted for.

► California's poverty rate has not yet matched its early-1990s peak.

Despite the severity of the Great Recession, a smaller percentage of Californians are in poverty now than during the recession of the early 1990s—in 1993 the poverty rate reached 18.1%. Given the persistently high rate and duration of unemployment, it is possible that poverty is still rising in the Great Recession's aftermath. Even if this does not happen, rates of poverty will be much higher than they were three to four decades ago.

► California typically has a higher poverty rate than the rest of the nation.

For most of the past two decades, California's poverty rate has exceeded that of the rest of the country. By 2006 the two rates had nearly converged, with California's rate declining and the rate in the rest of the U.S. rising. But during the Great Recession, the state's poverty rate grew faster, and now California's rate is slightly higher (16.3%) than in the rest of the country (14.9%).

► Latinos and African Americans have higher poverty rates than other groups.

Latinos (22.8%) and African Americans (22.1%) have much higher poverty rates than Asians (11.8%) and whites (9.5%) in California. The statewide poverty rate among Latinos living in families with a foreign-born head of household is 25.7%; for the same group outside of California, it is significantly higher (28.4%).

► Poverty varies dramatically in accordance with educational level.

In 2010, the poverty rate among families without any adult high school graduates was 31.3%. At the other extreme, in families headed by at least one college degree holder, the poverty rate was only 5.2%. For families in which the highest level of education is a high school diploma, the poverty rate was 19.2%.

► Poverty varies considerably across California's counties.

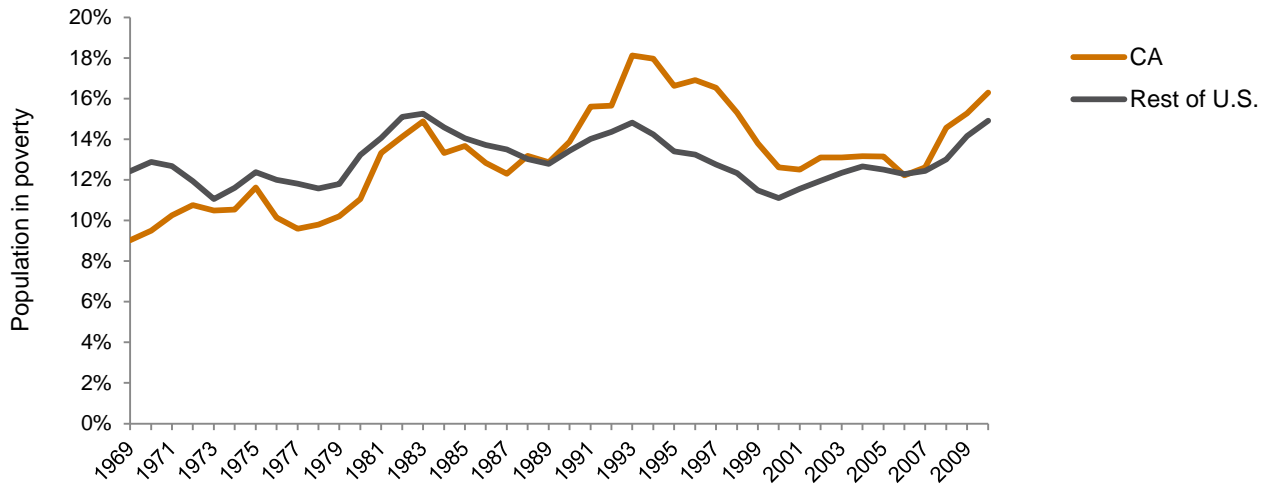
In 2010, the lowest poverty rate in California was in San Mateo County (6.7%) and the highest was in Fresno County (27.1%). Many Bay Area counties in addition to San Mateo (Contra Costa, Marin, Santa Clara, Napa, and Solano) had poverty rates below 12%, placing them in the bottom quarter of all counties. At the other end of the spectrum, Central Valley counties around Fresno (Merced, Tulare, Kings, Kern, and San Joaquin) were in the top quarter, with poverty rates in excess of 20%. More than 29% of poor people in California live in Los Angeles County.

► Most poor families in California are working.

The majority (63.4%) of poor people in California are in working families. In 38.3% of poor families, a family member is working full-time, and in another 25.1% someone is working part-time. Workforce participation among the poor in California has decreased slightly (from 68.5%) since 2006, immediately before the recession, but it has increased over the past three decades and remains higher than in the rest of the nation.



During the recession, California's poverty rate increased more rapidly than in the rest of the nation



Source: Current Population Survey, Annual Social and Economic Supplement (March).

Poverty rates in California's counties

County or county group	Poverty rate (%)	County or county group	Poverty rate (%)
Alameda	13.30	Placer	9.40
Alpine, Amador, Calaveras, Inyo, Mariposa, Mono, Tuolumne	12.60	Riverside	16.60
Butte	20.90	Sacramento	17.30
Colusa, Glenn, Tehama, Trinity	17.30	San Bernardino	17.80
Contra Costa	9.40	San Diego	14.70
Del Norte, Lassen, Modoc, Siskiyou	21.90	San Francisco	12.60
El Dorado	9.80	San Joaquin	20.10
Fresno	27.10	San Luis Obispo	14.60
Humboldt	15.00	San Mateo	6.70
Imperial	20.80	Santa Barbara	19.00
Kern	21.40	Santa Clara	10.40
Kings	21.70	Santa Cruz	14.00
Lake, Mendocino	20.20	Shasta	17.90
Los Angeles	17.30	Solano	11.80
Madera	19.50	Sonoma	13.50
Marin	9.60	Stanislaus	19.80
Merced	24.30	Sutter, Yuba	18.30
Monterey, San Benito	16.50	Tulare	23.50
Napa	11.10	Ventura	10.60
Nevada, Plumas, Sierra	13.40	Yolo	17.90
Orange	12.00	California Total	15.70

Source: American Community Survey, 2010.

Note: For some counties, poverty rates cannot be calculated individually; these counties are grouped with nearby counties.

Sources: American Community Survey (2010) for demographic and geographic breakdown; Current Population Survey Annual Social and Economic Supplement (1970–2011) for trends (both from the U.S. Census Bureau). Census Bureau Supplemental Poverty Measure resources.

Contact: bohn@ppic.org