

Poverty in California

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➤ **Despite improvements, the official poverty rate remains high.**

According to official poverty statistics, 15.3% of Californians lacked enough resources—about \$24,000 per year for a family of four—to meet basic needs in 2015. The rate has declined significantly from 16.4% in 2014, but it is well above the recent low of 12.4% reached in 2007. Moreover, the official poverty line does not account for California's housing costs or other critical family expenses and resources.

➤ **Poverty in California is even higher when factoring in key family needs and resources.**

The California Poverty Measure (CPM), a joint research effort by PPIC and the Stanford Center on Poverty and Inequality, is a more comprehensive approach to gauging poverty in California. It accounts for the cost of living and a range of family needs and resources, including social safety net benefits. According to the CPM, 20.6% of Californians lacked enough resources—about \$30,000 per year for a family of four, more than \$6,000 higher than the official poverty line—to meet basic needs in 2014, a somewhat smaller share than in 2013 (21.2%). Poverty was highest among children (23.1%) and lower among older adults (18.7%) and adults age 18–64 (20.1%).

➤ **Overall, about 4 in 10 Californians are living in or near poverty.**

About one in five (19.3%) Californians were not in poverty but lived fairly close to the poverty line (up to one and a half times above it). All told, two-fifths (40.0%) of state residents were poor or near poor in 2014. But the share of Californians in families with less than half the resources needed to meet basic needs was 5.9%, a deep poverty rate that is smaller than official poverty statistics indicate.

➤ **Without social safety net programs, more Californians would live in poverty.**

The largest safety net programs—CalFresh (California's food stamp program), CalWORKs (cash assistance for families with children), General Assistance (GA), the federal Earned Income Tax Credit (EITC) and Child Tax Credit, Supplemental Security Income (SSI/SSP), federal housing subsidies, the Supplemental Nutrition Program for Women, Infants, and Children (WIC), and free or low-cost school meals—together kept an estimated 8.2% of Californians out of poverty in 2014. CalFresh and the federal EITC lowered the poverty rate most, by 2.2 percentage points each. SSI/SSP, CalWORKs, the Child Tax Credit, and housing subsidies lowered the rate by 1.0 to 1.3 points each. These differing effects reflect program scale and scope, as well as participation rates among eligible families. In some cases, program effects are not additive but overlapping.

➤ **Poverty rates and the effect of safety net programs vary by county and region.**

Los Angeles County had the highest poverty rate in California at 25.6% (2012–2014 average). Rates in Santa Barbara (25.4%) and Lake/Mendocino (combined, 23.9%) Counties were also among the highest. Placer and El Dorado Counties had the lowest rates at 13.2% and 13.9%, respectively. Safety net programs reduce poverty much more in inland parts of the state: if we subtract these resources from family budgets, 14.1% more people in the Central Valley and Sierra region would be poor, compared with 4.3% more in the Bay Area.

➤ **Minorities and less educated Californians have higher poverty rates.**

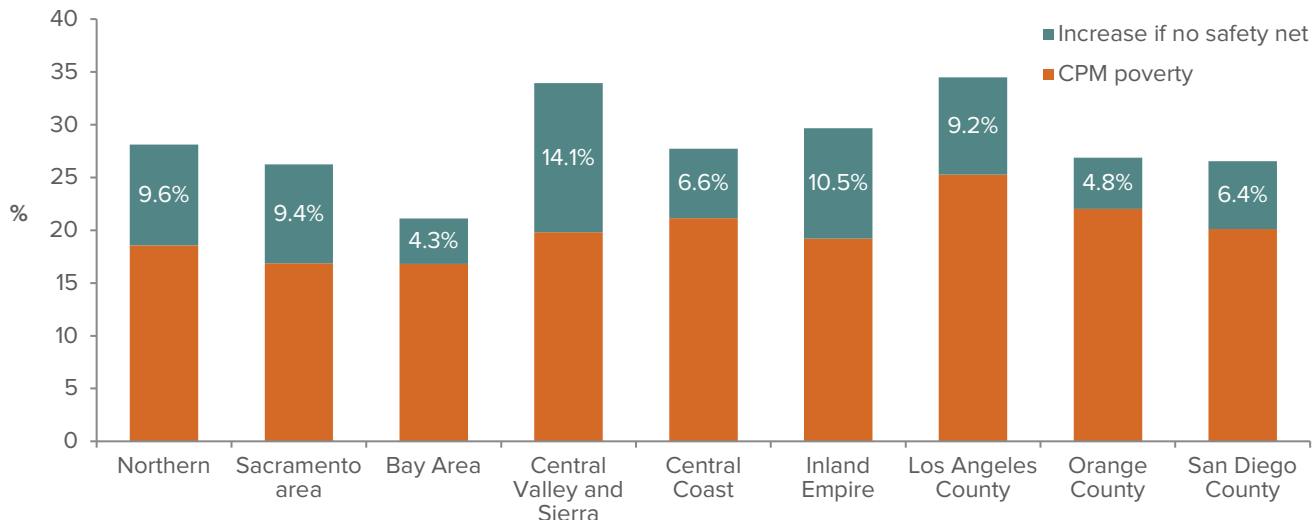
Latinos (28.8%) and African Americans (20.2%) had much higher poverty rates than whites (14.0%) in 2014. The poverty rate among Asian Americans (17.0%) fell in between. More education is associated with strikingly lower poverty rates: the rate for adults age 25–64 with college degrees was 8.6%, compared with 37.8% for those without high school diplomas.

➤ **Most poor families in California are working.**

In 2014, 78.9% of poor Californians lived in families with at least one working adult, excluding families made up only of adults age 65 and older. For 55.1% of those in poverty, at least one family member reported working full-time. For another quarter (23.7%), at least one adult was working part-time.



Poverty is high but would be even higher without the social safety net



Source: Estimates from the 2014 California Poverty Measure.

Note: "No safety net" bars show the estimated increment to the poverty rate if resources from safety net programs are not counted. Northern counties: Butte, Colusa, Del Norte, Glenn, Humboldt, Lake, Lassen, Mendocino, Modoc, Nevada, Plumas, Shasta, Sierra, Siskiyou, Tehama, and Trinity. Sacramento area counties: El Dorado, Placer, Sacramento, Sutter, Yolo, and Yuba. Bay Area counties: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Santa Cruz, Solano, and Sonoma. Central Sierra counties: Alpine, Amador, Calaveras, Fresno, Inyo, Kern, Kings, Madera, Mariposa, Merced, Mono, San Joaquin, Stanislaus, Tulare, and Tuolumne. Central Coast counties: Monterey, San Benito, San Luis Obispo, Santa Barbara, and Ventura Counties. Inland Empire counties: Imperial, Riverside, and San Bernardino.

Poverty rates vary widely across California's counties

County	Poverty rate (%)	County	Poverty rate (%)	County	Poverty rate (%)
Alameda	17.6	Madera	22.0	San Luis Obispo	18.1
Alpine, Amador, Calaveras, Inyo, Mariposa, Mono, Tuolumne	14.8	Marin	14.9	San Mateo	16.5
Butte	22.3	Merced	21.0	Santa Barbara	25.4
Colusa, Glenn, Tehama, Trinity	16.2	Monterey, San Benito	22.9	Santa Clara	16.9
Contra Costa	16.1	Napa	16.2	Santa Cruz	23.5
Del Norte, Lassen, Modoc, Plumas, Siskiyou	18.9	Nevada, Sierra	16.4	Shasta	16.8
El Dorado	13.9	Orange	21.5	Solano	16.8
Fresno	21.3	Placer	13.2	Sonoma	17.9
Humboldt	20.0	Riverside	19.7	Stanislaus	19.6
Imperial	17.2	Sacramento	18.5	Sutter, Yuba	16.3
Kern	19.5	San Bernardino	19.4	Tulare	23.7
Kings	18.9	San Diego	20.8	Ventura	19.3
Lake, Mendocino	23.9	San Francisco	21.9	Yolo	21.1
Los Angeles	25.6	San Joaquin	18.3		

Source: Estimates from the 2012–2014 CPM combined.

Note: For some counties, poverty rates cannot be calculated individually. Those counties are grouped. All estimates are subject to uncertainty due to sampling variability. The uncertainty is greater for less populous counties and county groups (because of smaller survey sample sizes). For more information, see our data page.

Sources: All estimates are based on the California Poverty Measure unless otherwise noted. Official poverty statistics are based on the American Community Survey. For more on the CPM, including methodological changes that affect the comparability with prior publications, see Bohn et al., *The California Poverty Measure* (PPIC, 2013) and Wimer et al., *CPM 2012: Poverty Rates and Safety Net Impacts across the State* (2015).

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