



PPIC

PUBLIC POLICY
INSTITUTE OF CALIFORNIA



REPORT · MAY 2025

Assets, Debts, and Wealth in California

Tess Thorman and Shannon McConville

Supported with funding from Blue Shield of California Foundation and the James Irvine Foundation

Table of Contents

Key Takeaways	3
Introduction	3
An Overview of Wealth in California	5
Assets: How Much Do Californians Own?	7
Debt: How Much Do Californians Owe?	16
How Is Wealth Distributed across California Households?	23
How Does California Policy Encourage Wealth-building?	28
Conclusion	31
References	32
Authors and Acknowledgments	39
PPIC Board of Directors	40

Key Takeaways

Household wealth—or the value of what you own minus what you owe—has the capacity to ensure near-term stability, allow investments in the future, and build long-term security for retirement. It is foundational to economic security and mobility. California households tend to have higher wealth levels than those in other states. At the same time, the state’s costs of living are also high, and access to the benefits of wealth is unevenly distributed. A common understanding of wealth in California is crucial to helping policymakers, practitioners, and other stakeholders envision strategies that support economic security and mobility for all Californians. Our analysis of assets and debts across California households finds:

- **Households in California typically have more wealth than those in other states**, despite holding more debt. Estimated median household net worth in California is \$288,000, compared to \$180,000 elsewhere. Although this difference reflects high home values in the state, Californians also tend to have more liquid assets than households in the rest of the US.
- **Variation across households is substantial, and those near the bottom of the distribution often have minimal wealth.** Those near the top of the wealth distribution (80th percentile; estimated \$1.3 million) have net worth over 100 times higher than those near the bottom (20th percentile; estimated \$12,000). Latino and Black/other households disproportionately have low wealth, as do those with lower levels of educational attainment. Wealth is higher among older households, who have had time to build assets and pay down debts.
- **Demographic groups hold different portfolios of assets . . .** Checking and savings accounts, retirement accounts, home equity, and vehicle equity are the most common assets, and become larger and more common with age and higher levels of education. Homeownership rates and equity are low among Latino households, driven largely by their younger age profile and lower education levels. In contrast, Black/other homeownership rates are low even after we account for factors like age, income, and education levels.
- **. . . and different types of debt.** Three in four households owe some money on unsecured debts (those without collateral), like credit cards, student loans, and/or medical bills. Older households are less likely than others to hold any unsecured debt, as are white, Asian, and immigrant households. Latino households are more likely to carry credit card debt and Black/other and Latino households are more likely to carry education-related debt than white and Asian households.

Introduction

Economic security and mobility depend not just on having enough income to cover immediate needs but also on having enough financial resources set aside to outweigh debt—that is, wealth. These resources are key to covering unexpected expenses and changes in income, and to investing in plans for the future such as education or starting a business. The concept of wealth encompasses everything from bank accounts, to home equity, to retirement accounts and other financial assets. It also takes into account debts—both those secured by a tangible asset, such as a house or vehicle, and those that are not, such as credit cards and student loans. While the term wealth may evoke the idea of considerable financial resources, it is a basic aspect of economic security for all families.

Wealth creation is of particular concern in California, where high costs of living, high poverty rates, and a shortage of housing all exacerbate the challenges of building up assets. But while Californians keenly feel

the barriers to building wealth, many have only a broad sense that the experience is shared, and relatively little research has explored this important component of economic well-being in the state.

The median household in California has more wealth than the median household in most other states. Yet this fact masks the reality that more than 40 percent of households lack the financial reserves to meet their basic needs for a few months if their income drops, as we show in this report. And even those with savings and incomes that place them firmly in the middle class find it increasingly difficult to afford home ownership in California—traditionally, a cornerstone of household wealth accumulation (LAO 2025; Baldassare et al. 2024). Moreover, about one in five households in California (21%) report being unable to afford monthly bills (Baldassare et al. 2024).

In California—as in the US—the gap between households with the most and least wealth is large, far exceeding that between those with high and low incomes. Low-wealth households also tend to have very few financial reserves in an absolute sense, meaning their net worth is close to zero. High levels of economic inequality are concerning for a number of reasons, including their negative impacts on the economy (Noel et al. 2019; Peterson and Mann 2020; Buckman et al. 2021; Bell et al. 2019; Benner and Pastor 2015), potential to reduce economic opportunity and mobility (Jacobs and Hipple 2018; Haroon and Harrison 2024), and erosion of support for and participation in democracy (Solt 2008; Gustavsson and Jordahl 2008; Pastor and Veronesi 2018). High levels of wealth inequality also often track racial/ethnic lines.

With these contexts in mind, this report provides basic facts about wealth and its distribution in California, using data from the Census Bureau’s Survey on Income and Program Participation (SIPP). First, we describe different types of assets—such as home equity, bank accounts, and retirement savings—and how the holding and amounts of these assets vary across different characteristics (e.g., age, education, and race/ethnicity). The second section focuses on the other side of the wealth equation—household debt, primarily unsecured debts like credit cards, student loans, and medical debt—and also examines demographic variation. We then take a deeper dive into the distribution of wealth, examining differences across wealthy, middle-class, and low-wealth households in California. Finally, we provide an overview of some of the ways that state and local policy is currently directly involved in helping more Californians benefit from the security and future-focused benefits of wealth, including homeownership support, small business incubators, and financial navigation services.

Overall, we aim to equip readers with a key set of numbers around the net financial reserves households have available, with the goal of establishing a shared understanding that can underpin policy discussions related to economic mobility and security in California.

Data sources

We rely primarily on the Survey of Income and Program Participation (SIPP) to examine wealth in California. Conducted by the US Census Bureau, the SIPP is a longitudinal survey that provides comprehensive information on the dynamics of income, employment, household composition, and government program participation. Though the survey is designed to be nationally representative, the Census Bureau uses the SIPP to report wealth statistics for states, and it is the leading source of information on economic well-being and wealth available at the state level. California's SIPP sample is routinely one of the survey's largest.

In this report, we use 2022 data—rather than 2023—because its larger sample size allows for a more detailed analysis of wealth holdings across different groups of Californians. The 2022 survey reports wealth holdings (assets and debts) and their value as of December 2021, which we adjust to 2023 dollars.

The SIPP oversamples people in low-income households to better capture information on safety net program use but does not oversample the very wealthy (a relatively small group). It also masks exact values for very high asset and income amounts to protect privacy, as is standard in household surveys. SIPP therefore likely underestimates wealth at the top of the distribution and may produce different estimates relative to other sources of wealth data (primarily the Federal Reserve Board's Survey on Consumer Finances).

Finally, although California's SIPP sample is relatively large (about 2,300 households), it is not large enough to allow full disaggregation by race/ethnicity, or immigrant history by race/ethnicity. We are able to discuss wealth only for Latino, white, Asian, and other race/ethnicity households (about two-thirds of whom are Black) in this report. These categories obscure the details of low levels of wealth among Black and Native American households, and the substantial diversity of experiences among Latino and Asian households. We discuss the limitations of our analysis in [Technical Appendix A](#), and Table A1 provides sample sizes and basic demographic characteristics.

An Overview of Wealth in California

Wealth, or net worth (we use the two interchangeably in this report), refers to what you own minus what you owe. It describes the net resources that households have in reserve at one point in time, and differs in important ways from income, which describes the flow of resources over a period of time, most often from employment or Social Security benefits (Aladangady et al. 2023a).

Measures of wealth gauge assets or debts at fixed values despite the fact that they are usually changing, whether fluctuating (as with stocks) or changing steadily over the long term (as with home values and mortgage amounts). Meanwhile, income can be a fixed number for a period of time (often a year) but is a flow of resources that may be saved or spent. Income, rather than wealth, is typically the resource that households draw on to pay for costs of living like housing, food, and utilities. Income is also how we determine if a person is experiencing poverty and cannot afford basic needs; a similar threshold of adequacy has not been determined for wealth.

One result of these differences is that although households with higher net worths generally have higher annual incomes, and vice versa, one does not guarantee the other. Further, households with low net worth in California typically have lower net worth than annual income. Meanwhile, high net worth households

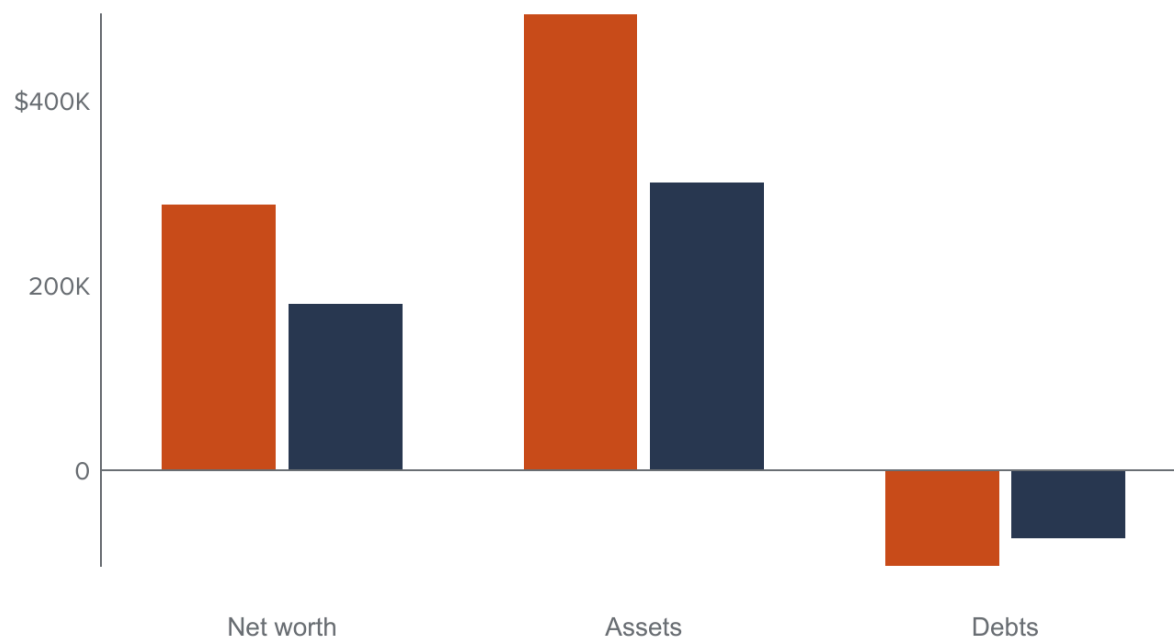
typically have 12 times as much net worth as income, according to our estimates (Technical Appendix Figure B1). In other words, the ratio of income to wealth is not constant from low- to high-wealth households.

In California, the median household has a net worth of about \$288,000, meaning half of California households have less than that and half have more. This is about 60 percent higher than households in the rest of the nation (\$180,000), reflecting Californians' typically higher-value assets (Figure 1). At the median, California household assets are \$494,000, compared to a median of \$311,000 in all other states (this comparison is only among households that have positive assets, as nearly all do). Three in four households also hold some debt, which is an estimated \$103,000 in California and \$74,000 in other states (among households with any debts). About 7 percent of households in California have negative net worth, meaning their debts outweigh their assets.

Figure 1
Californians have higher net worth compared to households in other states

Median dollar amounts

California Rest of US



SOURCE: Authors' analysis of 2022 Survey on Income and Program Participation.

NOTES: "Rest of US" describes households in states other than California. Debts are both secured (backed by collateral) and unsecured; net worth describes total assets minus total debts. Median net worth calculated among all households; median assets and debts calculated only for households that have some assets or debts. This means median net worth values do not equate to subtraction of assets and debts at the aggregate level. Values not adjusted by household size; see Technical Appendix A for further discussion.

Notably, although California households typically have higher net worth than those in other states, this difference is heavily reflective of home values and does not necessarily translate into quickly accessible savings. Still, Californians typically have \$20,200 available in liquid assets, compared to \$11,600 in the rest of the US.¹

Measuring California’s racial/ethnic wealth gaps

California and the nation have large gaps in wealth across racial/ethnic groups, as the [Federal Reserve](#), [Census Bureau](#), and others have documented: wealth is much higher for white and Asian households than Black, Latino, and Native American households. The Black-white wealth gap is well-known, and evidence on the gap for Latinos is growing, but because of data limitations, gaps between white households and groups with smaller populations (including Asian populations from diverse geographic backgrounds) are less quantified. In this report, we use the most complete state data available on wealth, but produce combined estimates for Black, Native American, Native Hawaiian/Pacific Islander, and other households because of the small number of people sampled from these groups.

Research examining the persistence of racial/ethnic wealth gaps in the US shows that these gaps reflect many factors, including not just differences in individual circumstances but a history of policies and practices that affected different demographic groups’ opportunities to build wealth (e.g., Mann and Chaganti (2023) and Killewald et al. (2017)). Nationally, gaps between white households and Black, Latino, and other race households have shrunk slightly in recent years (Aladangady et al. 2023b), but the Black-white gap, in particular, is not on track to close based on current trajectories of employment, income, and wealth (Derenoncourt et al. 2022).

Given these facts, policy may be key to reducing racial/ethnic wealth gaps. However, measuring effects of potential efforts in California would be hard with current data—a concern raised by California’s [Reparations Task Force](#) (2023). Better detail on wealth of California’s diverse racial/ethnic groups could come from a state-specific survey, such as one planned in Massachusetts by the [Boston Federal Reserve](#); oversampling households from smaller population groups would likely be required to produce more precise estimates.

Assets: How Much Do Californians Own?

Nearly all California households (95%) hold assets in the form of checking and/or savings accounts, similar to the rest of the US.² Other common asset types include home equity, retirement savings, and vehicle equity (Figure 2); at least half of California households have these types of assets. Here, we discuss the full values of assets in retirement, checking and savings, and other financial accounts; for assets that are often still being paid off, like real estate and vehicles, we present equity, or the estimated total value minus money still owed.

Homeownership is less common in California than the rest of the nation, reflecting the state’s high housing costs (Shoag et al. 2023). Just half of California households own their primary residence, compared with 63

1. “Liquid assets” includes checking and savings accounts as well as financial investments.

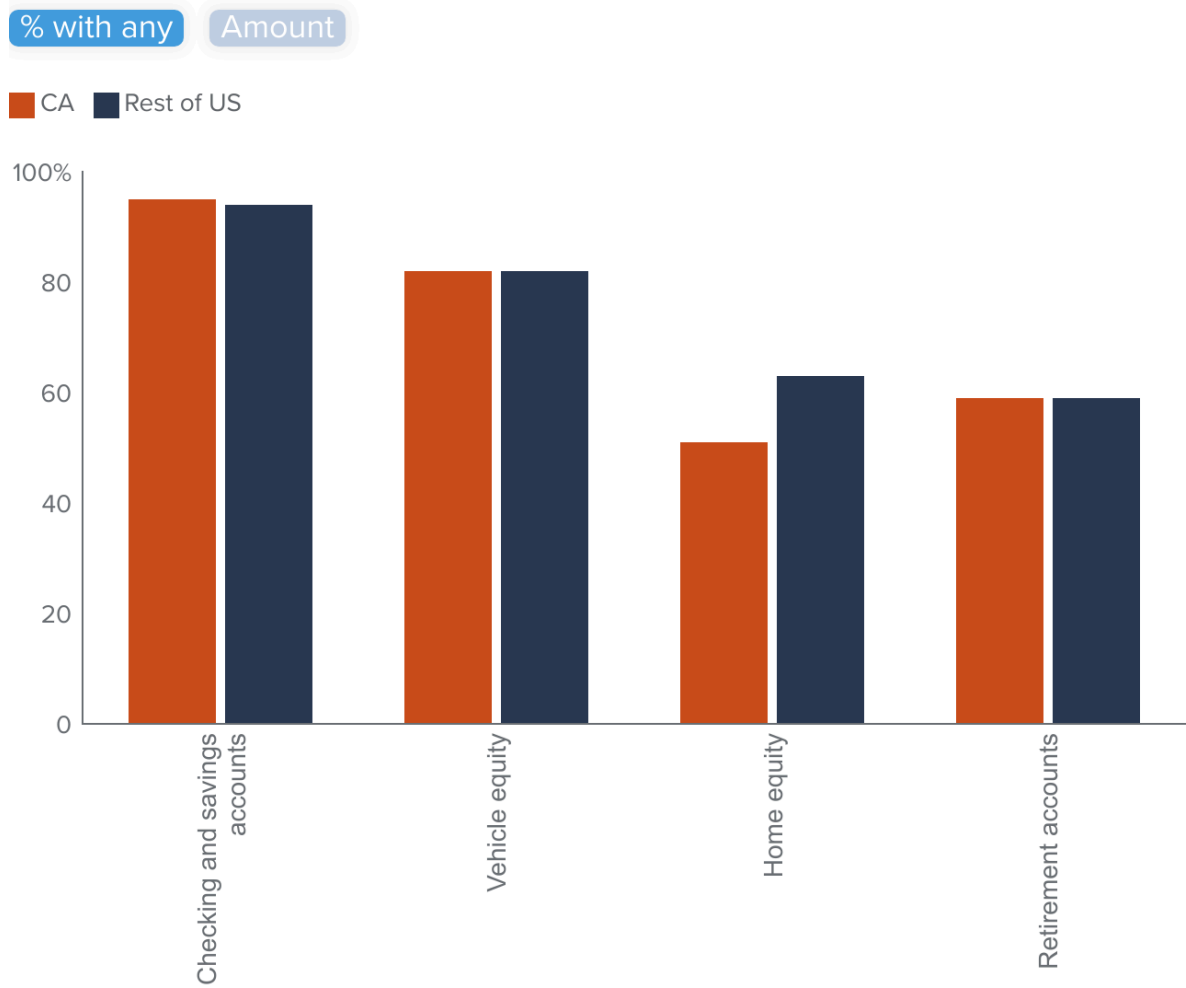
2. Those without these types of accounts are typically “unbanked,” and not just collecting any savings outside of banks, but often paying a premium to complete basic transactions. This is much more common among households with little wealth, including Latino and Black/other race households, those without four-year degrees, and those who are younger (see Technical Appendix Tables B2, B3, and B4).

percent in other states. Consistent with both high housing prices and higher asset values overall, home equity amounts for California households are almost three times more than in other states (we estimate \$485,000 vs. \$178,000), and home equity typically makes up a larger share of net worth in California than it does elsewhere (56% vs. 44%). It is less common for California homeowners to own their homes free and clear (32%) than it is for homeowners in other states (41%).

Bank account amounts tend to be higher in California than in the rest of the country, while retirement accounts look roughly similar. A large share of households own their vehicles outright (64%), similar to in other states (60%).

Figure 2

Lower shares of Californians have home equity, but those that do have higher amounts than in other states



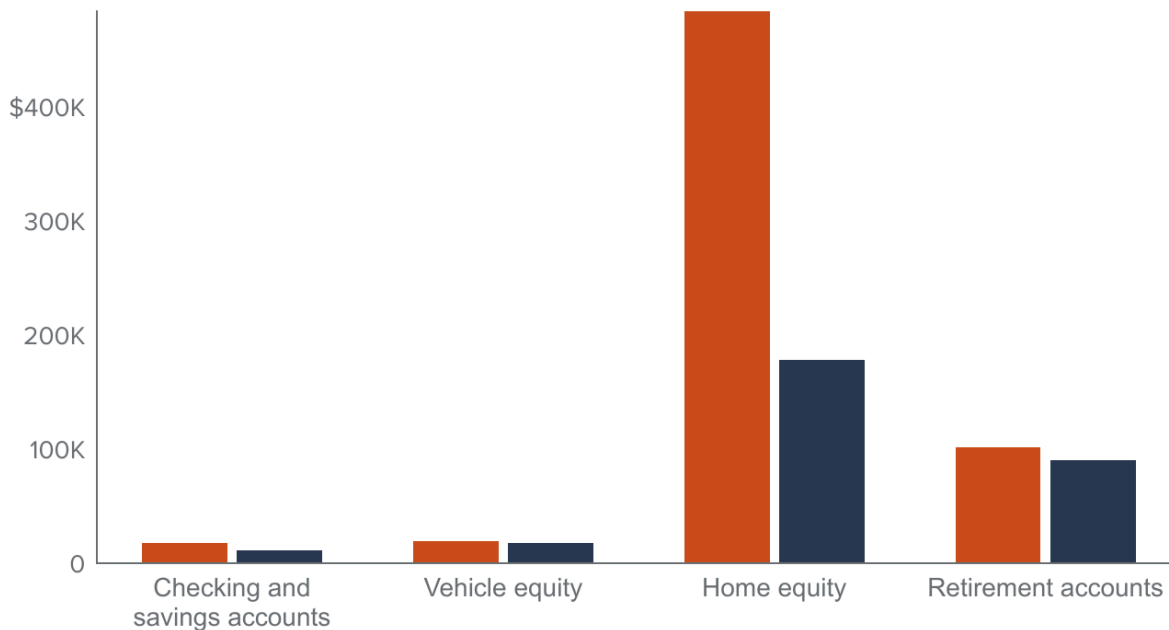
SOURCE: Authors' analysis of 2022 Survey on Income and Program Participation.

NOTES: "Equity" describes the estimated value of an asset minus outstanding debt owed; some households have negative equity in homes or vehicles. Median amounts shown among households with any assets in source. For rates of asset ownership, differences are statistically significant for home equity at the 5% level, and for checking and savings accounts at the 10% level. For asset amounts, differences are statistically significant for all but retirement accounts (at the 5% level).

Lower shares of Californians have home equity, but those that do have higher amounts than in other states

% with any Amount

CA Rest of US



SOURCE: Authors' analysis of 2022 Survey on Income and Program Participation.

NOTES: "Equity" describes the estimated value of an asset minus outstanding debt owed; some households have negative equity in homes or vehicles. Median amounts shown among households with any assets in source. For rates of asset ownership, differences are statistically significant for home equity at the 5% level, and for checking and savings accounts at the 10% level. For asset amounts, differences are statistically significant for all but retirement accounts (at the 5% level).

Other types of assets are less common in both California and the rest of the US. A third or less of California households have financial investments like stocks, bonds, and mutual funds (33%), business equity (16%), or rental properties (10%) (see Technical Appendix Table B1). Each of these asset types is more common in California than the rest of the country, and as with major assets, values tend to be higher. (When comparing to individual states, rather than the rest of the nation as a whole, California ranks lower than at least a handful of states in certain asset values and median net worth.)³

How do Californians build up assets? Moving beyond simple savings is key. The vast majority of wealth-building happens passively, primarily as those with assets held in small businesses, retirement accounts, financial investments, and homes see their value increase (Mann and Chaganti 2023).

Employment. Earned income is foundational to seeding assets, but high costs of living in California can make saving a challenge even for those with higher earnings. Starting a business is another route for work to set a base for wealth-building and is particularly common among women and Black and immigrant

3. Census researchers estimate that California does not rank in the top five states for median net worth (with or without home equity) or retirement accounts balances.

families (Klein 2021). Entrepreneurs in California tend to be wealthier than employees (Headd 2021; Cuellar Mejia 2024).⁴

Retirement accounts. Even at lower earnings levels, workers have access to tax-advantaged saving for retirement. Employers may offer and/or fund employee-managed retirement accounts or manage employee pension funds, and workers can establish after-tax accounts. Workers may also qualify for income from social security in retirement, depending on their work histories. When measuring wealth, it is important to keep in mind that only individually managed accounts are typically considered personal assets; in contrast, pensions and social security are recorded as income when received.⁵

Homeownership. Middle-class California households often build the lion's share of their wealth through homeownership. However, the additional costs associated with owning a home, such as property taxes and insurance, exacerbate the financial challenges of homeownership for many, and homeowners are more likely in California than elsewhere to spend more than half their income on housing (Johnson and McGhee 2024). Returns to homeownership are lower for those with low incomes; they are also lower for Latino and Black families, but particularly for Black families (Killewald and Bryan 2016).⁶ High housing costs, a supply shortage, and disparate access to credit mean that this pathway to wealth is not broadly shared (Shoag et al. 2023; Fulford et al. 2022).

Other. Financial investments in particular have outweighed savings as a means of growing wealth for all generations since WWII (Bauluz and Meyer 2021) and contribute especially to the growth of wealth among those with the highest net worth, whose assets extend well beyond homeownership (Kuhn et al. 2020).

Family transfers also build wealth passively, through direct gifts and indirect support (Adermon et al. 2018; Benetton et al. 2022; Boar 2020). One result of this type of wealth-building is that adults typically have wealth levels highly correlated with those of their parents and grandparents (Pfeffer and Killewald 2018).⁷ At the same time, intergenerational transfers, whether through inheritance or gifts, explain a small portion of wealth gaps across racial/ethnic groups (Sabelhaus & Thompson 2024).

4. Business equity itself is concentrated at the top of the wealth distribution (Smith et al. 2023).

5. Research finds that the gap between high- and low-wealth households would be smaller—but still growing—if we accounted for pensions and social security (Jacobs et al. 2022). Looking at household wealth to understand retirement preparedness thus understates readiness among those more likely to have pensions because they work in the public sector where these are more prevalent (in California, disproportionately women and African Americans; Rhee 2023) or to rely heavily on social security (disproportionately those with lower incomes; Dushi et al. 2017).

6. The lower returns to homeownership for Black and Latino families reflects their over-representation among low-income households. Homes in predominantly Black neighborhoods are also routinely devalued through lower appraisal values, and were historically devalued through redlining, the siting of environmental hazards, and urban renewal (Perry et al. 2018; Reynolds et al. 2021; Rothstein 2017; Freddie Mac 2021). Lower returns for low-income households arise from several factors. Homeownership builds wealth over the long term, but families gain most if they sell when the market is good (Schuetz 2020). This means that low-income families may miss out because they are more likely to experience income fluctuations and may therefore miss payments or sell to access savings in the near term (Bayer et al. 2016; Wainer and Zabel 2020).

7. Although inheritances are a common example of family transfers, most people do not receive them, and those that do, on average, see that transfer in their 50s (Van Dam 2023). Nationally, a substantial portion of wealthy households do not rely on generational wealth (Halvorsen et al. 2024). Still, inheritances are unequally distributed: white adults are more than twice as likely as others to have ever received an inheritance, as are those in the top 10 percent of the income distribution compared to those in the bottom 50 percent (Van Dam 2023).

Asset Portfolios Vary across Key Groups

In this section, we present differences in asset holdings and value, with a focus on homeownership and retirement savings. We examine several demographic dimensions: age, because the growth and role of wealth varies through the life cycle; educational attainment, because the returns to higher education are so high in California; and race/ethnicity, because nationally, racial wealth gaps are well-documented and in part reflect past policies and practices that helped white families build wealth and prevented other racial/ethnic groups from doing so (Killewald et al. 2017; Mann and Chaganti 2023; CA DOJ 2023). We also briefly discuss nativity and gender, both salient characteristics in net worth variation.

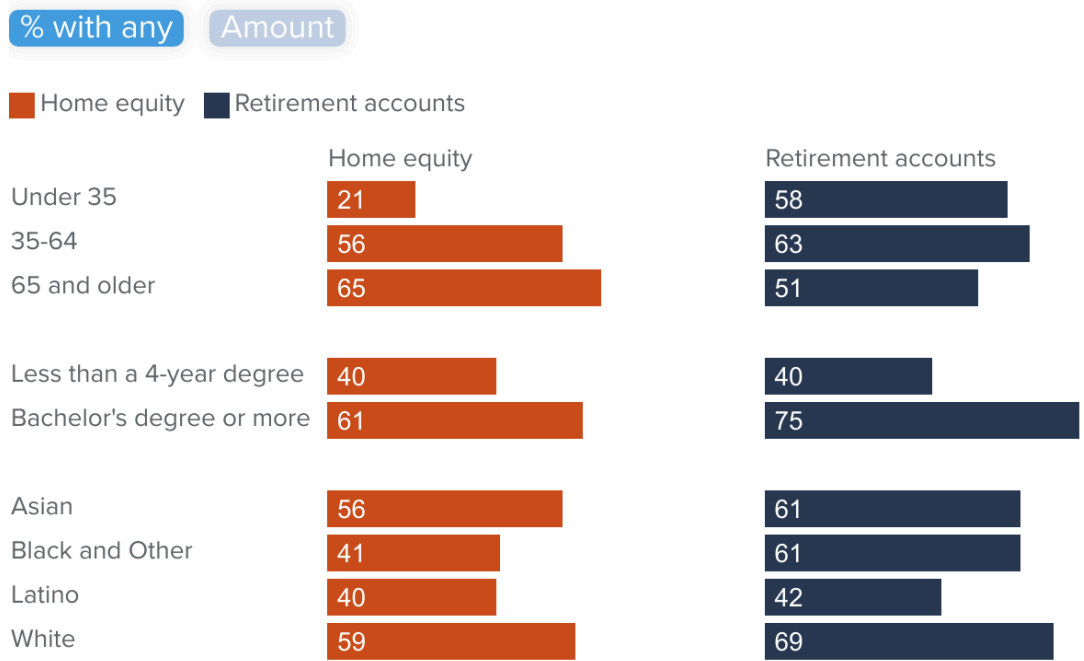
Age. Asset portfolios vary by age, because wealth tends to grow over the course of a lifetime. In theory, people gain assets and see returns on investments over time and then spend down those assets when they retire (Edwards 2022).

Homeownership in particular becomes more likely with age, though the average age of purchasing a first home is substantially higher in California—49 years old—compared to the rest of the US—about 35 years old (Shoag et al. 2023). California households where the head is 65 or older are substantially more likely to have home equity (65%; Figure 3) than younger households (56% or less). They also have higher home equity amounts (\$578,000 vs. \$467,000 or less).

Other assets tend to be most common among middle-aged households (ages 35–64). Households in this group are more likely than older households to have private retirement accounts (63% vs. 51%)—although households with heads age 65 and up have more money in those accounts. Middle-aged households are also more likely than older households to hold other financial investments, and more likely than both younger and older households to own vehicles, businesses, and real estate (Technical Appendix Table B3).

Figure 3

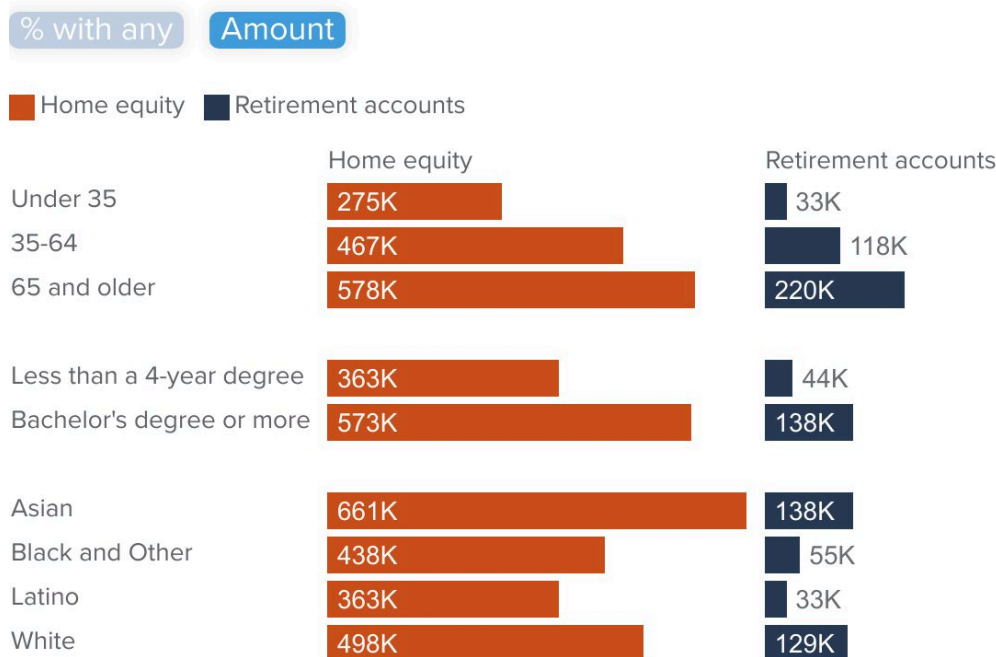
Home equity and retirement savings are more common – and worth more – among some groups



SOURCE: Authors' analysis of 2022 Survey on Income and Program Participation.

NOTES: Median amounts shown among California households with any assets of that type. Differences in asset holding rates are statistically significant for retirement accounts across educational attainment, between middle-aged and older households, and across race/ethnicity with the exception of between Black/other and Asian households; for home equity they are significant across age and educational attainment, and between white and Asian households as compared to Black/other and Latino households. Differences are statistically significant for retirement account amounts across education, for households headed by adults 65 and older compared to other age groups, and for white households compared to all other racial/ethnic groups. Differences are statistically significant for home equity amounts across education, age group, and between white and Black and Latino households.

Home equity and retirement savings are more common – and worth more – among some groups



SOURCE: Authors' analysis of 2022 Survey on Income and Program Participation.

NOTES: Median amounts shown among California households with any assets of that type. Differences in asset holding rates are statistically significant for retirement accounts across educational attainment, between middle-aged and older households, and across race/ethnicity with the exception of between Black/other and Asian households; for home equity they are significant across age and educational attainment, and between white and Asian households as compared to Black/other and Latino households. Differences are statistically significant for retirement account amounts across education, for households headed by adults 65 and older compared to other age groups, and for white households compared to all other racial/ethnic groups. Differences are statistically significant for home equity amounts across education, age group, and between white and Black and Latino households.

Educational attainment. Four-year degree holders earn higher incomes and are more likely to have jobs with benefits such as employer-sponsored retirement accounts (Cuellar Mejia et al. 2025). Consistent with the high value of a college degree in California, households with higher levels of educational attainment have more and higher-value assets across the board. Six in ten (61%) households in which someone holds a four-year degree own their homes, compared to 40 percent of households in which no one does (Technical Appendix Table B4). Three in four (75%) with a four-year degree holder have retirement accounts, compared to 40 percent of those without, and these accounts are typically more than three times as large for degree-holders (\$138,000 vs. \$44,000).

Ownership of other assets is also disparate (Technical Appendix Table B4). For example, nearly half (48%) of more highly educated households have financial investments, worth \$68,000 at the median, compared to 16% of households without a four-year degree holder (\$13,000). Households with lower educational attainment are also much more likely to be unbanked: about 9 percent have no checking or savings account, compared to 1 percent among those with a degree-holder. Notably, the state's wide racial wealth

gap is fed in part by uneven access to and completion of four-year degrees by race/ethnic group (Hutchful 2018).⁸

Race/ethnicity. White and Asian households are most likely to have most types of assets and for them to be valued higher, mirroring the state's income gaps (Thorman and Payares-Montoya 2025). This variation reflects a combination of policy history, current disparities, and for Latinos, demography. California's Latino population is on average younger than other demographic groups, and thus less likely to have saved enough to buy homes or have substantial investments (Johnson et al. 2024; Technical Appendix Table A1).

More than half of white and Asian households own homes (59% and 56%), and typically have \$498,000 and \$661,000 in equity, respectively. Black/other and Latino households own homes at lower rates (41% and 40%), and have less in equity compared to white and Asian households (\$438,000 and \$363,000).⁹ Retirement accounts are typically worth twice as much among white and Asian households as among Latino and Black/other households (\$130,000 or more, compared to less than \$60,000). However, white households are most likely to have retirement accounts (69%), with Asian and Black/other households in the middle (61%), and Latino households least likely (42%).

Asset ownership in other categories follows similarly disparate patterns (Technical Appendix Table B2). Latino and Black/other households are much more likely to be unbanked (9% and 8%, respectively, have no money in a checking or savings account) than white or Asian households (2% and 3%). Further, only 15 percent of Latino households have financial investments outside of retirement accounts, compared to 33 percent of Black/other, 41 percent of white, and 45 percent of Asian households. Disparate financial investments in particular contribute to racial/ethnic wealth gaps, since they generate high returns.¹⁰

Nativity. Foreign-born households in California (those with a head of household who immigrated to the US) are less likely than US-born households to have home equity (44% vs. 54%), retirement accounts (46% vs. 65%), and financial investments (26% vs. 36%); they are similarly likely to have business equity (26% and 28%; Technical Appendix Table B5).

Our data does not allow us to explore asset and debt portfolios among California immigrant households from different countries even though these differences are important.¹¹ For example, the state's agricultural sector has long relied on Mexican and Central American laborers to formally or informally work at low

8. The returns to getting a four-year degree also differ by group. Black and Latino workers with bachelor's or advanced degrees earn less than white and Asian workers with the same level of education, reflecting varying combinations of labor market discrimination, institution attended, major chosen, and occupation (Cuellar Mejia et al. 2025).

9. Median home equity for Black/other and Latino homeowners falls below that of white and Asian homeowners, but differences are not statistically significant between Black/other and Latino households. This means that although we estimate that median home equity among Black/other homeowners is nearly \$80,000 lower than among for Latino homeowners, the two groups may in reality have similar levels of home equity. Larger samples of Black/other households in California could shed light on whether there is in fact a gap in home equity between these groups.

10. Nationally, this disparity plays a major role in the Black-white racial wealth gap (Lin and Dominguez 2023; Perry et al. 2024; Welburn et al. 2022). In part, it reflects racial income gaps, which create differential abilities to save income to buy assets. One study finds that disparate financial investment reflects the higher risk of unemployment that Black households face, which necessitates investing in lower risk assets—that in turn generate lower returns (Derenoncourt et al. 2024). Note also that we refer here and at multiple other points in the paper only to drivers of the Black-white racial wealth gap because this is the gap explored most by national studies of racial wealth gaps.

11. A study of wealth in Los Angeles County, for example, found large differences in household wealth between immigrant households by national origin (De La Cruz Viesca et al. 2016).

wages, while many recently arrived immigrant workers are highly educated, and coming to California from Asia to work high-paying jobs.¹² The estimates of asset holdings by nativity presented above combine immigrant households with both high and low wealth levels.

Gender. Households headed by women (50%, in California) are as likely as those headed by men to have most types of assets—with the exception of financial investments outside retirement accounts (29% of women vs. 37% of men)—but tend to have less net worth (\$255,000 vs. \$339,000). Retirement account values in particular are lower for woman-headed households (\$77,000 vs. \$122,000; Technical Appendix Table B8). Wealth differences by gender are intertwined with differences by household composition; for example, woman-headed households are more likely than those headed by men to consist of one adult with children or simply one older adult. When we hold age, race/ethnicity, nativity, education and marital status constant, we do not find significant differences for households headed by women (Technical Appendix Table C2).

Debt: How Much Do Californians Owe?

Debt plays a multidimensional role in wealth-building. Borrowing can be key to building long-term wealth through homeownership, starting a business, or acquiring education—all often known as “good debt” (Mann and Chaganti 2023; McKay et al. 2022).¹³ Yet families also take on debt because they are unable to afford the cost of something upfront—medical care, a large purchase, a vehicle, a sudden expense—and end up paying substantially more than the cost of the item in the long run because of interest—also known as “bad debt.”¹⁴ Bad debt not only reduces wealth in the near term, it can also reduce capacity to save for the long term and impact job choices (Rutledge et al. 2018 and 2016). But it is sometimes unavoidable.

In this section, we focus on so-called “unsecured debt”—that is, debt that is unattached to a tangible asset that has value, like a house or vehicle—because secured debt is incorporated into the value of the assets described above as equity. Some unsecured debt can be considered good or necessary—e.g., student loans and medical debt; while other types can be considered bad—e.g., credit card balances, payday loans, or past-due fines and fees. Ideally, we would explore debt in the same level of detail that we do assets. However, too few households hold specific types of debt and as a result we are not able to examine debt amounts by type across groups; instead, we focus on how common it is to have certain types of debt.

Three in four households in California and the rest of the US hold some form of debt, but only about half owe money on unsecured debts (Figure 4). California households are slightly less likely than those in other states to hold any type of unsecured debt (50% vs. 53%).

Credit card debt is the most common type of unsecured debt for households in California and in other states: 41 percent owe money on a credit card or to a retail store (\$6,000 at the median in California, similar

12. Nationally, immigrant households headed by Latinos have median wealth levels more than six times lower than non-Latino immigrant households (Moslimani 2023).

13. For households with high net worth, borrowing can also be a way to ensure income without spending down assets (Smith and Russell 2023).

14. For example, we estimate that about 8 percent of households in California that are paying off vehicles actually owe more on the vehicle than it is worth.

to in other states). Student loan debt is less common among households (17% in both California and elsewhere) but runs much higher in dollar value (around \$25,000).

Undergraduate students in California are substantially less likely to take on student loans than those in the rest of the US (23% vs. 39%; Zhou 2024), and it may be that California households with education-related debt owe less in outstanding loans than households in the rest of the country (our data does not allow for a precise estimate).¹⁵

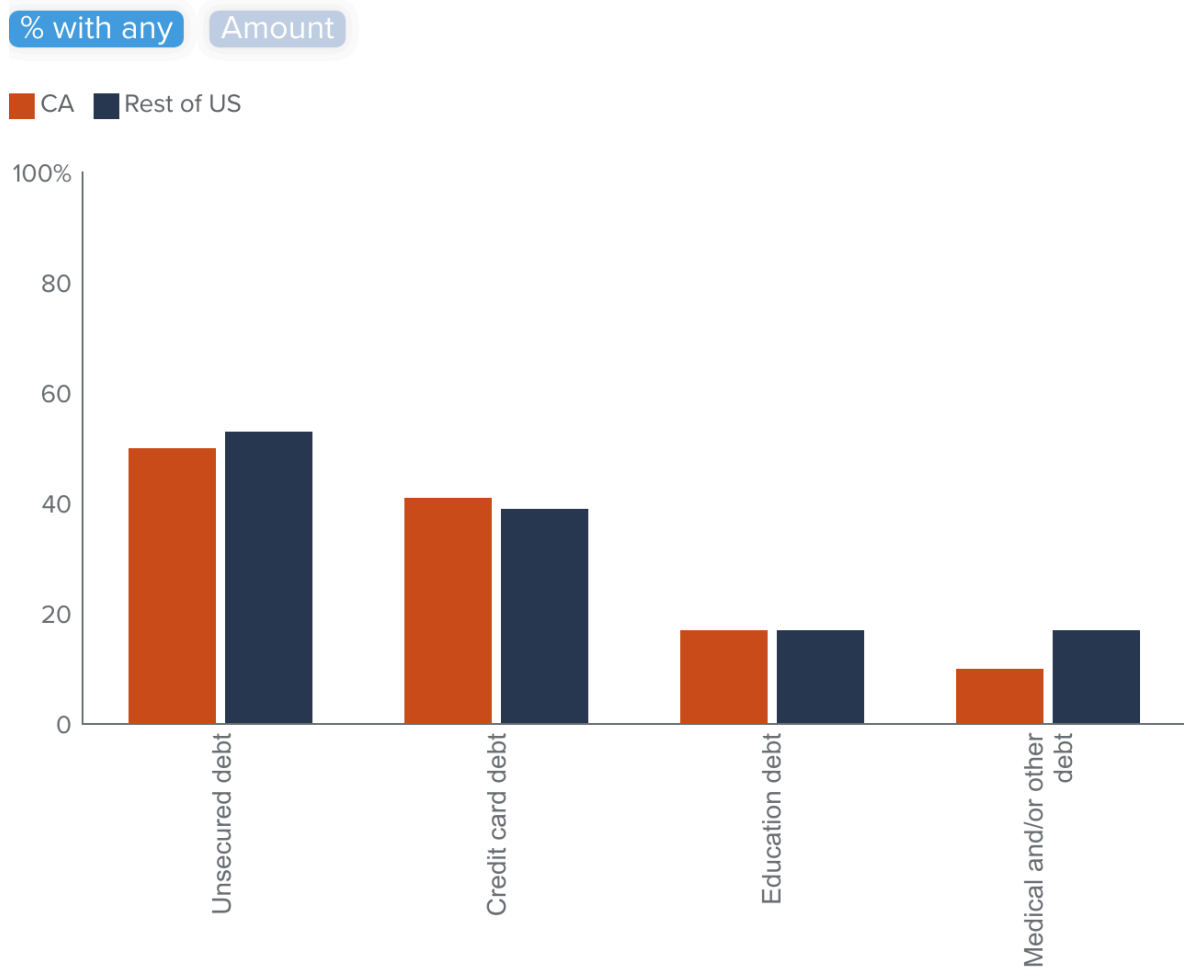
Medical and other unsecured debt is much less common in California than elsewhere (10% vs. 17%). “Other debt” is a broad umbrella that can include things like fines, fees, and payday loans. That California households are less likely than those in other states to hold these debts likely reflects the state’s embrace of Medicaid expansion under the Affordable Care Act, which has been linked to several improvements to financial well-being including lower debt, fewer bankruptcies, and better credit scores (Guth et al. 2020). Still, about one in ten California adults report struggling to afford the costs of medical care for themselves or their family in the past 12 months.¹⁶

15. California spends more per higher education student (about \$14,650 in 2023) than most other large states (e.g., Florida at \$10,250 and Texas at \$9,900); in addition, many low-income and middle-class students in California are eligible for state-funded financial aid programs that help reduce student loans (Cook, Jackson, and Ugo 2024).

16. The share who owe money for past medical bills is likely higher in both California and the nation than is shown here, since individuals often pay medical bills using credit cards and then carry the debt through that venue instead (Karpman et al. 2023). California Health Interview Survey data show that in 2023, nearly half of those who reported having difficulty paying for medical care in the last 12 months paid for those services using a credit card.

Figure 4

Credit card debt is common, but student loans are typically the largest unsecured debts



SOURCE: Authors' analysis of 2022 Survey on Income and Program Participation.

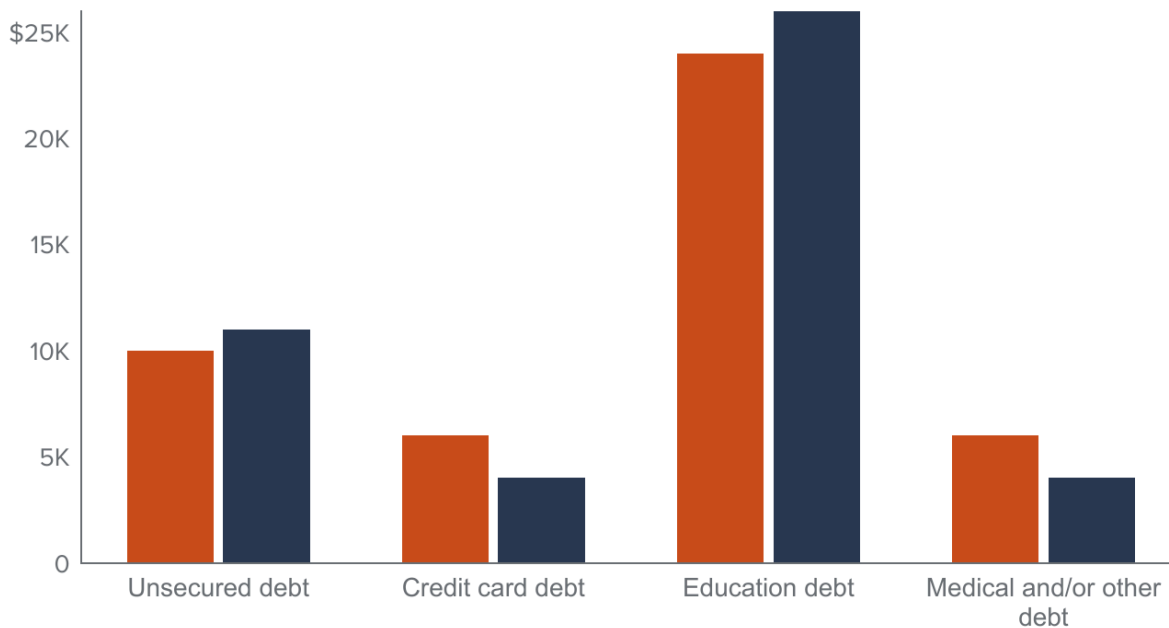
NOTES: Median amounts shown among households with any debt from source. Credit card debt includes retail (store) debt. Differences in debt holding are statistically significant only for medical/other debt. Differences in debt amounts are statistically significant for total unsecured debt and medical/other debt (at the 5% level), and significant for credit card debt at the 10% level.

Credit card debt is common, but student loans are typically the largest unsecured debts

% with any

Amount

CA Other states



SOURCE: Authors' analysis of 2022 Survey on Income and Program Participation.

NOTES: Median amounts shown among households with any debt from source. Credit card debt includes retail (store) debt. Differences in debt holding are statistically significant only for medical/other debt. Differences in debt amounts are statistically significant for total unsecured debt and medical/other debt (at the 5% level), and significant for credit card debt at the 10% level.

Type of Debt Varies across Households

Debts, like assets, tend to shift over the course of life in ways that reflect family resources, changing income, career trajectories, and life events.¹⁷ In this section, we look at debt across some key demographic groups: age, education, race/ethnicity, nativity, and gender.

Age. Overall, households headed by adults over 65 have considerably less debt of any kind, which likely reflects the longer time horizon they have had to pay down their debts and build up savings. In total, one in three older households (33%) has some unsecured debt, compared to 55 percent of middle-aged and 60 percent of younger households (Figure 5). Education debt in particular is much lower among older

17. Patterns in debt holdings by age are consistent with a life cycle theory of consumption used by economists to describe people's overall saving and spending habits over the life span. Typically, income flows are lower when people are young and have less labor market experience or may be in school. During middle age, income tends to increase and peak, and then as people move into retirement income falls. If household consumption matched income patterns over time, then people's spending patterns should also follow this type of pattern. However, most people prefer a smoother consumption pattern over their lives, which requires more borrowing in the younger years, more saving and paying down debt in middle age, and then relying on savings and other asset holdings in retirement (Wolla 2014).

households: 4 percent of older households and 17 percent of middle-aged households have some student loans, compared to 31 percent of those under 35. Credit card debt is also less common for older households than others (29% vs. 45%). Medical/other debt may also be less common (6% of older vs. 12% of middle-aged and younger households; Technical Appendix Table B3), and older households are less likely to report having trouble paying medical bills (6% vs. 11%; Technical Appendix Figure B2).

Educational attainment. Unsurprisingly, households in which someone holds a four-year degree are much more likely than others to have student loan debt (23% vs. 10%), and their debt in this area is substantially larger (\$35,000 vs. \$13,000). There do not seem to be differences in having credit card debt or medical/other debt based on whether any household members have a four-year college degree or not. However, California households without four-year degrees are more likely to report difficulty paying for healthcare (12% vs. 7%), and if they have problems paying medical bills, to be unable to meet other basic needs because of the cost of medical expenses (38% vs. 28%; Technical Appendix Figure B2).

Race/ethnicity. Latino households are much more likely than are white and Asian households to report having unsecured debt (59% vs. about 45%), particularly from credit cards and retail stores (50% vs. about 35%); Black/other households fall in between.¹⁸ These differences likely reflect lower income and asset levels for both Latino and Black/other households. But even accounting for differences in income and other characteristics, Latino households are more likely than others to hold credit card debt, and Black and other households are more likely to have unsecured debt, particularly from education (Technical Appendix Table C1). About one in five Black/other (22%) and Latino (19%) households have outstanding student loans, compared to 16% of Asian and 13% of white households.

Medical and other debt may also play a bigger role for Latino and Black/other families, who are more likely to report difficulty paying medical bills (13% and 12%, respectively, compared to 9% and 6% among white and Asian families). Further, about 40 percent of these families reported being unable to afford other basic needs due to medical debt, compared to 28 percent of white and 33 percent of Asian families in similar situations (Technical Appendix Figure B2).

Nativity. Immigrant households are slightly less likely to hold unsecured debt (47% vs. 52% of US-born households; Technical Appendix Table B5). This is the case even accounting for other differences in circumstances (see [Technical Appendix C](#) for details). Across types of unsecured debt, only student loan debt varies by nativity; 13 percent of immigrant households hold student loan debt, compared to 19 percent of US-born households.

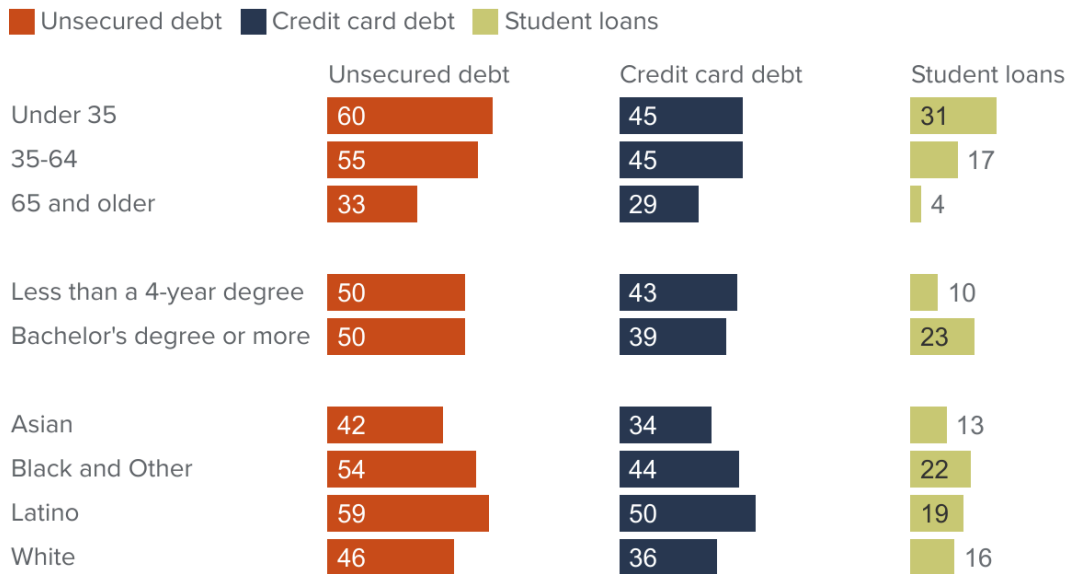
Gender. Households headed by men and women are equally likely to hold different types of unsecured debts and have comparable values (Technical Appendix Table B8).

18. Nationally, Black and Latino credit card-holders are more likely to report credit card debt because they are substantially less likely to have paid off the full balance on credit cards each month—creating revolving debt (Fulford et al. 2022).

Figure 5

Major sources of unsecured debt vary across demographic groups

% with any



SOURCE: Authors' analysis of 2022 Survey on Income and Program Participation.

NOTES: Differences in debt holding any unsecured debt are statistically significant for households 65 and older compared to younger households, and for Latino households compared to white households; in holding any student loans they are statistically significant across age groups, education, and for Latino and Black/other households compared to white and Asian households at the 10% level; in holding credit card debt they are significant statistically significant for households 65 and older compared to younger households, and for Latino compared to white and Asian households. Of the Black/other households, 69 percent are Black.

How many families have an emergency fund?

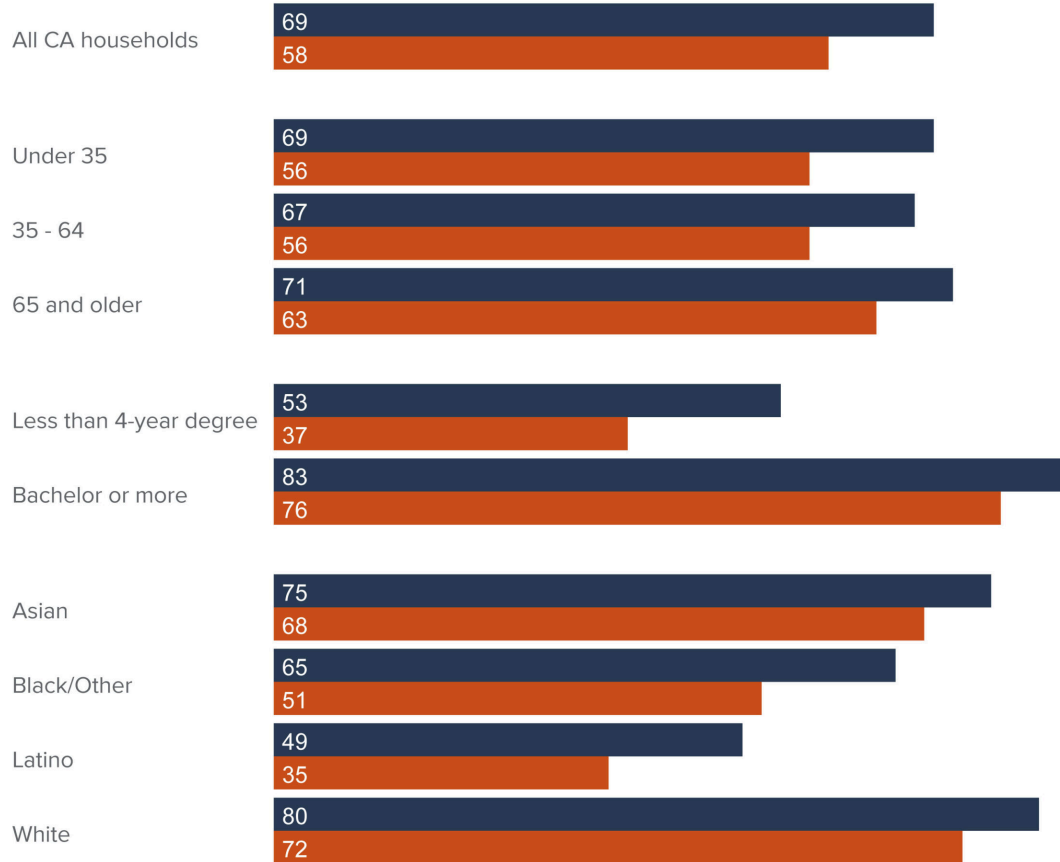
One of the key benefits of wealth is as a buffer against material hardship when there are sudden expenses or life changes (Rodems and Pfeffer 2021). This buffer—or emergency fund—can cover household expenses for a certain amount of time. For example, one study found that the probability of experiencing material hardship declined substantially after having one month of income saved (Sabat and Gallagher 2020).

To explore this version of wealth, we used the California Poverty Measure to examine whether families had enough cash or cash equivalent (e.g., stocks and mutual funds) to cover their basic needs for one month (about \$3,300) and for three months (\$10,000)—an amount that would still likely require reducing consumption. We estimate that around two-thirds of California families have at least one month of reserve funds and 58 percent have three months. These estimates account for credit card debt, which was found to reduce the amount of money people consider themselves to have available in reserve (Board of Governors of the Federal Reserve System 2024; Chen 2019). We find differences across households. For example, about half of Latino households and households where no one holds a four-year degree have at least one month of reserve and just over a third have three months (35% of Latino households and 37% of those without a four-year degree) (see figure below).

About six in ten California households have enough saved to cover basic needs during a three-month loss of income

% of households

■ 1 month reserve ■ 3 month reserve



SOURCES: US Census, Survey of Income and Program Participation (SIPP), 2022; PPIC-Stanford California Poverty Measure (CPM), 2022.

NOTES: Estimates of one- and three-month reserves based on comparing cash or near-cash assets to average poverty thresholds calculated in CPM data. See Technical Appendix A for additional detail.

How Is Wealth Distributed across California Households?

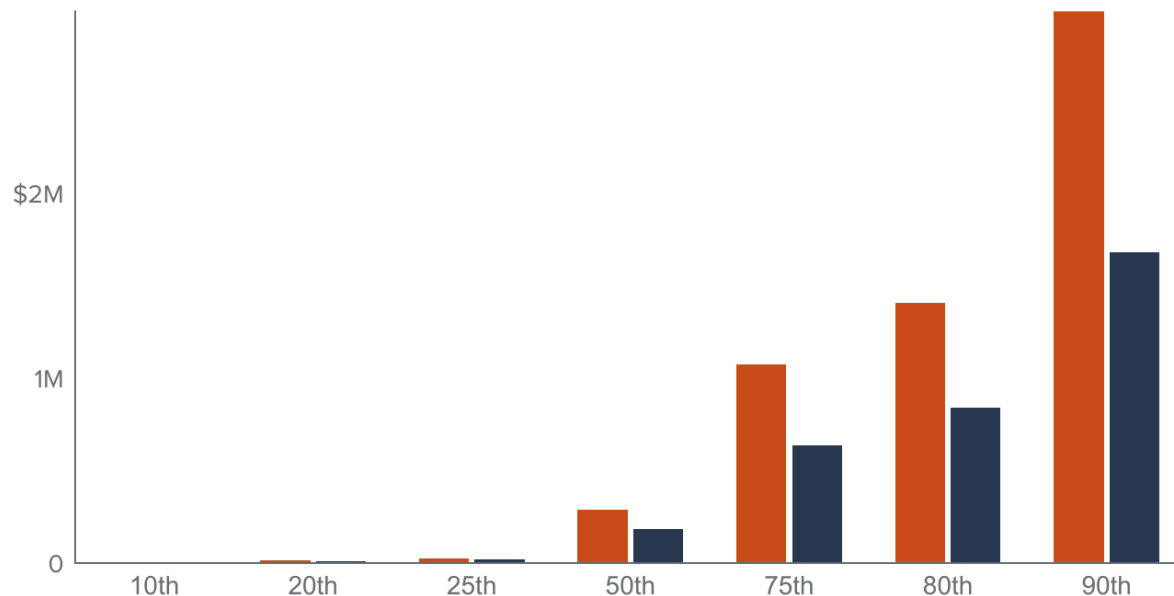
California has a high level of income inequality—but wealth is even more unevenly distributed. Those near the top of the wealth distribution (80th percentile; \$1.3 million) have net worth over 100 times more than those near the bottom (20th percentile; \$12,000). By comparison, households at the same high point in the income distribution have just four times the annual income of those at the same low point (Thorman and Payares-Montoya 2025). Households near the bottom of the wealth distribution not only have little wealth in comparison with those at the top, they have little or nothing to draw upon at all (Figure 6).

Figure 6

Wealthy households have net worth many times that of low-wealth households

Dollar value at percentile

■ CA ■ Rest of US



SOURCE: Authors' analysis of 2022 Survey on Income and Program Participation.

NOTES: Dollar values adjusted to 2023 values.

Both California and the US as a whole have wide gaps between rich and poor. In aggregate, the wealthiest 1 percent of households hold 37 percent of all wealth in the US; the bottom 50 percent hold 0.9 percent (Blanchet et al. 2022). California's version of wealth inequality is characterized by higher net amounts for wealth throughout the distribution than in the rest of the nation, particularly among the wealthiest households.¹⁹ At the median, 80th, and 90th percentiles, household wealth is 60 percent or more higher in California than the rest of the US; the smallest gap of these is at the median, on the order of \$100,000 (median net worth is \$288,000 in California, and \$180,000 in other states). High real estate values and higher incomes in California likely contribute to differences at the top of the wealth distribution. California is also home to more billionaires than any other state, even though New York has more billionaires per capita.

Households in the top 25 percent of the wealth distribution—both in California and the rest of the nation—are much more likely to hold every type of asset (except vehicles). They are also much more likely to hold home- and business-related debts and less likely to hold unsecured debt—meaning their borrowing tends to pay off in the form of ownership of assets that can grow in value (Technical Appendix Table B6).

19. And nationally, the wealthiest 10 percent of households have \$6.9 million on average, compared to the bottom 50 percent, who have \$51,000 (Kent and Ricketts 2024). As discussed in Technical Appendix A, SIPP data are not designed to make it possible to generate similar estimates for California that include the extremes of the wealth distribution, such as estimates of wealth among the top 1 percent or higher.

They also have more variety in their asset holdings than households with less wealth. While more than 90 percent own their homes, home equity typically makes up just 40 percent of their net worth, compared to homeowners in the middle of the wealth distribution (between 25th and 75th percentiles), for whom home equity accounts for 70 to 85 percent of net worth (Technical Appendix Table B7).

Regionally, wealth varies widely across California, in keeping with varied homeownership rates and property values (Johnson et al. 2022)—as well as incomes and costs of living. Our data does not allow for regional estimates of wealth, but other researchers estimate that California’s highest levels of wealth—places where median household net worth is \$850,000 or higher—are found in the coastal regions of the state including the Bay Area, west Los Angeles County, southern Orange County, and northern San Diego; communities with lowest median net worth (below \$25,000) are found in urban Los Angeles and the city of Fresno (Zhong et al. 2022).²⁰

As we have seen with assets and debt, wealth in California varies across groups (Figure 7). Our estimates show gaps in median net worth across key characteristics:

- Older households (over 65) have a median net worth of \$614,000, compared to \$54,000 among households under age 35.
- Households in which someone has a bachelor’s degree or higher have \$581,000, compared to \$76,000 among those without.
- US-born households have \$375,000, while immigrant households have \$149,000 (Technical Appendix Table B5).
- Women-headed households have \$255,000, while men-headed households have \$339,000 (Technical Appendix Table B8).

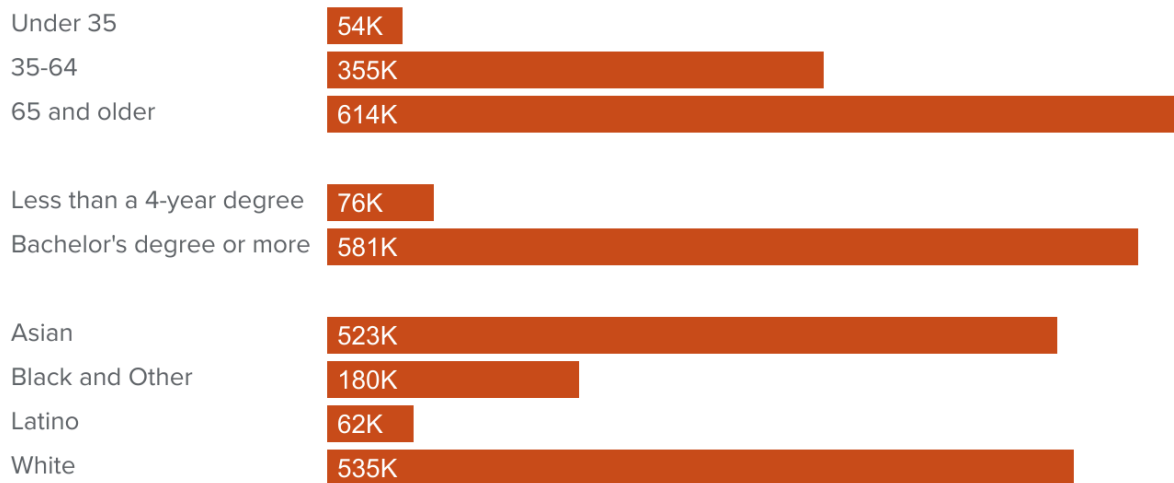
Since these elements vary across racial/ethnic groups, they may help explain some of the wealth disparities across these groups.

20. See [Technical Appendix A](#) for a discussion of extremely high wealth in Silicon Valley, which is not captured in SIPP data.

Figure 7

Household wealth varies substantially across demographic groups

Median net worth



SOURCE: Authors' analysis of 2022 Survey on Income and Program Participation data.

NOTES: Dollar values adjusted to 2023 values. Differences between white and Asian groups are not statistically significant, but both are statistically higher than Latino and Black and other categories. Of Black/other households, 69 percent are Black.

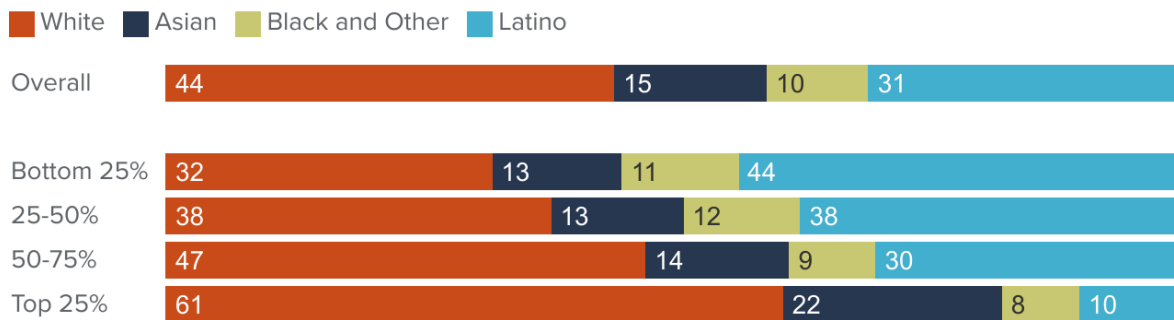
As we underscore in this report, older households and those with higher educational attainment also have more wealth, consistent with building wealth over the course of life and with the high rate of return to higher education in California. Racial/ethnic differences in wealth can be less straightforward. Latino and Black/other households are substantially more likely to be among those with low wealth (Figure 8). While 41 percent of California households are Latino or Black/other, these households make up 55 percent of those in the bottom quarter of the wealth distribution. White households make up 44 percent of all California households and 32 percent of the bottom quarter; Asian households comprise 15 percent of all households and make up 13 percent of the bottom quarter.

The wealth gap is especially large between Latino households and white and Asian households (who have similar medians, around \$530,000): median net worth is nine times higher among white and Asian households than Latino households (\$62,000; Figure 7).²¹ It is three times higher for white and Asian than Black/other households (\$180,000).

21. We calculate median amounts here because SIPP data do not reliably provide estimates for high-net-worth households, but racial wealth gaps may be better calculated using averages, given that the wealthiest households are disproportionately white (Darity et al. 2024). Data do not permit measuring wealth of Black, Native American, or Pacific Islander groups separately, although these are undoubtedly important distinctions; see [Technical Appendix A](#) for discussion.

Figure 8

California's diversity is not reflected at all points in the wealth distribution



SOURCE: Authors' analysis of 2022 Survey on Income and Program Participation.

NOTES: Dollar values adjusted to 2023 values.

When we control for key demographic characteristics, we find that age, education, and income explain some of the state's wealth gap between Latino and white households (see [Technical Appendix C](#)). Comparisons around homeownership stand out. The likelihood of having any home equity is similar for white and Latino households with similar age and education levels. This suggests that the Latino-white gap may narrow as educational attainment rises among Latino households and as earnings grow over the life course. But Black/other households have lower homeownership and equity than white households even at similar age and education levels, suggesting that narrowing the Black-white homeownership gap may require addressing other systemic barriers, including those resulting from historical policy.

Although lower homeownership among Latino households seems to be explained by things like age, education, and nativity, those same factors do not account for the lower likelihood of retirement savings among Latino households. Likewise, levels of unsecured debt including credit card and education-related debt remain higher for Latino households even once we adjust for demographics and other factors.

Addressing the widening wealth gap

The growing gap between those with most and least wealth has been driven by gains at the top and stagnation for the middle and bottom (much like income, only more extreme). Nationally, wealth for the bottom 50 percent of households is estimated to be virtually unchanged since 1976 but in the same time frame has grown more than 500 percent for the top 10 percent—and even more for the top 1 percent (Blanchet et al. 2022).

Policies and programs aimed at building wealth for those with very little may help to narrow the gap, as they do with near-term differences in income (see Danielson and Bohn (2016)). However, net worth at the top is increasing so quickly that even with these efforts, the wealth gap will likely continue to grow. This is especially salient in coming decades as the largest intergenerational transfer of wealth will occur with the aging of baby boomers.

The widening wealth gap has spurred wide-ranging policy discussions. Those that focus on the impacts of wealth increasingly concentrating among households at the top of the wealth distribution typically highlight tax policy and include proposals such as taxing intergenerational transfers (also known as inheritances) and unrealized capital gains. But even proponents grapple with the many challenges to structuring and administering these types of policies. And critics point to several countervailing problems, including double-taxing, incentives to transfer or move assets, and drags on the economy and entrepreneurship, among others.

How Does California Policy Encourage Wealth-building?

State and local policies aim to help Californians build wealth in a variety of ways. Asset-building policies often focus on encouraging and seeding savings accounts or increasing financial literacy. Policies focused on helping consumers manage debt include expanding access to credit with good terms and preventing debt for basic needs like health care. Both asset-building and debt-management policy focus on homeownership, given the primary role it can play in building household and intergenerational wealth.

In this section, we provide a high-level overview of some ways these approaches have been put into practice in California, along with a brief discussion of what the research says about how effectively they increase household wealth and/or narrow wealth gaps. Most have some evidence supporting their effectiveness but also need more robust evaluation and research to confirm whether their impacts are causal and generalizable to broader groups.

This list is not meant to be exhaustive; instead, it is intended to provide examples of policies in place currently or in recent years in California that impact wealth directly. (Indirect approaches such as investing in education, reducing the cost of living, or boosting incomes could also impact wealth.)

Financial assistance for first-time homebuyers

Research suggests that state housing finance agencies (HFAs)—such as California’s CalHFA, which administers lower-rate mortgages and helps first-time home buyers cover initial costs—have helped lower-income households enter homeownership and retain their homes at higher rates than those purchasing homes in the private mortgage market (Hembre et al. 2020). But homeownership is not guaranteed to build long-term wealth. As noted above, low-income households in particular are less likely to grow wealth as

homeowners, since they are more likely to need to draw on home equity in the short-term (Newman and Holupka 2016; Beracha and Johnson 2012).²² Research focused on the Great Recession and the subsequent housing bust concluded that helping families retain their homes during economic downturns could be a more effective tool for sustaining wealth (Wainer and Zabel 2020). Mortgage forbearance—a temporary, permitted pause in payments—is one effective version of this; programs implemented during the COVID-19 pandemic reduced delinquency rates and allowed some borrowers to grow their liquid savings (Shi 2022; Gerardi et al. 2022).

In addition to traditional loans, governments support homebuyers with shared equity programs. Los Angeles and San Francisco, for example, offer down payment loans ([City of Los Angeles](#) and [San Francisco](#)), mortgages ([Los Angeles County](#)), and below-market rate properties ([San Francisco](#)) that require buyers to pay back a share of the equity they gain as the home appreciates in value. Evaluations find that these programs have relatively modest effects on overall wealth, but do generate returns on investment in the form of home equity for households and generate much more wealth than the household would have accumulated if they had stayed renters (Theodos et al. 2019; Acolin et al. 2021).²³ The state has also operated a shared equity downpayment assistance program in recent years, CalHFA’s [California Dream for All](#) program, which was [in high demand](#) for two years before going unfunded in the 2024 budget.

Encouraging and seeding savings accounts

State and local programs in California incentivize and in some cases contribute to individual accounts, although these contributions are often restricted for a certain use like retirement or education. There is some evidence that supporting individual savings accounts—especially those that are focused on children—can help low-income families accumulate modest assets over the short term. At the same time, program participants can withdraw funds for non-qualified reasons, and long-term effects on retirement savings, college completion, and overall wealth are relatively small (Mills et al. 2007; Grinstein-Weiss et al. 2013; Grinstein-Weiss et al. 2015). Evidence on these programs’ effectiveness on financial outcomes comes from just a few small trial studies (Birkenmaier et al. 2022). More robust evaluations are needed to understand how they may impact savings and wealth-building across different contexts and groups.

Examples of government-promoted savings accounts aimed at helping build wealth starting in childhood include [the California HOPE for Children Trust Account Program](#) that funds and manages investments for foster children and those who lost caregivers to COVID-19, and the [CalKIDS](#) and Oakland’s [Brilliant Baby programs](#), which both seed 529 accounts for children in low-income families.

The [CalSavers](#) program, a broad-based effort to encourage retirement savings, now automatically enrolls many California workers in pre-tax IRAs if their employers do not offer retirement savings plans. Again, well-

22. Another concern with subsidizing costs of homeownership is that it might increase housing prices by driving up demand for homes among those previously priced out of buying, without increasing the number of available homes. Several studies of earlier programs that reduced costs for lower-income buyers found that these programs did increase home prices slightly (e.g., Dynan et al. 2013; Berger et al. 2020). Growth in California’s housing supply could potentially help reduce prices and thus make homeownership more accessible; we do not explore this indirect pathway to wealth-building in this report.

23. Shared equity housing programs often have other components intended to keep housing prices affordable and support stability in neighborhoods.

designed evaluations of these programs would go a long way towards helping policymakers weigh the benefits and limitations of these asset-building strategies.

Increasing financial literacy

Policies to advance financial literacy have been shown to pay dividends for household wealth-building. One study found that financial education is even more important than traditional schooling for explaining differences in household wealth levels and retirement contributions (Behrman et al. 2012). Those findings were confirmed in a recent meta-analysis that reported large, causal effects of financial education programs on financial behavior (Kaiser et al. 2022). California efforts in this space include the CalMoneySmart Grant program within the [Department of Financial Protection and Innovation](#), which provides grants to local organizations to support financial education programs for low-income families and for students navigating challenges with loan repayment. Likewise, a new financial literacy course will become a high school graduation requirement in California starting in the 2030 school year (AB 2927). Developing data resources and analytic plans to evaluate the effects of these programs on improving household net worth would help further guide policy.

Expanding access to credit

Borrowing money can be key to investing in areas like homeownership or starting a business but requires having both good credit and a willing lender. California piloted the practice of allowing rental payments to be reported to credit bureaus starting in 2021 (SB 1157), citing research that reporting on-time rental payments could help renters with little or no credit establish or increase credit scores (e.g., Turner and Walker 2019). Following a small evaluation that suggested the California pilot would also have these impacts (Esusu Financial Inc. 2023), the legislature expanded the practice in 2024 (AB 2747). Also in 2024, California took aim at the role medical debt plays in reducing credit scores and followed other states in barring it from being reported to credit bureaus (SB 1061); the [federal government](#) is following suit.

Entrepreneurs may be able to turn to state-implemented support for accessing capital. California leverages federal [State Small Businesses Credit Initiative \(SSBCI\)](#) funding to reduce risk for financial institutions that lend to small businesses and help entrepreneurs access capital; the [Small Business Loan Guarantee Program \(SBLGP\)](#) and California Capital Access Programs (CalCAPs) are state programs that expanded with SSBCI funding in the 2010s and American Rescue Plan Act funding in the 2020s (Seidman 2018). Other state-funded programs like the Small Business [Technical Assistance Program](#) supplement federal dollars for the same purpose. The [California Investment & Innovation Program \(Cal IIP\)](#) supports capacity at CDFIs to help entrepreneurs access capital. California also funds direct loans for entrepreneurs through the [Jump Start Microloan Program](#); some local governments also offer loans and/or grants (e.g., [Fresno](#), [Long Beach](#), and [San Francisco](#)).

Much of the research on microloans and their impact on financial well-being comes from developing countries; a recent study based in Europe found access to credit had large and notable effects on income for small business owners, especially those that were credit-constrained (Delis et al. 2024). But across the board, additional research will be necessary to establish the extent to which California's specific policies to

help individuals manage debt and entrepreneurs access credit result in long-term increases in household wealth.

Reducing unsecured debt

California state and local governments aim to relieve education and medical debt by paying it down. These are measures primarily taken to address immediate financial distress, remediate credit, and remove barriers to seeking medical care, rather than to boost long-term wealth. And while paying off debt does increase net worth, it may not have any longer-term impact on wealth accumulation. Studies have found mixed results; for example, student debt relief can increase incomes and improve credit (e.g., DiMaggio et al. 2020), but medical debt relief has not been found to affect financial well-being (Kluender et al. 2024).²⁴ Future research could explore the effects of both types of debt relief on wealth in the long term. For instance, California’s Office of Healthcare Workforce Development offers several loan repayment programs for students who go on to practice in medically underserved areas, and Los Angeles County recently began buying and forgiving medical debt held by county residents that is in collections.²⁵ These and other programs are ripe for further study.

Conclusion

California households typically have a higher net worth than those in other states. Still, Californians overwhelmingly feel that the gap between rich and poor in the state is wide and growing, and that they want state government to address it (Baldassare et al. 2023). As we document here, the sense that the gap is wide is grounded in reality.

We find that the variation in wealth across California households is substantial, with those near the top of the wealth distribution (80th percentile) having a net worth more than 100 times that of those near the bottom (20th percentile)—in dollar amounts per household, that is \$1.3 million compared to \$12,000. We also find large wealth gaps across demographic groups, such that households that are older, more highly educated, white or Asian, or US-born tend to have more wealth than their counterparts. Our analysis suggests that some of the wealth gaps we observe among racial/ethnic groups may be narrowed by improvements in education and income levels (e.g., home equity for Latinos); however, in other areas more targeted efforts may be necessary (e.g., home equity for Black/others and retirement savings for Latinos).

24. Other states and local areas also buy down medical debt (see Kluender et al. (2024) for a recent list). For example, Cook County (home to Chicago) invested about \$12 million and paid off more than \$1 billion in medical debt; Arizona recently announced plans to invest \$30 million to discharge medical debt for qualifying state residents.

25. The other approach in debt management is to prevent it from accruing. The state government makes major investments to support students pursuing higher education through grant and scholarship programs, and in California, most low- and middle-income students who attend public universities see much lower net prices and have less student debt (Cook and Jackson 2021). Local governments may also fund education; Oakland Unified School District, for example, offers a stipended apprenticeship for students who commit to teaching in the district. On the medical debt front, state law requires that health care providers—especially hospital systems—provide patients with options for financial assistance. Under California’s Hospital Fair Pricing law, hospitals are required to offer free or discounted care—often referred to as “charity care”—to patients who earn up to 400 percent of the official federal poverty level. In 2021, AB 1020 further strengthened patient protections against debt collection of hospital bills and authorized the assessment of administrative penalties against hospitals for violations of the Hospital Fair Pricing Act.

Wealth is an essential precursor to financial security and economic mobility. First, in terms of economic security, wealth provides a critical buffer when incomes change unexpectedly because of job losses, health shocks, or other unplanned life events. Social insurance (such as unemployment and disability) and safety net programs (like CalFresh) can offer an important buffer but are not available to everyone and may not provide enough resources. When the unexpected occurs, families without savings or equity in homes or businesses may take on debt to make ends meet, which can further erode economic security. Even among those with assets such as home equity, the ability to access that resource may be challenging, especially when interest rates rise. Second, in terms of economic mobility, wealth supports investments in things like education and entrepreneurship, which can markedly improve economic opportunities (Cuellar Mejia et al. 2025).

Since wealth typically amasses over a lifetime, there are a number of stages in its accumulation where policy can step in. The state already directly incentivizes wealth-building with programs that help to expand access to homeownership, encourage savings, and manage debt. But no single policy will ensure that Californians are building assets, managing debt effectively, and/or accessing public resources well. Many state and local programs would benefit from research examining their effectiveness for building wealth in the long term.

The main goal of this report has been to provide basic numbers about wealth in California. Starting from a shared understanding of the facts is crucial as policymakers, practitioners, and other stakeholders envision strategies to support economic security and mobility for all Californians.

References

- Acolin, Arthur, Alex Ramiller, Rebecca J. Walter, Samantha Thompson, Ruoniu Wang. 2021. [“Transition to Homeownership: Asset Building for Low- and Moderate-Income Households.”](#) *Housing Policy Debate* 31(6): 1032–1049.
- Adermon, Adrian, Mikael Lindahl, and Daniel Waldenström. 2018. [“Intergenerational Wealth Mobility and the Role of Inheritance: Evidence from Multiple Generations.”](#) *The Economic Journal* 128(612): F482–F513.
- Aladangady, Aditya, Jesse Bricker, Andrew C. Chang, Sarena Goodman, Jacob Krimmel, Kevin B. Moore, Sarah Reber, Alice Henriques Volz, and Richard A. Windle. 2023. [Changes in U.S. Family Finances from 2019 to 2022: Evidence from the Survey of Consumer Finances.](#) Board of Governors of the Federal Reserve System.
- Aladangady, Aditya, Andrew C. Chang, and Jacob Krimmel. 2023b. [“Greater Wealth, Greater Uncertainty: Changes in Racial Inequality in the Survey of Consumer Finances.”](#) Board of Governors of the Federal Reserve System: FEDS Notes. October 18.
- Baldassare, Mark, Dean Bonner, Lauren Mora, and Deja Thomas. 2024. [PPIC Statewide Survey: Californians and their Economic Well-Being.](#) Public Policy Institute of California.

Bauluz, Luis and Timothy Meyer. 2021. *The Great Divergence: Intergenerational Wealth Inequality in the US and France*. SSRN.

Bayer, Patrick, Fernando Ferreira, and Stephen L. Ross. 2016. “The Vulnerability of Minority Homeowners in the Housing Boom and Bust.” *American Economic Journal: Economic Policy* 8 (1): 1–27.

Behrman Jere R., Olivia S. Mitchell, Cindy K. Soo, and David Bravo. 2012. “How Financial Literacy Affects Household Wealth Accumulation.” *American Economic Review* 102(3): 300-304.

Bell, Alex, Raj Chetty, Xavier Jaravel, Neviana Petkova, and John Van Reenen. 2019. “Who Becomes an Inventor in America? The Importance of Exposure to Innovation.” *The Quarterly Journal of Economics*, 134:647–713.

Benetton, Matteo, Marianna Kudlyak, and Jon Mondragon. 2022. “Dynastic Home Equity.” Federal Reserve Bank of San Francisco. Working Paper 2022-13.

Benner, Christopher and Manuel Pastor. 2015. “Brother, Can You Spare Some Time? Sustaining Prosperity and Social Inclusion in America’s Metropolitan Regions.” *Urban Studies* 52 (7): 1339–56.

Beracha, Eli and Ken H. Johnson. 2012. “Lessons from 30 Years of Buy Versus Rent Decisions: Is the American Dream Always Wise?” *Real Estate Economics* 40 (2): 217 – 247.

Berger, David, Nicholas Turner and Eric Zwik. 2020. “Stimulating Housing Markets.” *The Journal of Finance* 75 (1): 277 – 321.

Blanchet, Thomas, Emmanuel Saez, and Gabriel Zucman. 2022. “Real-time Inequality. National Bureau of Economic Research.” Working Paper 30229. Available at <https://realtimeinequality.org>.

Birkenmaier, Julie, Youngmi Kim, and Brandy Maynard. 2022. “Financial Outcomes of Interventions Designed to Improve Financial Capability through Individual Development Accounts: A Systematic Review.” *Journal of Evidence-Based Social Work* 19(4): 408–439.

Boar, Corina. 2020. “Dynastic Precautionary Savings.” National Bureau of Economic Research. Working Paper 26635.

Board of Governors of the Federal Reserve System. 2024. *Economic Well-Being of U.S. Households in 2023*.

Bohn, Sarah, Caroline Danielson, Sara Kimberlin, Patricia Malagon, and Christopher Wimer. 2023. “Poverty in California.” Fact Sheet. Public Policy Institute of California.

Buckman, Shelby R., Laura Y. Choi, Mary C. Daly, Lily M. Seitelman. 2021 “The Economic Gains from Equity.” Federal Reserve Bank of San Francisco Working Paper 2021-11.

California Task Force to Study and Develop Reparation Proposals for African Americans. 2023. *The California Reparations Report*. California Department of Justice.

Chen, Anqi. 2019. “Why Are So Many Households Unable to Cover a \$400 Unexpected Expense?” Center for Retirement Studies at Boston College.

Cook, Kevin, and Jacob Jackson. 2021. Keeping College Affordable for California Students. Public Policy Institute of California.

Cook, Kevin, Jacob Jackson, and Iwunze Ugo. 2024. California's Higher Education Funding Landscape. Public Policy Institute of California.

Cuellar Mejia, Marisol. 2024. "Self-Employment in California." Technical Appendix. Public Policy Institute of California.

Cuellar Mejia, Marisol, Cesar Alesi Perez, Vicki Hsieh, and Hans Johnson. 2025. Is College Worth It? Public Policy Institute of California.

Delis, Manthos, Fulvia Fringuellotti, and Steven Ongena. 2024. "Credit and Entrepreneurs' Income." Federal Reserve Bank of New York Staff Reports, no. 929.

Danielson, Caroline, and Sarah Bohn. 2016. Income Inequality and the Safety Net in California. Public Policy Institute of California.

Darity, William, Thomas Craemer, Daina Ramey Berry, Dania V. Francis. 2024. Black Reparations in the United States, 2024: An Introduction. *RSF: The Russell Sage Foundation Journal of the Social Sciences*, 10 (2) 1-28.

De La Cruz-Viesca, Melany, Zhenxiang Chen, Paul M. Ong, Darrick Hamilton, and William A. Darity Jr. 2016. The Color of Wealth in Los Angeles. Federal Reserve Bank of San Francisco; joint publication of Duke University, The New School, the University of California, Los Angeles and the Insight Center for Community Economic Development.

Derenoncourt, Ellora, Chi Hyun Kim, Moritz Kuhn, and Moritz Shularik. 2022. "Wealth of Two Nations: The U.S. Racial Wealth Gap, 1860-2020." National Bureau of Economic Research. Working Paper 30101.

Derenoncourt, Ellora, Chi Hyun Kim, Moritz Kuhn, and Moritz Shularik. 2024. "Unemployment Risk, Portfolio Choice, and the Racial Wealth Gap." Federal Reserve Bank of Minneapolis: Opportunity & Inclusive Growth Institute. Working Paper No. 86.

DiMaggio, Marco, Ankit Kalda, and Vincent Yao. 2020. "Second Chance: Life without Student Debt." National Bureau of Economic Research. Working Paper No. 25810.

Dushi, Irena, Howard M. Iams, and Brad Trenkamp. 2017. "The Importance of Social Security Benefits to the Income of the Aged Population." Social Security Administration, Office of Retirement and Disability Policy. *Social Security Bulletin* 77(2).

Dynan, Karen, Ted Gayer, and Natasha Plotkin. 2013. An Evaluation of Federal and State Homebuyer Tax Incentives. Brookings Institution.

Edwards, Kathryn A. 2022. Accounting for Black-White Wealth Differences: A Stylized Model of Wealth Accumulation. RAND Corporation.

Esusu Financial Inc. 2023. "Rent Reporting Legislation Leads to 3,000 New Credit Scores Established in California."

Freddie Mac. 2021. "Racial and Ethnic Valuation Gaps in Home Purchase Appraisals." Economic & Housing Research Note.

Fulford, Scott, Samyak Jain, Greta Li, Elizabeth Saunders, and Eric Wilson. 2022. Making Ends Meet in 2022: Insights From The CFPB Making Ends Meet Survey. Consumer Finance Protection Bureau Office of Research, Publication No. 2022-9.

Gerardi, Kristopher, Lauren Lambie-Hanson, and Paul S. Willen. 2022. Lessons Learned from Mortgage Borrower Policies and Outcomes during the COVID-19 Pandemic. Federal Reserve Bank of Boston, Current Policy Perspectives.

Grinstein-Weiss Michael, Michael Sherraden, William G Gale, William M Rohe, Mark Schreiner, and Clinton Key. 2013. "Long-Term Effects of Individual Development Accounts on Postsecondary Education: Follow-Up Evidence from a Randomized Experiment." *Economics of Education Review* 33:58-68.

Grinstein-Weiss Michael, Michael Sherraden, William G Gale, William M Rohe, Mark Schreiner, Clinton Key, and Jane Oliphant. 2015. "Effects of an Individual Development Account Program on Retirement Saving: Follow-Up Evidence from a Randomized Experiment." *Journal of Gerontological Social Work* 58(6):572-589.

Gustavsson, Magnus, and Henrik Jordahl. 2008. "Inequality and Trust in Sweden: Some Inequalities Are More Harmful than Others." *Journal of Public Economics*, 92(1-2): 348-365.

Guth, Madeline, Rachel Garfield, and Robin Rudowitz. 2020. The Effects of Medicaid Expansion under the ACA: Studies from January 2014 to January 2020. Kaiser Family Foundation.

Halvorsen, Elin, Joachim Hubmer, Serdar Ozkan, and Sergio Salgado. 2024. Why Are the Wealthiest So Wealthy? New Longitudinal Empirical Evidence and Implications for Theories of Wealth Inequality. Federal Reserve Bank of St. Louis. Working Paper 2024-013.

Haroon, Hiba, and Shaun Harrison. 2024. U.S. Economic Mobility Trends and Outcomes. Washington Center for Equitable Growth.

Headd, Brian. 2021. The Importance of Business Ownership to Wealth. US Small Business Administration Office of Advocacy.

Hembre, Erik, Stephanie Moulton, and Matthew Record. 2020. "Low-Income Homeownership and the Role of State Subsidies: A Comparative Analysis of Mortgage Outcomes." *Journal of Policy Analysis and Management* 40(1): 78 – 106.

Hutchful, Esi. 2018. The Racial Wealth Gap: What California Can Do About a Long-Standing Obstacle to Shared Prosperity. California Budget and Policy Center

Jacobs, Elisabeth and Liz Hipple. 2018. Are Today's Inequalities Limiting Tomorrow's Opportunities? A Review of the Social Sciences Literature on Economic Inequality and Intergenerational Mobility. Washington Center for Equitable Growth.

Jacobs, Lindsay, Elizabeth Llanes, Kevin Moore, Jeffrey Thompson, and Alice Henriques Volz. 2022. "Wealth Concentration in the USA Using an Expanded Measure of Net Worth." *Oxford Economic Papers* 74(3): 623–642.

- Johnson, Hans, Marisol Cuellar Mejia, Julien LaFortune, and Cesar Perez. 2022. "Homeownership Trends in California." *PPIC Blog*. June 14.
- Johnson, Hans, and Eric McGhee. 2024. "Three Decades of Housing Challenges in the Golden State." *PPIC Blog*. December 3.
- Kaiser, Tim, Annamaria Lusardi, Lukas Menkhoff, and Carly Urban. 2022. "Financial Education Affects Financial Knowledge and Downstream Behaviors." *Journal of Financial Economics* 145(2A): 255-272.
- Karpman, Michael, Fredric Blavin, and Dulce Gonzalez. 2023. "How Many Adults Have Past-Due Medical Bills on Credit Cards?" Urban Institute.
- Kent, Ana Hernández, and Lowell Ricketts. 2024. *The State of U.S. Wealth Inequality*. Federal Reserve Bank of St. Louis.
- Killewald, Alexandra, and Brielle Bryan. 2016. "Does Your Home Make You Wealthy?" *RSF: The Russell Sage Foundation Journal of the Social Sciences* 2(6): 110–28.
- Killewald, Alexandra, Fabian T. Pfeffer, and Jared N. Schachner. 2017. "Wealth Inequality and Accumulation." *Annual Review of Sociology* 43: 379–40.
- Klein, Joyce. 2021. *Building Wealth Inclusively through Business Ownership*. Aspen Institute.
- Kluender, Raymond, Neale Mahoney, Francis Wong, and Wesley Yin. 2024. "The Effects of Medical Debt Relief: Evidence from Two Randomized Experiments." National Bureau of Economic Research. Working Paper No. 32315.
- Kuhn, Moritz, Moritz Schularick, and Ulrick I. Steins. 2020. "Income and Wealth Inequality in America, 1949-2016." *Journal of Political Economy*, 128(9).
- Legislative Analyst's Office. 2025. *California Housing Affordability Tracker (4th Quarter 2024)*.
- Lin, Ken-Hou, and Guillermo Dominguez. 2023. "The Rising Importance of Stock-Linked Assets in the Black–White Wealth Gap." *Demography* 60(6):1877–1901.
- Mann, Alexis, and Sara Chaganti. 2023. *The Importance of Wealth to Family Well-Being*. John T. Gorman Foundation and Federal Reserve Bank of Boston.
- Mills, Gregory, William G. Gale, Rhiannon Patterson, Gary V. Engelhardt, Michael D. Eriksen, Emil Apostolov. 2007. "Effects of Individual Development Accounts on Asset Purchases and Saving Behavior: Evidence from a Controlled Experiment." *Journal of Public Economics* 92(5): 1509 – 1530.
- McKay, Katherine Lucas, Joanna Smith-Ramani, and Tashvia Hasan. 2022. *Disparities in Debt: Why Debt Is a Driver in the Racial Wealth Gap*. Aspen Institute Financial Security Program.
- Moslimani, Mohamad. 2023. *Key Facts about the Wealth of Immigrant Households during the Pandemic*. Pew Research Center.
- Newman, Sandra J. and C. Scott Holupka. 2016. "Is Timing Everything? Race, Homeownership and Net Worth in the Tumultuous 2000s." *Real Estate Economics* 44 (2): 307 – 354.

Noel, Nick, Duwain Pinder, Shelley Stewart III, and Jason Wright. 2019. *The Economic Impact of Closing The Racial Wealth Gap*. McKinsey & Company.

Pastor, Lubos, and Pietro Veronesi. 2018. “Inequality Aversion, Populism, and the Backlash Against Globalization.” National Bureau of Economic Research Working Paper 24900.

Perry, Andre M., Jonathan Rothwell, and David Harshbarger. 2018. *The Devaluation of Assets in Black Neighborhoods: The Case of Residential Property*. Brookings Institution: Metropolitan Policy Program.

Perry, Andre M., Hannah Stephens, and Manann Donoghoe. 2024. *Black Wealth Is Increasing, but So Is the Racial Wealth Gap*. Brookings Institution.

Peterson, Dana M., and Catherine L. Mann. 2020. “Closing the Racial Inequality Gaps: The Economic Cost of Black Inequality in the U.S.” Citi GPS: Global Perspectives & Solutions.

Pfeffer, Fabian T., and Alexandra Killewald. 2018. “Generations of Advantage: Multigenerational Correlations in Family Wealth.” *Social Forces* 96(4): 1411-1442.

Reynolds, Liam, Vanessa G. Perry, and Jung Hyun Choi. 2021. “Closing the Homeownership Gap Will Require Rooting Systemic Racism Out of Mortgage Underwriting.” Urban Institute: Urban Wire.

Rhee, Nari. 2023. *Public Pensions Support Race, Class, and Gender Equity in California*. UC Berkeley Labor Center.

Rodems, Richard, and Fabian T. Pfeffer. 2021. “Avoiding Material Hardship: The Buffer Function of Wealth.” *Journal of European Social Policy* 31(5).

Rothstein, Richard. 2017. *The Color of Law: A Forgotten History of How Our Government Segregated America*. Liveright Publishing Corporation (Norton).

Rutledge, Matthew S., Geoffrey T. Sanzenbacher, and Francis M. Vitagliano. 2016. “How Does Student Debt Affect Early-Career Retirement Saving?” Center for Retirement Research at Boston College. Working Paper 2016-9.

Rutledge, Matthew S., Geoffrey T. Sanzenbacher, and Francis M. Vitagliano. 2018. “Do Young Adults with Student Debt Save Less for Retirement?” Center for Retirement Research at Boston College. Working Paper 2018-13.

Sabat, Jorge, and Emily A. Gallagher. 2020. *Does Short Term Emergency Savings Translate into Longer-Term Financial Wellness?* AARP Public Policy Institute. November.

Sabelhaus, John, and Jeffrey P. Thompson. 2024. “The Limited Role of Intergenerational Transfers for Understanding Racial Wealth Disparities.” Federal Reserve Bank of Boston. Current Policy Perspectives Paper No. 95748.

Schuetz, Jenny. 2020. *Rethinking Homeownership Incentives to Improve Household Financial Security and Shrink the Racial Wealth Gap*. Brookings Institution.

Seidman, Ellen. 2018. “Capital Access Programs: CDFI Case Study on the California Capital Access Program.” Urban Institute.

- Shoag, Daniel, Issi Romem, and David Garcia. 2023. *The First Step Is The Hardest: California's Sliding Homeownership Ladder*. Turner Center for Housing Innovation, UC Berkeley.
- Shi, Lan. 2022. "Heterogeneity in the Effect of COVID-19 Mortgage Forbearance: Evidence from Large Bank Servicers." *Cityscape* 24(3): 21–60.
- Smith, Talmon Joseph, and Karl Russell. 2023. "The Greatest Wealth Transfer in History Is Here, With Familiar (Rich) Winners." *The New York Times*. May 23.
- Smith, Matthew, Owen Zidar, and Eric Zwick. 2023. "Top Wealth in America: Estimates Under Heterogenous Returns." *Quarterly Journal of Economics* 138 (1): 515 – 573.
- Solt, Frederick. 2008. "Economic Inequality and Democratic Political Engagement." *American Journal of Political Science* 52 (1): 42–60.
- Theodos, Brett, Christina Plerhoples Stacy, Breno Braga, Rebecca Daniels. 2019. "Affordable Homeownership: An Evaluation of the Near-Term Effects of Shared Equity Programs." *Housing Policy Debate* 29(6): 865-879.
- Thorman, Tess, and Daniel Payares-Montoya. 2025. "Income Inequality in California." Fact Sheet. Public Policy Institute of California.
- Turner, Michael, and Patrick Walker. 2019. *Potential Impacts of Credit Reporting Public Housing Rental Payment Data*. US Department of Housing and Urban Development Office of Policy Development and Research; Policy and Economic Research Council.
- Van Dam, Andrew. 2023. "How Inheritance Data Secretly Explains U.S. Inequality." *Washington Post*. November 10.
- Wainer, Allison and Jeffrey Zabel. 2020. "Homeownership and Wealth Accumulation for Low-Income Households." *Journal of Housing Economics* 47.
- Welburn, Jonathan W., Pedro Nascimento de Lima, Krishna B. Kumar, Osonde A. Osoba, and Jonathan Lamb. 2022. *Overcoming Compound Racial Inequity Policies and Costs for Closing the Black-White Wealth Gap*. RAND Corporation.
- Wolla, Scott A. 2014. *Smoothing the Path: Balancing Debt, Income, and Saving for the Future*. Federal Reserve Bank of St. Louis.
- Zhong, Mingli, Aaron R. Williams, Alexander Carther, Breno Braga, and Signe-Mary McKernan. 2022. "Financial Health and Wealth Dashboard: A Local Picture of Residents' Financial Well-Being." Urban Institute.
- Zhou, Rachel Yang. 2024. "College Affordability in California." Fact Sheet. Public Policy Institute of California.

About the Authors

Tess Thorman is a research associate at the Public Policy Institute of California, and a member of both the Safety Net and [Economic Policy Center](#) teams. Thorman’s research centers on economic well-being and opportunity in California, with particular attention to the roles of social safety net programs and earnings. Recent work has examined food assistance and state tax credits for low-income families, characteristics of California’s workforce, and trends in income inequality in California. Thorman holds an MPP from the University of Southern California and a BA with majors in English and musical studies from Oberlin College.

Shannon McConville is a research fellow at the Public Policy Institute of California and a member of the [PPIC Economic Policy Center](#). Her research interests include health care access, utilization, and outcomes among vulnerable populations and the impact of vocational training programs on economic mobility. Her current work focuses on examining safety net programs, assessing the effects of Medicaid coverage expansions on individuals involved with the criminal justice system, and analyzing the employment outcomes and economic returns of career technical education. Before joining PPIC, she was a research training fellow in the Health Services and Policy Analysis doctoral program at the University of California, Berkeley; a senior research associate at the Department of Health Research and Policy at Stanford University; and a project manager at the Lewis Center for Regional Policy Studies at the University of California, Los Angeles. She holds a master’s in public policy from the University of California, Los Angeles.

Acknowledgments

We are grateful to those at PPIC and elsewhere who provided comments and suggestions on this report, including Sarah Bohn, Joe Hayes, Lynette Ubois, Marybeth Mattingly, Allen Prohofsky, Carolina Reid, and Census SIPP staff—Ashley Westra, Robert Munk, and Shomik Ghosh. This report was supported with funding from Blue Shield of California Foundation and the James Irvine Foundation.

PPIC Board of Directors

Chet Hewitt, Chair

President and CEO
Sierra Health Foundation

Rusty Areias

Founder and Partner
California Strategies

Ophelia Basgal

Affiliate
Turner Center for Housing Innovation
University of California, Berkeley

Tani Cantil-Sakauye

President and CEO
Public Policy Institute of California
(*Chief Justice of California, retired*)

John Chiang

Board Member
Apollo Medical Holdings
(*Former California State Controller and Treasurer*)

Caroline Choi

Senior Vice President,
Corporate Affairs & Public Policy
Edison International and
Southern California Edison

A. Marisa Chun

Judge
Superior Court of California,
County of San Francisco

Ana J. Matosantos

Former Cabinet Secretary
Office of Governor Gavin Newsom

Michael Méndez

Assistant Professor and Andrew Carnegie Fellow
University of California, Irvine

Steven A. Merksamer

Of Counsel
Nielsen Merksamer Parrinello
Gross & Leoni LLP

Steven J. Olson

Partner
O'Melveny & Myers LLP

Leon E. Panetta

Chairman
The Panetta Institute for Public Policy

Dave Puglia

President and CEO
Western Growers

Cassandra Walker Pye

President
Lucas Public Affairs

Helen Iris Torres

CEO
Hispanas Organized for Political Equality

David Traversi

CEO
Traversi & Company, LLC

Gaddi H. Vasquez

Retired Senior Vice President, Government Affairs
Edison International
Southern California Edison

© 2025 Public Policy Institute of California

PPIC is a public charity. It does not take or support positions on any ballot measures or on any local, state, or federal legislation, nor does it endorse, support, or oppose any political parties or candidates for public office.

Short sections of text, not to exceed three paragraphs, may be quoted without written permission provided that full attribution is given to the source.

Research publications reflect the views of the authors and do not necessarily reflect the views of our funders or of the staff, officers, advisory councils, or board of directors of the Public Policy Institute of California.