Child Poverty and the Social Safety Net in California

Sarah Bohn
The stakes are high for reducing child poverty

- Economic hardship has a big effect on children
- About one-quarter of California’s children live in poverty
- Rates of child poverty are higher than among working-age and older Californians
Policymakers need an accurate picture of need among the state’s children

- Official poverty measure was devised in 1960s and has not been modified
- California Poverty Measure is more comprehensive and up-to-date
  - Measures how children are faring across state regions
  - Accounts for impact of safety net programs
How the California Poverty Measure works

Resources

Earnings
Safety net benefits
Other income

Expenses

Medical
Commuting
Child care

Poverty threshold*

Varies by:
Family size
Region
Homeownership status

* Average threshold
$30,063 in 2011
Outline

- Children in or near poverty
- Regional variations in child poverty
- Factors that drive child poverty
- Conclusions
Our findings are sobering

- 2.3 million children in poverty in 2011
  - 25.1% of population age 17 and under
- Our estimate is slightly higher than the official poverty rate
- Rates are declining, but still high
Poverty rates are roughly similar for children of different ages.

“Deep” poverty is relatively low, but “near” poverty is high

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Child poverty rates are higher in southern counties, especially Los Angeles.

Ranges of child poverty rates (%)
- 16–19
- 20–23
- 24–27
- 28–31

In most areas, rates are higher among younger children

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Three major factors drive child poverty

- Cost of living
- Family earnings
- Safety net resources
Cost of living is higher in populous parts of the state

Cost of Living comparison (amount above or below statewide average)

Northern
Sacramento area
Bay Area
Central Sierra
Central Coast
Inland Empire
Los Angeles
Orange
San Diego

Most children in poverty live in working families...

...but family earnings are often below a minimum-wage level

The social safety net includes many programs with diverse aims

<table>
<thead>
<tr>
<th>Program</th>
<th>Recipients (millions)</th>
<th>Federal, state, and local expenditures (billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CalWORKs</td>
<td>1.47</td>
<td>$3.44</td>
</tr>
<tr>
<td>General Assistance</td>
<td>0.15</td>
<td>$0.40</td>
</tr>
<tr>
<td>Supplemental Security Income</td>
<td>1.27</td>
<td>$9.14</td>
</tr>
<tr>
<td>CalFresh</td>
<td>3.64</td>
<td>$6.73</td>
</tr>
<tr>
<td>Child Tax Credit</td>
<td>2.91 (filers)</td>
<td>$4.14</td>
</tr>
<tr>
<td>Earned Income Tax Credit</td>
<td>3.27 (filers)</td>
<td>$7.25</td>
</tr>
<tr>
<td>Federal housing subsidies</td>
<td>0.48 (units)</td>
<td>$3.60</td>
</tr>
<tr>
<td>School breakfast and lunch</td>
<td>2.18</td>
<td>$2.04</td>
</tr>
</tbody>
</table>
The safety net plays a major role in mitigating need

- Without major safety net program benefits, 1.3 million *more* children would be poor
  - 420,000 age 5 and under
  - 510,000 ages 6 to 12
  - 360,000 ages 13 to 17

- In other words, nearly 40 percent of California’s children would be poor
Safety net resources moderate child poverty across the state

Disentangling the factors that drive child poverty

- Variation in housing costs means that families need substantially more resources in some regions
  – Poor families in high-cost areas do earn more

- Safety net benefits are not tied to the cost of living
  – Contributes to regional differences in the impact of the safety net

- Eligibility for, accessibility of, and willingness to enroll in safety net programs also play a role
Outline

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Poverty is a reality for a quarter of California’s children

- 2.3 million of California’s children in poverty
- More than official estimates suggest
- Rates vary by region but there are high levels of need across the state’s diverse areas
- Rates would be universally and substantially higher were it not for safety net program resources
Can policy make a deeper impact on child poverty?

- Policies to increase the safety net’s impact are routinely debated
- The economic context in the state – high costs of living and access to good-paying work – looms large
- Enduring complexities deserve debate
  - Variation in cost of living and equity of programs
  - Balancing poverty-reduction with other program goals
Notes on the use of these slides

These slides were created to accompany a presentation. They do not include full documentation of sources, data samples, methods, and interpretations. To avoid misinterpretations, please contact:

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Thank you for your interest in this work.
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