Poverty and Opportunity in California

October 15, 2019

Tess Thorman

Supported with funding from the California Wellness Foundation and the James Irvine Foundation
Poverty is high, and just as many Californians live just above the poverty line

Source: PPIC-Stanford California Poverty Measure, 2017
Some Californians experience much higher poverty rates

Source: PPIC-Stanford California Poverty Measure, 2017
Poverty rates are declining slowly

Source: PPIC-Stanford California Poverty Measure
The California Poverty Measure provides insights into key dimensions of poverty

- Income from work
- Magnitude of key work and medical expenses
- Role of social safety net programs
- Cost of living
Earnings are the single largest source of resources for poor families

Source: PPIC-Stanford California Poverty Measure, 2017
Out-of-pocket work and medical expenses cut deeply into the resources of poor families in California


Poverty would be even higher without social safety net programs

<table>
<thead>
<tr>
<th>Program</th>
<th>Percentage point increase in poverty absent program</th>
</tr>
</thead>
<tbody>
<tr>
<td>School meals</td>
<td>0.5%</td>
</tr>
<tr>
<td>CalWORKs/GA</td>
<td>1%</td>
</tr>
<tr>
<td>Housing subsidies</td>
<td>1.3%</td>
</tr>
<tr>
<td>SSI</td>
<td>1.5%</td>
</tr>
<tr>
<td>CalFresh</td>
<td>2%</td>
</tr>
<tr>
<td>CalEITC/EITC/CTC</td>
<td>2.3%</td>
</tr>
</tbody>
</table>

Source: PPIC-Stanford California Poverty Measure, 2017
While resources are growing, even for the lowest income families in California...

Resources of families in 2017

- Bottom 10%: 5.8%
- 11-20%: 4.0%
- 21-30%: 3.3%

Source: PPIC-Stanford California Poverty Measure, 2016-2017
...the increasing cost of living neutralizes gains

Resources of families in 2017

- Bottom 10%: 5.8%
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Threshold for meeting basic needs in 2017

- Statewide: 4.5%
- San Francisco: 5.1%
- Fresno: 3.5%
- Los Angeles: 3.8%

Source: PPIC-Stanford California Poverty Measure, 2016-2017
California’s high poverty rate reflects opposing conditions

- Poor families rely on earnings, but expenses weigh heavily
- Safety net programs substantially reduce poverty, but the size of their impact varies across the state
- Increases in resources for those in poverty are being offset by increases in costs of living
- Given these realities, what can policy do to fight poverty, reduce disparities, and increase opportunity?
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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.