

Sarah Bohn, Caroline Danielson,
Sara Kimberlin, Patricia
Malagon, Clare Stevens, and
Christopher Wimer

Poverty among California's Workers

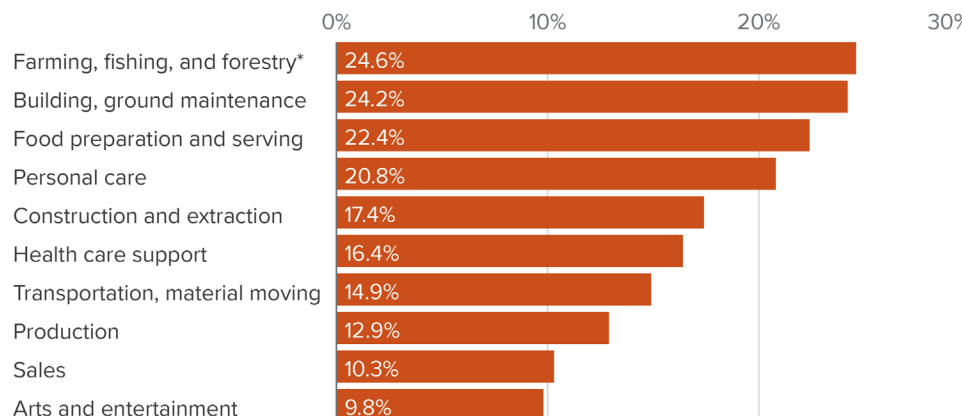
Even full-time employment does not keep all Californians out of poverty.

- ▶ In 2023, 9.8% of California workers aged 25–64 were living in poverty (or 1.5 million), according to the California Poverty Measure (CPM), a research effort by PPIC and the [Stanford Center on Poverty and Inequality](#) that accounts for housing costs and safety net benefits. The 2023 CPM poverty threshold is \$43,990 for a family of four, on average, but [varies regionally](#).
- ▶ About half of adult workers who are living in poverty were employed full time (50.1%); the poverty rate for these workers was 6.7%. Almost four in ten (39.3%) were employed part time for all of 2023; their poverty rate was much higher (23.6%). The poverty rate for the 10.6% who worked only part of the year was 18.4%.
- ▶ Poverty among workers increased by 1.1 percentage points from 2022 to 2023, reflecting the expiration of pandemic-era supports. However, the 2023 rate is 1.7 points lower than it was in 2019, reflecting wage growth in sectors that employ many low-wage workers.
- ▶ An additional 2.3 million working Californians (14.7%) were near poor, with family resources between one and 1.5 times the poverty line.

Service and agricultural workers tend to have higher poverty rates, as do Latinos and less-educated workers.

- ▶ Across major sectors, poverty rates in 2023 were highest among workers in agriculture and three service industries (administrative services, other services, and leisure and hospitality); more than 18% of these workers were living in poverty. Among workers in construction, the poverty rate was 14%.
- ▶ Across occupations, poverty rates were highest among workers in fishing, farming, forestry, and building and ground maintenance; one in four were living in poverty. Poverty rates among workers in food preparation and serving and in personal care were also high.
- ▶ Latinos comprise 55% of workers experiencing poverty but only 39.2% of all working adults. White workers comprise 20.9% of those in poverty but one-third of all working adults.
- ▶ Close to three in ten (27.8%) working adults grappling with poverty do not have a high school diploma, while a quarter (24.8%) graduated from high school and another quarter (25.6%) completed some college. Notably, more than two in ten (21.8%) working adults living in poverty (about 336,000) have at least a bachelor's degree.

Across occupations, poverty rates are highest among workers in farming and grounds maintenance



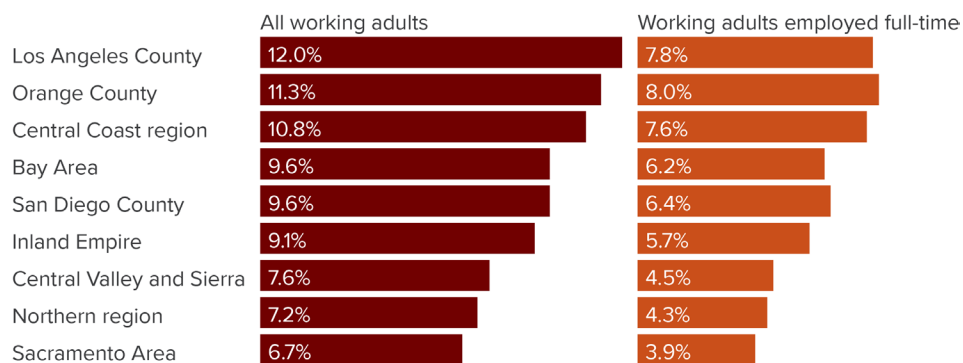
Source: Estimates from the California Poverty Measure, 2023.

Notes: Figure shows the sectors and occupations with the 10 highest poverty rates. Working age is defined as ages 25–64. Estimates marked with an asterisk (*) are based on samples of fewer than 2,000 people.

Across regions, poverty rates among working adults are highest in southern coastal California.

- ▶ The highest poverty rates among working adults were in Los Angeles County (12%) and Orange County (11.3%), while the Sacramento area (6.7%) had the lowest rates.
- ▶ In regions with higher poverty rates among working adults, poverty was also higher among adults employed full time—indicating that there are multiple challenges to making ends meet, including low wages, expenses such as child care, access to safety net resources, and the cost of living.

Poverty rates among working adults vary widely across California's regions



Source: Estimates from the California Poverty Measure, 2023.

Notes: Full-time, full-year employment defined as working at least 35 hours per week for 48 or more weeks per year. Working age is defined as ages 25–64. Poverty in California: Technical Appendix C lists the counties within each region. For additional poverty estimates see Poverty in California, Who's in Poverty in California, and California Poverty by County and Legislative District.

Most working adults in poverty live with other adult family members—but single working parents are more likely to be living in poverty.

- ▶ A large majority of working adults in poverty are married, cohabiting, or living with other adults (41.4% with children, 29.1% without children). Poverty rates among these workers are substantially lower for those without children (6.9%) compared to those with children (10.2%).
- ▶ Only 6.4% of workers living in poverty are single parents in households without other adults, and another 23.2% are single and living alone. Almost a quarter of single working parents are in poverty (23.2%), compared to a lower share of single working adults without children (14.4%).

Earnings make up a large portion of the budgets of workers in poverty.

- ▶ Average annual earnings for families of workers living in poverty totaled \$31,200 in 2023, constituting 86.2% of overall resources. Safety net benefits accounted for most remaining resources, with state and federal tax credits playing a large role. Without the safety net an additional 4% (618,000) of workers would be in poverty.
- ▶ Because many safety net programs target families with children, poor working adults with no children rely more heavily on earnings: in 2023, 91.2% of these workers' annual resources (or \$25,100), on average, came from earnings. Earnings make up 80.8% of household resources for working parents in poverty; additional resources came mainly from federal and state Earned Income Tax Credits (7.2%) and CalFresh (6.5%).
- ▶ Higher earnings—through wage increases, hours worked, or career mobility—are consequential for low-income workers struggling with poverty. Policies and programs—such as those related to child and elder care, health, and education and training—can increase people's ability to work.

Supported with funding from Blue Shield of California Foundation, the James Irvine Foundation, and Tipping Point Community.

Sources: All estimates are based on the California Poverty Measure (CPM) unless otherwise noted. For more about the CPM and methodological changes that affect comparability with estimates released during the pandemic (2021 through 2023), see Kimberlin et al., [Poverty in California: Technical Appendices](#) (PPIC, 2023).

Notes: Full-time work is defined as working at least 35 hours per week for 48 or more weeks per year. Working adults are California workers aged 25–64. For additional poverty estimates, see [Poverty in California](#), [Who's in Poverty in California](#), and [California Poverty by County and Legislative District](#) (accompanied by [detailed estimates and notes](#)).