

CALIFORNIA BUDGET PROJECT

FOR IMMEDIATE RELEASE
September 16, 2014

Contact: Steven Bliss
O: (916) 444-0500, ext. 208
M: (415) 271-8180
sbliss@cbp.org

New Census Data Show That More Than One in Seven Californians — One-Third of Them Children — Lived in Poverty in 2013

State's Overall Poverty Rate and Child Poverty Rate Remain High Despite Declines Since 2011, Highlighting Need for Policies That Boost Workers' Earnings

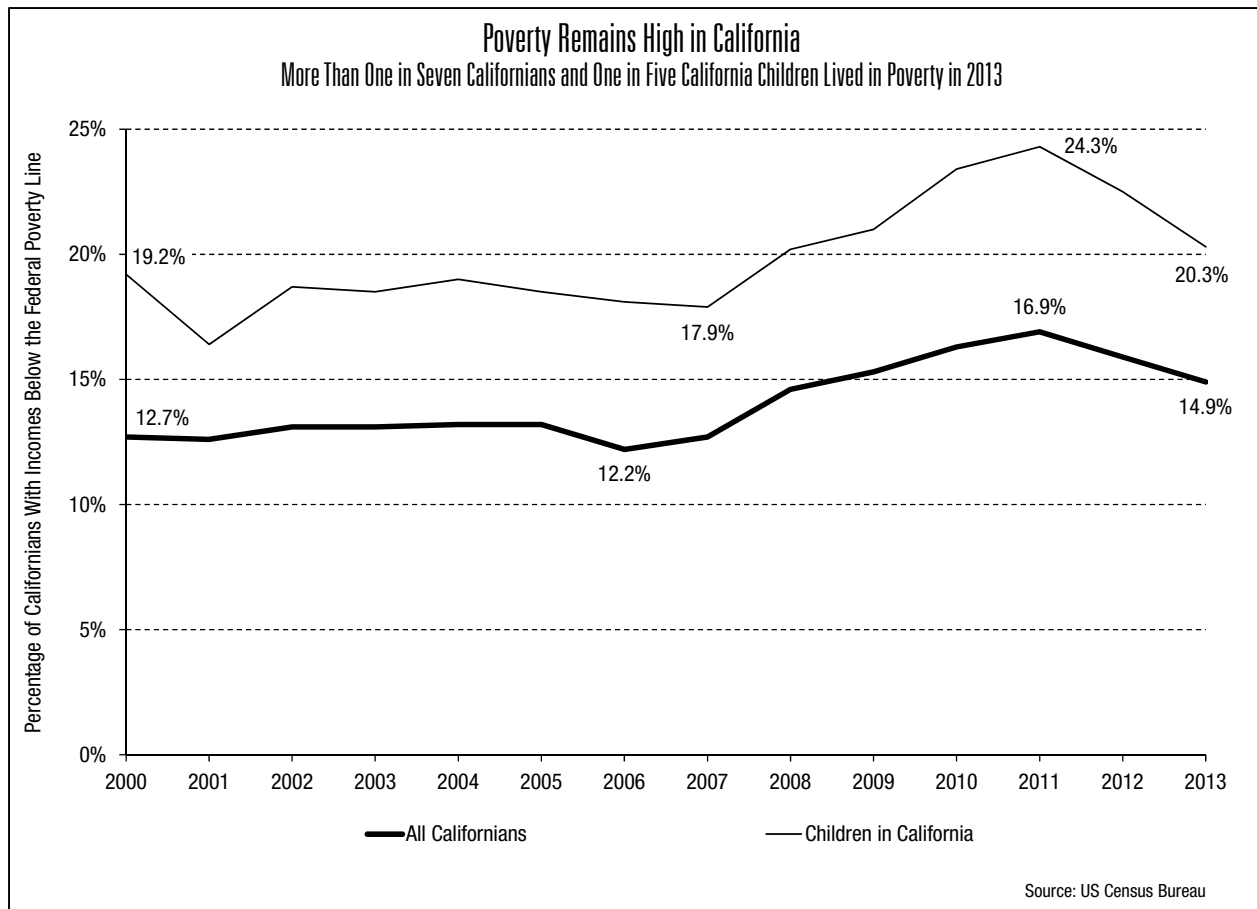
SACRAMENTO — Census Bureau data released today show that the share of all Californians with incomes below the federal poverty line in 2013 remained significantly higher than in 2006, the year before the Great Recession began. More than 5.6 million Californians — over one in seven — had incomes below the poverty line in 2013. California's overall poverty rate of 14.9 percent in 2013 is down significantly from 16.9 percent in 2011, but is still much higher than the pre-recession level of 12.2 percent in 2006.

Nearly 2 million California children were living in poverty in 2013, accounting for one in five children in the state (20.3 percent). Although this child poverty rate is down significantly from that in 2011 (24.3 percent), children still account for an outsize share of Californians living in poverty. Californians under age 18 were less than one-quarter of the total state population (23.9 percent) in 2013, but they accounted for nearly one-third of those living in poverty (32.5 percent).

"The new Census poverty figures highlight the fact that many Californians are being left behind by our economy, even several years after the Great Recession ended," said Alissa Anderson, senior policy analyst with the CBP. "The child poverty rate is especially troubling, since children who grow up in poverty are more likely to remain in poverty as adults."

"Most California families in poverty are working," said Anderson. "The problem is that the jobs they have don't pay enough. The key to reducing poverty in California is increasing workers' earnings so they can afford a decent standard of living and create a better future for their families."

1107 9th Street, Suite 310
Sacramento, California 95814
P: (916) 444-0500
F: (916) 444-0172
cbp@cbp.org
www.cbp.org



The new Census data show that:

- In 2013, 5.68 million Californians had incomes below the poverty line. The poverty line varies by family size. The 2013 poverty line was \$23,624 for a family of four with two children.
- California's poverty rate for 2013 – 14.9 percent – is more than one-fifth higher than the 12.2 percent poverty rate in 2006, the year before the recession began.
- In 2013, 1.84 million California children lived in families with incomes below the poverty line, for a child poverty rate of 20.3 percent. This is 2.4 percentage points above the recent low of 17.9 percent in 2007.
- The US poverty rate was 14.5 percent in 2013. This is down from 15.0 percent in 2012, but remains 2.2 percentage points above the recent low of 12.3 percent in 2006. These are both statistically significant differences.
- Inflation-adjusted income for the typical California household has been stagnant. The state's median household income in 2013 was \$57,528, essentially unchanged from 2012 and 10 percent below the \$63,913 median in 2006, after adjusting for inflation.

"Our state's high level of poverty is often seen as an economic failing, but it's also about California falling short on the policy front," said Chris Hoene, the CBP's executive director. "State lawmakers can choose to take major steps

forward on reducing poverty and helping Californians advance, such as by continuing to raise California's minimum wage and tying it to the cost of living, and creating a state earned income tax credit that boosts the earnings of working families. We also need to start rebuilding the key public systems, such as job training and child care, that make it possible for Californians to find and keep good jobs."

###

The California Budget Project (CBP) engages in independent fiscal and policy analysis and public education with the goal of improving public policies affecting the economic and social well-being of low- and middle-income Californians. Support for the CBP comes from foundation grants, subscriptions, and individual contributions. Please visit the CBP's website at www.cbp.org.