California Budget & Policy Center
*Independent Analysis. Shared Prosperity.*

# Fact Sheet

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BY ALISSA ANDERSON

## California's Recovery Has Been Uneven Across the State

Millions of Californians continue to struggle to meet their basic needs, even after several years of steady job gains. The share of people unable to make ends meet last year – as measured by the US Census Bureau's official poverty line, which is about $19,000 in annual income for a family of three – remained well above the pre-recession low. Nearly 1 in 6 Californians (16.4 percent) lived in poverty in 2014, the most recent year for which data are available, down slightly from a high of 17.0 percent in 2012, but still *a full 4.0 percentage points* higher than in 2007.[1] Poverty remained widespread even though the state's unemployment rate declined from a high of 12.2 percent in 2010 to 7.5 percent in 2014.

Clearly the economic recovery is not reaching everyone, a fact that is even more evident when looking at differences among California counties. The regional variation is striking (see map):

- **Many counties have not fully made up lost ground.** In 32 out of the 40 counties where data were available, poverty remained higher last year than in 2007. This was true even in several San Francisco Bay Area and southern California counties with booming job markets. There was no statistically significant difference in poverty rates between 2007 and 2014 in the remaining eight counties.[2]

- **In three counties, the poverty rate remains sharply higher than in 2007.** Poverty rates in Kings, Lake, and San Bernardino counties were *more than 8.0 percentage points* higher in 2014 than they were seven years earlier. For example, over one-quarter of Kings County residents (26.6 percent) lived in poverty in 2014, up from 15.1 percent in 2007. In fact, the poverty rate in Kings County has increased significantly even *since 2011*. Additionally, more than 1 in 4 Lake County residents (25.9 percent) and about 1 in 5 San Bernardino County residents (20.6 percent) faced economic hardship last year.

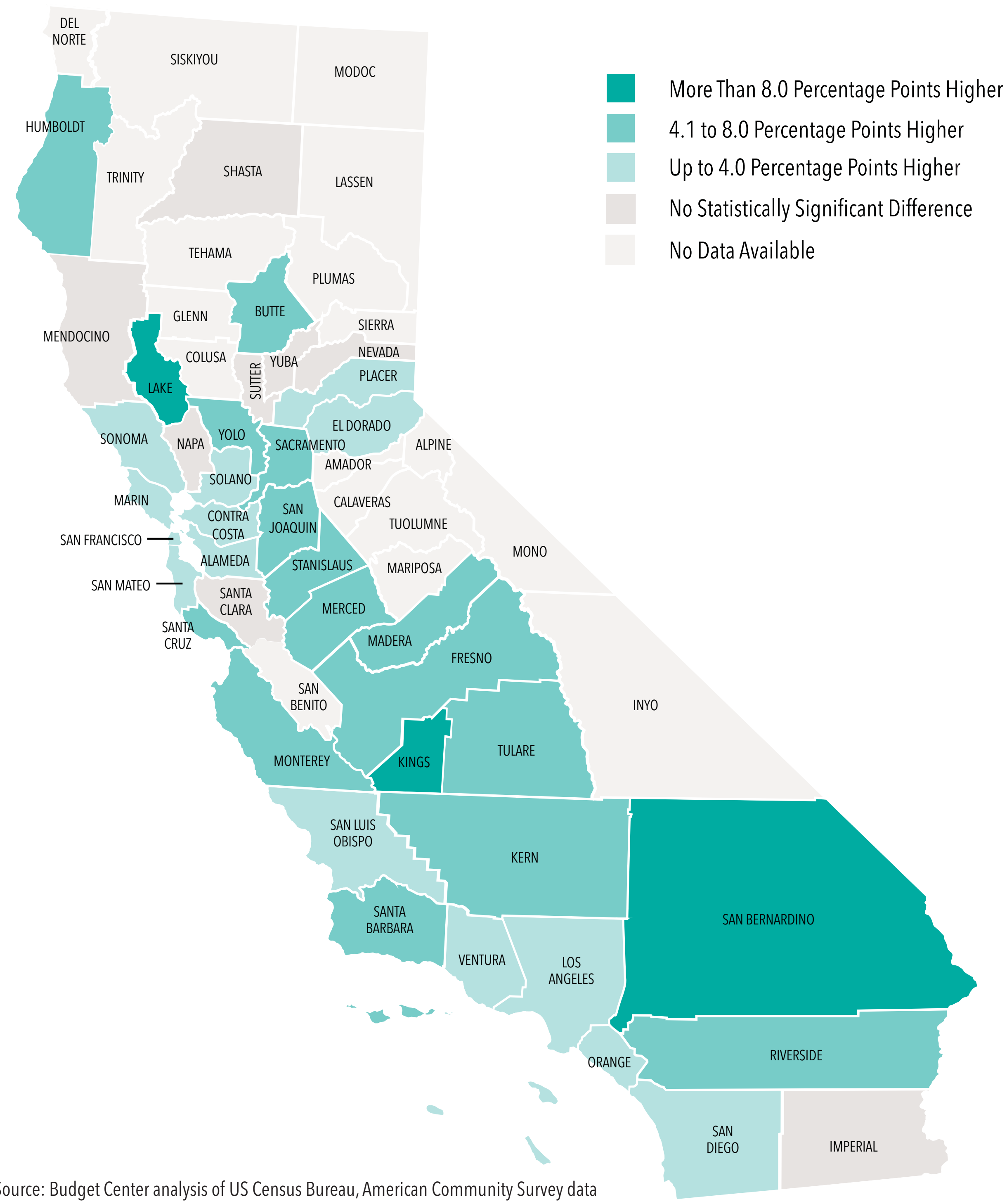
- **Another 15 counties, including most counties in the Central Valley, had 2014 poverty rates that were between 4.1 and 8.0 percentage points higher than in 2007.** These include the remaining San Joaquin Valley counties, where poverty was high even in 2007, as well as counties in the greater Sacramento region and northern Sacramento Valley. Poverty rates in two of these 15 counties – San Joaquin and Santa Cruz – have actually *increased* significantly in recent years.

- **In 14 counties, including parts of the state where the local job market has been booming, 2014 poverty rates still exceeded 2007 levels by up to 4.0 percentage points.** In San Francisco and San Mateo counties, 2014 poverty rates were around 1.5 percentage points higher than in 2007; they were more than 3.5 percentage points higher in Orange and San Diego counties.

Many factors could contribute to the uneven recovery across California's counties. These include differences in the availability of well-paying jobs and/or of sufficient work hours as well as changes in county demographics, such as whether large numbers of people who struggle to get by move into a county.

## Poverty Rates Remain High in Many Parts of the State

Percentage Point Difference Between 2007 and 2014 Poverty Rate




Source: Budget Center analysis of US Census Bureau, American Community Survey data

1 All poverty rates reported in this fact sheet come from the US Census Bureau's American Community Survey and all changes in the poverty rates reported are statistically significant at the 90 percent confidence level. The picture of poverty within California differs depending on how poverty is measured. The data presented in this fact sheet reflect the US Census Bureau's official poverty measure, which gauges poverty based on families' cash income relative to income thresholds that do not factor in local costs of living. The Public Policy Institute of California, in collaboration with the Stanford Center on Poverty and Inequality, developed an alternative measure, the California Poverty Measure, which gauges poverty based on a broader range of resources available to families and accounts for local costs of living as well as makes a number of other changes that improve upon the official poverty measure. See Sarah Bohn, et al., *The California Poverty Measure: A New Look at the Social Safety Net* (Public Policy Institute of California: October 2013). This measure shows that poverty rates tend to be higher in coastal communities than in inland areas. See Christopher Wimer, et al., *A Portrait of Poverty within California Counties and Demographic Groups* (The Stanford Center on Poverty and Inequality: October 1, 2013). However, this measure is not available for the years presented in this fact sheet and cannot be used to show how poverty rates have changed in recent years.

2 These include Santa Clara County, where recent job gains have far exceeded gains in most other California counties, as well as less populous counties, such as Imperial, where it is difficult to detect statistically significant changes in annual poverty rates. Data for less populous counties are based on relatively small samples and therefore are subject to greater sampling error. Data were not available for the remaining 18 counties.