



California Budget
& Policy Center

Children and Families in California: Key Context for the May Revision

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EVERYCHILD CALIFORNIA
EARLY LEARNING AND CARE ADVOCACY:
A DAY AT THE CAPITOL

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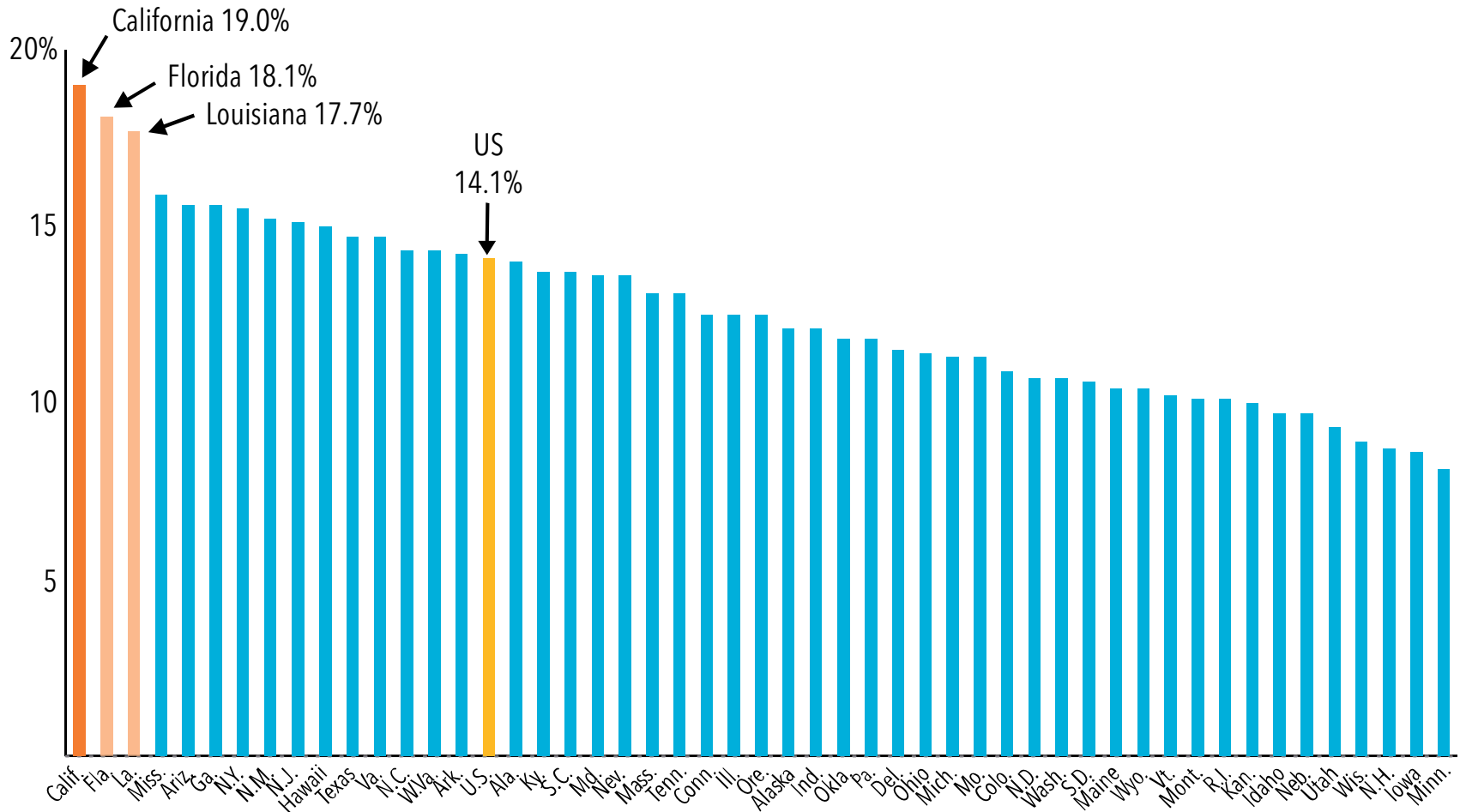
The Social and Economic Context of the State Budget

Despite nine years of sustained economic growth, the recovery remains uneven and elusive for many Californians.



California Has One of the Highest Poverty Rates of the 50 States Under the Supplemental Poverty Measure

State Poverty Rate Under the SPM, 2015-2017



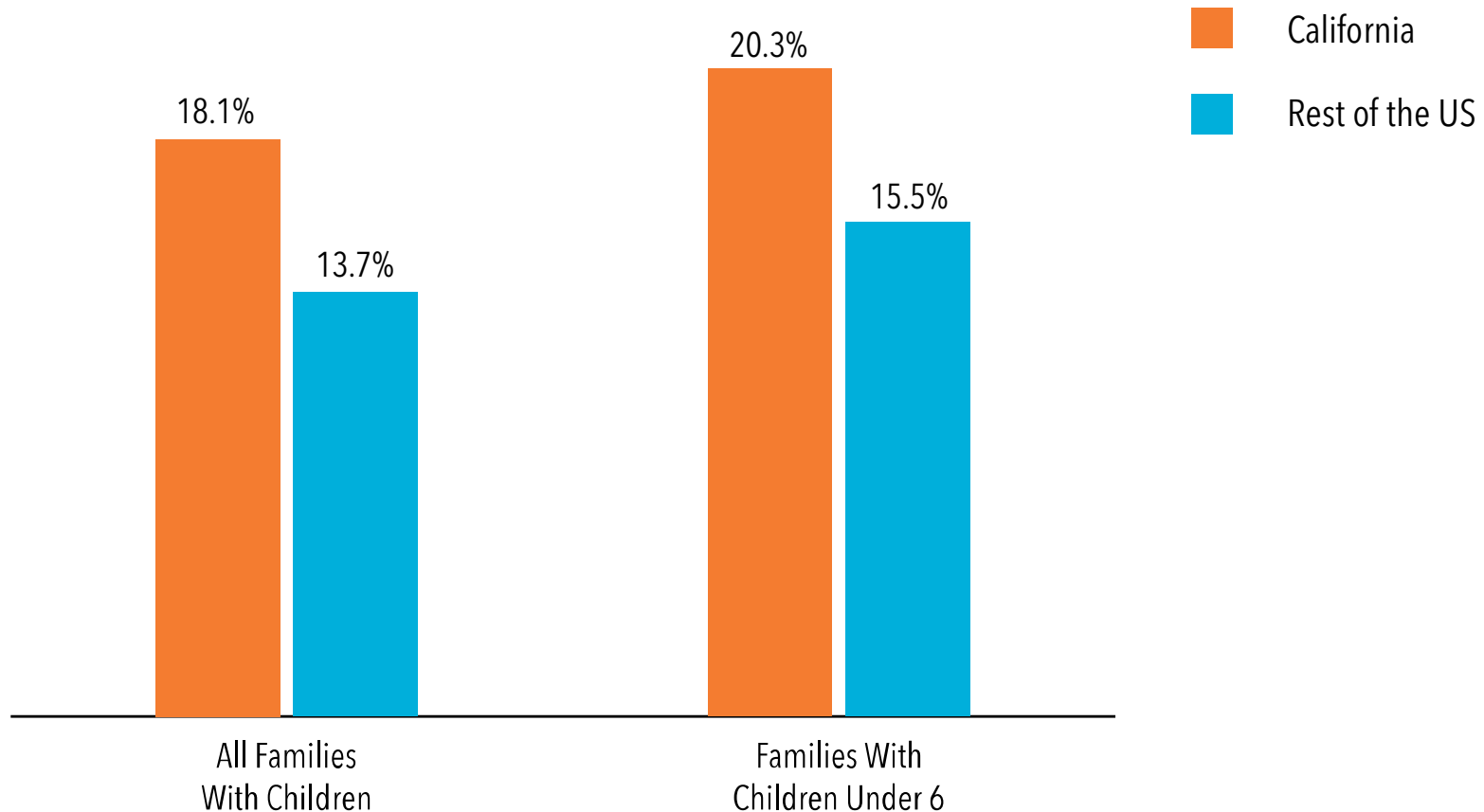
Note: Poverty rates for California, Florida, and Louisiana are not statistically different.

Source: US Census Bureau, Current Population Survey



Families With Children Are Significantly More Likely to Live in Poverty in California Than in the Rest of the US

Poverty Rate Based on the Supplemental Poverty Measure, 2017

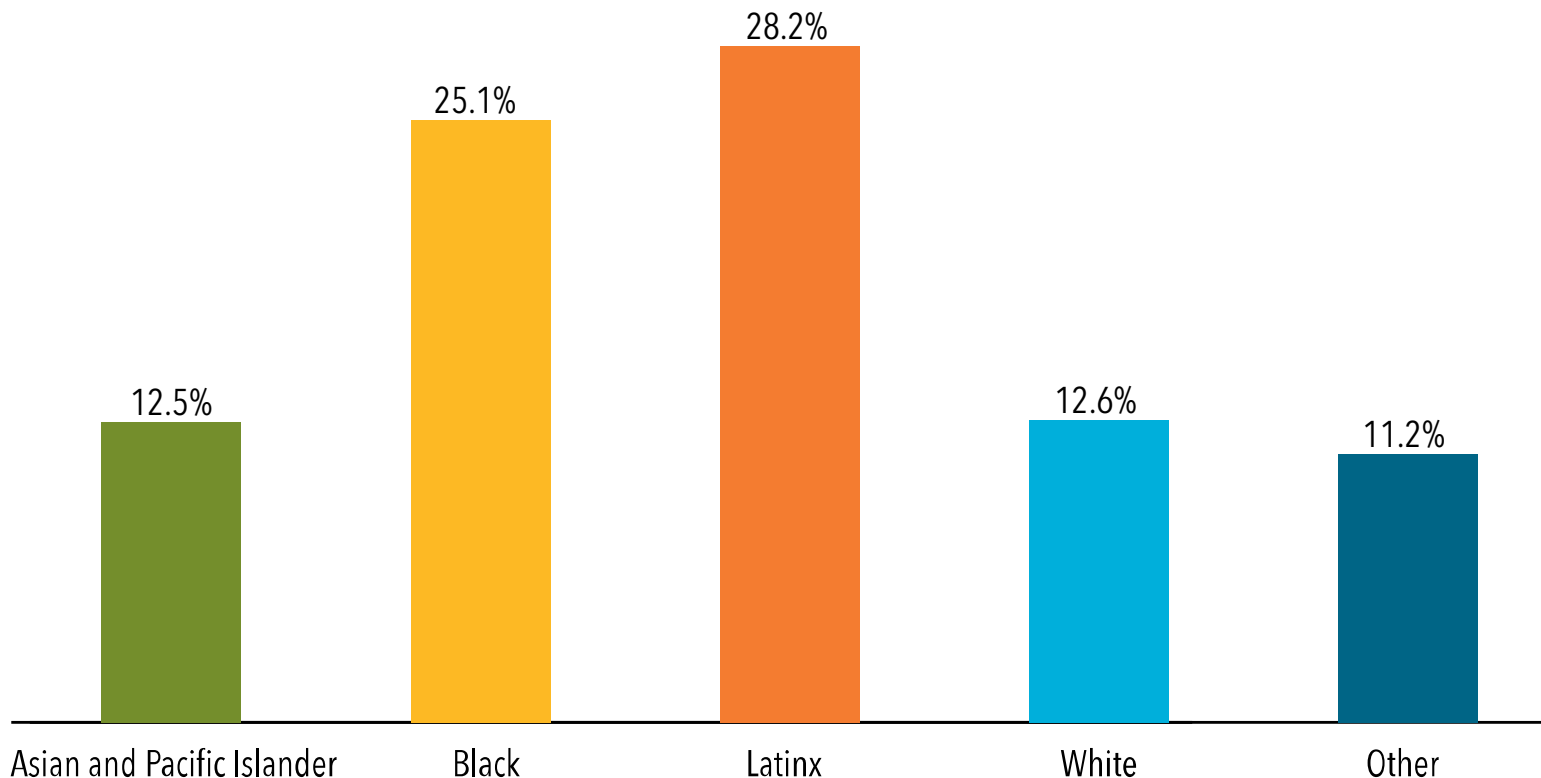


Source: Budget Center analysis of US Census Bureau, Current Population Survey data



Black and Latinx Children Are More Likely to Live in Poverty Than Other Children in California

Child Poverty Rate Based on the Supplemental Poverty Measure, 2015-2017



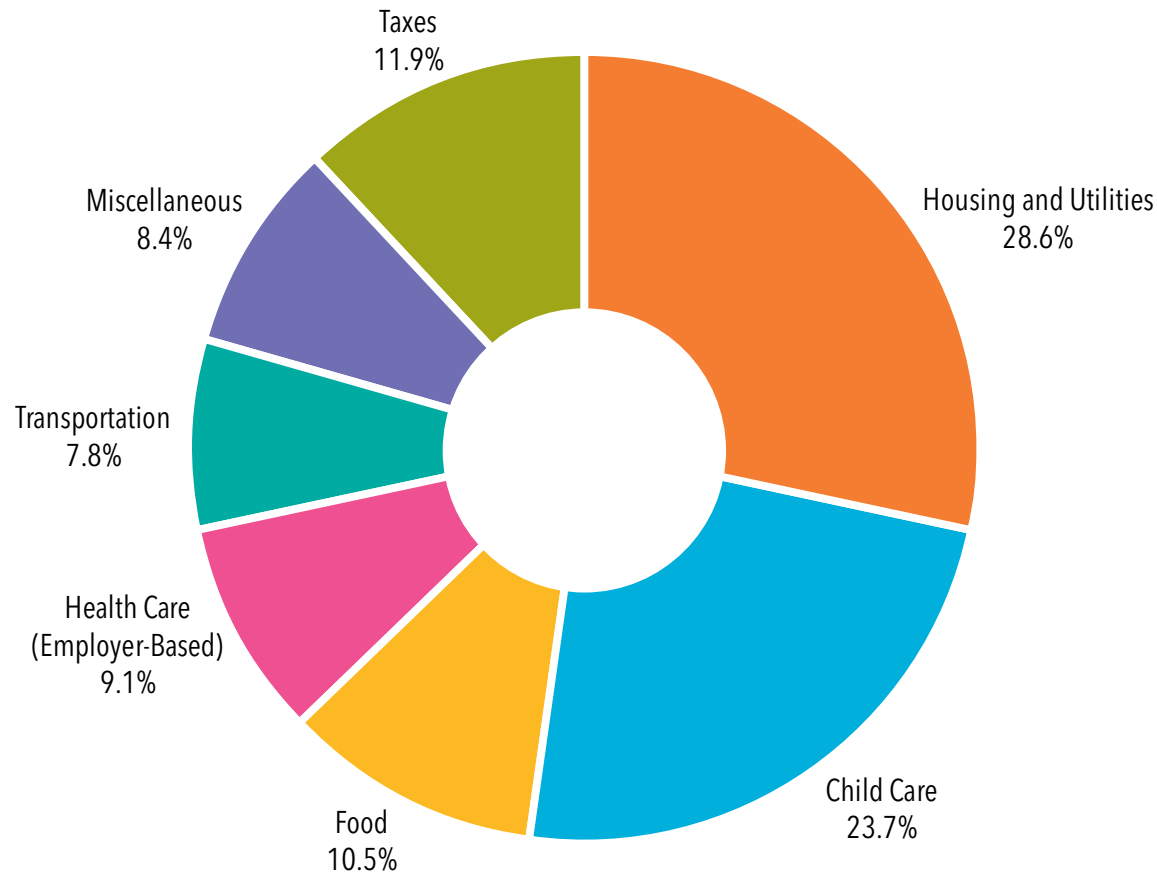
Note: Children defined as ages 0 to 17. Racial and ethnic groups are mutually exclusive. Due to data limitations, people who did not identify as Asian and Pacific Islander, Black, Latinx, or White were grouped into an "other" category.

Source: California Budget & Policy Center analysis of US Census Bureau, Current Population Survey data



Than Half of the Average Single-Parent Family Budget in California Pays for Housing and Child Care

Statewide Average Annual Basic Family Budget for a Single-Parent Family = \$65,865

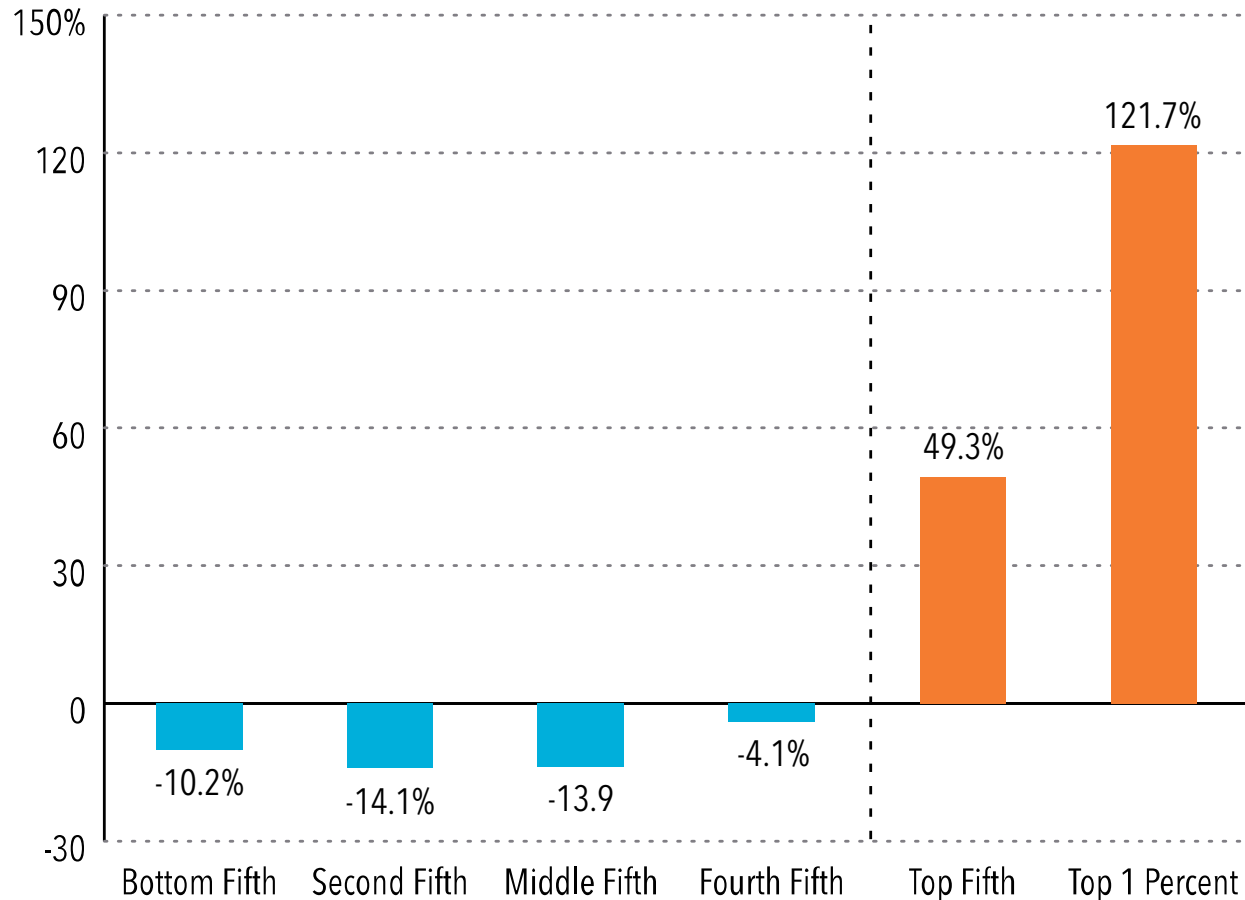


Note: Statewide average family budget calculated by averaging all county family budgets, weighted by county population.
Source: Budget Center Making Ends Meet 2017 analysis



Incomes Have Grown Only for the Highest-Income California Families Over the Last Generation

Percent Change in Average Adjusted Gross Income (AGI), 1987-2016, Inflation-Adjusted

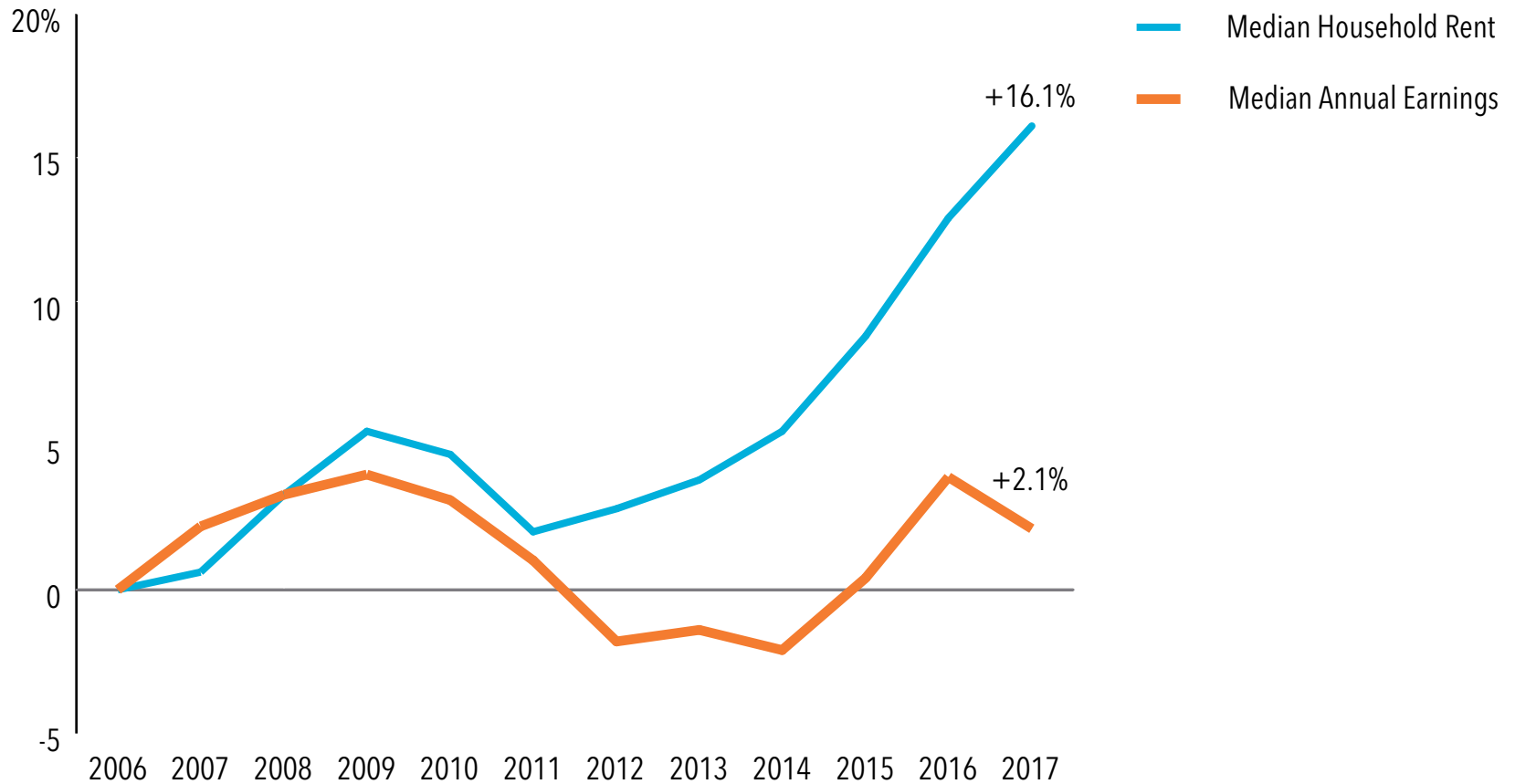


Source: Franchise Tax Board



Workers' Earnings Have Not Kept Pace With Rents in California

Percent Change in Inflation-Adjusted Median Rent and Median Annual Earnings Since 2006



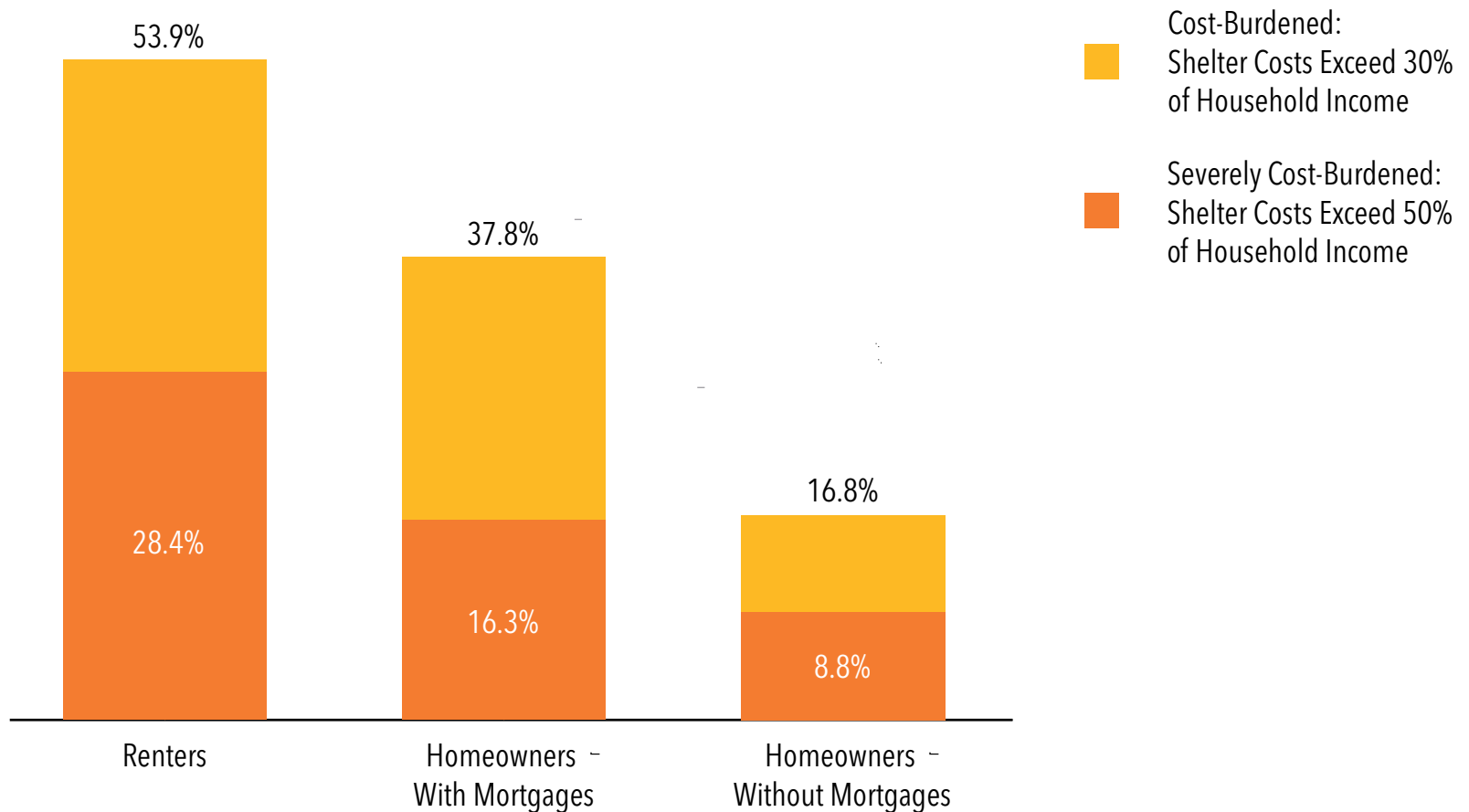
Note: Median annual earnings for individuals working at least 35 hours per week and 50 weeks per year. Excludes workers with \$0 or negative total earnings.

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



More Than Half of California's Renters and Over a Third of Homeowners With Mortgages Have High Housing Costs

Percentage of Households With Housing Cost Burden or Severe Housing Cost Burden, 2017

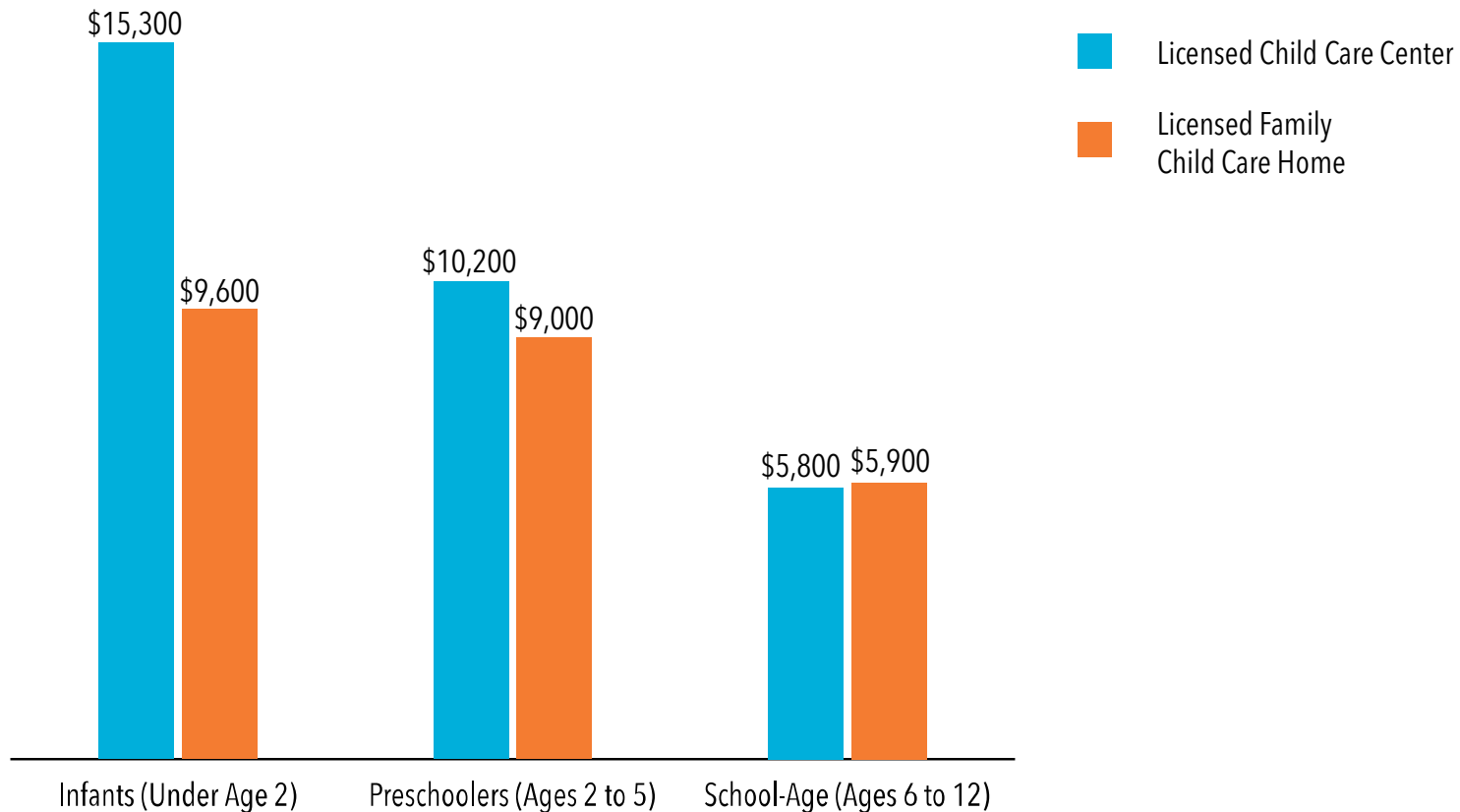


Note: Definitions of housing cost burden are from the US Department of Housing and Urban Development.
Source: Budget Center analysis of US Census Bureau, American Community Survey data



The Cost of Child Care Is Prohibitively High in California

Median Cost of Care Statewide, 2017



Note: Figures are rounded to the nearest hundred. Cost of care is full-time for infants and preschoolers and prorated according to the school year for a school-age child. Costs are based on counties' median cost of care weighted to reflect each county's child population and are adjusted for inflation.

Source: Budget Center analysis of California Department of Education data, 2016 Regional Market Rate Survey



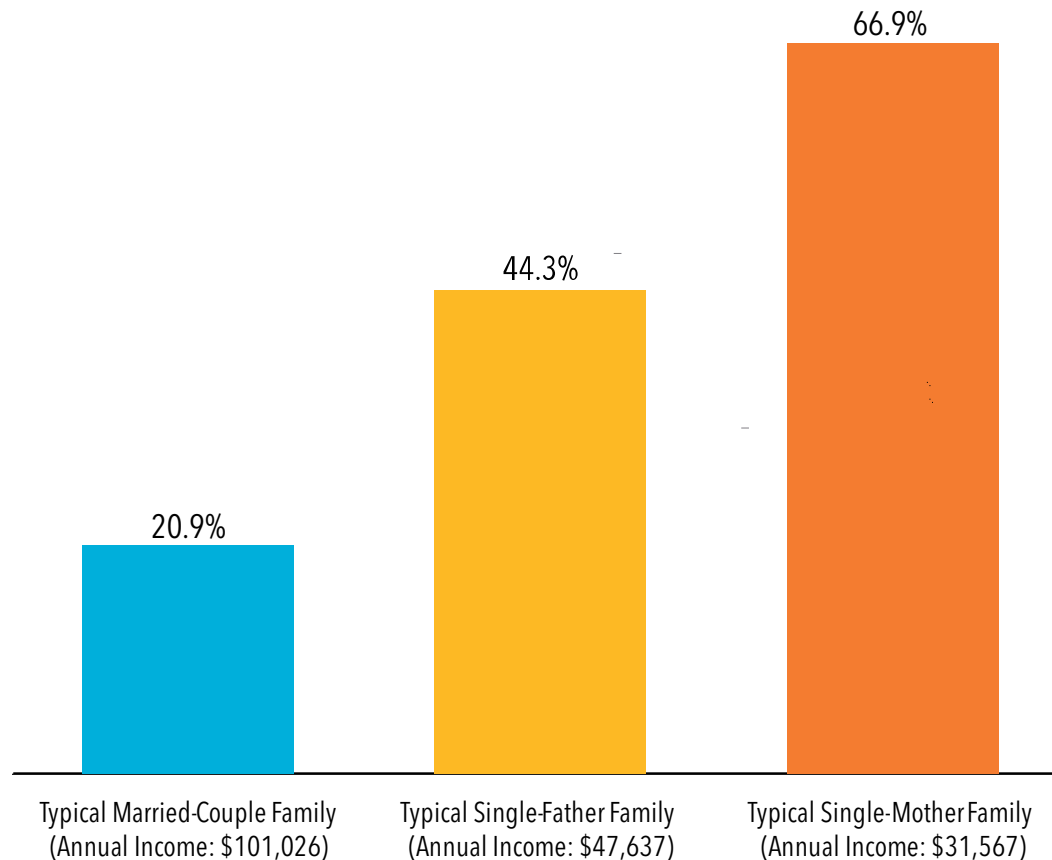
Child care is considered affordable if it doesn't exceed 7% of family income.

In California, two working parents earning low wages would *each* have to work 147 hours *per week* to avoid paying more than 7% of income on the cost of child care for an infant in a licensed center.



The Cost of Child Care in California Is a Large Share of Family Budgets, Especially for Single-Parent Families

Child Care Costs for an Infant and a School-Age Child as a Share of Annual Family Income, 2017



Note: Cost of care is for a licensed center in California in 2016 (full-time for an infant and prorated according to the school year for a school-age child) adjusted for inflation to reflect 2017 dollars. Costs are based on counties' median cost of care weighted to reflect each county's population of infants and school-age children.

Source: Budget Center analysis of data from the California Department of Education, 2016 Regional Market Rate Survey and US Census Bureau



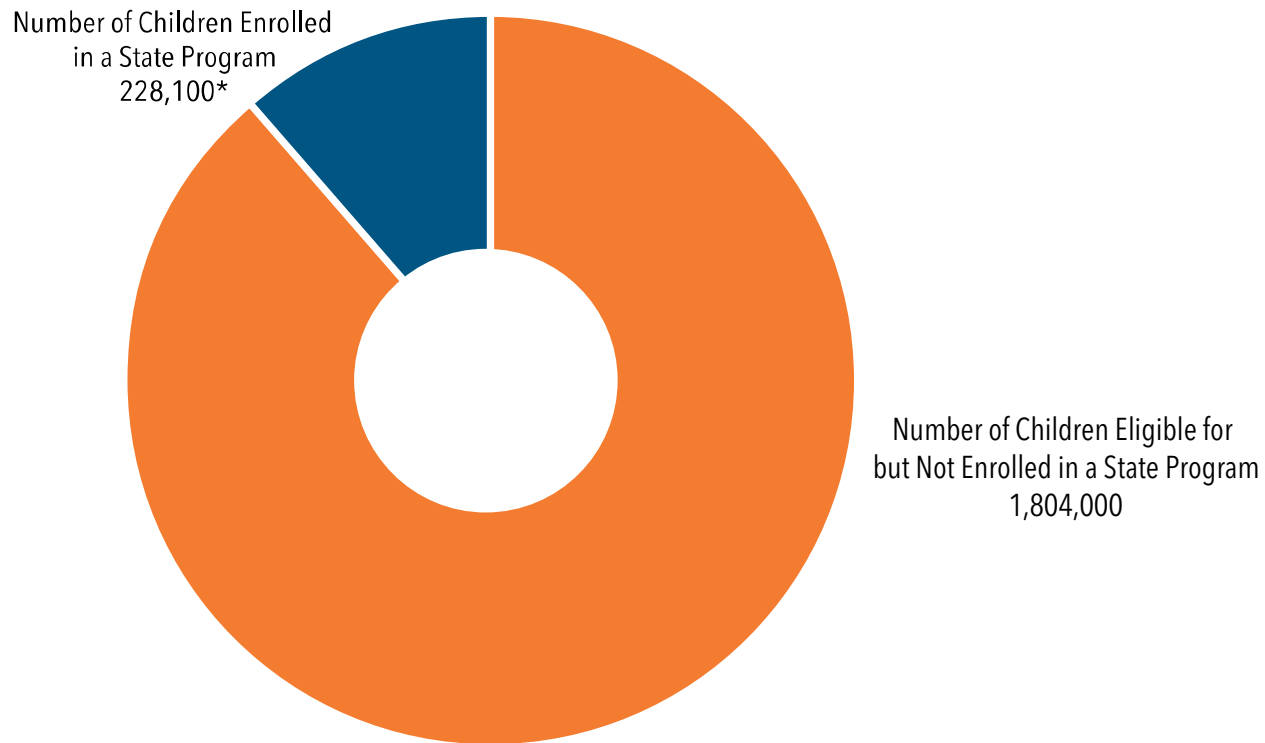
Subsidized child care and development programs help families make ends meet.

Without access to subsidized care, many families face difficult choices about where to leave their children while they are working.



Eight Out of Nine Children Eligible for Subsidized Child Care Did Not Receive Services From Full-Day, Full-Year Programs in 2017

Estimated Number of California Children Eligible for Subsidized Child Care = 2,032,000



* Enrollment is for children from birth through age 12 in October 2017, except for California Community College CalWORKs Stage Two, which reflects a Department of Finance estimate for the 2017-18 fiscal year. Includes children enrolled in the full-day California State Preschool Program (CSPP). Excludes children enrolled in the part-day CSPP or the Handicapped Child Care Program. Source: California Department of Education, Department of Finance, Department of Social Services, and Budget Center analysis of US Census Bureau, American Community Survey data



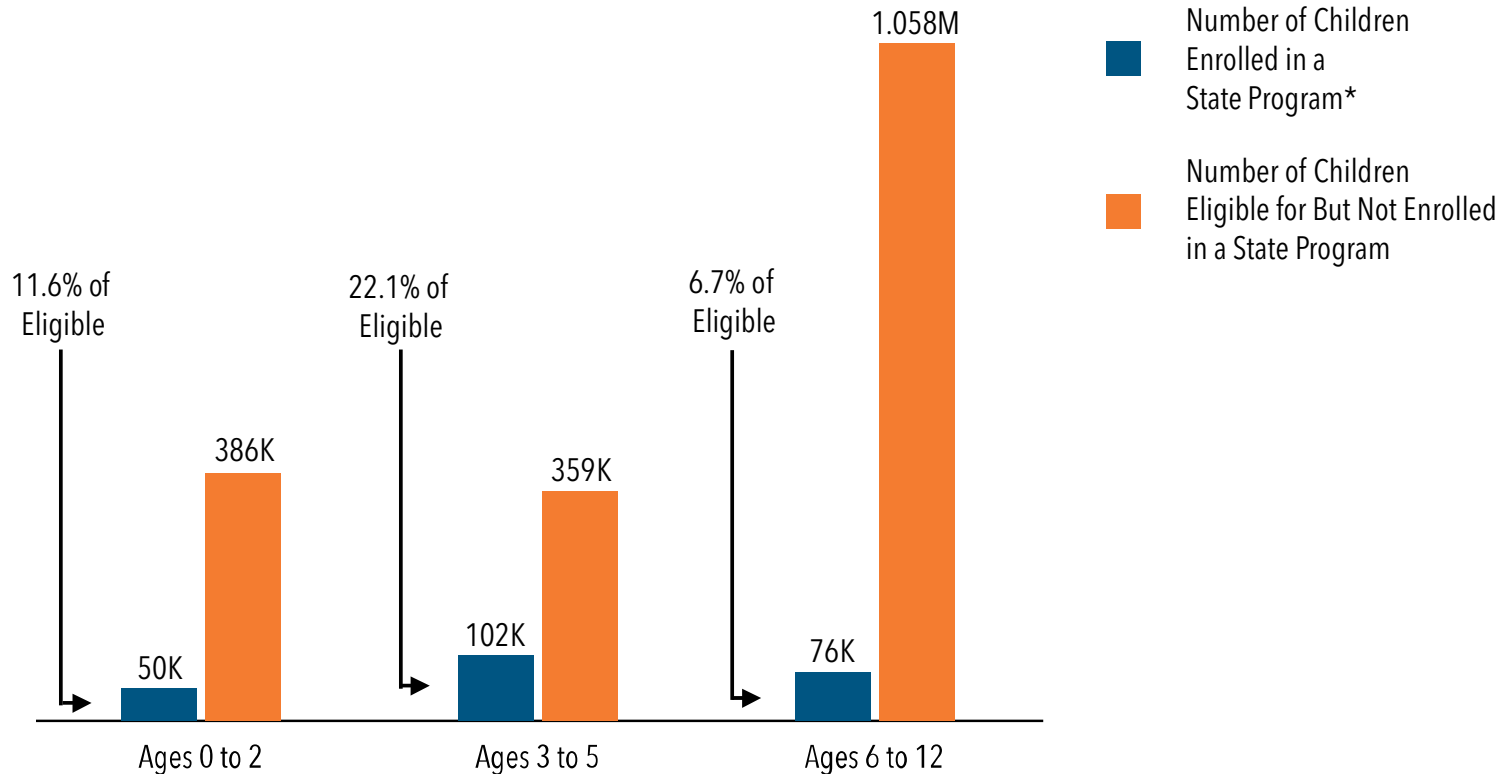
Parents typically incur the highest-priced care - for infants and toddlers - at a younger age when they can least afford it.

Even families with older children may struggle to find affordable care before or after school or when working nonstandard hours.



Enrollment in Subsidized Child Care and Full-Day State Preschool Varies by Age

Estimated Number of California Children Eligible for Subsidized Child Care = 2,032,000



* Enrollment is for children from birth through age 12 in October 2017. Includes children enrolled in full-day California State Preschool Program (CSPP). Excludes children enrolled in the part-day CSPP or the Handicapped Child Care Program. The California Community College CalWORKs Stage 2 data reflect a Department of Finance estimate for the 2017-18 fiscal year. CalWORKs Stage 1 age data are Budget Center estimates based on California Department of Education (CDE) CalWORKs Stage 2 figures. Source: CDE, Department of Social Services, and Budget Center analysis of US Census Bureau, American Community Survey data



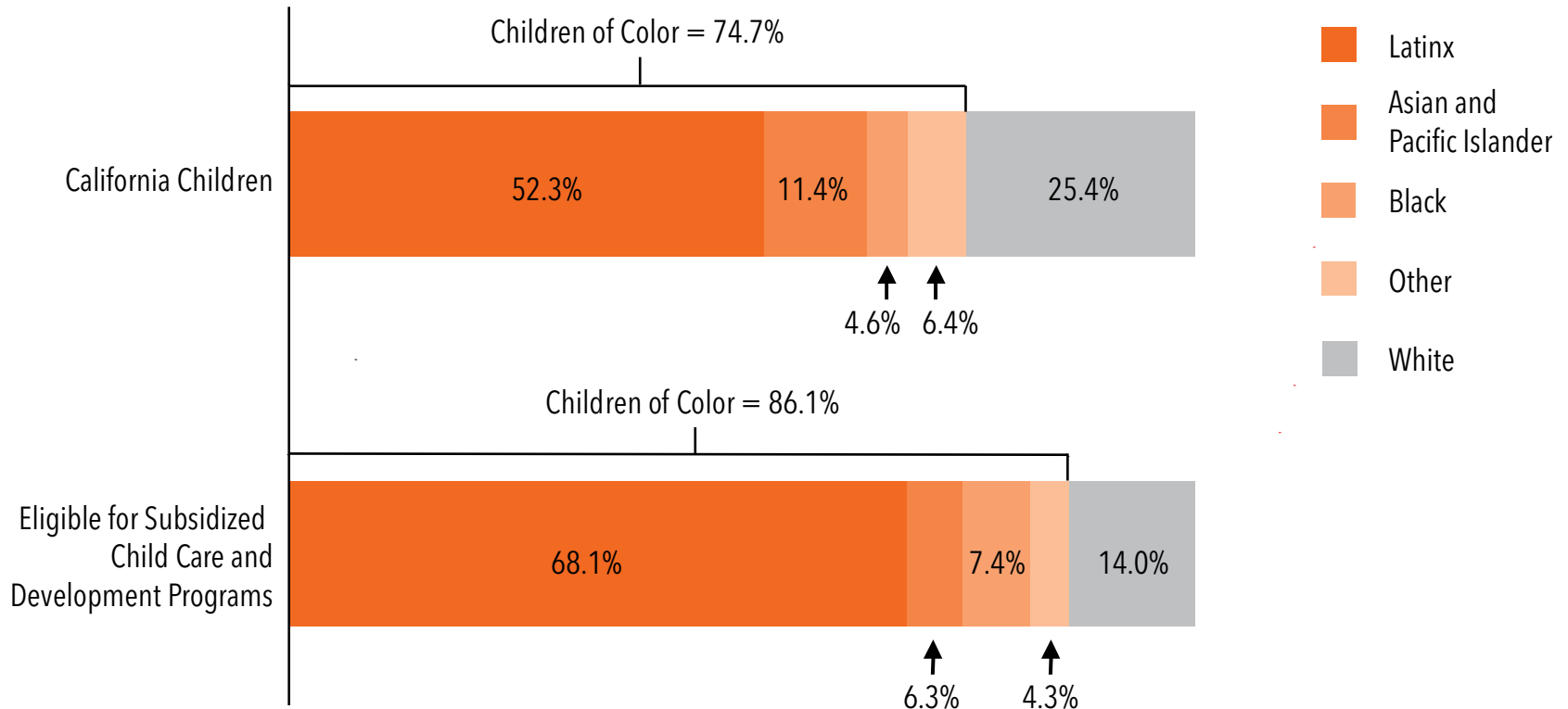
Children of color are more likely than white children to live in poverty in California.

Persistent inequities have limited economic mobility for many families of color, which increases the odds that children of color will experience hardships that will adversely affect their development.



Overall, Children of Color Are Disproportionately Eligible for Subsidized Child Care and Development Programs

Race and Ethnicity of California Children Birth Through Age 12, 2017

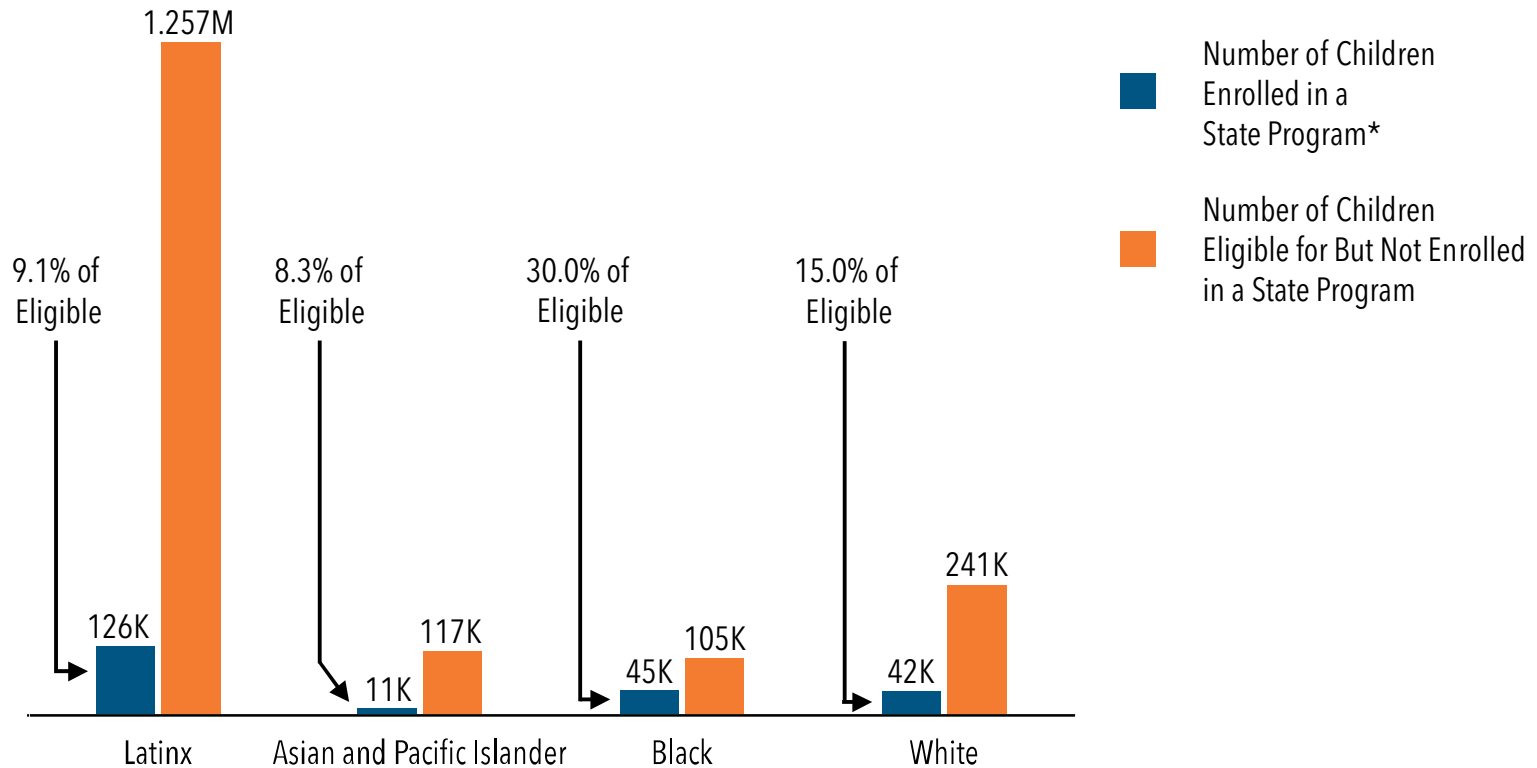


Note: Figures may not sum to 100 due to rounding. Race and ethnicity categories are mutually exclusive. The "Other" category includes Native American, multiracial, and unspecified races. Source: Budget Center analysis of US Census Bureau, 2017 American Community Survey data



Enrollment in Subsidized Child Care and Full-Day State Preschool Varies by Race and Ethnicity

Estimated Number of California Children Eligible for Subsidized Child Care = 2,032,000



* Enrollment is for children from birth through age 12 in October 2017, except for California Community College CalWORKs Stage 2 data, which reflects a Department of Finance estimate for the 2017-18 fiscal year. Includes children enrolled in full-day California State Preschool Program (CSPP). Excludes children enrolled in the part-day CSPP or the Handicapped Child Care Program. The race and ethnicity figures are estimated for CalWORKs Stage 1 and California Community Colleges CalWORKs Stage 2.

Note: Race and ethnicity categories are mutually exclusive. Native American, multiracial, and unspecified race categories not shown here.

Source: Budget Center analysis of data from the California Department of Education, Department of Finance, Department of Social Services, and US Census Bureau, 2017 American Community Survey data



Providing additional access to subsidized child care and development programs should be a key component of state and federal budget deliberations.



California's Fiscal Health Heading Into 2019-20

- Governor expects economic growth to continue to slow, along with increasing economic risks.
- General Fund revenues expected to be \$3.2 billion higher over the three-year “budget window,” as compared to estimates from the January proposal.
- May Revision maintains emphasis on paying down debt and saving for a rainy day, but increases one-time and ongoing spending.
- The May Revision includes a range of one-time and ongoing investments that would support low- and middle-income Californians, with a continued emphasis on children and families.



Key Takeaways

- Families in California struggle to afford the basic due to stagnant wages and a high cost of housing.
- Early care and education is prohibitively expensive, and the high cost of care limits families' access to high-quality early learning environments.
- The vast majority of children eligible for a subsidized child care and development program do not have access.
- Children of color are disproportionately affected by a lack of investment in our state's system.
- California has the resources to support families, but do we have the political will?





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