



BY ALISSA ANDERSON

A Better Measure of Poverty Shows How Widespread Economic Hardship Is in California

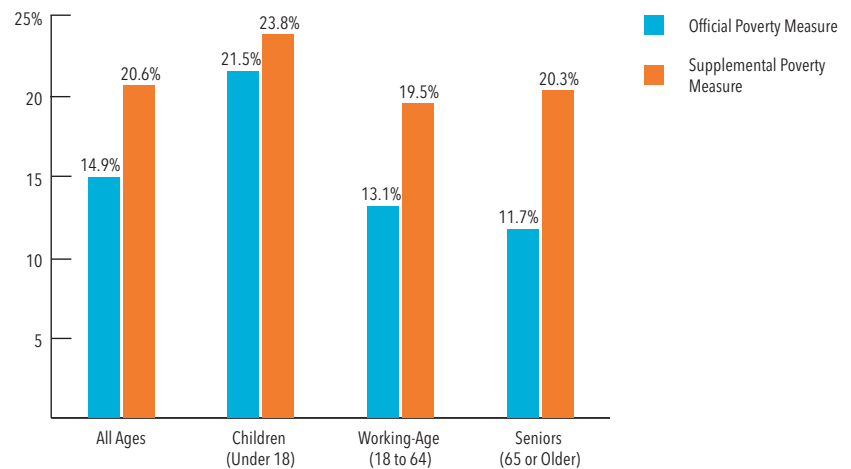
The federal Supplemental Poverty Measure (SPM), which improves on the official poverty measure (see note on page 2), shows that:

- 1 in 5 Californians (20.6%) struggle to afford basic necessities, up from 14.9% under the official poverty measure.
- Nearly one-quarter of children (23.8%) live in families struggling to get by – a larger share than for adults regardless of which poverty measure is used.
- Seniors are nearly twice as likely to lack adequate resources under this more accurate measure.

- 1 in 4 black Californians (25.1%) and 3 in 10 Latinos (30.4%) are struggling financially based on the SPM.
- Black Californians and Latinos are more likely to face economic hardship than whites, regardless of how poverty is measured.
- The share of Latinos struggling to get by is 9 percentage points higher based on this better measure of hardship.

Economic Hardship Is More Common Across All Age Groups Based on a Better Measure of Poverty

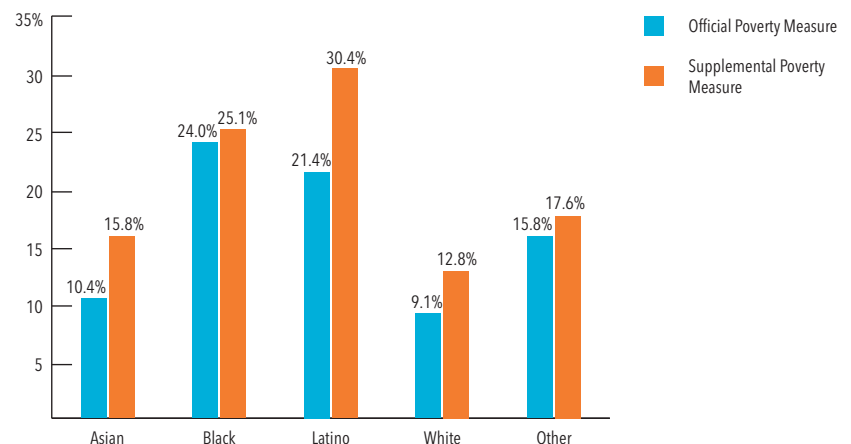
Average Annual Percentage of Californians in Poverty, 2013-2015



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

Economic Hardship Is More Common Across Racial and Ethnic Groups Based on a Better Measure of Poverty

Average Annual Percentage of Californians in Poverty, 2013-2015

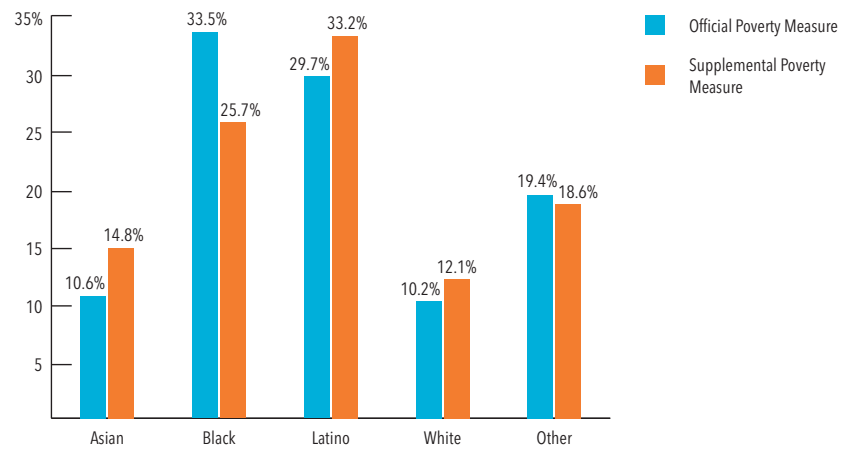


Note: Racial and ethnic groups are mutually exclusive. Asian, black, white, and "other" exclude people who also identify as Latino. "Other" includes Pacific Islanders, Native Americans, and people who identify with more than one race.
Source: Budget Center analysis of US Census Bureau, Current Population Survey data

- One-third of Latino children (33.2%) live in poverty based on the SPM, compared to 29.7% under the official measure.
- Over one-quarter of black children (25.7%) live in poverty based on the SPM. Although this is unacceptably high, it is nearly 8 percentage points lower than the official poverty rate (33.5%) due to the impact of public supports like CalFresh food assistance and housing assistance.
- Latino and black children are more than twice as likely as white children to live in families that are struggling to get by.

For Most Groups, Children Are More Likely to Live in Poverty Based on a Better Measure of Hardship

Average Annual Percentage of California Children in Poverty, 2013-2015

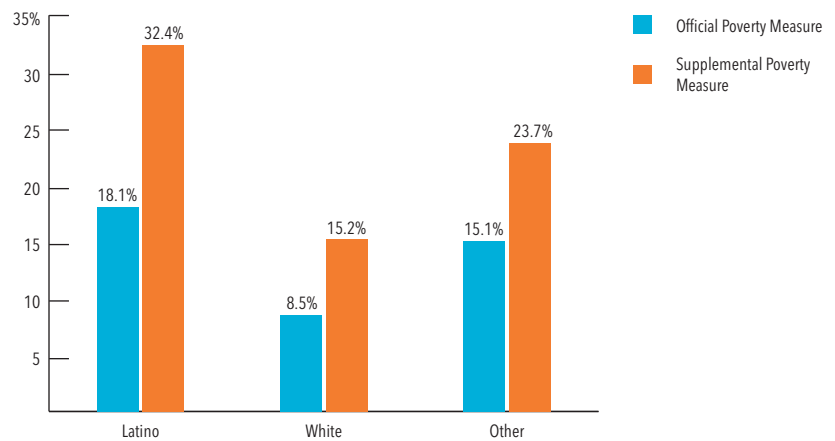


Note: Racial and ethnic groups are mutually exclusive. Asian, black, white, and "other" exclude children who also identify as Latino. "Other" includes Pacific Islanders, Native Americans, and children who identify with more than one race.
Source: Budget Center analysis of US Census Bureau, Current Population Survey data

- The share of seniors struggling to make ends meet is substantially higher under the SPM.
- Nearly one-third of Latino seniors (32.4%) and nearly one-quarter of other seniors of color (23.7%) struggle financially.
- Seniors of color are more likely than white seniors to live in poverty regardless of which measure of hardship is used.

Seniors Are More Likely to Live in Poverty Under a Better Measure of Hardship

Average Annual Percentage of California Seniors in Poverty, 2013-2015



Note: Racial and ethnic groups are mutually exclusive. White and "other" exclude people who also identify as Latino. "Other" includes blacks, Asians, Pacific Islanders, Native Americans, and people who identify with more than one race.
Source: Budget Center analysis of US Census Bureau, Current Population Survey data

Note: The SPM is a better measure of economic hardship than the official poverty measure because it:

- 1) Better accounts for differences in the cost of living by establishing different poverty lines within each metropolitan area and for all non-metropolitan areas within a state combined for people who rent their home, own their home with a mortgage, or own their home without a mortgage;
- 2) Factors in a broader array of resources that people use to make ends meet by adding to people's incomes the value of non-cash benefits, such as food and housing assistance, as well as personal income tax credits, including the Earned Income Tax Credit; and
- 3) More accurately estimates people's disposable income by subtracting from income the cost of basic expenses, including work-related expenses, such as child care, and out-of-pocket medical expenses.

Three years of data were pooled together to increase the reliability of the estimates for demographic groups based on small samples, such as seniors of color.