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New Census Data Reveal that the Economic Recovery Has Resulted in Few Gains for Californians and the Nation

New poverty and income data released by the US Census Bureau today on the extent of poverty and household incomes and health coverage in California and the nation. The new data shows little progress in California or the nation. The income of the household at the midpoint of the income distribution - the median - remained essentially flat in California and fell slightly in the nation as a whole.

Since 2000, the last year before unemployment began to rise, the number of Californians in poverty has risen by 193,000. The number of Californians lacking health coverage rose by a similar 200,000 during the same period.

Californians fared slightly better than Americans as a whole by key indicators contained in the new data. California's poverty rate and median income remained essentially flat in 2003, while the national poverty rate increased in 2003 and the median household income for the nation as whole fell by \$1,538 between 1999-2000 and 2002-2003.¹

California's median household income remains flat. The income of the household at the midpoint of the income distribution was slightly lower in 2002-2003 (\$48,912) than it was in 1999-2000 (\$49,084). However, this change was not statistically significant. Nationally, the median income declined from \$44,887 in 1999-2000 to \$43,349 in 2002-2003. The national decline was statistically significant.

Share of Californians in poverty remains flat. Despite an improving economy, the share of Californians with incomes below the federal poverty line remained at 13.1 percent in 2003, unchanged from the prior year. Nationally, the poverty rate increased from 12.1 percent to 12.5 percent. In 2003, 4.634 million Californians - including 1.757 million children - had incomes below the federal poverty line.

Nearly one-third of Californians had incomes below 200 percent of the federal poverty threshold in 2003. In 2003, 32.9 percent of Californians - 11.618 million individuals - had income below 200 percent of the federal poverty threshold (\$37,320 for a family of four with two children).

Poverty more prevalent in Southern California than in the Bay Area. In 2003, 2.528 million (14.7 percent) residents of the greater Los Angeles area lived in poverty.² The poverty rate in

¹ In order to increase the statistical reliability of the data, the Census Bureau reports data for a two-year period.

² The region comprised of Los Angeles, Orange, Riverside, San Bernardino, and Ventura Counties.

the Bay Area, in contrast was approximately half that of the Southland (8.0 percent) in 2003.³ Similarly, a smaller share of Bay Area residents (21.3 percent) lived below 200 percent of the poverty line as compared to Southern California (36.1 percent).

Child poverty remains flat in California while rising in the US. Nearly one out of five (18.5 percent) California children lived in poverty in 2003, down slightly from 18.7 percent in 2002. Nationally, the child poverty rate rose from 16.7 percent to 17.6 percent over the same period.

Share of Californians lacking health coverage up slightly. The share of Californians without health coverage from any source increased by 0.2 percent, from 18.2 percent in 2002 to 18.4 percent in 2003. Overall, 6.5 million Californians, including 1.2 million children, lacked health coverage in 2003. The number of uninsured Californians rose by 200,000 between 2000 and 2003. The share of the national population lacking health coverage rose from 15.2 percent in 2002 to 15.6 percent in 2003. California ranked fourth in the nation with respect to the percentage of people without health coverage in the three-year period 2001 to 2003, behind Texas, Louisiana, and New Mexico.

Employer-sponsored health coverage down in both the U.S. and in California. The share of Californians with job-based health coverage fell from 56.9 percent in 2002 to 55.5 percent in 2003. Nationally, job-based coverage fell from 61.3 percent to 60.4 percent over the same period.

Housing cost burden rises for renters and homeowners. The share of Californians paying 35 percent or more of their incomes for shelter has increased steadily since 2000. In 2003, 31.6 percent of homeowners with a mortgage spent 35 percent or more of their income for housing up from 28.2 percent in 2000. A larger share of renters – 41.8 percent in 2003 – spent 35 percent or more of their income on shelter, up from 38.0 percent in 2000.

The data cited above comes from the U.S. Census Bureau analysis of Current Population Survey and American Communities Survey data. Links to the original data can be found at http://www.census.gov/Press-Release/www/releases/archives/income_wealth/002484.html

³ The region comprised of San Francisco, Marin, San Mateo, Santa Clara, Alameda, Contra Costa, Napa, Sonoma, Solano, and Santa Cruz Counties.