

CALIFORNIA BUDGET PROJECT

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POVERTY DECLINES, INCOMES INCREASE

California Finally Recovers Ground Lost During a Weak Recovery

Census data released today show signs of progress for low- and middle-income Californians, five years into an economic expansion. These new data indicate that California's families have finally begun to regain ground lost during the recession and weak economic recovery.

"For much of the recovery, the benefits of economic growth failed to trickle down to many Californians," said Jean Ross, executive director of the CBP, a nonpartisan public policy research group. "The figures released today show that low- and middle-income Californians are beginning to experience long overdue gains."

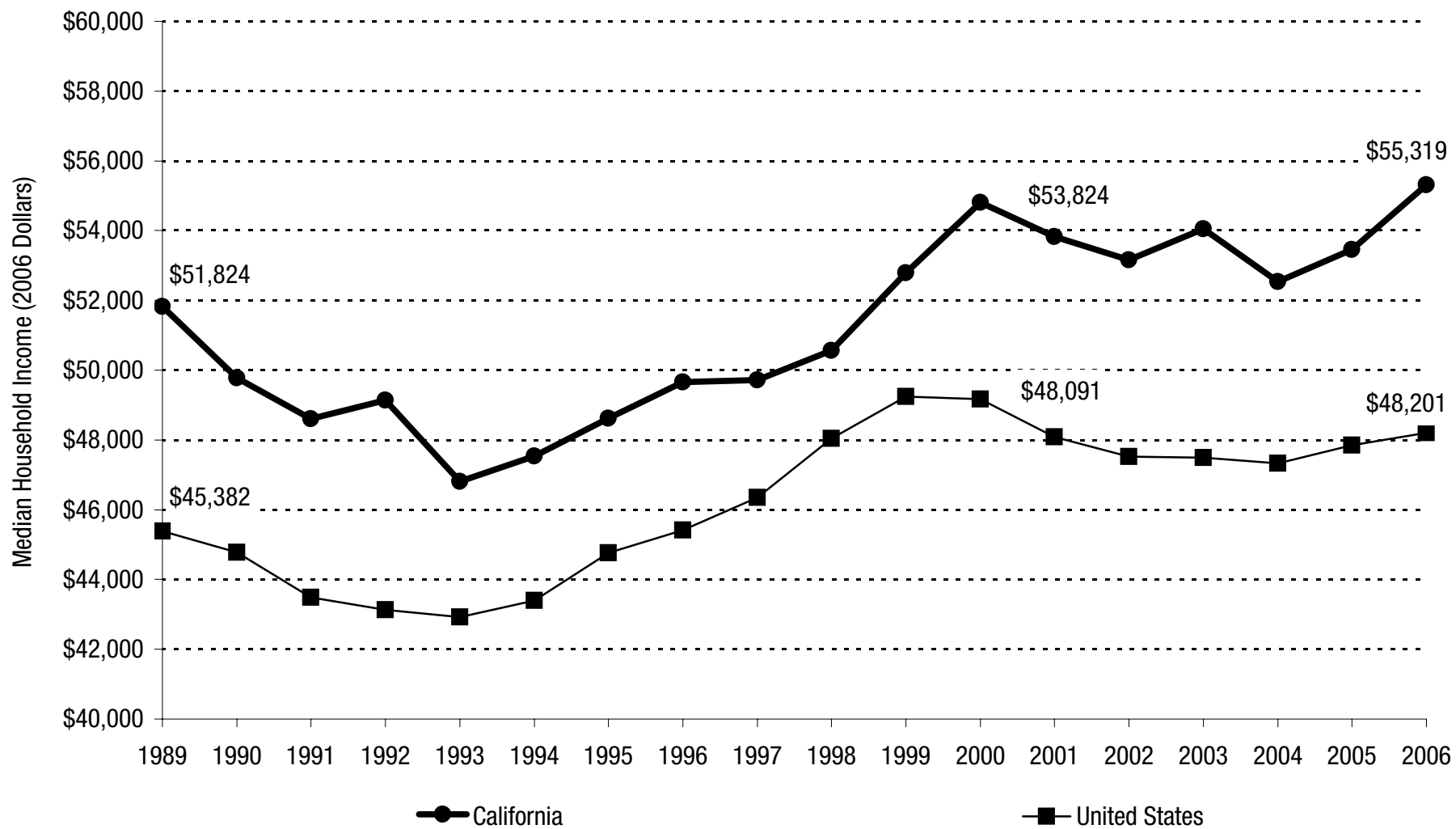
The new data show:

- The median household income in California was \$55,319 in 2006, a \$1,867 increase over 2005, after adjusting for inflation. In 2006, the state's median household income surpassed its inflation-adjusted 2001 level by \$1,495 (2.8 percent).
- More than 4.4 million Californians (12.2 percent) had incomes below the poverty line in 2006, a one percentage point decrease from 2005. This marks the first year that the state's poverty rate has fallen below its 2001 level. However, neither of these changes was statistically significant.
- More than 1.7 million California children (18.1 percent) lived in families with incomes below the poverty line in 2006, a slight improvement from the 2005 rate of 18.5 percent. However, the child poverty rate in 2006 remained higher than in 2001. Neither of these changes was statistically significant.
- The share of Californians under age 65 with job-based health coverage continued to decline in 2006. Just over half (55.5 percent) of non-elderly Californians had job-based coverage in 2006, compared to 58.7 percent in 2001.

These figures show improvement from the income and poverty trends documented in the recent California Budget Project report, *A Generation of Widening Inequality: The State of Working California, 1979-2006*. The report is available at www.cbp.org.

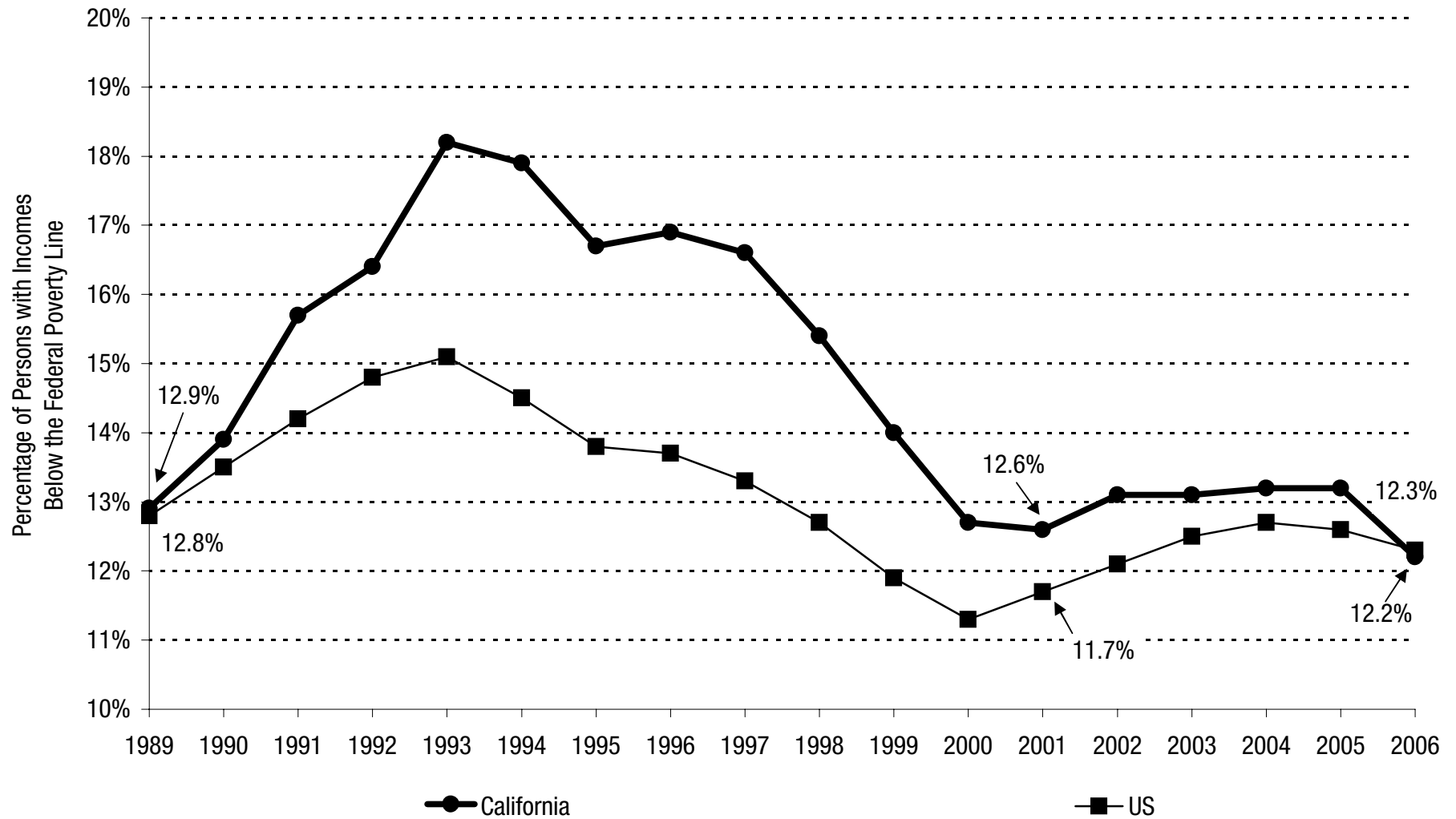
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California's Median Household Income Increased Between 2005 and 2006



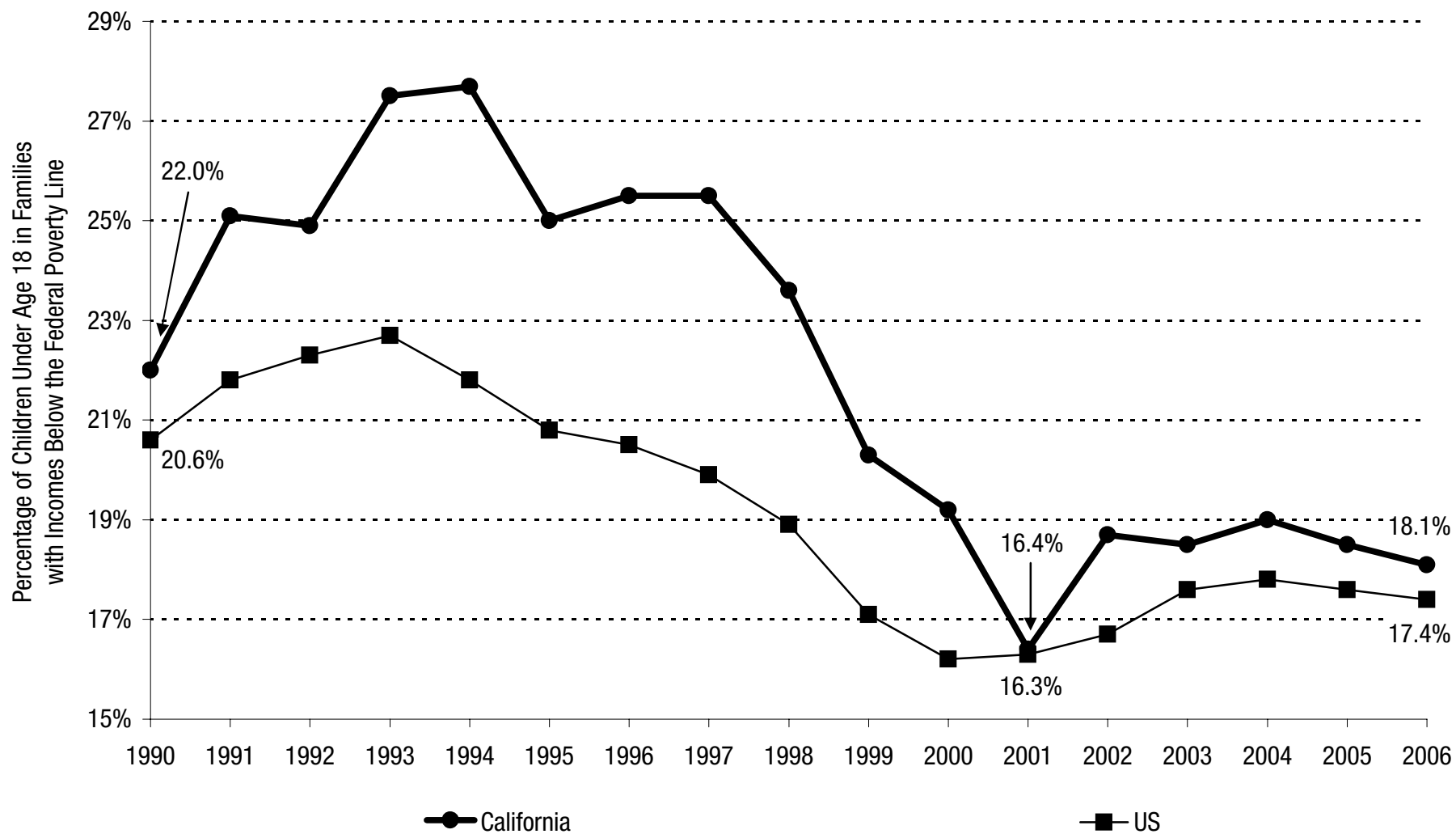
Source: US Census Bureau, Current Population Survey

California's Poverty Rate Declined Between 2005 and 2006



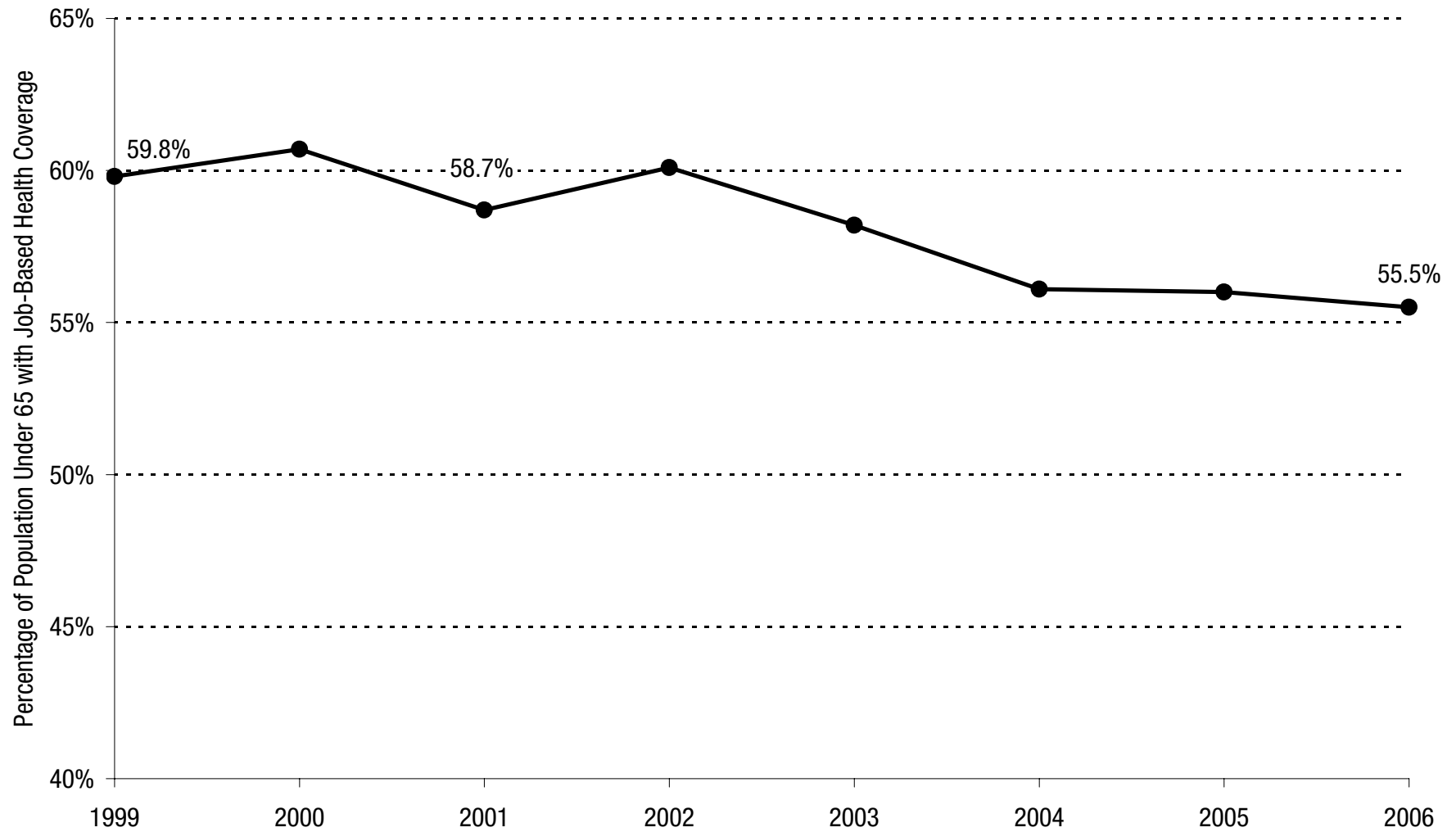
Source: US Census Bureau, Current Population Survey

California's Child Poverty Rate Declined Between 2005 and 2006



Source: US Census Bureau, Current Population Survey

The Share of Californians with Job-Based Health Coverage Has Declined



Source: US Census Bureau, Current Population Survey