

FOR IMMEDIATE RELEASE  
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## More Californians Living in Poverty, Losing Job-Based Health Coverage New Data Highlight Need for More Federal Aid and Comprehensive Health Reform

SACRAMENTO – Census Bureau data released today show that many Californians lost significant ground in 2008 – the first full year that the state’s economy was in recession. More than 5.3 million Californians had incomes below the federal poverty line in 2008, a substantial increase from the previous year. The share of California’s children living in families with incomes below the poverty line jumped above 20 percent for the first time since 1999. In addition, the share of Californians under the age of 65 with job-based health coverage slipped to 56.2 percent, continuing a multiyear downward trend.

“We’re only looking at the tip of the iceberg,” said Jean Ross, executive director of the California Budget Project (CBP), a nonpartisan public policy research group. “We know that the economy deteriorated further in 2009, so the data released today show just the beginning of what could become a substantial decline in living standards for low- and middle-income families.”

The new data show that:

- More than 5.3 million Californians (14.6 percent) had incomes below the poverty line in 2008, up from 4.6 million (12.7 percent) in 2007, a statistically significant increase. California’s 2008 poverty rate was 1.9 percentage points higher than it was in 2000, an increase that also was statistically significant.
- California’s 2008 poverty rate was 1.4 percentage points higher than the national rate – a reversal from 2006, when the share of Californians with incomes below the poverty line fell below that of the US as a whole for the first time since the late 1980s.
- The share of California’s children living in families with incomes below the poverty line rose from 17.9 percent in 2007 to 20.2 percent in 2008, a statistically significant increase. California’s 2008 child poverty rate was 1.0 percentage point above its 2000 level.
- California’s inflation-adjusted median household income – the income of the household exactly at the middle of the income distribution – fell to \$57,014 in 2008, down \$2,060 (3.5 percent) from the recent peak in 2006, a statistically significant decrease. However, the single-year drop in median household income from 2007 to 2008 (\$861) was not statistically significant.

- The inflation-adjusted US median household income dropped by \$1,860 (3.6 percent) between 2007 and 2008, reaching \$50,303. This is \$2,197 (4.2 percent) below the 2000 level.
- The share of Californians under the age of 65 with job-based health coverage dropped to 56.2 percent in 2008, down from 60.7 percent in 2000, a statistically significant decrease. Analysts expect employer-provided health coverage has continued to erode as the recession has deepened, since job loss often means the loss of job-based coverage.
- More than one out of five Californians under the age of 65 (20.6 percent) had no health coverage in 2008, which is statistically unchanged from the 2007 level.

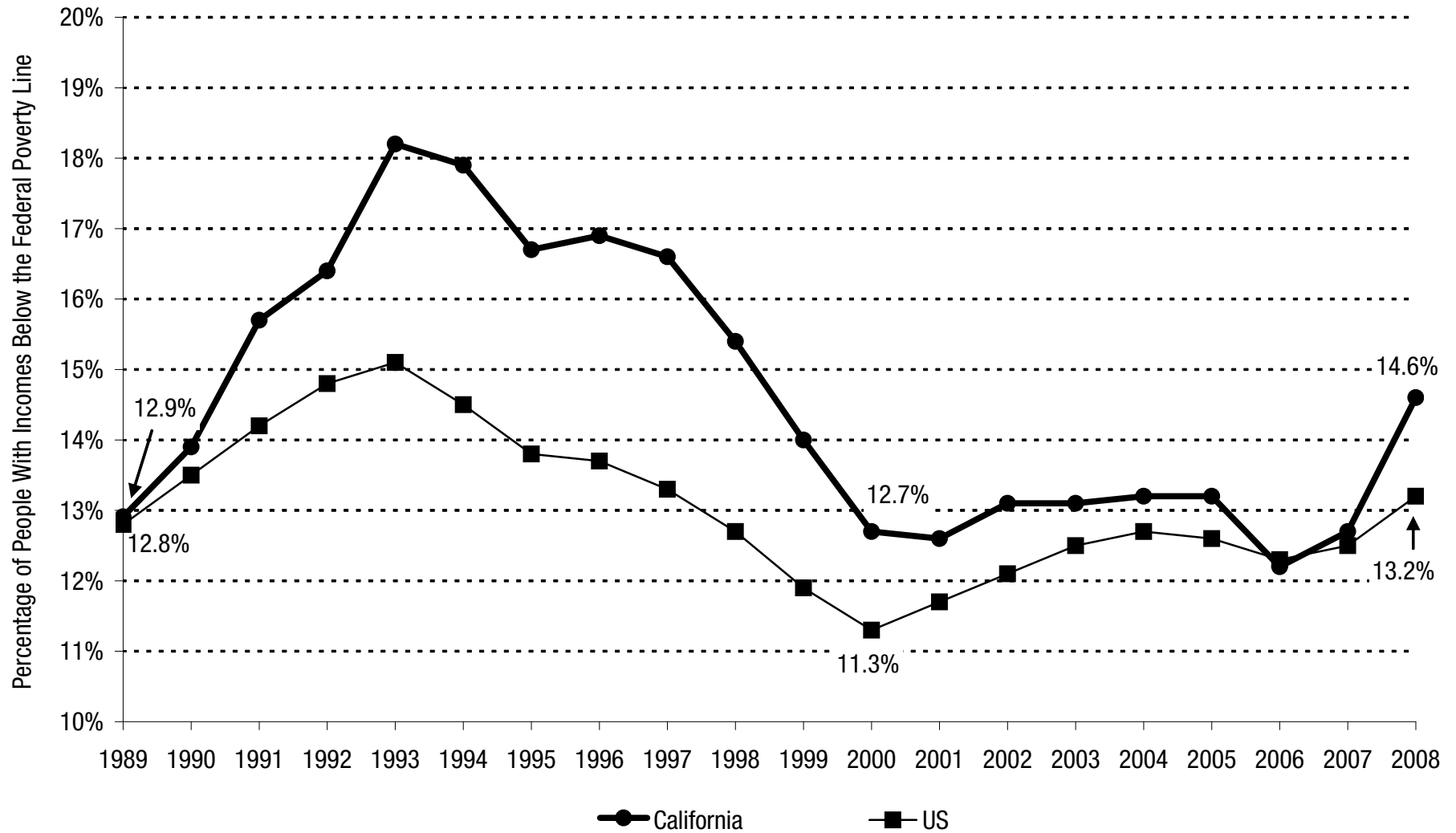
With so many Californians facing challenges brought on by the recession, the data released today highlight the need for policy changes and a further injection of federal aid, said Ross.

“Californians, and the California economy, would be in even worse shape today if it weren’t for the federal economic recovery act, which has brought a significant lift to workers and the economy,” said Ross. “But the data released today underscore the need for even more federal action. Congress should extend unemployment insurance benefits and provide more aid to states so they can avoid further budget cuts. And with so many Californians lacking health coverage, the importance of comprehensive health care reform has never been stronger.”

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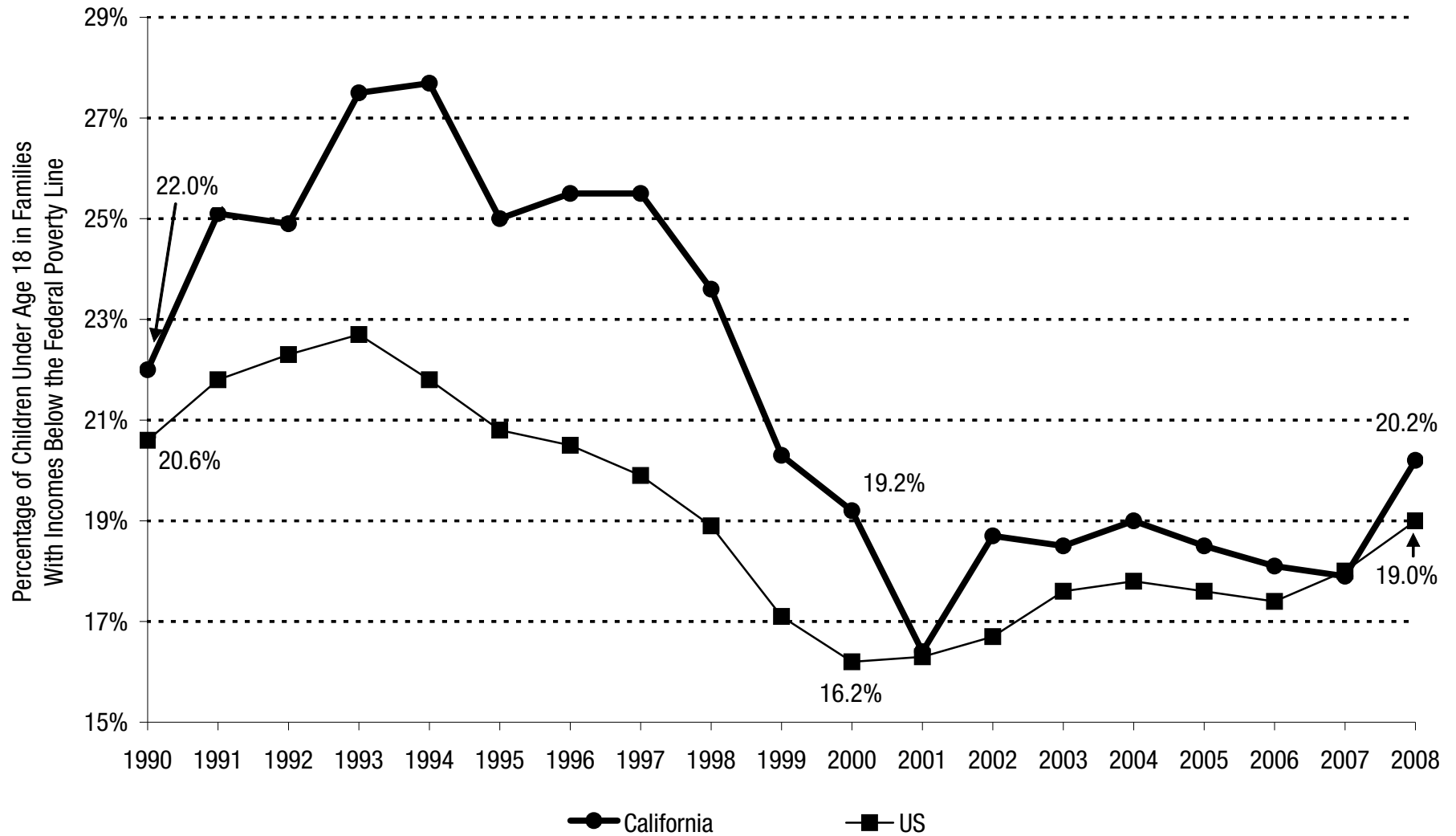
*The California Budget Project (CBP) engages in independent fiscal and policy analysis and public education with the goal of improving public policies affecting the economic and social well-being of low- and middle-income Californians. Support for the CBP comes from foundation grants, publications, and individual contributions. Please visit the CBP’s website at [www.cbp.org](http://www.cbp.org).*

## California's Poverty Rate Increased Significantly Between 2007 and 2008



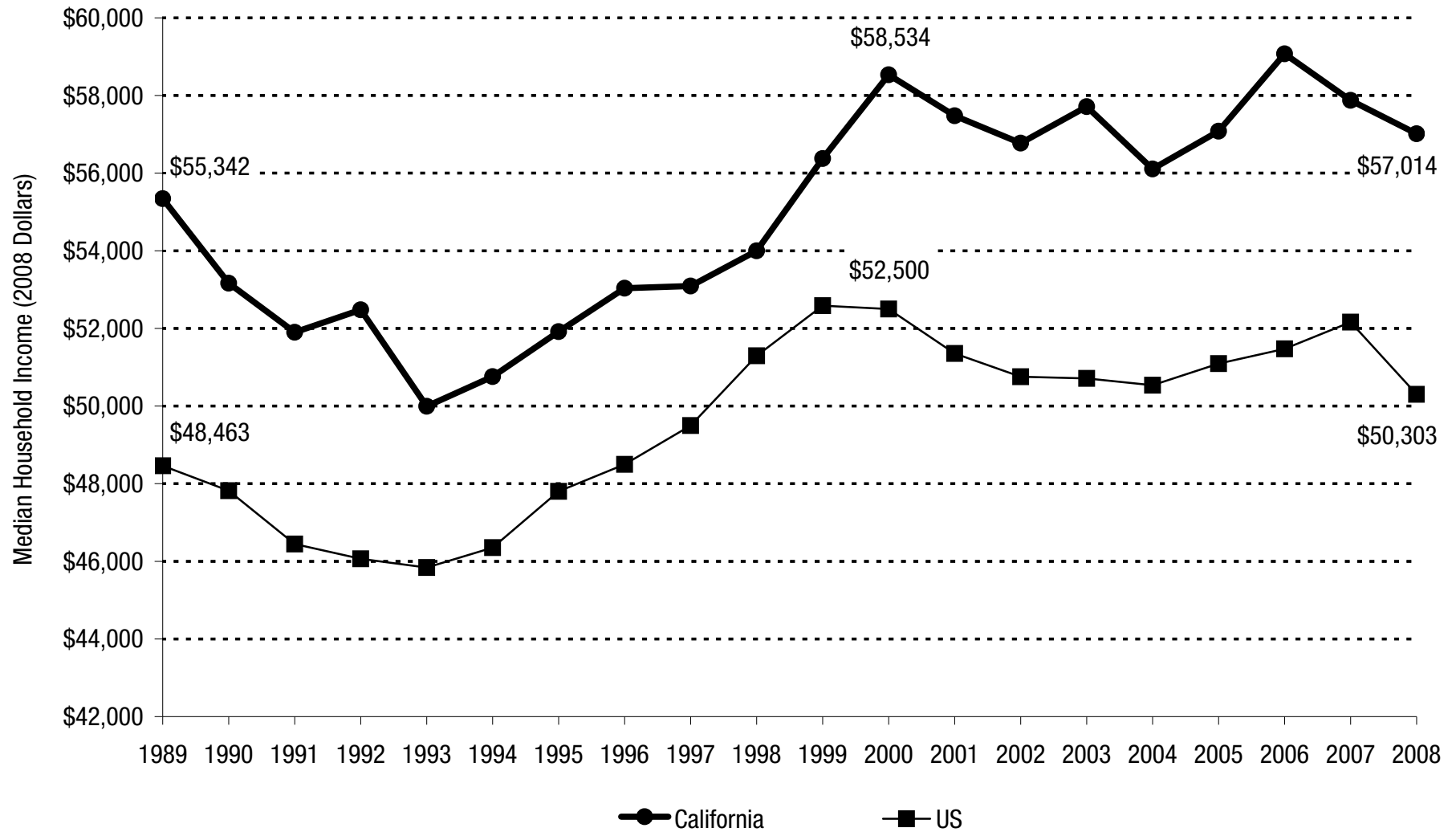
Source: US Census Bureau

## California's Child Poverty Rate Increased Significantly Between 2007 and 2008



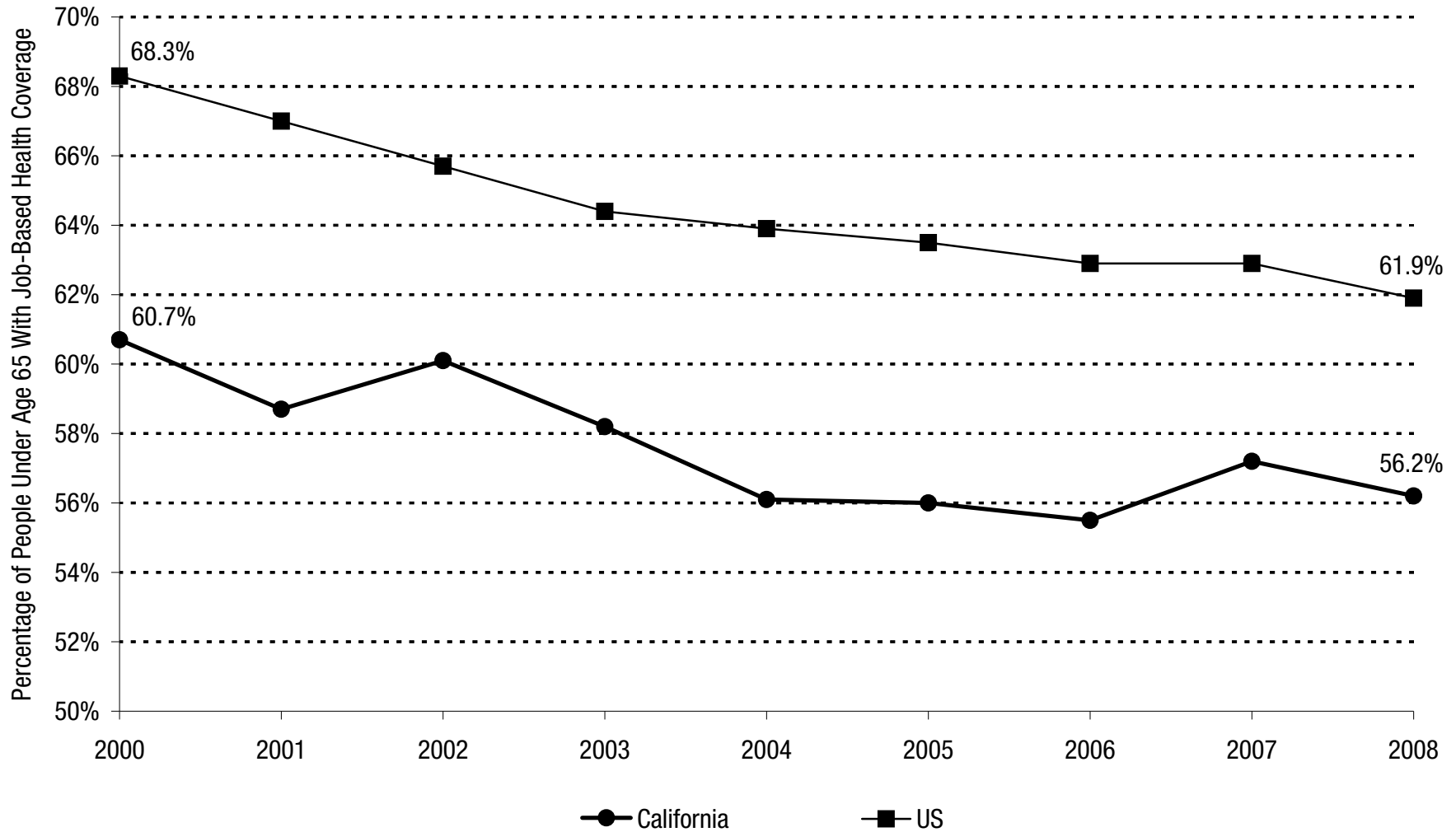
Source: US Census Bureau

## California's Median Household Income Has Declined Significantly Since 2006



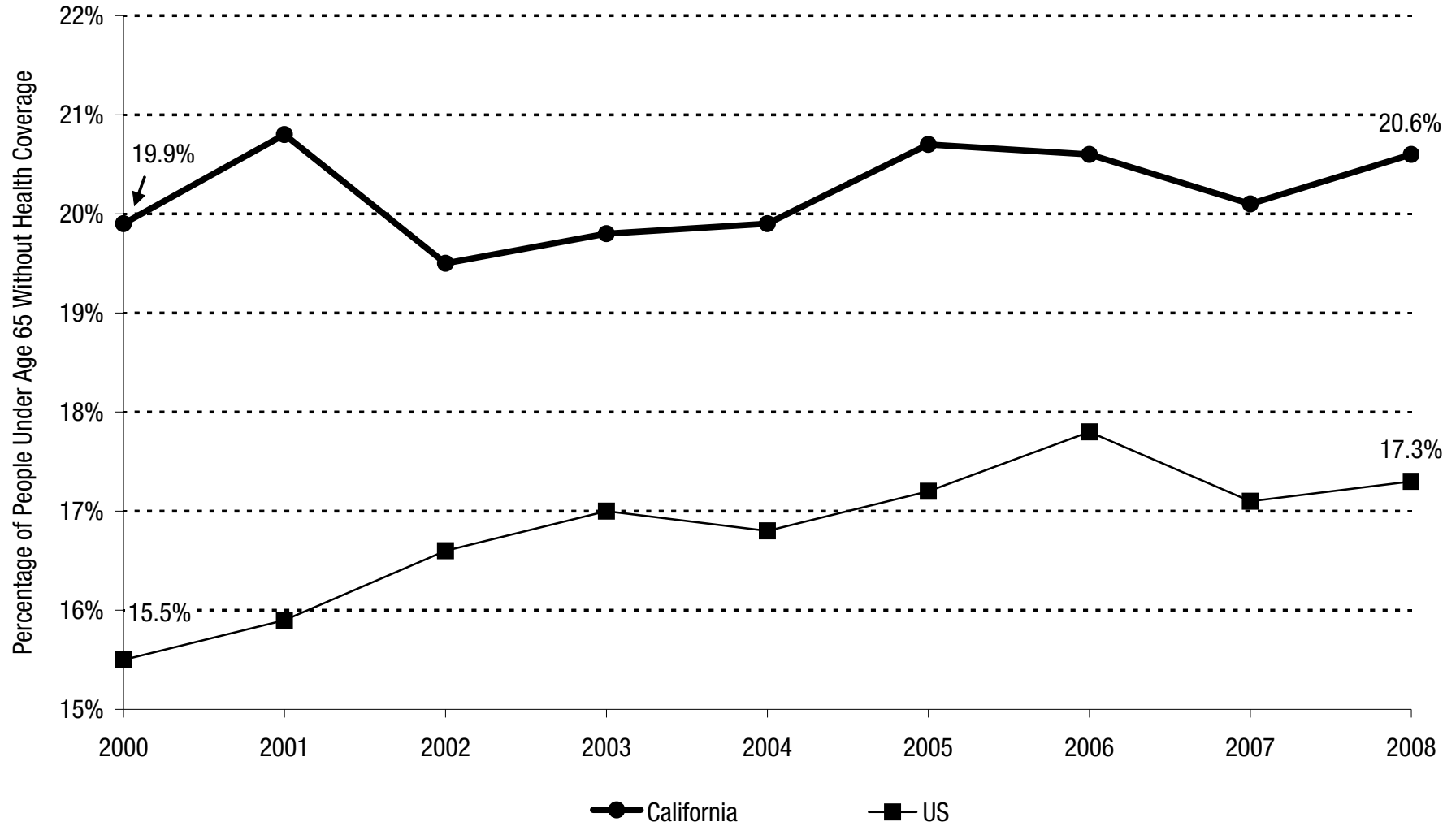
Source: US Census Bureau

## The Share of Californians Under Age 65 With Job-Based Health Coverage Has Declined Significantly Since 2000



Source: US Census Bureau

## More Than One-Fifth of Californians Under Age 65 Lack Health Coverage



Source: US Census Bureau