

FOR IMMEDIATE RELEASE  
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## **New Data Show That More Than 6 Million Californians — Over One-Third of Them Children — Lived in Poverty in 2010**

### **Highlight Need for Policies That Boost Economy, Maintain Core Supports for Children and Families**

SACRAMENTO, CA — Census Bureau data released today show that the share of Californians with incomes below the federal poverty line rose in 2010 for the fourth straight year. The state's 2010 poverty rate rose to 16.3 percent, the highest rate since 1997. More than 6 million Californians — nearly one out of six — had incomes below the federal poverty line. In addition, 2.2 million of the state's children — nearly one out of four — were living in poverty in 2010.

The new data also show a sharp drop in inflation-adjusted income for the typical California household. The state's median household income dropped by \$2,602 (4.6 percent) to \$54,459 in 2010 — the largest single-year drop on record.

"These latest Census figures show the deep impact that the economic downturn has had on Californians, especially low-income individuals and families," said Jean Ross, executive director of the California Budget Project, a nonpartisan public policy research group. "This is why it's so important to provide a solid safety net for those most affected by the recession, while also pursuing policies that promote an economic recovery."

These new data show that:

- In 2010, 6.1 million Californians (16.3 percent) had incomes below the federal poverty line. California's poverty rate increased by a statistically significant 4.1 percentage points from 12.2 percent in 2006, the year before the recession began. The federal poverty line varies by family size. The 2010 federal poverty line was \$22,113 for a family of four with two children.
- California's inflation-adjusted median household income — the income of the household at the middle of the income distribution — fell by \$2,602 (4.6 percent) to \$54,459 between 2009 and 2010. This is the largest single-year decline — in inflation-adjusted dollars — on record and also a statistically significant decline of \$5,362 (9.0 percent) from 2006, the most recent peak.
- The US poverty rate rose to 15.1 percent in 2010, up by a statistically significant 2.8 percentage points from a recent low of 12.3 percent in 2006. California's 2010 poverty rate — 16.3 percent — was 1.2 percentage points higher than the national rate.

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- The inflation-adjusted US median household income dropped to \$49,445 in 2010. This is a decline of \$1,154 (2.3 percent) from the prior year and a decline of \$2,679 (5.1 percent) from 2006 – both statistically significant decreases. The gap between California’s median household income and that of the nation narrowed in 2010. California’s median household income was \$5,014 above the nation’s in 2010, down from \$6,462 in 2009.
- More than one out of five Californians under the age of 65 (21.4 percent) lacked health coverage in 2010, compared to 19.6 percent in 2006 – a statistically significant increase.
- The share of Californians under the age of 65 with job-based health coverage was 52.9 percent in 2010, down from 56.4 percent in 2006 – a statistically significant decrease.

In addition to these overall trends in household income and economic standing, the new Census data indicate a substantial increase in the number of California's children living in poverty. The data show that:

- In 2010, 2.2 million California children – nearly one out of four – lived in families with incomes below the federal poverty line. The share of California’s children living in families with incomes below the poverty line rose to 23.4 percent in 2010, up from 21.0 percent the prior year and up from 18.1 percent in 2006 – both statistically significant increases.
- Children accounted for a disproportionately large share of Californians living in poverty. While children were one-quarter of the state’s population (25.5 percent) in 2010, they accounted for more than one-third of Californians with incomes below the federal poverty line (36.6 percent).

“These new data provide a sobering portrait of the economic hardship facing millions of Californians, many of them children, and the long-term impact could be very significant,” said Ross. “Children who live in poverty – even for relatively short spells – are more likely as adults to lag behind in educational attainment, employment and earnings, and health status.”

With a historic share of California families facing challenges brought on by the Great Recession, the data released today highlight the need for policies that put people back to work, promote economic security for families, and boost economic growth.

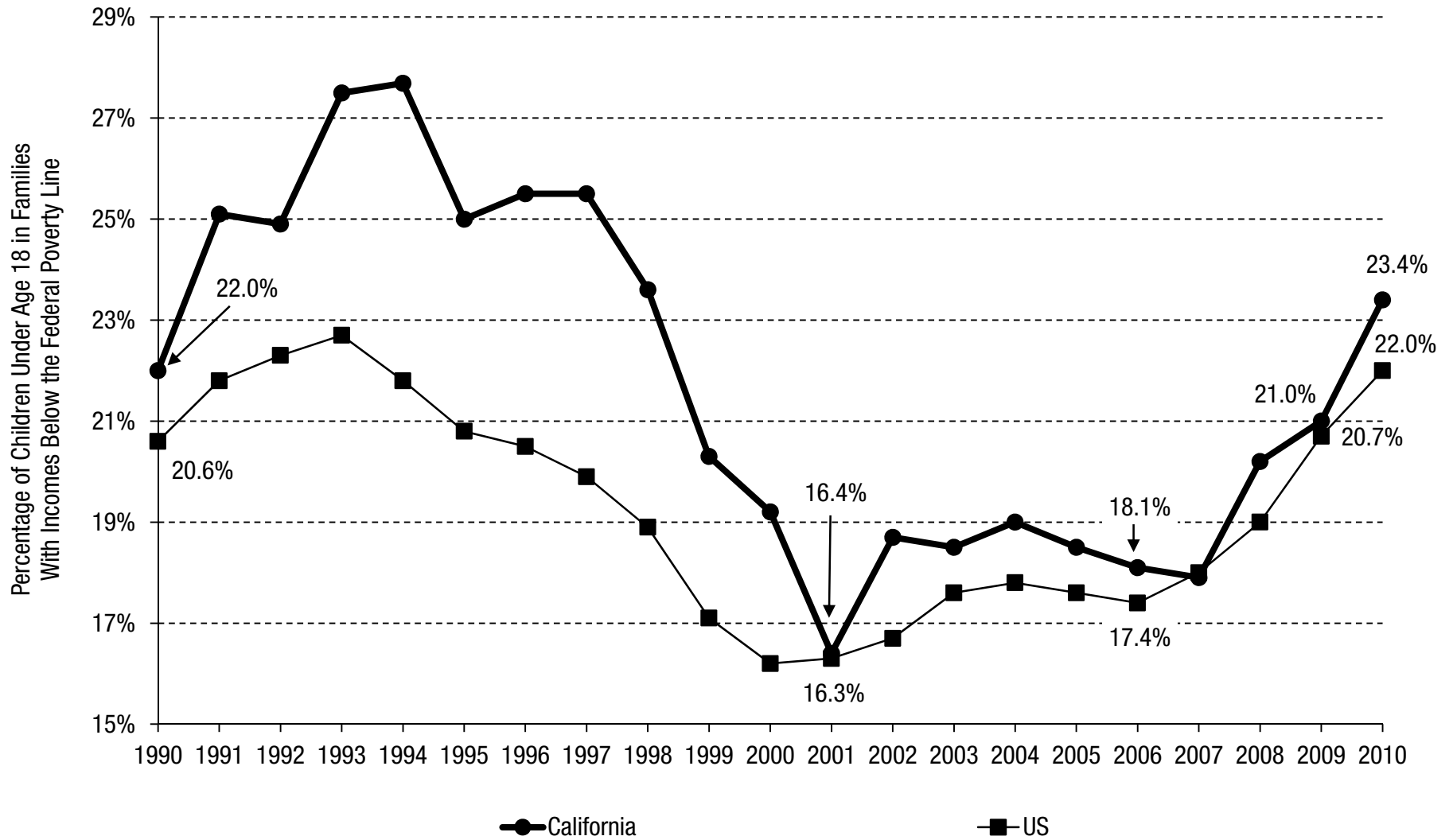
“Policymakers should not balance state and federal budgets at the expense of the families who have been hardest hit by the economic downturn,” said Ross. “Federal policymakers should act quickly to extend Unemployment Insurance benefits and – as they seek to address the long-term federal budget deficit – should avoid reductions in programs that provide essential support to families. At the same time, state and federal policymakers should focus on proven strategies for improving the state’s competitiveness – strengthening our schools, our colleges and universities, and other public structures that are fundamental to job growth and a healthy economy.”

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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, subscriptions, and individual contributions. Please visit the CBP's website at [www.cbp.org](http://www.cbp.org).*

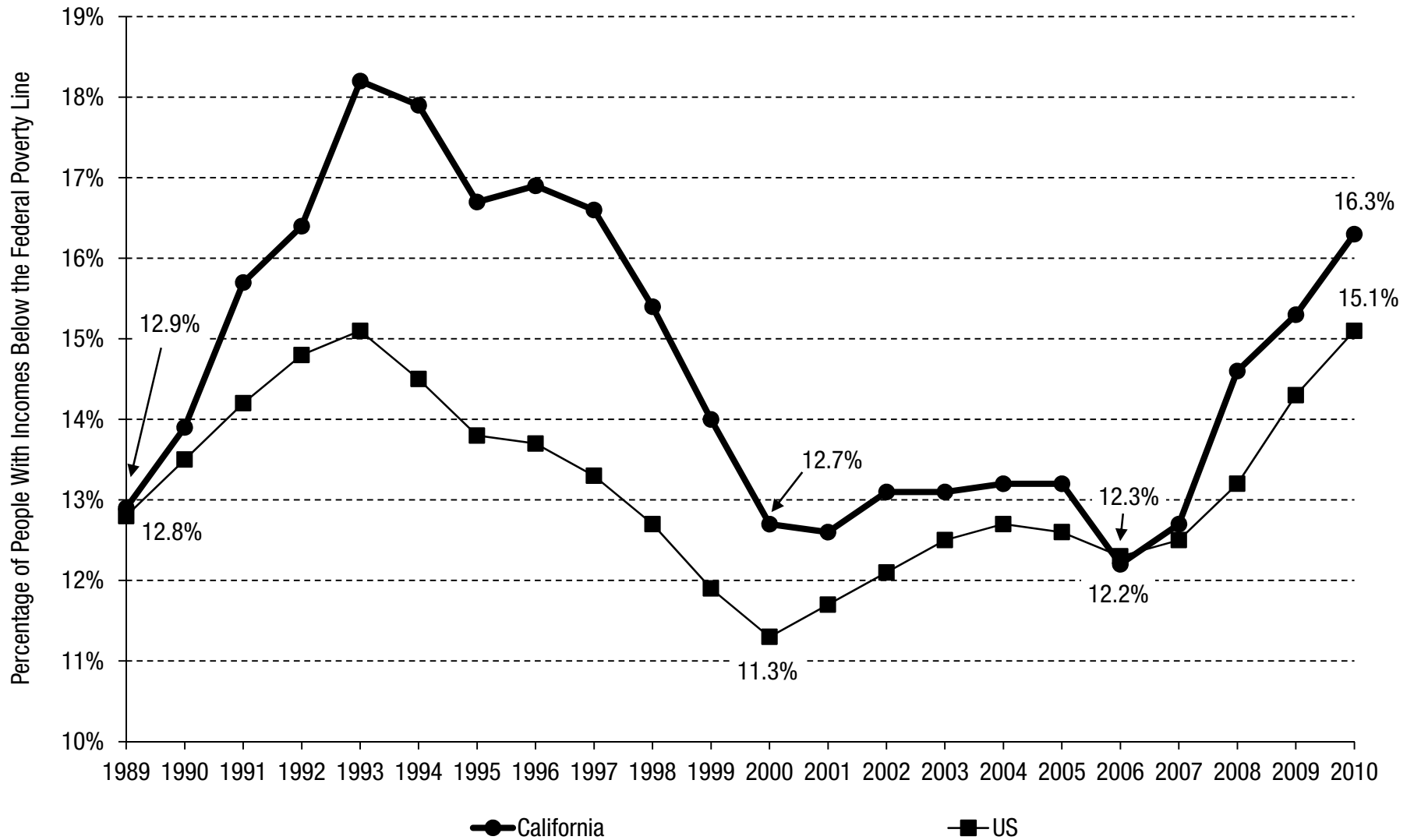
## California's Child Poverty Rate Increased Significantly Between 2009 and 2010

Nearly One Out of Four California Children Lived in Families With Incomes Below the Poverty Line in 2010

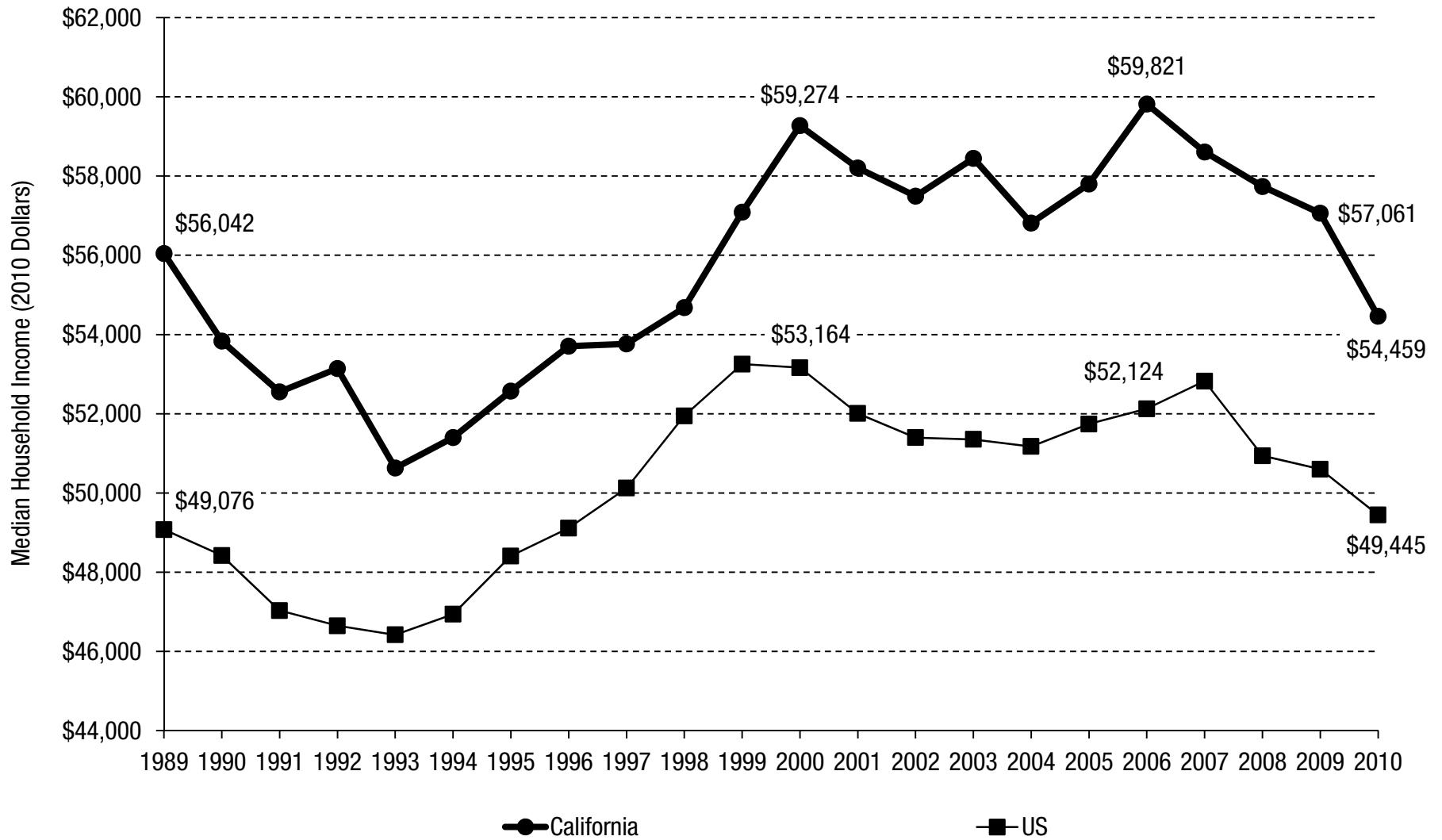


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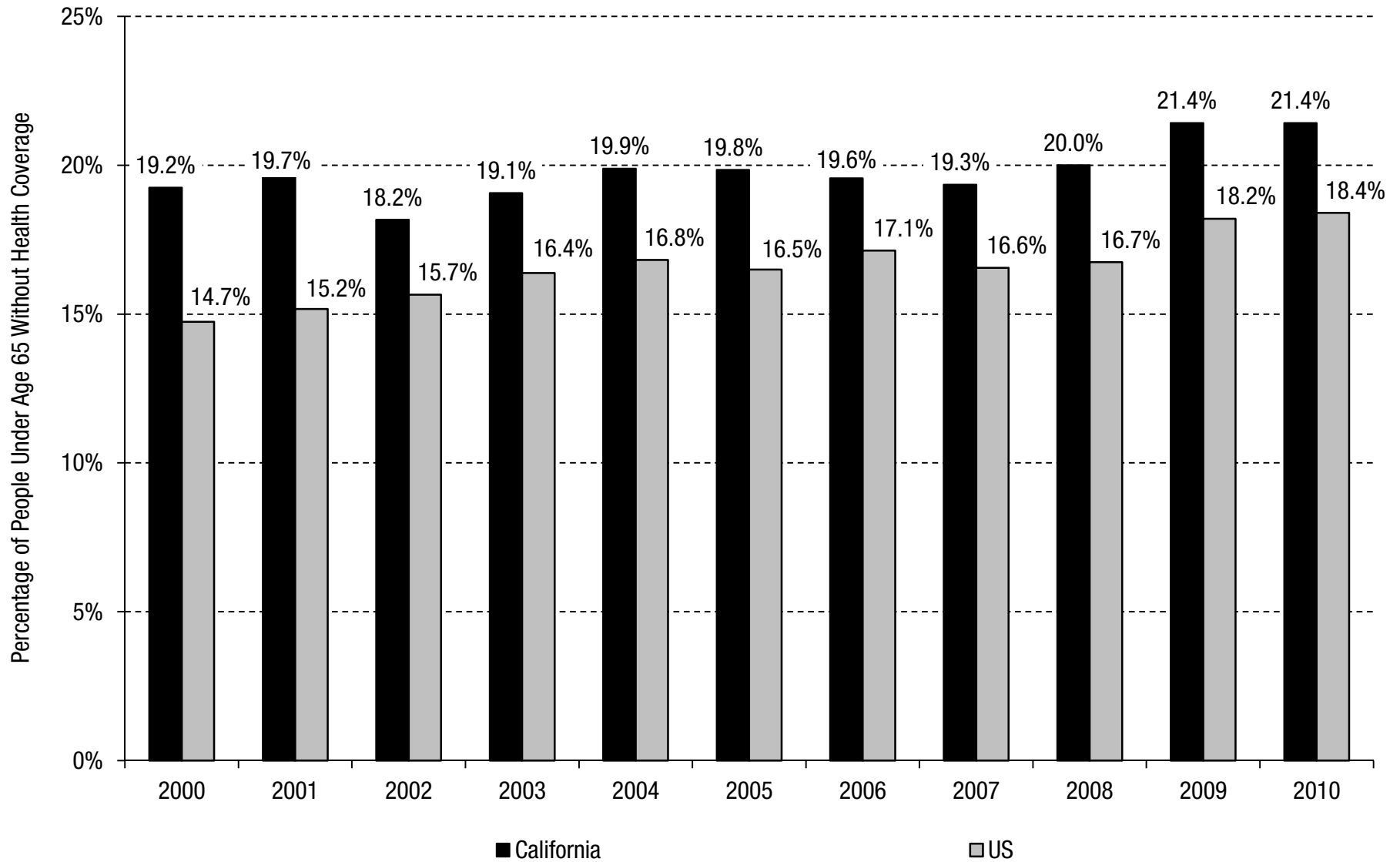
The State's 2010 Poverty Rate Was the Highest Since 1997



## The Inflation-Adjusted Income of the Typical California Household Dropped by \$2,602 Between 2009 and 2010, the Largest Single-Year Decline on Record



## More Than One Out of Five Californians Under Age 65 Lacked Health Coverage in 2010



## The Share of Californians Under Age 65 With Job-Based Coverage Declined During the Past Decade

