California is known for many things...
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Key Themes

Housing costs and housing cost-burden contribute to a high poverty rate in California. Key data include:

- Poverty rate accounting for cost of living
- Housing costs
- Housing cost-burden (spending an unaffordable percentage of income on housing and utilities)

State and local policies can help address the housing affordability crisis.
Poverty in California
When housing costs are accounted for, California has a high poverty rate.
California’s Poverty Rate Is Higher Under a More Accurate Measure of Hardship
Supplemental Poverty Rate and Official Federal Poverty Rate, 2014-2016

Source: US Census Bureau
California Has the Highest Poverty Rate of the 50 States Under the Supplemental Poverty Measure (SPM)

State Poverty Rate Under the SPM, 2014-2016

Source: US Census Bureau
Housing Costs in California
Housing costs are high in many parts of California

Costs vary across the state, but are unaffordable everywhere for the lowest-wage workers.
Rents Are Highest in California’s Coastal Urban Areas
Fair Market Rent for a Two-Bedroom Apartment, 2017

Source: US Department of Housing and Urban Development
Nearly Two-Thirds of Californians Face Two-Bedroom Apartment Rents of $1,500 or More Per Month

Percentage of State Population by Fair Market Rent for a Two-Bedroom Apartment, 2017

Affordable rent for a full-time minimum-wage worker is $546

Source: Budget Center analysis of data from Department of Finance and US Department of Housing and Urban Development
Home Prices Are Highest in California’s Coastal Urban Areas

Average of Monthly Median Sales Price for a Single Family Home, August 2016 to July 2017*

* Data come from the California Association of Realtors for all counties except Colusa, Imperial, Inyo, and Trinity, for which data are from Zillow and reflect single-family home and condo sales from January to June 2016. All prices adjusted to July 2017 dollars.

Source: Budget Center analysis of data from California Association of Realtors and Zillow
Most Californians Face Home Prices of $500,000 or More

Percentage of State Population by Average of Monthly Median County Sales Price for a Single-Family Home, August 2016 to July 2017*

* No home-price data available for Modoc, Sierra, and Alpine counties, which represent 0.04% of state population. For other counties, data are from the California Association of Realtors except for Colusa, Imperial, Inyo, and Trinity, for which data are from Zillow and reflect single-family home and condo sales from January to June 2016. All prices adjusted to July 2017 dollars. Source: Budget Center analysis of data from California Association of Realtors, Dept. of Finance, and Zillow
Housing Cost-Burden in California
Californians in all parts of the state pay more than they can afford for housing.

Renters, low-income households, and people of color are especially affected by housing cost-burden.
More Than Half of California’s Renters and Over a Third of Homeowners With Mortgages Have High Housing Costs

Percentage of Households With Housing Cost-Burden or Severe Housing Cost-Burden, 2015

Note: Definitions of housing cost-burden are from the US Department of Housing and Urban Development. Source: Budget Center analysis of US Census Bureau, American Community Survey data.
Eight in 10 Low-Income Households in California Have Unaffordable Housing Costs

Percentage of Households With Housing Cost-Burden or Severe Housing Cost-Burden, 2015

Note: Low income defined as less than 200% of the official federal poverty line; middle income defined as 200% to 399% of the official federal poverty line; high income defined as 400% or more of the official federal poverty line. Definitions of housing cost-burden are from the US Department of Housing and Urban Development. Source: Budget Center analysis of US Census Bureau, American Community Survey data.
More Than 2 in 3 Californians With Unaffordable Housing Costs Are People of Color
Race/Ethnicity of Individuals in Households With Housing Cost-Burden, 2015

Note: Having housing cost-burden is defined by the US Department of Housing and Urban Development as shelter costs exceeding 30% of household income. Race/ethnicity categories are mutually exclusive.
Source: Budget Center analysis of US Census Bureau, American Community Survey data
Housing Costs Are Unaffordable Throughout California
Percentage of Households With Housing Cost-Burden or Severe Housing Cost-Burden, 2015

Note: Definitions of housing cost-burden are from the US Department of Housing and Urban Development. Source: Budget Center analysis of US Census Bureau, American Community Survey data.
Policies to Address Housing Affordability
Policies Inside and Outside the Housing Arena Can Make a Difference

- **Policies that preserve and increase housing supply**, including supply of affordable units
  - *Examples*: Recent state legislature housing package

- **Policies that provide for other basic needs**, to address other spending that is crowded out by high housing costs
  - *Examples*: Child care subsidies, food assistance

- **Policies that increase incomes**, to help families afford high housing costs
  - *Examples*: Minimum wage, CalEITC
The Bottom Line

- California has a **high poverty rate when accounting for housing costs**.
- Housing costs are high in many parts of the state.
- **Housing cost-burden** – or spending an unaffordable share of income on housing – is **high throughout the state**.
- **State and local policies** inside and outside the housing arena **can help address the housing affordability crisis**.
Poverty and Housing Data and Policy Resources

- **California Budget & Policy Center**
  calbudgetcenter.org

- **California Housing Partnership**
  chpc.net

- **Public Policy Institute of California**
  ppic.org

- **National Low Income Housing Coalition**
  nlihc.org

- **US Census Bureau, American FactFinder**
  factfinder.census.gov