

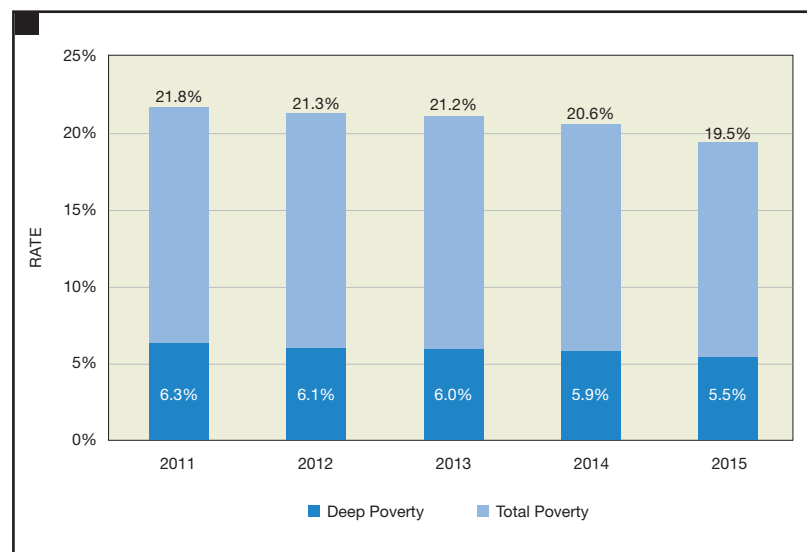
California's Poverty Rate Goes Down, but 7.5 Million Remain Poor

CHRISTOPHER WIMER, MARYBETH MATTINGLY, SARA KIMBERLIN,
JONATHAN FISHER, CAROLINE DANIELSON, AND SARAH BOHN

The California Poverty Measure (CPM), a joint research product of the Public Policy Institute of California and the Stanford Center on Poverty and Inequality, draws on administrative and survey data to deliver the state's most comprehensive measure of poverty. We summarize here the key results coming out of our analysis of the 2015 data.

- **A continuing decline in poverty:** In 2015, nearly 1 in 5 Californians lived in poverty. The poverty rate declined to 19.5 percent, down 1.1 percentage points from 2014, and down 2.3 percentage points since 2011.
- **The deep poverty rate remains high:** In 2015, 2.1 million Californians (5.5%) lived in deep poverty, which means that their income was less than half the poverty threshold.
- **Poverty is higher among racial-ethnic minorities:** Hispanics have a poverty rate of 27.0 percent. Black and Asian poverty rates are also higher (17.1% and 17.0% respectively) than the white poverty rate (13.5%).

FIGURE 1. Poverty in California, 2011–2015



Note: Poverty thresholds vary widely due to regional housing cost differences. For a renting family of two adults and two children, for example, the threshold is under \$24,000 in rural counties (e.g., Tulare, Merced), \$31,000 in Los Angeles, and \$37,000 in San Francisco.

- Poverty is especially high among immigrants:** The poverty rate among immigrants is 25.8 percent, nearly 9 percentage points higher than the poverty rate for those born in the United States (16.9%).
- Child poverty is also very high:** Poverty remains higher for children (21.6%) than for working-age adults (19.0%) and elderly adults (18.1%).
- Family structure matters:** Families headed by a single parent experience poverty at twice the rate of families headed by a married couple.
- Work continues to protect against poverty:** Only 11.2 percent of individuals living in families with at least one person working full-time (for the full year) are in poverty.
- Education is also protective:** Poverty is lowest for those with at least a college degree (9.2%).
- High housing costs are a burden:** Among Californians in poverty, 89.8 percent spent more than 30 percent of net family resources on housing in 2015, while 68.4 percent spent more than 50 percent.
- Housing costs are especially burdensome for the deeply poor:** Among Californians in deep poverty, 92.3 percent spent more than 50 percent of net family resources on housing.
- Safety net programs keep many Californians out of poverty:** The Supplemental Nutrition Assistance Program (called “CalFresh” in California) and federal refundable tax credits (i.e., the Earned Income and Child Tax Credits) each kept 800,000 Californians out of poverty in 2015. California’s supplement to the federal Earned Income Tax Credit lifted another 25,000 Californians out of poverty.

FIGURE 2. California Poverty by Demographic Group, 2015

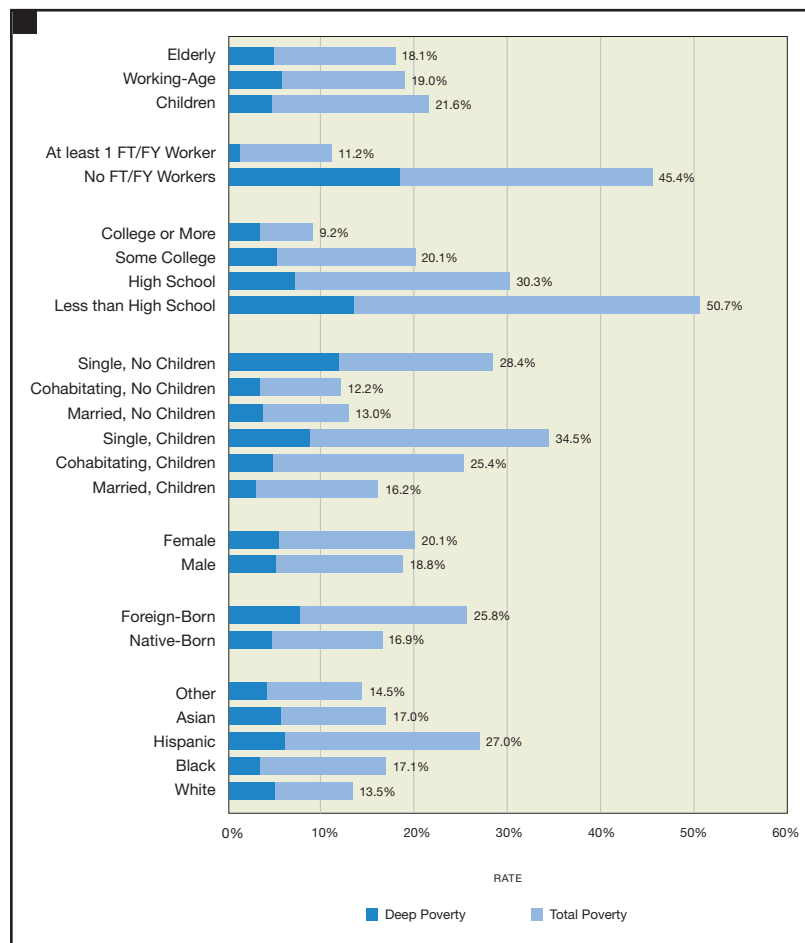


FIGURE 3. California Poverty Would Be Even Higher Without Key Safety Net Programs.

