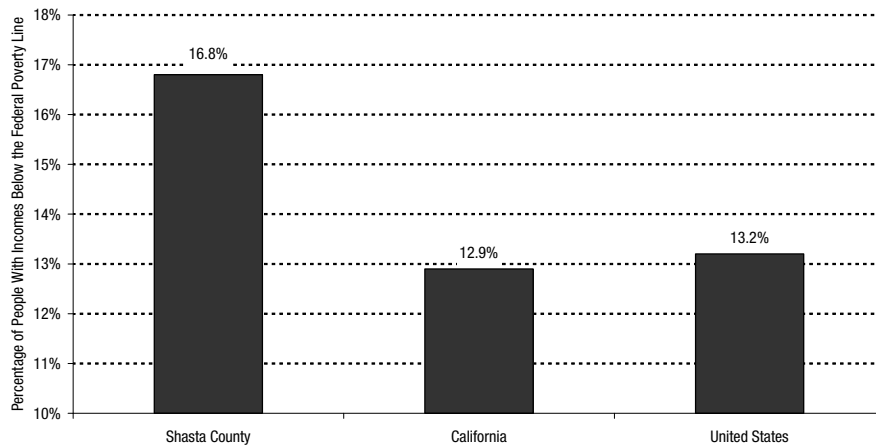


Understanding Poverty in California

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A PRESENTATION BY
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October 28, 2009

Shasta County Has a Higher Poverty Rate Than California and the US

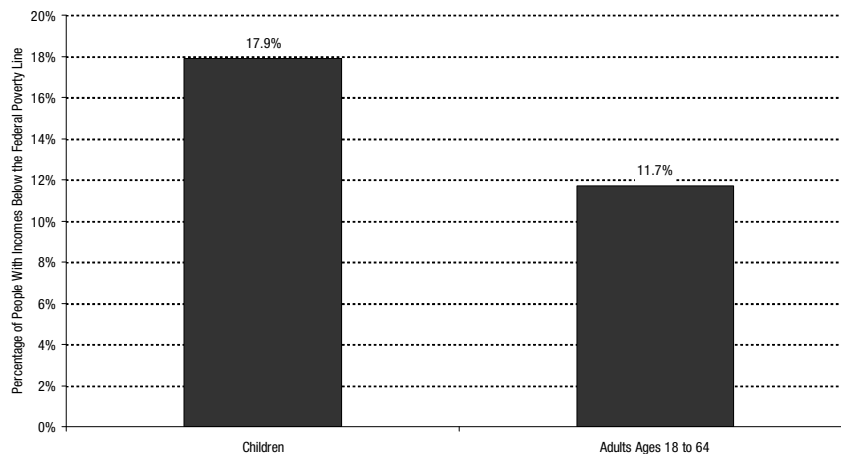


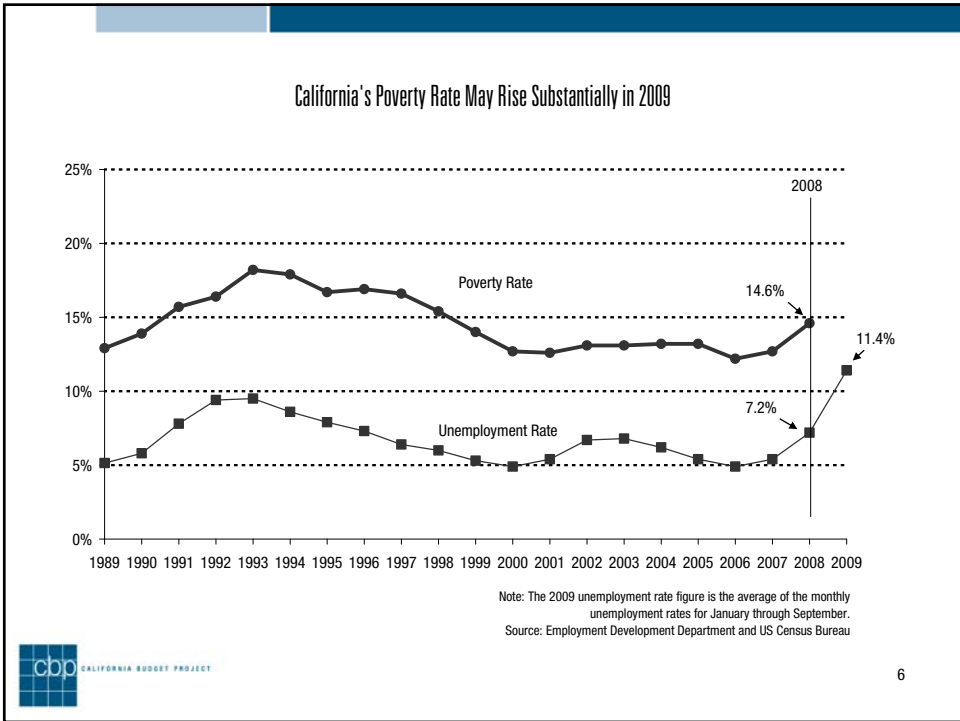
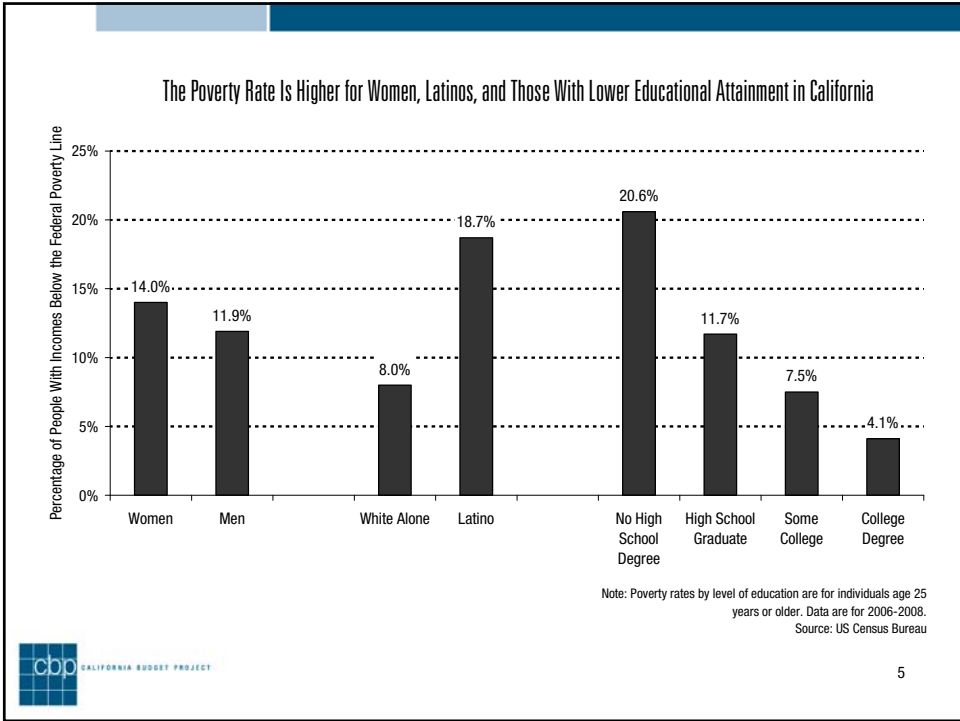
Note: Data are for 2006-2008.
Source: US Census Bureau

Understanding Poverty

- Who lives in poverty?
- What the official poverty data mean
- Family budgets: A better measure of living standards
- The role of public policy in fighting poverty
- How the federal economic stimulus package addresses poverty
- Cuts to anti-poverty programs in the 2009 state budgets

The Poverty Rate Is Much Higher for Children Than for Adults in California





What Do the Official Poverty Data Mean?

- The poverty line is based on how much food cost in the early 1960s as a share of total family income.
- Food is a much smaller part of families' spending now.
- Many expensive essentials, such as health care, are not taken into account.
- Some kinds of income, such as refundable tax credits and housing subsidies, are not included.
- Differences in living costs between geographic areas are not reflected in the poverty line.

The 2008 Poverty Line Was \$17,163 for a Family of Three


2008 Poverty Thresholds	
Family Size	Poverty Threshold
1	\$10,991
2	\$14,051
3	\$17,163
4	\$22,025
5	\$26,049
6	\$29,456

Source: U.S. Census Bureau

How Much Does It Cost To Support a Family in the Shasta Area?

	One Employed Parent and Two Children	Two Parents (One Employed) and Two Children
Housing and Utilities	\$666	\$666
Child Care	\$860	\$0
Transportation	\$369	\$369
Food	\$507	\$731
Miscellaneous	\$437	\$506
Taxes	\$443	\$437
Monthly Total Excluding Health Care	\$3,280	\$2,708
Annual Total Excluding Health Care	\$39,365	\$32,499
Health Care	\$947	\$1,367
Monthly Total Including Health Care	\$4,228	\$4,075
Annual Total Including Health Care	\$50,734	\$48,902


Note: Data are average costs in Butte, Colusa, Glenn, Shasta, Sutter, Tehama, and Yuba counties as presented in California Budget Project, *Making Ends Meet* (October 2007).



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Public Policies Can Effectively Fight Poverty

- In 1960, 35 percent of Americans age 65 and older lived in poverty – more than twice the rate for other adults.
- In 2008, only 9.9 percent of seniors lived in poverty.
- This dramatic decline in poverty has been attributed to the impact of growth in the Social Security program.



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Public Policies Can Reduce the Cost of Essentials

Policies can fight poverty by:

- Increasing the supply of affordable housing;
- Expanding access to health coverage;
- Increasing access to affordable child care; and
- Expanding enrollment in the Food Stamp Program.

Public Policies Can Help Make Work Pay

Policies can increase earnings by:

- Increasing opportunities for education and vocational training;
- Creating well-paying jobs and stimulating economic growth;
- Enacting a state Earned Income Tax Credit;
- Raising the minimum wage and ensuring that it keeps up with inflation; and
- Adopting a living wage standard for companies that contract with the state.

Public Policies Can Help Protect Against Catastrophic Events

Programs that help those who cannot work, either temporarily or permanently, include:

- Unemployment Insurance
- CalWORKs
- Supplemental Security Income/State Supplementary Payment Program (SSI/SSP)
- Short-Term Disability Insurance (SDI) and Social Security Disability Insurance (SSDI)
- Social Security Survivors Insurance
- Medicare, Medi-Cal, and the Healthy Families Program
- In-Home Supportive Services (IHSS)

The Federal Economic Recovery Package Includes Many Measures To Increase Economic Well-Being

The American Recovery and Reinvestment Act of 2009 (ARRA) provides funding to:

- Reduce cuts to health care and increase access to affordable housing;
- Support CalWORKs and expand the Food Stamp Program;
- Help local communities' anti-poverty efforts;
- Prevent homelessness;
- Reduce taxes on earned income; and
- Support workers who can't find a job.

Recent Cuts to the State Budget Work Counter to the Federal Economic Recovery Package

- The February 2009 and July 2009 budget agreements cut monthly SSI/SSP benefits and reduced funding for the CalWORKs and Healthy Families Programs.
- Funding was cut or eliminated for many other health and human services programs that help individuals and families in poverty.

Resources for Learning More About Poverty

- California Budget Project
<http://www.cbp.org>
- Center on Budget and Policy Priorities (Washington, DC)
<http://www.cbpp.org>
- US Census Bureau
<http://www.census.gov>