



STATE CHILD POVERTY UPDATE August 2002

## *The Changing Face of Child Poverty in California*

Despite the national decline in child poverty and low-income rates in the United States since the early 1990s, the rates in California have surpassed those of the nation. This demographic profile of California's low-income families highlights the high number and rate of low-income children in California.<sup>1</sup> It also features several facts that challenge stereotypes about these families. For example, a large and growing majority of poor children live in working families, and as many of California's poor children live in two-parent as in single-parent families.

This report illustrates the rapidly changing demographic picture of California's poor and low-income families. Almost half of all California's children are immigrants, and the large majority of these immigrants are Hispanic.<sup>2</sup> The high poverty rates among these children require urgent attention in order to promote the healthy growth and development of this large and expanding part of California's next generation.

### General Trends (1979–2000)

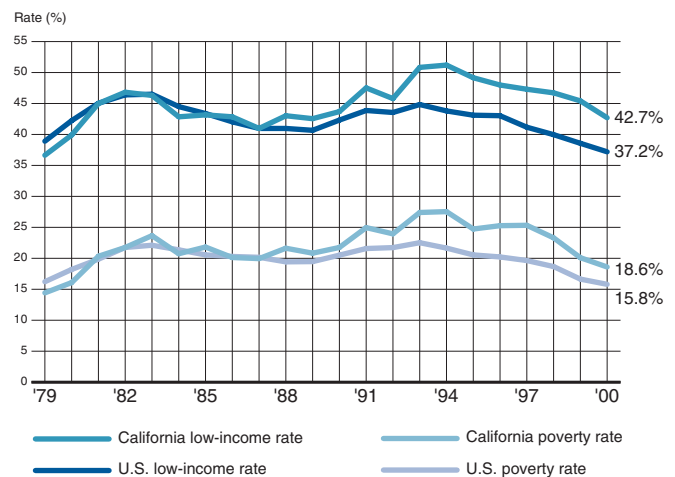
NCCP analysis reveals that for most of the 1980s, poverty and low-income rates increased for California's children and closely followed the national trend for these rates. In 1987, the poverty and low-income rates of children in California and the rest of the United States were essentially the same. Since 1987, however, the picture has changed. From 1987–1993, California's low-income and poverty rates fell behind the U.S. average, rising more sharply and not fully making up lost ground during the remainder of the decade (see Figure 1).

To get a more detailed and statistically accurate picture of low-income children in California, NCCP compared two five-year periods (1979–1983 and 1996–2000) of pooled data from the U.S. Census Bureau's March Current Population Survey. Using this approach, NCCP identified the following trends in California over the past two decades:

- The number of low-income children in California has increased by almost 1.6 million, from 2.77 million to 4.36 million. The number of California's children in poverty has increased by 850,000, from 1.27 to 2.12 million.
- One in six poor children in the United States lives in California, compared to about one in 10 two decades ago. The number of poor children in California has grown at a faster pace than the total number of children in the United States.

### California has fallen behind the rest of the nation

**Figure 1: Child poverty rates for children under age 18, California and the U.S., 1979–2000**



- California alone has accounted for all of the net national increase of 800,000 in the number of children in poverty since the late 1970s.
- California's child poverty rate has increased by more than 10 percent since 1979. The child poverty rate in California increased from just under 20 percent during the period 1979–1983 to 22 percent during the period from 1996–2000. During the same averaged time period, the national child poverty rate went from 19 percent to 18 percent.

<sup>1</sup> This report defines a "low-income child or family" as living in a household with annual income below 200 percent of the official poverty line (\$35,048 in 2000 for a family of four). In looking at the larger population of low-income families, it also includes demographic analyses of poor children and families using the poverty line (\$17,524 in 2000 for a family of four).

<sup>2</sup> This report uses "Hispanic" rather than "Latino" because this is the term used by the U.S. Census Bureau in gathering the data that were analyzed by NCCP for this report.

### Work Status

- More than two in three poor children in California live in working families with at least one employed parent. This is an increase of over 20 percent compared to two decades ago and over 30 percent in the past decade (see Figure 2). Four in five low-income children live in working families.
- The increase in the share of poor children in working families corresponds with a significant improvement in the unemployment rate and a large overall decline in welfare caseloads at both the state and national level.

### Race and Ethnicity

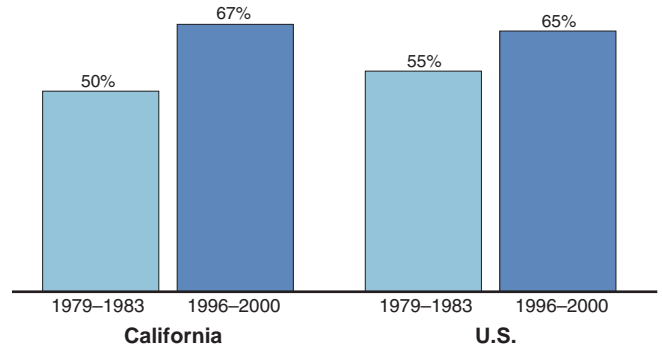
- Poverty rates for Hispanic children increased from 30 to 34 percent, an increase of 14 percent. Poverty rates for African-American children went from 32 to 24 percent. At the same time, the poverty rates for white children stayed nearly flat at about 11 percent. The poverty rate for Asian-American children was 19 percent during 1996–2000. The Census Bureau did not collect information to determine the child poverty rate among Asian Americans during the 1979–1983 period.
- The overall composition of the population of poor children has changed dramatically. Two decades ago, 30 percent of poor children were white, 41 percent Hispanic, and 16 percent were African American. The share of poor children in California who are Hispanic has increased by almost one half, to 61 percent. At the same time, the proportion of poor children who are white has decreased sharply, from 30 percent to 21 percent. The share of poor children who are African American has fallen from 16 percent to 7 percent (see Figure 3).

### Education

- A high school degree or even some college education are less likely to protect children from poverty now than they were two decades ago. Only children whose parents completed college have avoided increases in their poverty rates. In California, poverty rates for children in this category continued at about 4 percent. Poverty rates for children whose parents entered but did not graduate from college increased significantly from just under 10 percent to slightly above 13 percent. For those whose parents completed high school but did not attend college the poverty rate went from 20 to 27 percent. And the child poverty rate for children whose parents did not complete high school rose from 46 to 49 percent (see Figure 4).

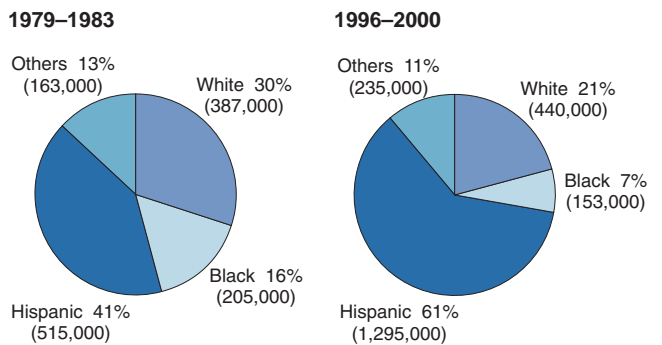
### Poor children in California are much more likely to live in working families than they were two decades ago

Figure 2: Percentage of poor children with at least one employed parent, California and the U.S., 1979–1983 and 1996–2000



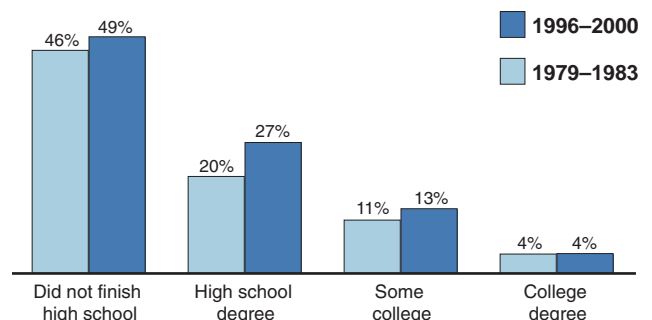
### Hispanics have become a large and rapidly growing majority of the poor children in California

Figure 3: Average number and percentage distribution of poor children under age 18 in California, by race/ethnicity



### Only the children of college graduates have avoided increased poverty rates

Figure 4: Poverty rates of children under age 18 in California, by education level of more educated parent



## Family Structure

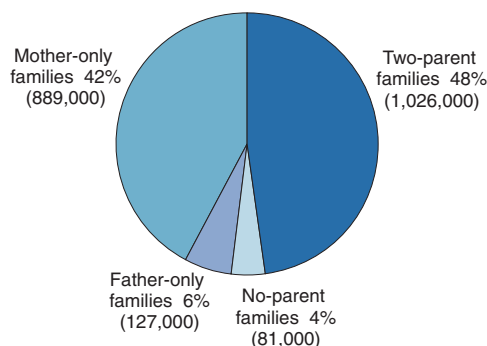
- Children in two-parent families in California are more likely to be poor than they were two decades ago, but they continue to have much lower poverty rates than children living with single mothers. Poverty rates for children in California in two-parent families increased by 24 percent, from just over 12 to 15 percent. Poverty rates for children in mother-only families fell from 45 to 43 percent—but continued to be much higher than the rates for children in two-parent families.
- Overall, 48 percent of poor children in California are in two-parent families, 42 percent are in mother-only families, 6 percent are in father-only families, and the remaining 4 percent live without their parents (see Figure 5). The share of poor children in mother-only families two decades ago was 47 percent.

## Immigration

Immigration has had a major influence on the changing demographic profile of California's low-income families. Some 46 percent of all children in California are immigrants, and nearly three-fifths of the poor children in California are immigrants. At 29 percent, the poverty rate for immigrant children is significantly higher than the 17 percent rate for nonimmigrant children. The high level of immigration to California may also explain the state's

*About as many poor children live in two-parent families as in single-parent families.*

**Figure 5: Number and percentage distribution of poor children under age 18 in California, by family structure, 1996–2000**



unusually high percentage of poor children in two-parent families. More than three-fifths of poor immigrant children live with both parents, compared to about 27 percent of poor nonimmigrant children. Immigrants in poverty are more likely to be in working families than native-born families in poverty. NCCP will explore the impact of immigration on child poverty and low-income rates in more depth in future publications.

## SOLUTIONS

California can do better for its low-income children. Research by the National Center for Children in Poverty (NCCP) and others documents that many nations have far lower child poverty rates than the United States, and many individual states have been particularly successful in reducing their child poverty rates since 1993. It is possible to learn from these success stories and implement public and private sector strategies that will improve economic conditions for low-income children and their families. Policymakers and community leaders need to do more to give low-income families the tools they need to improve their economic well-being. NCCP's research suggests that a multi-track approach is necessary. One track would direct special attention to expanding supports for the large majority of low-income families that are already in the labor force. These families can increase their incomes through policies like state earned income tax credits (see NCCP's research brief, *Untapped Potential: State Earned Income Credits and Child Poverty Reduc-*

*tion*) or reduce their work-related expenses through child care and after school care programs. At the same time, it is important to remember there are hundreds of thousands of additional vulnerable children in families without work. These families need a second-track approach of more intensive services to help them get the education and job-related skills they need to enter and remain in the work force. Or they may need intensive services to deal with issues such as physical disability, mental health problems, or substance abuse. Finally, greater efforts are needed to help make affordable health insurance and housing available to the many low-income children in both working and jobless families who are without these basic resources. In states with large immigrant populations it is particularly important to develop and implement policies that are attentive to cultural and linguistic differences. A combination of the strategies described above can make a profound difference in improving the lives of millions of California's children.

## Notes on Methodology

The data in this report come from the March Current Populations Surveys (CPS) conducted annually by the U.S. Bureau of Labor Statistics. Each survey contains detailed information on labor force participation and employment, as well as on age, sex, race, marital status, education, and annual income collected from a representative sample of approximately 50,000 households. Since 1994, information on individuals' immigration status has been collected. To calculate child poverty statistics, the income level of a child's family is compared to the poverty thresholds set by the U.S. Census Bureau. Poverty thresholds vary by family size and are adjusted annually for inflation. Ethnicity is based on the race and origin/descent classification of the CPS. According to the immigration status and place of birth of children and parents, NCCP defined three exclusive groups: children born in foreign countries of immigrant parents (the first generation), children born in the United States of at least one immigrant parent (the second generation), and native children using categories based on those used by Donald Hernandez.\* Differences of estimated group means and time trends are examined by standard errors estimated by a bootstrap resampling strategy proposed by Bradley Efron.\*\*

\* Hernandez, D. J. (Ed.). (1999). *Children of immigrants: Health, adjustment, and public assistance*. Washington, DC: National Academy Press.

\*\* Efron, B. & Tibshirani, R. J. (1993). *An introduction to the bootstrap*. New York, NY: Chapman & Hall.

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The National Center for Children in Poverty at the Mailman School of Public Health at Columbia University identifies and promotes strategies that prevent child poverty in the United States and that improve the lives of low-income children and families. For more information, visit NCCP on the Web at [www.nccp.org](http://www.nccp.org).

### NCCP State Child Poverty Updates

This publication is the first in a new series of updates on child poverty in individual states that will be published by the National Center for Children in Poverty. We begin with California in part because it has the largest number of poor children of any state and because California's child poverty rate has risen dramatically since 1979. For more information, please visit **[www.nccp.org](http://www.nccp.org)**.

### *The Changing Face of Child Poverty in California*

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