

California's poverty rate the highest since 1997

By Phillip Reese, Sacramento Bee

California's poor now outnumber the populations of 33 states and 90 nations – and counting.

The state's poverty rate last year rose to its highest level in more than a decade – 16.3 percent – as household incomes plunged by 5 percent, according to census figures released Tuesday.

The state lost ground much faster than the rest of the nation, which saw a roughly 2 percent decline in household income.

Nationally, about 15.1 percent of the population, or 46 million people, were poor last year, a higher poverty rate than in any year since 1993.

That incomes continue to decline and poverty increases didn't surprise economists. But the magnitude of the changes did. California hasn't seen a bigger year-to-year fall in household income in at least 25 years.

"We're supposedly in recovery," said Jeff Michael, an economist at the University of the Pacific in Stockton. "But we've been feeding at the bottom of the trough."

Howard Roth, the state's chief economist, noted that many of the states hit hardest by the housing bust saw the steepest income declines and largest poverty increases last year. Those states will likely continue to suffer, he said, until the housing industry recovers.

"It's pretty clear that going forward, these income numbers are going to get smaller for a while," Roth said.

In California, the median household income – the middle number in a ranked list of incomes – was \$54,459 last year, down from an inflation-adjusted \$57,061 in 2009 and the lowest level since 1997. California incomes peaked in 2006 at \$59,821.

Nationwide, the median household income stood at \$49,445 last year, down from \$50,599 in 2009.

About 6.1 million Californians lived in poverty last year, an increase of nearly a half-million residents from the previous year and the highest rate since 1997.

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