

Opinion: Why Calif. has the nation's highest poverty level

By Dan Walters, CalMatters

With all the recent hoopla about California's record-low unemployment rate and the heady prospect of its becoming No. 5 in global economic rankings, it is easy to lose sight of another salient fact: It is the nation's most poverty-stricken state.

So says the U.S. Census Bureau in its "supplemental measure" of poverty that is a far more accurate than the traditional measure because it takes into account not only income, but living costs.



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By the measure, just over 20 percent of Californians are living in poverty. The Public Policy Institute of California has devised its own measure, similar to the Census Bureau's, that not only validates the 20 percent figure, but tells us that another 20 percent of Californians are in "near-poverty," which means they struggle to pay for food, shelter and other necessities of life.

Another indicator of California's impoverishment is that more than a third of its 39 million residents are enrolled in Medi-

Cal, the state-federal program of medical care for the poor. And that doesn't count a few million more who cannot legally obtain Medi-Cal coverage because they are undocumented immigrants.

Finally, 60 percent of California's 6 million K-12 students are either "English-learners" or come from poor families, thus qualifying their schools for additional state support aimed at improving their academic achievements.

Two new reports not only underscore California's economic stratification, but point to its underlying factors.

One comes from the Tax Foundation and delves into the sharp differences in cost-of-living by comparing what \$100 buys in each state.

It would have \$115 in relative purchasing power in Mississippi, which has the nation's lowest overall living costs, but just \$84 in Hawaii, which has the highest. California, unfortunately, is much closer to Hawaii than to Mississippi at \$88, the 47th highest.

Our soaring housing costs are one factor. It's not unusual for a low-income family to pay more than 50 percent of its income for housing, if it can find it. California has very high automotive fuel prices and utility rates, which weigh heavily on the state's poor, particularly the so-called "working poor" who don't qualify for many public benefits.

The second new report comes from Wallet Hub, a personal economics website, which tapped a variety of data, such as high school graduation rates and college degree holders, to determine the education levels of the nation's 150 largest metropolitan areas.

Ann Arbor, home of the University of Michigan, is No. 1 and university communities are generally bunched near the top, but the San Jose area, the seat of California's high-tech

industry, is No. 3 and the San Francisco-Oakland region is No. 8.

Other California metropolitan areas string out below, but the most startling revelation is that the bottom 10 – the nation's least educated communities – include five from California, Salinas (144), Fresno (145), Modesto (146), Bakersfield (147) and Visalia-Porterville (148).

If one takes the Wallet Hub rankings for California and places them next to a chart of personal incomes in the state's 58 counties, there is a strong correlation. The higher their education rankings, the higher their incomes, and vice versa.

Direct efforts to relieve poverty via raising minimum wages, providing an earned income tax credit and expanding other public benefits certainly have marginal effects. But the latest reports indicate that in the long run, holding down costs for housing and other living costs, making education more available and effective, and encouraging private investment in more and better jobs are vital if California is to escape the ignominy of having the nation's highest level of poverty.