



**THE PUBLIC POLICY INSTITUTE OF CALIFORNIA (PPIC) AND THE
CALIFORNIA INSTITUTE FOR FEDERAL POLICY RESEARCH**

invite you to attend a

***PPIC LUNCHEON BRIEFING:
Federal Poverty Estimates & California***

Tuesday, May 16, 2006

12:00 noon – 1:30 p.m.

Room 2203, Rayburn House Office Building

Poverty rates in California already outpace the national average, but what happens when the cost of living in the Golden State is included in calculations? To address this and other questions, Deborah Reed, Program Director, Population, and Research Fellow with the Public Policy Institute of California will discuss her recently released non-partisan, independent report that lays out the facts and consequences of using federal poverty estimates and asks whether these estimates are a valid measure in California.

Consider this: The federal poverty threshold determines eligibility for several federal programs, including the Food Stamp Program, the State Children's Health Insurance Program, and Head Start. Because these programs do not adjust for regional cost of living, they inadvertently provide very different levels of service to families facing different costs. For instance, rent for a year in California is often more than half the total federal poverty threshold.

Dr. Reed's research shows that California's poverty rate soars from 15th to 3rd in the nation when regional cost of living – omitted from federal calculations – is factored in and the most current poverty data are used. Examining poverty and income trends from 1969 to 2004, the report also finds that, in contrast to the rest of the nation, California has a higher poverty rate today than in the late 1960s and 1970s. Between 1969 and 2004, income declined four percent for low-income families, rose 16 percent for families at the median, and rose 41 percent for high-income families. In the rest of the country, however, income grew for low-income families, according to Dr. Reed's findings.

California also differs from the rest of the country in its growing number of working poor. In 1969, only 12 percent of poor families in California had a full-time worker, compared to about 20 percent in the rest of the country. By 2004, over 30 percent of poor California families had a full-time worker, while the rest of the nation held steady at 20 percent.

To attend this lunch briefing, please reply (acceptances only, thank you) to 202-546-3700, or send email to randsell@calinst.org. We look forward to seeing you on May 16.