

Poverty and Demographics in L.A. County

New Findings from the American Community Survey



June 1st, 2009



Poverty in L.A. County

“Overcoming poverty is not a gesture of charity. It is an act of justice”

-Nelson Mandela

Today we will look at.....

- Overview of poverty in L.A. County
- How pervasive is poverty in L.A. County?
Who is poor? (traits of people in poverty)
- Is Poverty and its associated affects (as seen in housing and education) in L.A. County unique compared to California and other places?
- Conclusion: What to expect for the next ACS and the 2010 Census.

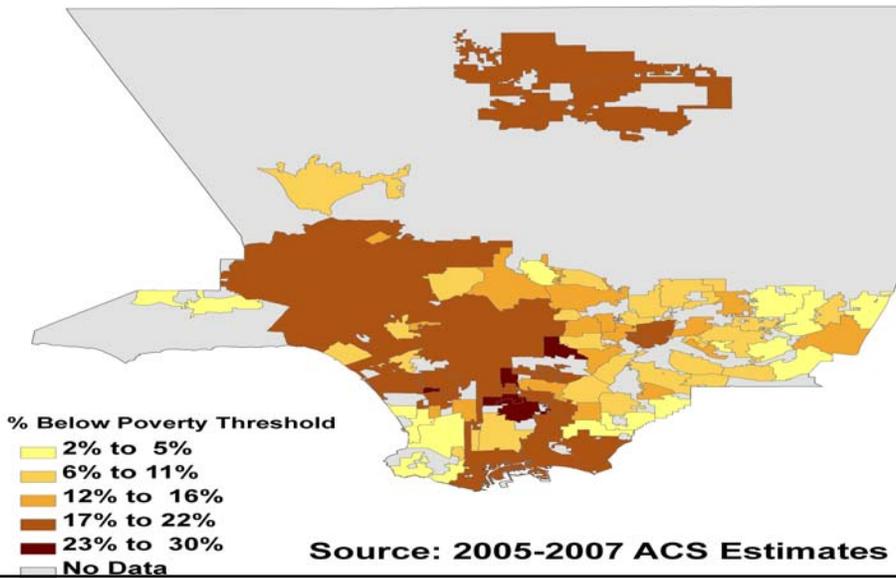
Poverty Rates

Poverty Rates	2006	2007
L.A. County	15.4%	14.7%
California	13.1%	12.4%
U.S.	12.3%	12.5%

- Source: U.S. Census Bureau; American Community Survey, 2006 and 2007

**People Below the Poverty Threshold
Across Cities and Places in L.A. County 2005-2007**

*Cities and Places with populations of at least 20,000



**Top 5 highest and 5 Lowest Poverty Rates in
L.A. County Cities and Places* 2005-2007**

■ **The 5 Lowest**

Agoura Hills	2%
Diamond Bar	3%
Glendora	3%
La Canada Flintridge	3%
Rancho Palos Verdes	3%

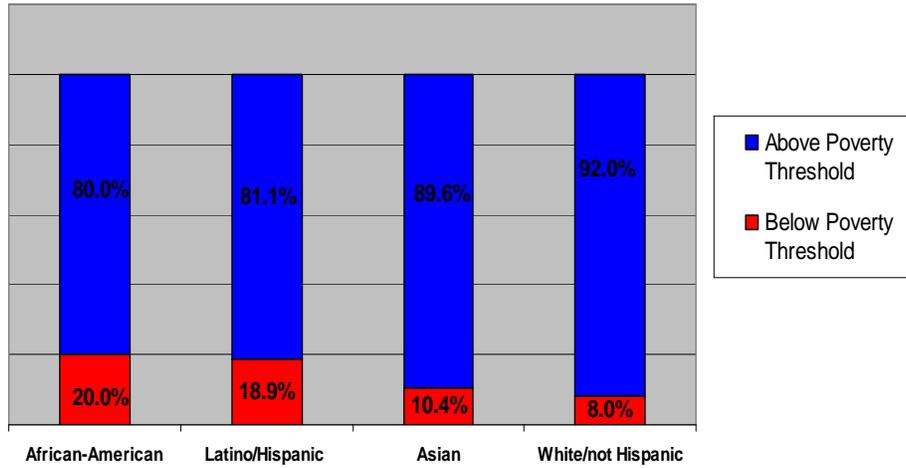
■ **The 5 Highest**

Compton	24%
East Los Angeles	25%
Lennox	25%
Florence- Graham	28%
Willowbrook	30%

Source: U.S. Census Bureau; American Community Survey, 2005-2007
Estimates * Cities and Places with populations of at least 20,000

Who are the Poor in L.A. County?

Poverty Across Ethnicities/Races for L.A. County in 2007

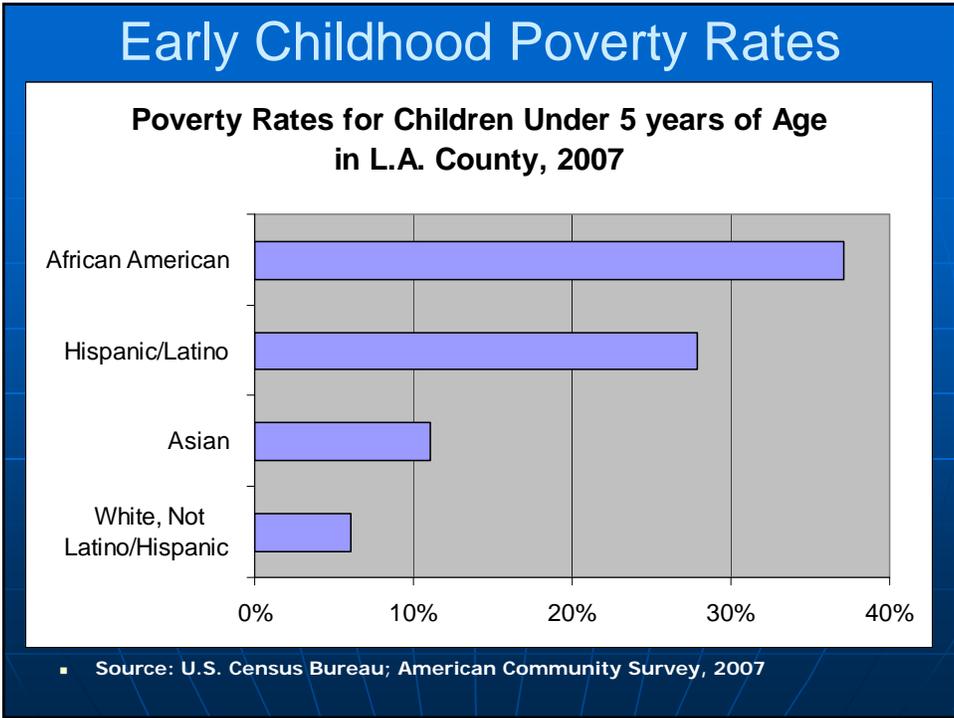
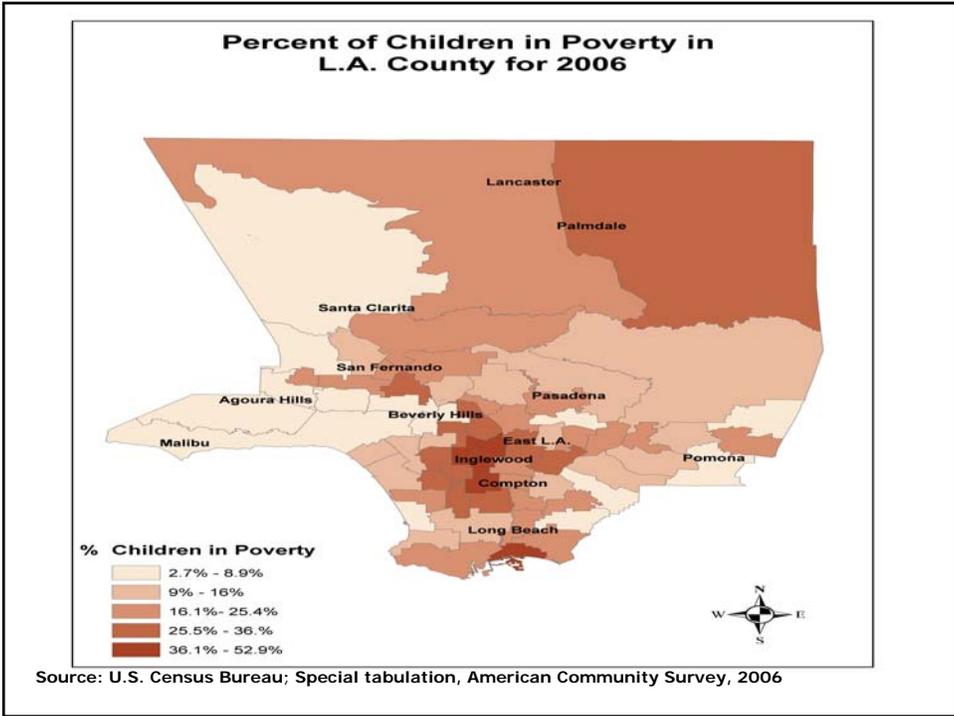


Source: U.S. Census Bureau; American Community Survey, 2007

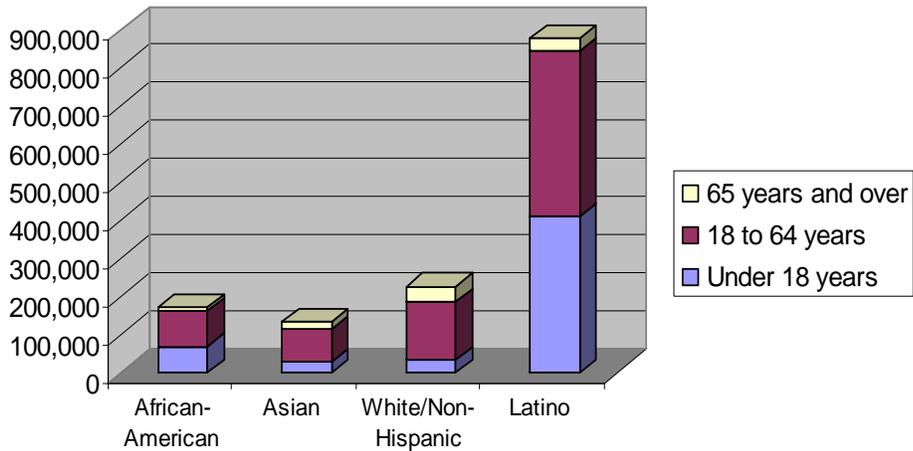
Child Poverty

Child Poverty Rates	2006	2007
L.A. County	21.2%	21.3%
California	18.1%	17.3%
U.S.	18.3%	18.0%

Source: U.S. Census Bureau; American Community Survey, 2007



People in Poverty by Race/Ethnicity for L.A. County 2007

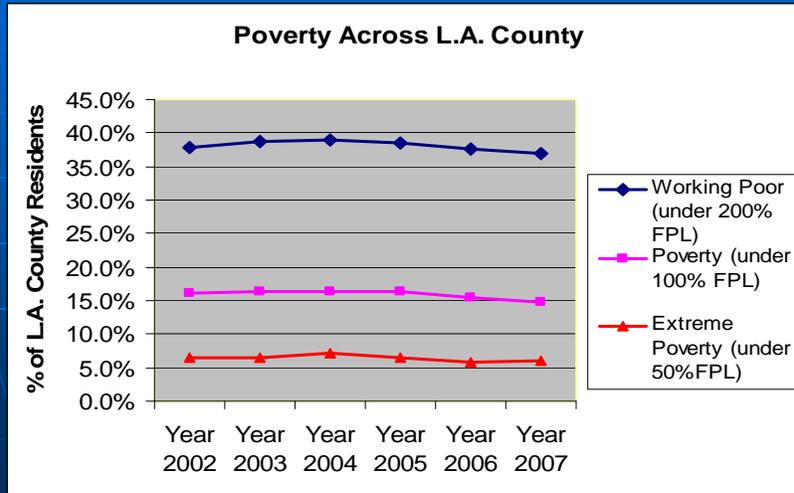


■ Source: U.S. Census Bureau; American Community Survey, 2007

People in Poverty are not equally Poor

- Poverty is defined as under 100% of the Federal Poverty Threshold.
- Under 200% of the Federal Poverty threshold is a common threshold for being considered poor.
- Extreme Poverty is often known to be under 50% of the Federal Poverty Threshold.

A Profile of Poverty During the Past Five Years in L.A. County



■ Source: U.S. Census Bureau; American Community Survey, 2002-2007

Is Poverty and its associated effects in L.A. County unique compared to other major metro areas in California and compared to the U.S.?

■ Yes....and No.

Yes:

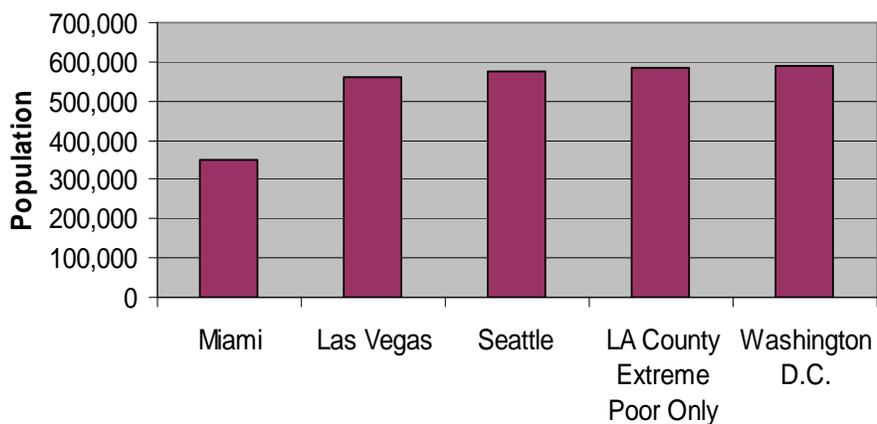
- there are more people living in extreme poverty (both in absolute terms and in proportion).
- More people have severe rent burden as a percentage of income.
- More people in general as a proportion are in overcrowded and severely overcrowded housing.
- LA County has more people without a college degree (a reliable predictor of future earnings) compared to other major metros in the state.

People in Extreme Poverty

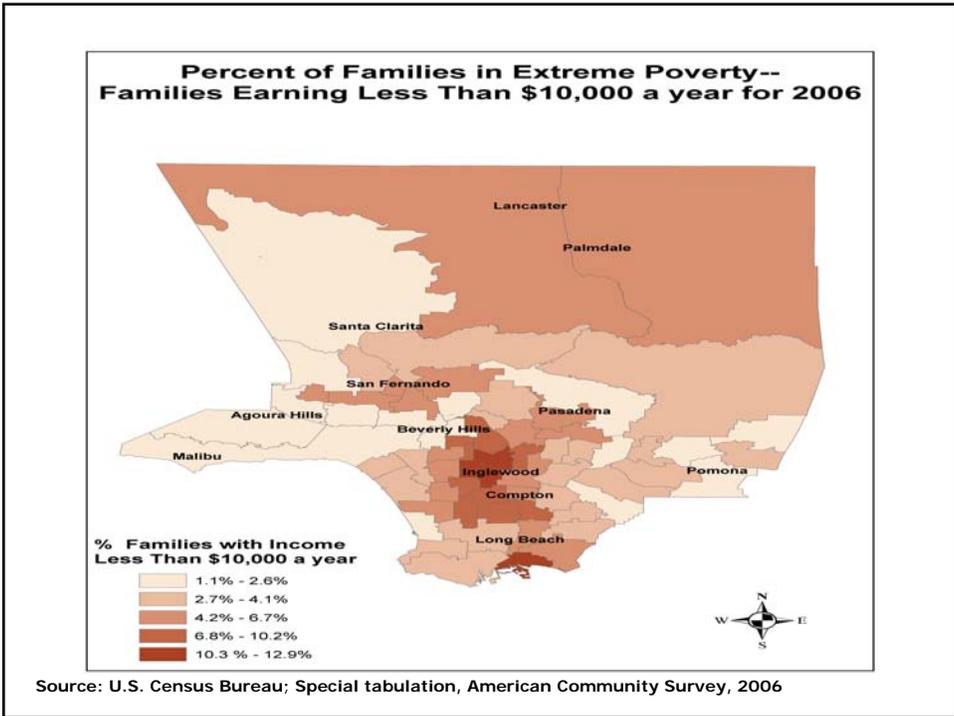
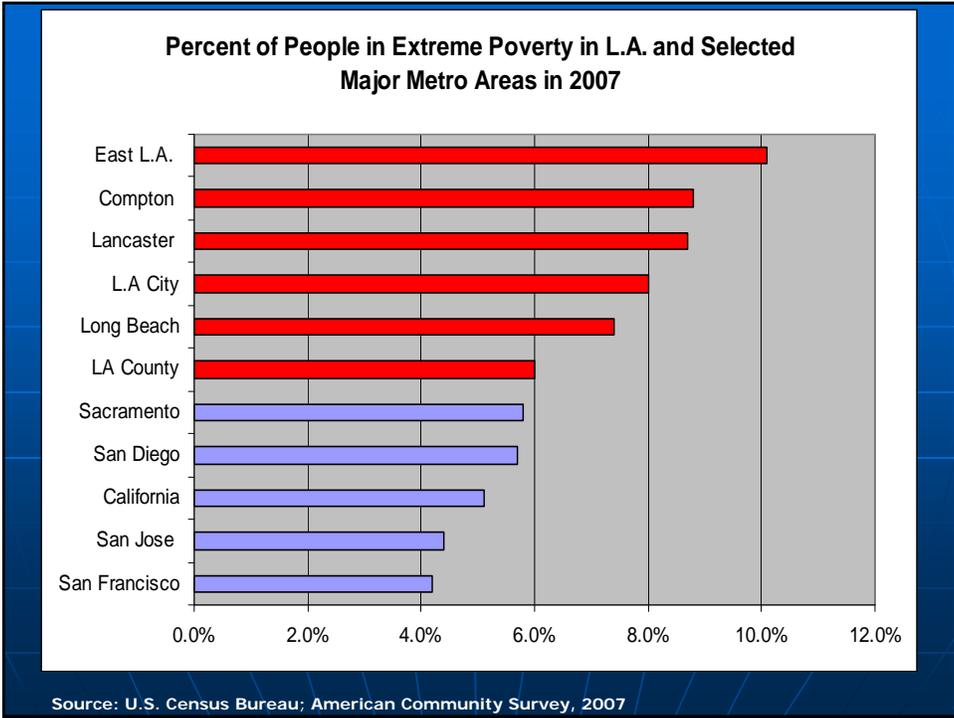
- Extreme Poverty (under 50% of the Federal Poverty Threshold) means (in 2007) one earns:
 - **1 person earning less than \$5,200 a year.**
 - **A family of 3 earning less than \$8,800 a year.**
 - **A family of 4 earning less than \$10,600.**

■ Source: U.S. HHS Poverty Guidelines, 2007

Population of Extreme Poor in L.A. Compared to Total Populations of Selected Major U.S. Cities



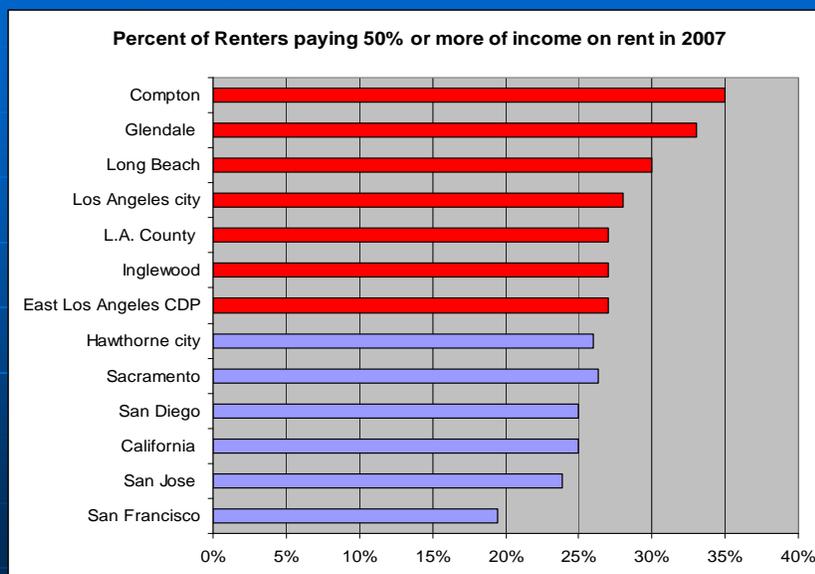
Source: U.S. Census Bureau; American Community Survey, 2007



High Housing Costs

- HUD classifies housing that requires more than 30% of the occupants' income as unaffordable housing. **Many people however experience severe rent burden- that is – paying more than 50% of income on rent.** LA County has a higher proportion of people experiencing severe rent burden than other major urban areas in California, and compared to California as a whole.

Severe Rent Burden



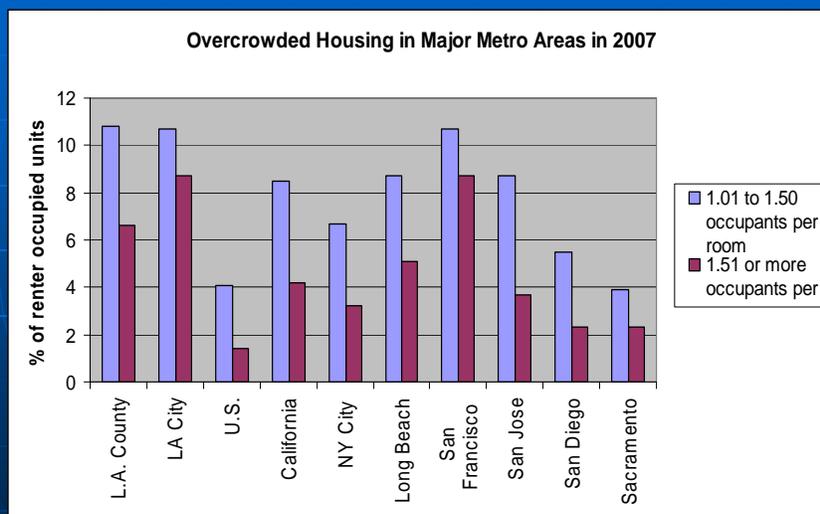
Source: U.S. Census Bureau; American Community Survey, 2007

Overcrowded Housing

- The government* classifies housing as being overcrowded if there are over 1 occupants per room, with severe overcrowding as being more than 1.5 occupants per room.

*Source: U.S. Census Bureau

Overcrowded Housing

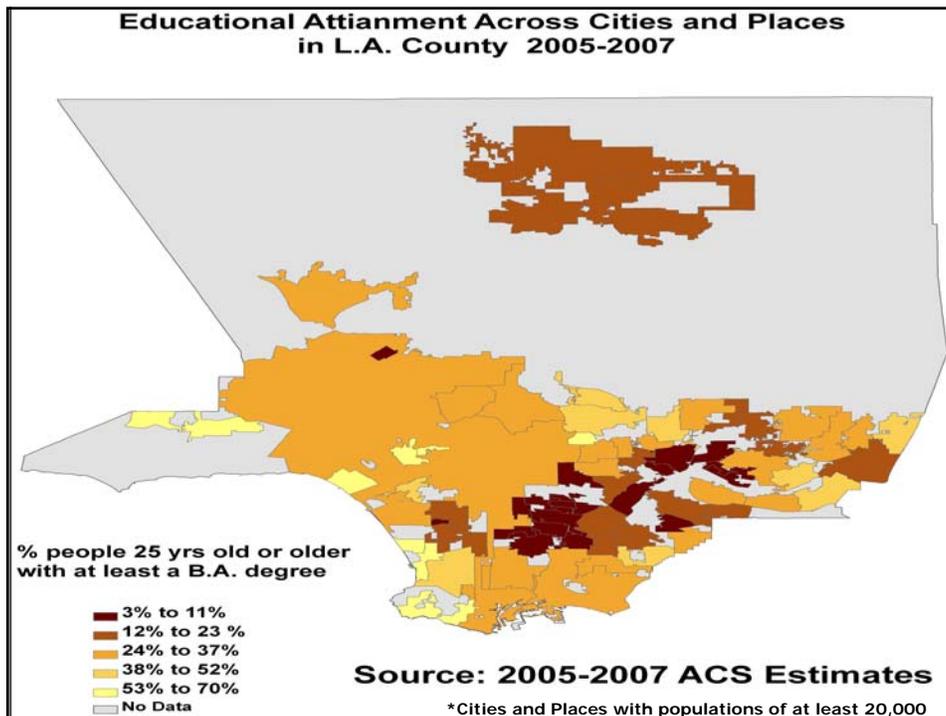


Source: U.S. Census Bureau; American Community Survey, 2007

Education Attainment for People 25 years and older in 2007

	Percent high school graduate or higher	Percent bachelor's degree or higher
L.A. County	75.2%	28.3%
California	80.2%	29.5%
San Jose	80.5%	34.7%
Sacramento	80.7%	28.9%
U.S.	84.0%	27.0%
San Francisco	84.9%	49.9%
San Diego	86.3%	40.4%

Source: U.S. Census Bureau; American Community Survey, 2007



Percent of people 25 yrs or older with at least a B.A. degree for L.A. County Cities/Places+ 2005-2007

■ The 5 Lowest

Cudahy	3%
Lennox	3%
Bell	3%
Florence-Graham*	4%
Bell Gardens	4%

* also among the 5 highest poverty rates in L.A. County

The 5 Highest

Beverly Hills	60%
Rancho Palos Verdes**	60%
Santa Monica	61%
La Canada Flintridge**	67%
Manhattan Beach	70%

** also among the lowest 5 poverty rates in L.A. County

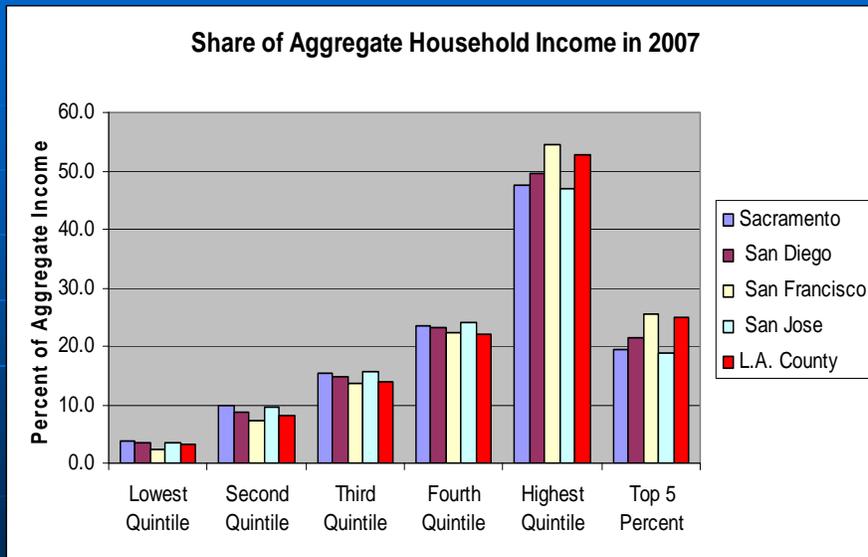
Source: U.S. Census Bureau; American Community Survey, 2005-2007 Estimates
+Cities and Places with populations of at least 20,000

Is Poverty and its associated effects in L.A. County unique compared to other major metro areas in California and compared to the U.S.?

Not necessarily.

- L.A. County has about the same income inequality dynamics as the rest of the country and other major metro areas.
- Disproportionately high poverty rates for minorities in L.A. County are pretty much similar in other parts of the state.

Income Distribution



Source: U.S. Census Bureau; American Community Survey, 2007

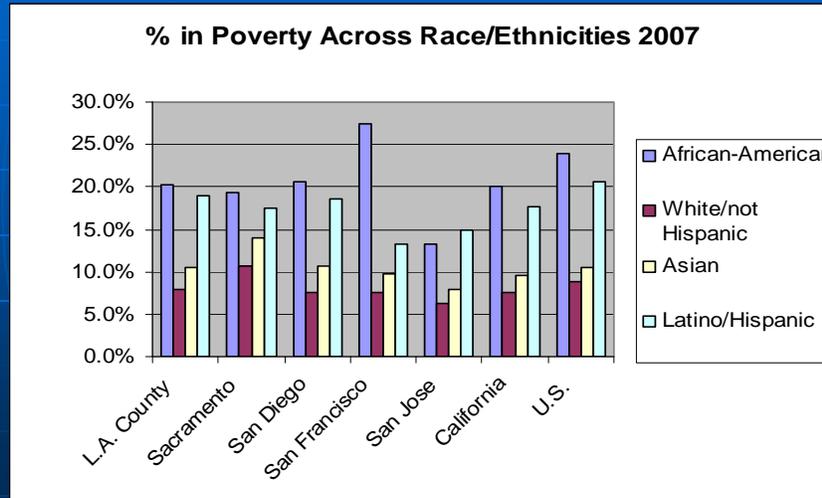
The Gini Index, though slightly higher for L.A. County is not too much greater than other parts of the state

- Gini Index; 0=Perfect income equality; 1.0= Perfect income Inequality

Sacramento	0.433
San Jose	0.436
San Diego	0.461
U.S.	0.467
California	0.469
Los Angeles	0.493
San Francisco	0.519

Source: U.S. Census Bureau; American Community Survey, 2007

Disproportionately high poverty rates for minorities in L.A. County are similar in other parts of the state and the U.S.



Source: U.S. Census Bureau; American Community Survey, 2007

Conclusions: What to expect for the release of upcoming poverty and housing data

All obvious predictions in light of current recession:

- An increase in the rate of poverty, but perhaps mostly we will see a growth of people in extreme poverty (under ½ the poverty threshold).
- Increase in people/households paying 50% of gross income on rent.
- An increase in the rate of overcrowding as more people double up with family/friends to reduce housing costs.

United Way of Greater Los Angeles

- Thank you
- Sign up for the Poverty Resource Center Free eNewsletter:
<http://www.unitedwayla.org/>

