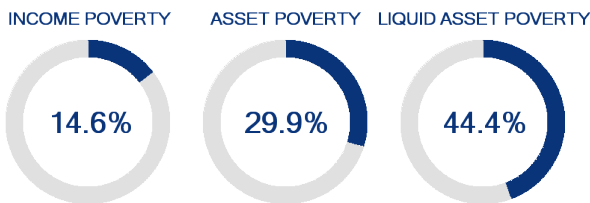


STATE PROFILE: CALIFORNIA



The recession's lingering effects have taken an enormous toll on California families. Fully 14.6% of state residents live in poverty and far more are financially vulnerable. The 2013 *Assets & Opportunity Scorecard* found that 44.4% of California households are liquid asset poor, which means that they have less than three months of savings to fall back on in the event of a job loss, health crisis or other income-disrupting emergency. Additionally, 29.9% are asset poor, meaning that the assets that they do have—whether a savings account or durable assets such as a home, business or car—are overwhelmed by debt.



Asset poverty in California is 2.1 times higher than income poverty and liquid asset poverty is 3 times higher.

WHAT CALIFORNIA CAN DO

- **Preserve and Expand Homeownership:** To remedy the low homeownership rate and high housing cost burden for homeowners, California should provide assistance to first-time homeowners through direct lending programs and homeownership counseling.
- **Encourage Savings and Protect Consumers:** To help families reduce debt, avoid bankruptcy and become more financially secure, California should protect consumers from predatory credit products by prohibiting or capping payday loans, and remove the disincentive to save for very low-income families by lifting asset limits in its cash welfare and Medicaid programs.
- **Prioritize K-12 Education:** To increase math and reading proficiency as well as high school graduation rates, which are among the lowest in the country, California should increase funding for K-12 education, particularly in low-income school districts, and create strong systems for teacher evaluation and retention.

ABOUT THE SCORECARD

The *Assets & Opportunity Scorecard* is a comprehensive look at Americans' financial security today and their opportunities to create a more prosperous future. It assesses the 50 states and the District of Columbia on 102 outcome and policy measures, which describe how well residents are faring and what states can do to help them build and protect assets. These measures are grouped into five issue areas: Financial Assets & Income, Businesses & Jobs, Housing & Homeownership, Health Care, and Education.

For a complete description of *Scorecard* measures and sources, including how the grades and rankings were assigned, go to <http://scorecard.cfed.org>.

KEY HIGHLIGHTS

15%

of California households live in income poverty

17%

of jobs in California are low-wage jobs

18%

of the California labor force in own a microenterprise

1.85

times as many white workers in California own a business compared to workers of color

1.41

times as many workers of color in California are unemployed compared to white workers

21%

of California workers are underemployed

Published January 2013

CALIFORNIA

OVERALL RANK: 38

The *Scorecard* ranks 53 outcome measures from best to worst; #1 is the most desirable, #51 is the least desirable. Data for an additional 16 measures are published, but states are not ranked on these measures due to insufficient data at the state level. Issue area ranks and grades are calculated by averaging the ranks of measures within the issue area. Grades for issue areas are given on a curve: 10 states get As, 10 get Bs, 16 get Cs, 10 get Ds and 5 get Fs. The overall rank is calculated by ranking the sum of the issue area ranks.

FINANCIAL ASSETS & INCOME

ISSUE AREA RANK: 33 | GRADE: C

| OUTCOME MEASURE | State Data | U.S. Data | STATE RANK |
|--|--------------------------------|--------------------------------|------------|
| Income Poverty Rate | 14.6% | 14.6% | 29 |
| Asset Poverty Rate | 29.9% | 26.0% | — |
| Asset Poverty by Race | 1.9 x higher for HHs of color | 2.1 x higher for HHs of color | — |
| Asset Poverty by Gender | 1.2 x higher for single women | 1.1 x higher for single women | — |
| Asset Poverty by Family Structure | 1.7 x higher for 1-parent HHs | 2.2 x higher for 1-parent HHs | — |
| Liquid Asset Poverty Rate | 44.4% | 43.9% | 24 |
| Liquid Asset Poverty by Race | 1.7 x higher for HHs of color | 1.8 x higher for HHs of color | — |
| Liquid Asset Poverty by Gender | 1.11 x higher for single women | 1.09 x higher for single women | — |
| Liquid Asset Poverty by Family Structure | 1.6 x higher for 1-parent HHs | 1.9 x higher for 1-parent HHs | — |
| Extreme Asset Poverty Rate | 19.1% | 17.5% | — |
| Net Worth | \$54,432 | \$68,948 | — |
| Net Worth by Race | 10 x higher for white HHs | 10.3 x higher for white HHs | — |
| Net Worth by Income | 147 x higher for top 20% | 68 x higher for top 20% | — |
| Net Worth by Gender | — | 1.18 x higher for single men | — |
| Net Worth by Family Structure | — | 22 x higher for 2-parent HHs | — |
| Unbanked Households | 7.8% | 8.2% | 32 |
| Underbanked Households | 18.0% | 20.1% | 16 |
| Households with Savings Accounts | 72.1% | 69.2% | 24 |
| Consumers with Subprime Credit | 56.8% | 56.4% | 33 |
| Borrowers 90+ Days Overdue | 3.92% | 4.33% | 22 |
| Average Credit Card Debt | \$13,825 | \$10,736 | 48 |
| Bankruptcy Rate (per 1,000 people) | 6.2 | 4.4 | 45 |

BUSINESSES & JOBS

ISSUE AREA RANK: 20 | GRADE: B

| OUTCOME MEASURE | State Data | U.S. Data | STATE RANK |
|--|------------------------------------|------------------------------------|------------|
| Microenterprise Ownership Rate | 17.7% | 16.7% | 10 |
| Small Business Ownership Rate | 1.32% | 1.34% | 40 |
| Business Ownership by Race | 1.8 x higher for white workers | 1.5 x higher for white workers | 33 |
| Business Ownership by Gender | 1.1 x higher for men | 1.3 x higher for men | 7 |
| Business Value by Race | 2.2 x higher for white bus. owners | 2.6 x higher for white bus. owners | 15 |
| Business Value by Gender | 2.2 x higher for men | 2.6 x higher for men | 4 |
| Business Creation Rate (per 1,000 workers) | 9.7 | 9.2 | 20 |
| Private Loans to Small Business | \$1,207 | \$1,148 | 22 |
| Unemployment Rate | 11.6% | 8.9% | 50 |
| Unemployment by Race | 1.4 x higher for people of color | 1.7 x higher for people of color | 8 |
| Underemployment Rate | 21.1% | 15.9% | 50 |
| Low-Wage Jobs | 17.2% | 21.5% | 16 |
| Average Annual Pay | \$49,696 | \$48,043 | 8 |
| Retirement Plan Participation | 39.0% | 44.6% | 47 |
| Employers Offering Health Insurance | 50.5% | 51.0% | 23 |

HOUSING & HOMEOWNERSHIP

ISSUE AREA RANK: 45 | GRADE: D

| OUTCOME MEASURE | State Data | U.S. Data | STATE RANK |
|---------------------------------------|---------------------------------|---------------------------------|------------|
| Homeownership Rate | 54.9% | 64.6% | 49 |
| Homeownership by Race | 1.4 x higher for white HHS | 1.6 x higher for white HHS | 13 |
| Homeownership by Income | 2.6 x higher for top 20% | 2.2 x higher for top 20% | 44 |
| Homeownership by Gender | 1.09 x higher for single women | 1.01 x higher for single women | — |
| Homeownership by Family Structure | 1.9 x higher for 2-parent HHS | 1.9 x higher for 2-parent HHS | 35 |
| Foreclosure Rate | 3.07% | 4.27% | 27 |
| Delinquent Mortgage Loans | 3.11% | 3.04% | 34 |
| High-Cost Mortgage Loans | 0.85% | 2.47% | 4 |
| Affordability of Homes (value/income) | 6.2 x higher than median income | 3.4 x higher than median income | 49 |
| Housing Cost Burden - Homeowners | 49.0% | 36.9% | 50 |
| Housing Cost Burden - Renters | 57.7% | 53.4% | 49 |

HEALTH CARE

ISSUE AREA RANK: 42 | GRADE: D

| OUTCOME MEASURE | State Data | U.S. Data | STATE RANK |
|--------------------------------------|--------------------------------|--------------------------------|------------|
| Uninsured Rate | 20.2% | 17.3% | 42 |
| Uninsured by Race | 2 x higher for people of color | 2 x higher for people of color | 31 |
| Uninsured by Income | 3.3 x higher for poorest 20% | 3.5 x higher for poorest 20% | 22 |
| Uninsured by Gender | 1.2 x higher for men | 1.2 x higher for men | 28 |
| Uninsured Low-Income Children | 11.2% | 10.7% | 37 |
| Uninsured Low-Income Parents | 37.6% | 34.5% | 37 |
| Employer-Provided Insurance Coverage | 52.1% | 57.4% | 44 |
| Employee Share of Premium | 25.1% | 26.4% | 16 |
| Out-of-Pocket Medical Expenses | 15.2% | 16.2% | — |

EDUCATION

ISSUE AREA RANK: 25 | GRADE: C

| OUTCOME MEASURE | State Data | U.S. Data | STATE RANK |
|--------------------------------------|-----------------------------|-------------------------------|------------|
| Early Childhood Education Enrollment | 24.7% | 28.2% | 22 |
| Math Proficiency - 8th Grade | 25.3% | 34.7% | 44 |
| Reading Proficiency - 8th Grade | 23.7% | 33.5% | 47 |
| High School Degree | 81.1% | 85.9% | 50 |
| Two-Year College Degree | 38.0% | 36.3% | 18 |
| Four-Year College Degree | 30.3% | 28.5% | 15 |
| Four-Year Degree by Race | 2 x higher for white adults | 1.6 x higher for white adults | 43 |
| Four-Year Degree by Income | 3.6 x higher for top 20% | 4.6 x higher for top 20% | 14 |
| Four-Year Degree by Gender | 1.02 x higher for men | 1.01 x higher for men | — |
| Average College Graduate Debt | \$18,879 | \$26,600 | 3 |
| College Graduates with Debt | 51% | 66% | 7 |
| Student Loan Default Rate | 11.9% | 13.4% | 27 |

For a complete description of Scorecard measures and sources, including how the grades and ratings were assigned, go to <http://scorecard.cfed.org>.

— = "Not Available." Data or ranks are not available because insufficient or unreliable data exist for the state.

N.R. = "Not Ranked." These data are not ranked because the estimate or rank is too imprecise to say with confidence how the state compares to other states.





POLICY RATINGS

The *Scorecard* includes 33 policy measures: 12 priority policies and 21 additional policies. For policy priorities, states are assessed against criteria for what constitutes a strong policy. Taken together, these policies provide a comprehensive view of what states can do to help residents build and protect assets. Policy priority data are current as of September 2012; additional policy data are drawn from the latest published reports, usually 2011-2012.

-  Very strong policy
-  Strong policy, but some room for improvement
-  Some policy, but much room for improvement
-  Minimal policy in place
-  No policy in place

FINANCIAL ASSETS & INCOME

Policy Priorities

-  Tax Credits for Working Families
-  State IDA Program Support
-  Lifting Asset Limits in Public Benefit Programs
-  Protections from Predatory Short-Term Loans

Additional Policies

- Income Tax Threshold** ... \$46,900
- Tax Burden by Income** ... The poorest 20% of families pay 1.2 times more of their income in taxes than the top 1% of families
- Prize-Linked Savings** ... Prize-linked savings not allowed
- Paperless Payday** ... Paperless payday not permitted

BUSINESSES & JOBS

Policy Priorities


-  State Support for Microenterprise
-  Job Quality Standards

Additional Policies

- Unemployment Benefit Level** ... 27.9% of average weekly wage
- Unemployment Benefit Eligibility** ... Uses alternative base period; Part-time workers covered; Benefits for compelling family reasons
- Incentives for Employee Ownership** ... WIA-funded feasibility studies; Direct state assistance
- Loans for Beginning Farmers** ... No state policy

HOUSING & HOMEOWNERSHIP

Policy Priorities

-  Foreclosure Prevention and Protections
-  First-Time Homebuyer Assistance

Additional Policies

- Housing Trust Funds** ... Has statewide housing trust fund
- Preservation of Affordable Rental Housing** ... 22.9% of LIHTC for preservation
- Tenant Protections from Foreclosure** ... Has protections beyond federal law
- Property Tax Relief** ... Circuit breaker for homeowners and renters who are elderly or disabled; Tax deferment
- Resident Ownership of Manufactured Housing Communities** ... Medium strength protections; 30 days closure notice; No opportunity to purchase or tax incentive

HEALTH CARE

Policy Priorities




-  Access to Health Insurance

Additional Policies

- Expanded COBRA Coverage** ... COBRA expansion for 36 months
- Healthcare Information Databases** ... Does not have database

EDUCATION

Policy Priorities

-  Access to Quality K-12 Education
-  Financial Education in Schools
-  College Savings Incentives

Additional Policies

- State-Funded Head Start** ... No state supplement
- Quality of State Pre-K Programs** ... Established state program; \$5,428 per child enrolled; 3 of 10 quality standards met
- Kindergarten Standards** ... Half Day Kindergarten; no standards; no certificates or training required for teachers
- State Financial Aid for Postsecondary Education** ... \$736 per student; 100% need-based
- TANF-Funded Workforce Training** ... 2.54% of funds spent on training
- WIA-Funded Workforce Training** ... 18.9% of participants received training