



California Budget
& Policy Center

California's Economic Outlook and Implications for The State Budget

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The Current Economic Recovery: Slow and Uneven Improvement Following a Steep Downturn



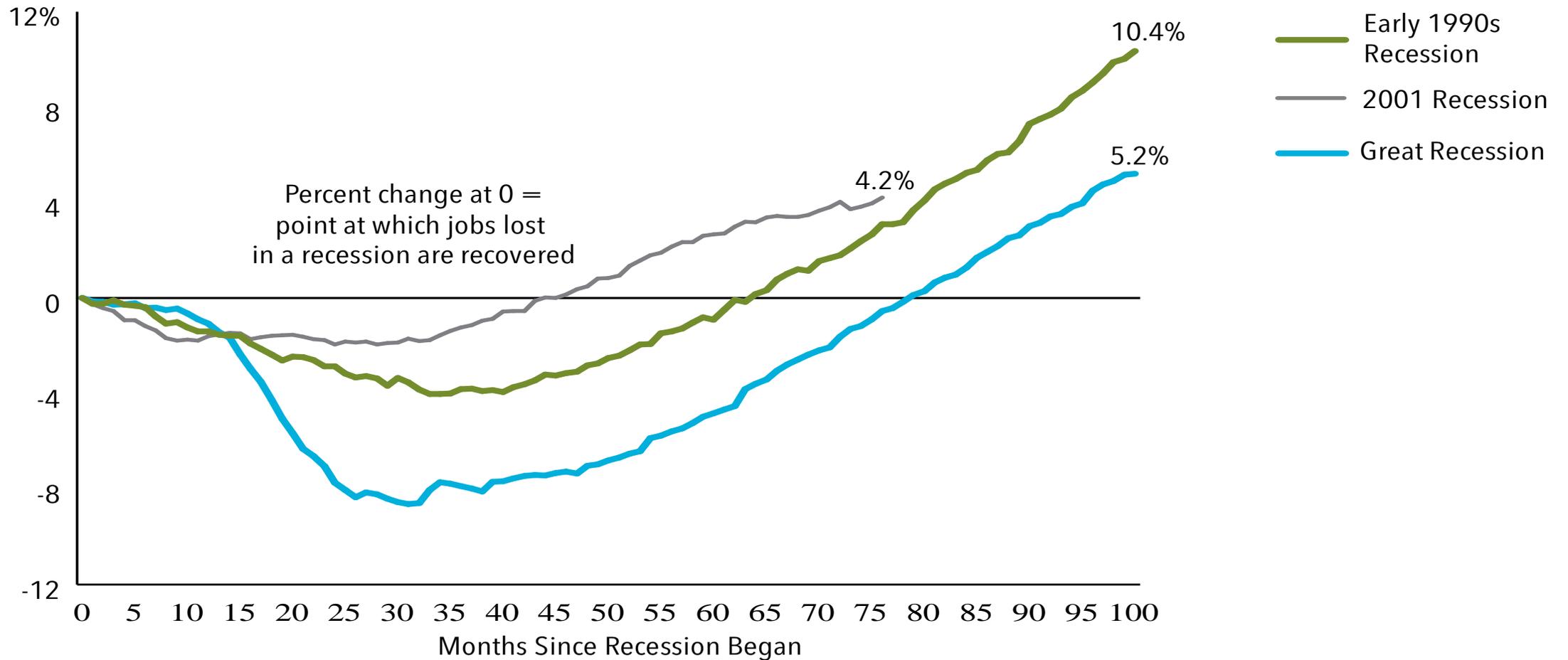
California's Economy Continues to Improve

- California's current unemployment rate: 5.7%.
- This is less than half of what it was during the worst of the Great Recession (12.2% in 2010).
- Before the Great Recession began, California's unemployment rate was 5.4%.



It Took Much Longer to Regain the Number of Jobs Lost in the Great Recession, Compared to Other Downturns

Percent Change in Total Nonfarm Jobs in California Since Each Recession Began

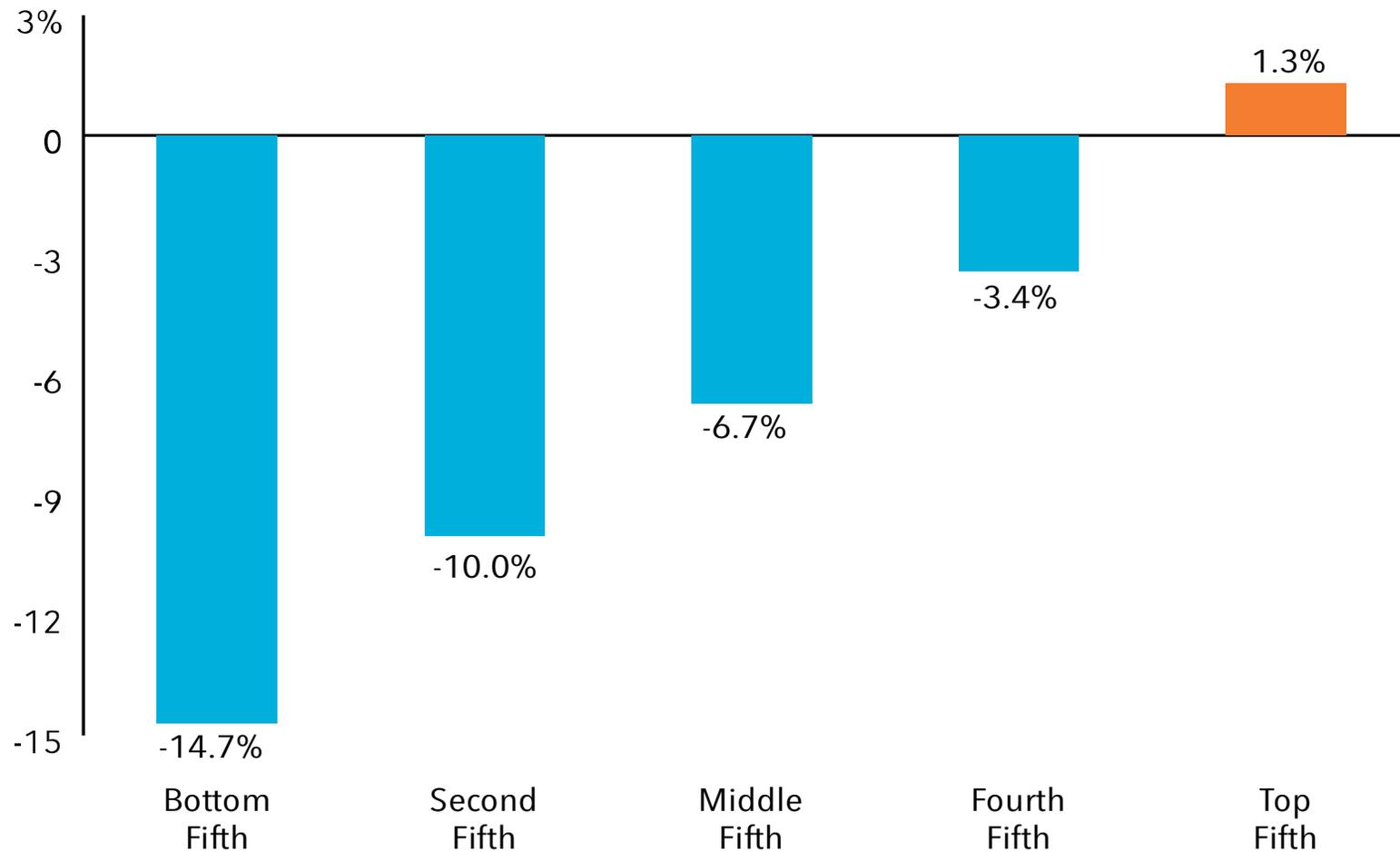


Note: The 2001 recession includes data up to July 2007, the month the Great Recession began in California.
Source: US Bureau of Labor Statistics



Only High-Income Households Have Seen Their Incomes Recover From the Great Recession

Percent Change in Income Segment's Average Inflation-Adjusted Income, 2006 to 2014

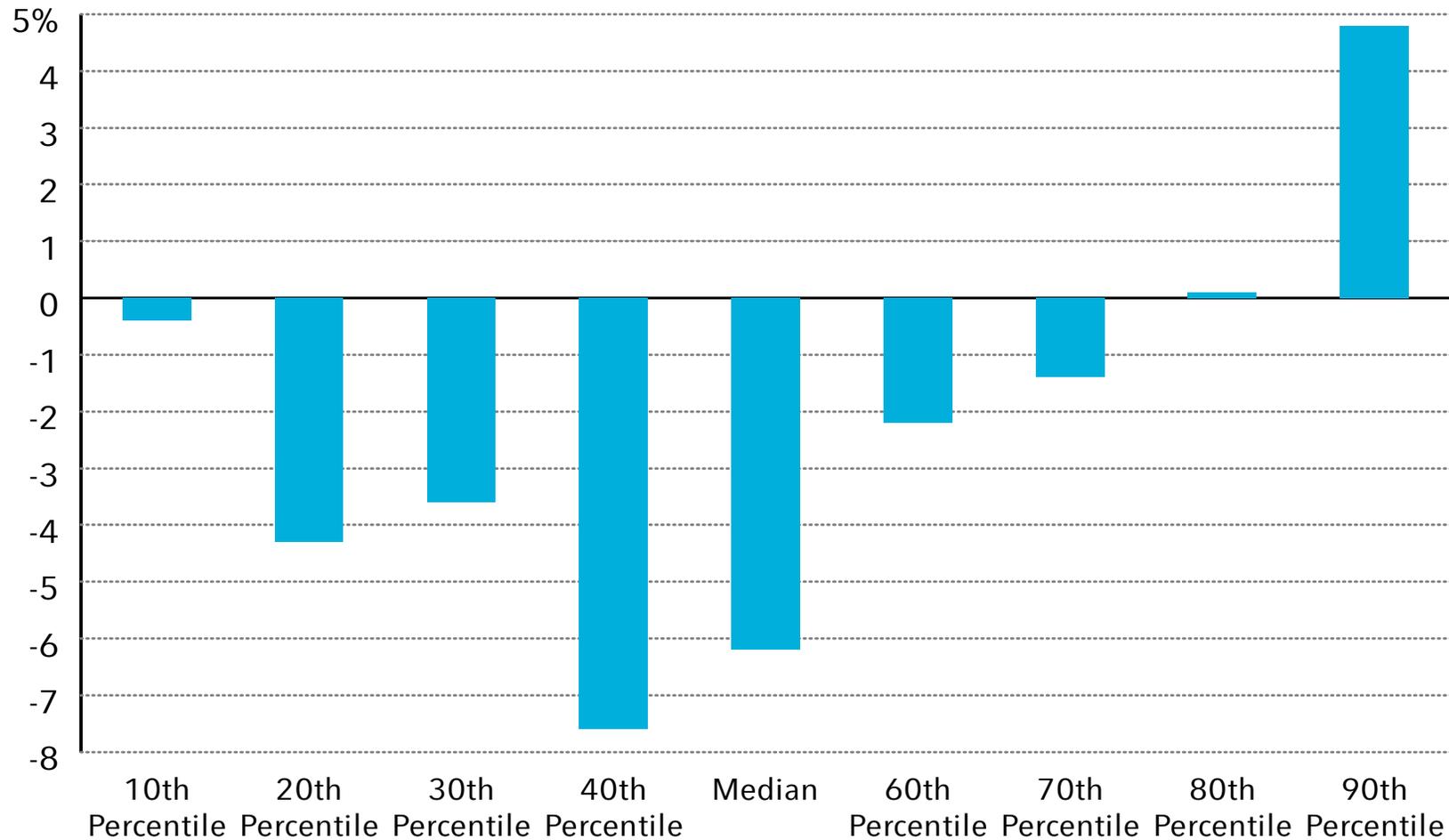


Source: US Census Bureau



Wages for All but the Highest-Paid California Workers Remained Below Their Pre-Recession Levels in 2014

Percent Change in Inflation-Adjusted Hourly Wage Between 2006 and 2014



Note: Data are for workers ages 25 to 64.

Source: Budget Center analysis of US Census Bureau data

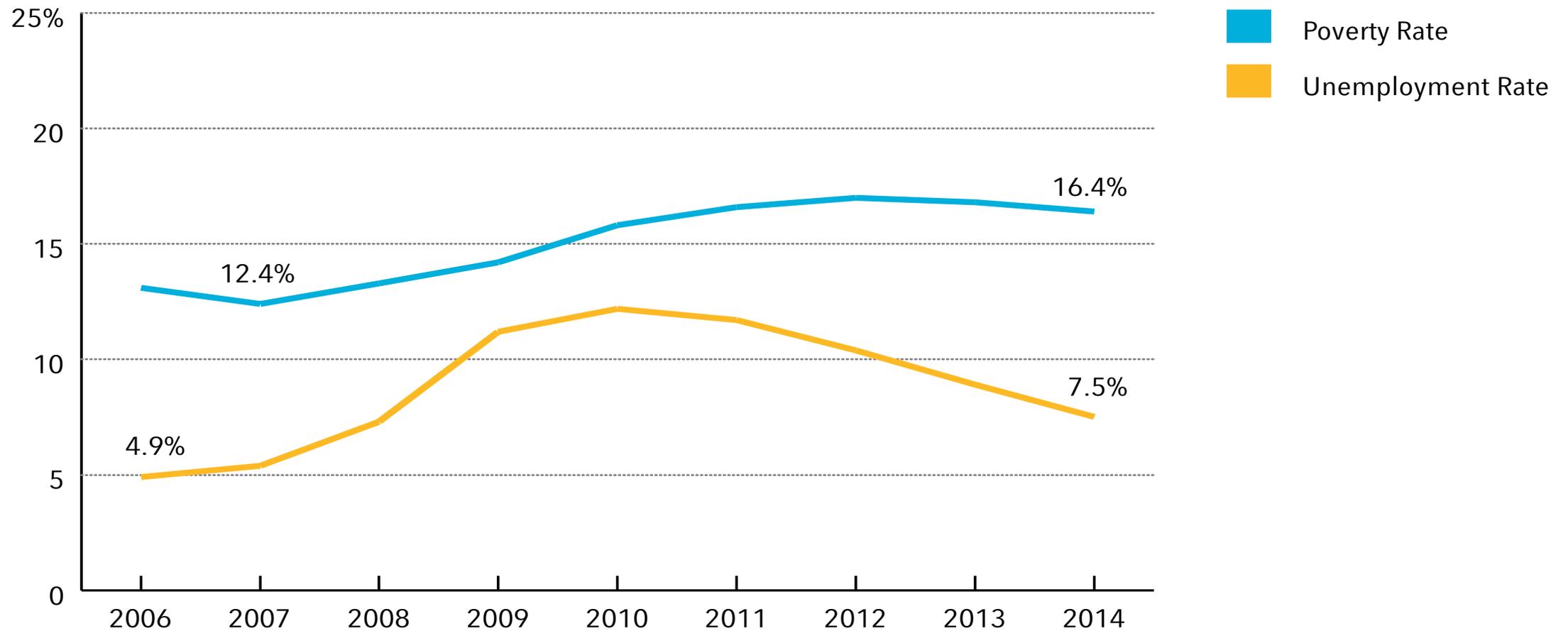


Poverty Remains One of California's Largest Challenges



California's Poverty Rate Remains High Even as the State's Jobless Rate Has Fallen Substantially

California's Poverty and Unemployment Rates

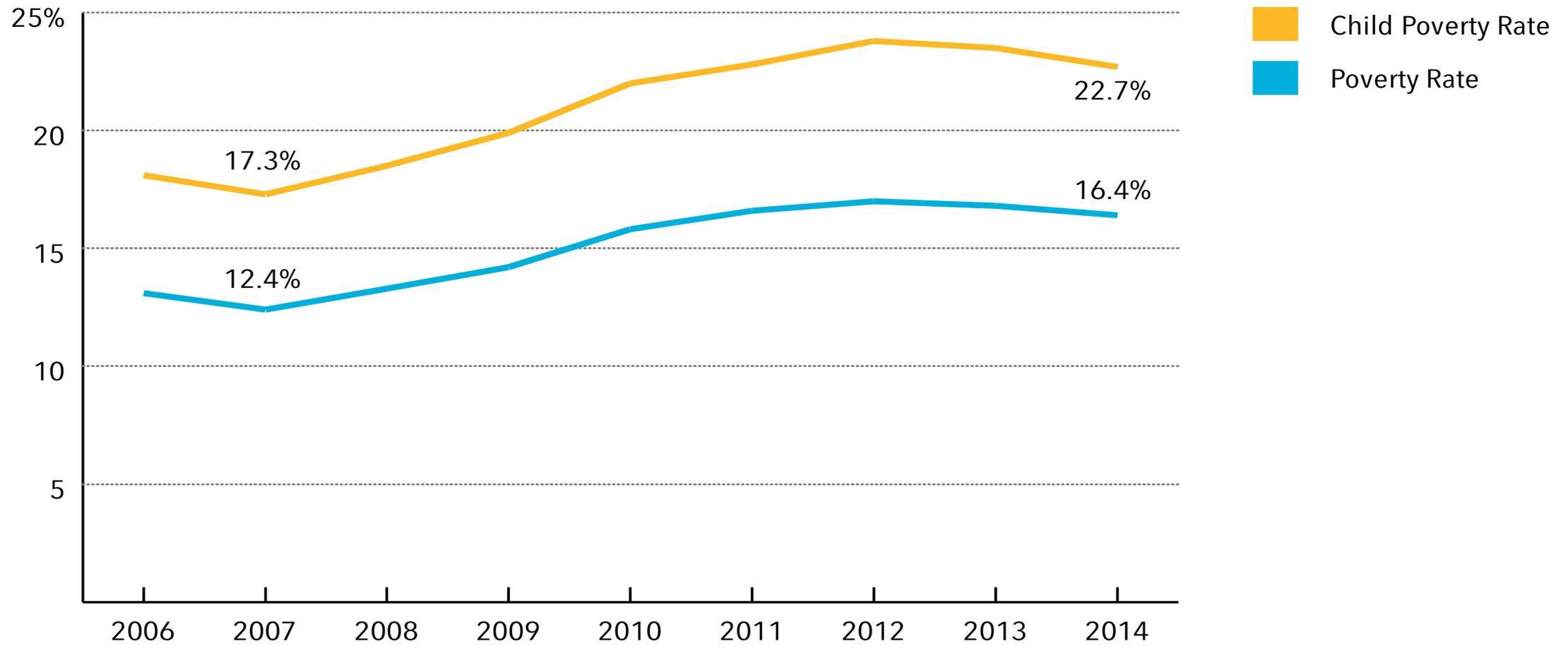


Source: Employment Development Department and US Census Bureau



Nearly 1 in 6 Californians and More Than 1 in 5 California Children Lived in Poverty in 2014

Percentage of Californians With Incomes Below the Federal Poverty Line

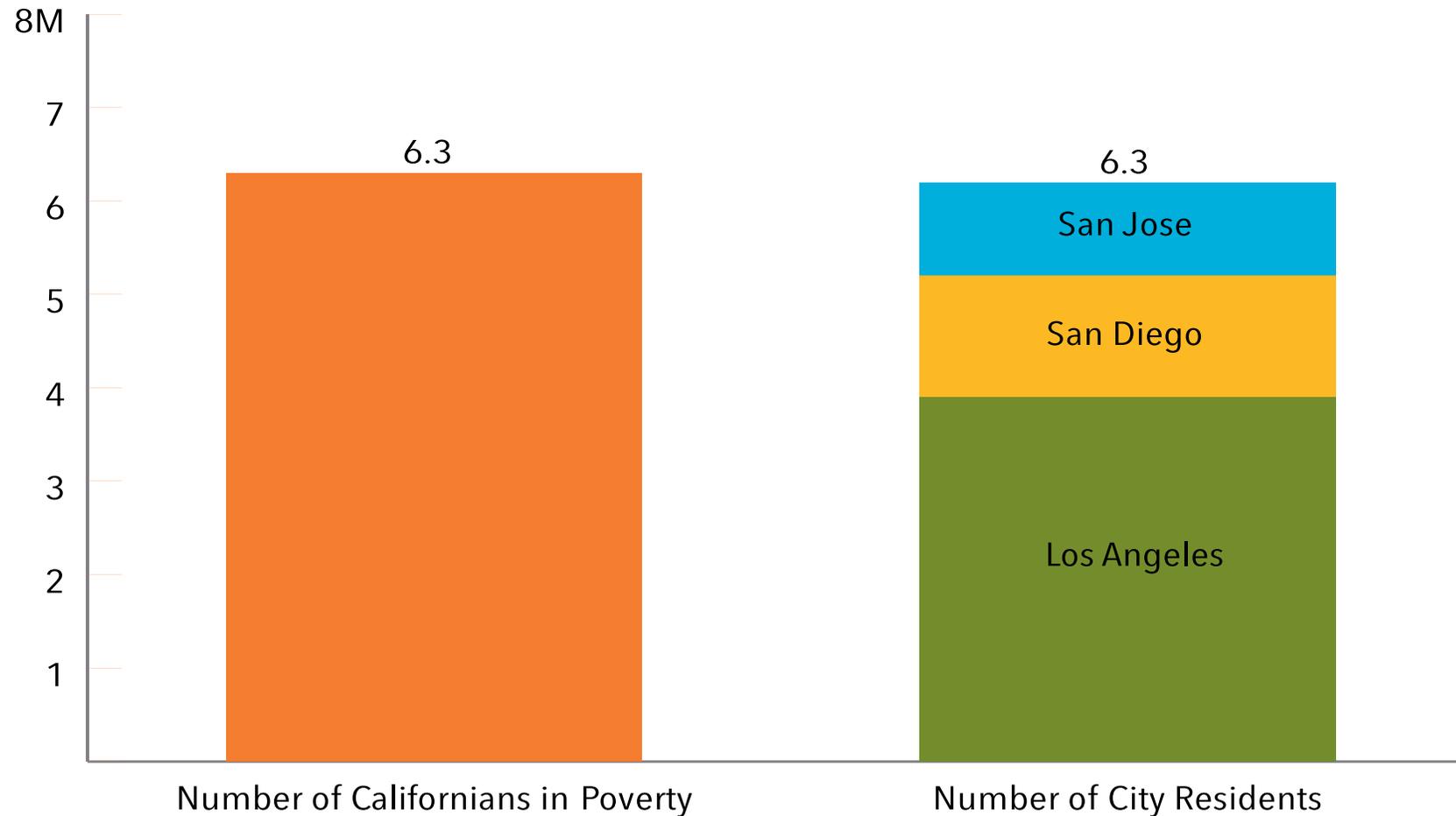


Source: US Census Bureau



There Are as Many Californians in Poverty as There Are Residents of the State's Three Largest Cities

Millions of People

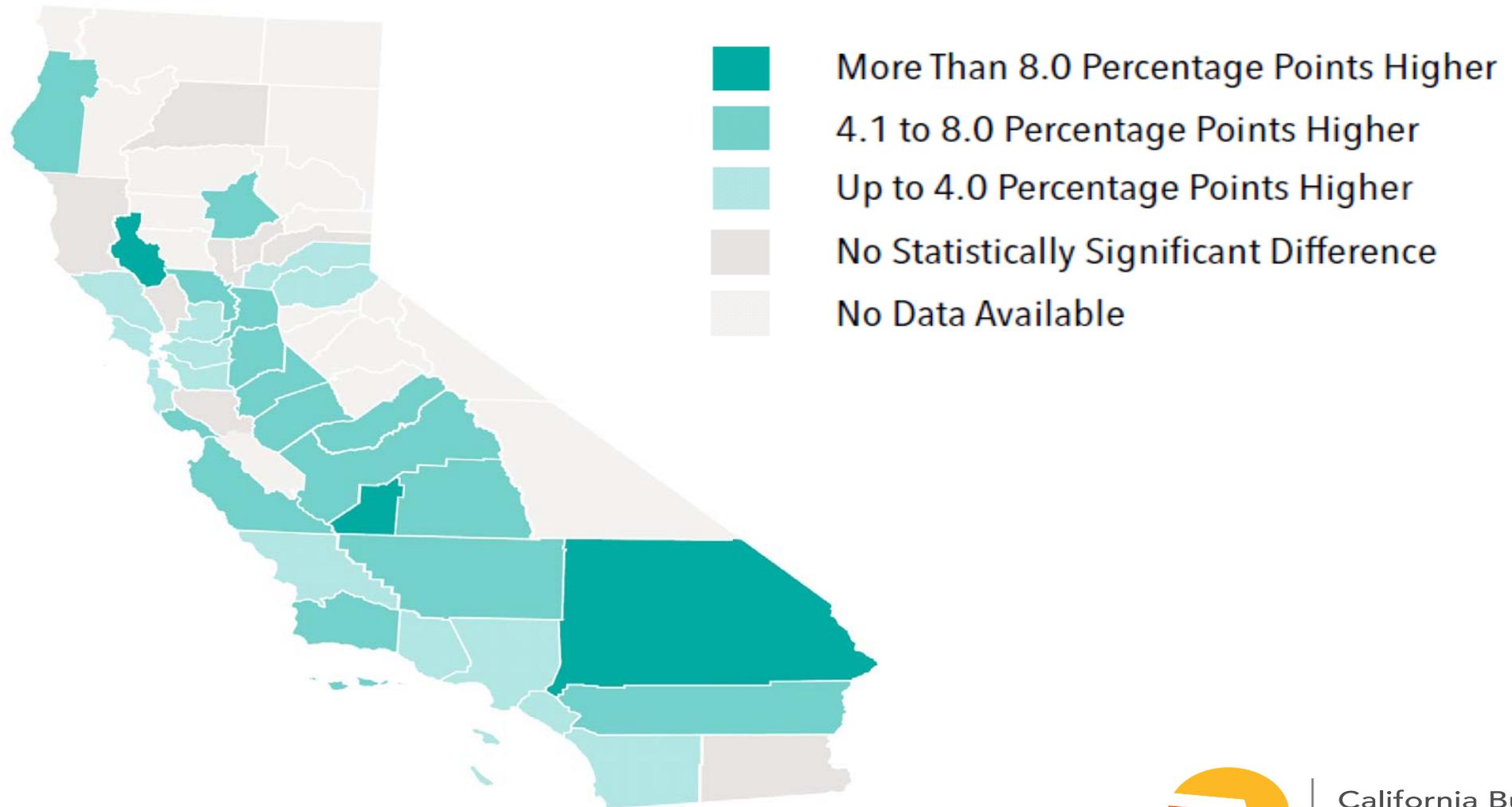


Source: Department of Finance and US Census Bureau



Poverty Rates Remain High in Many Parts of the State, Even in Places Where Job Gains Have Been Strong

Percentage-Point Difference in Poverty Rate Between 2007 and 2014

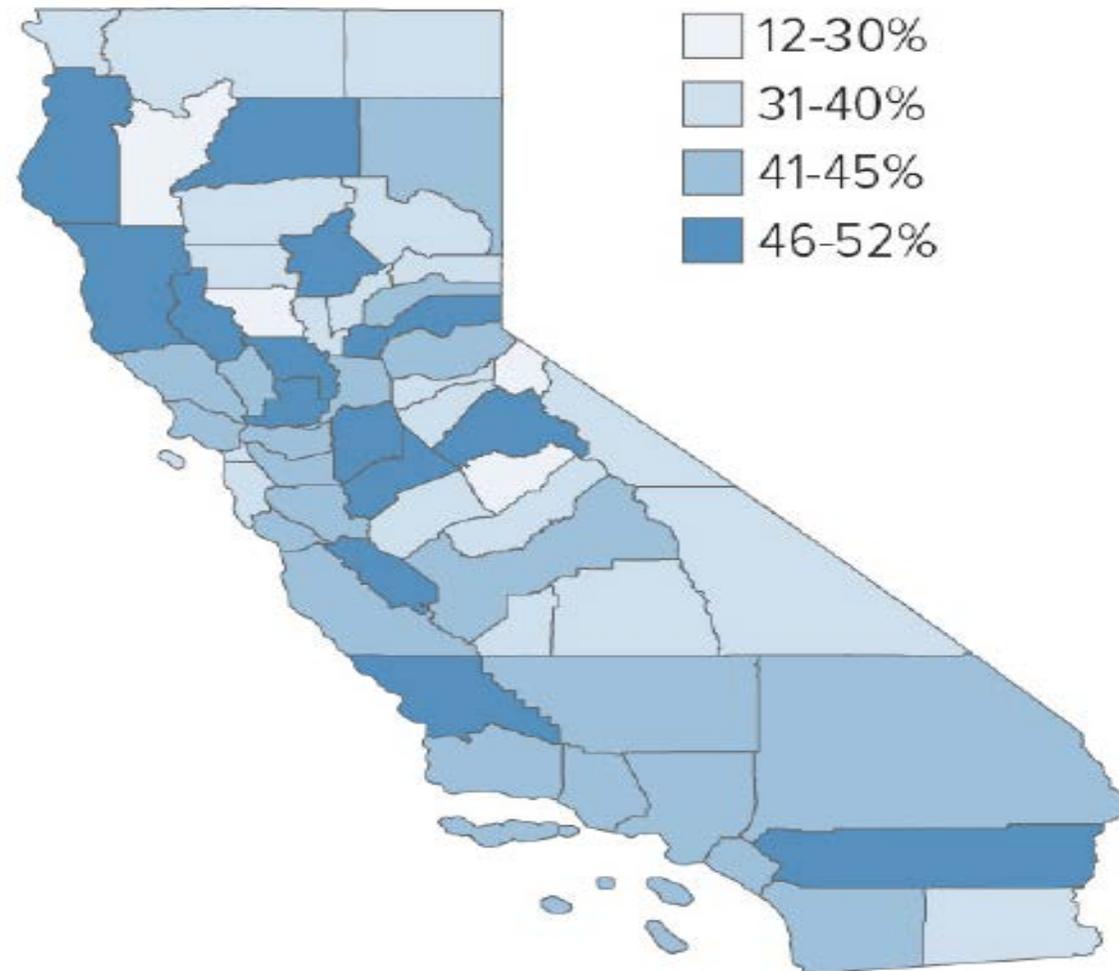


Many Californians Struggle to Make Ends Meet



A Large Share of Low-Income Californians Struggle to Pay the Rent in Nearly Every County

Share of Low-Income Renters Paying More Than Half of Their Income for Housing



Note: Low-income households are those whose incomes do not exceed 80 percent of the median family income for the area.
Source: Center on Budget and Policy Priorities

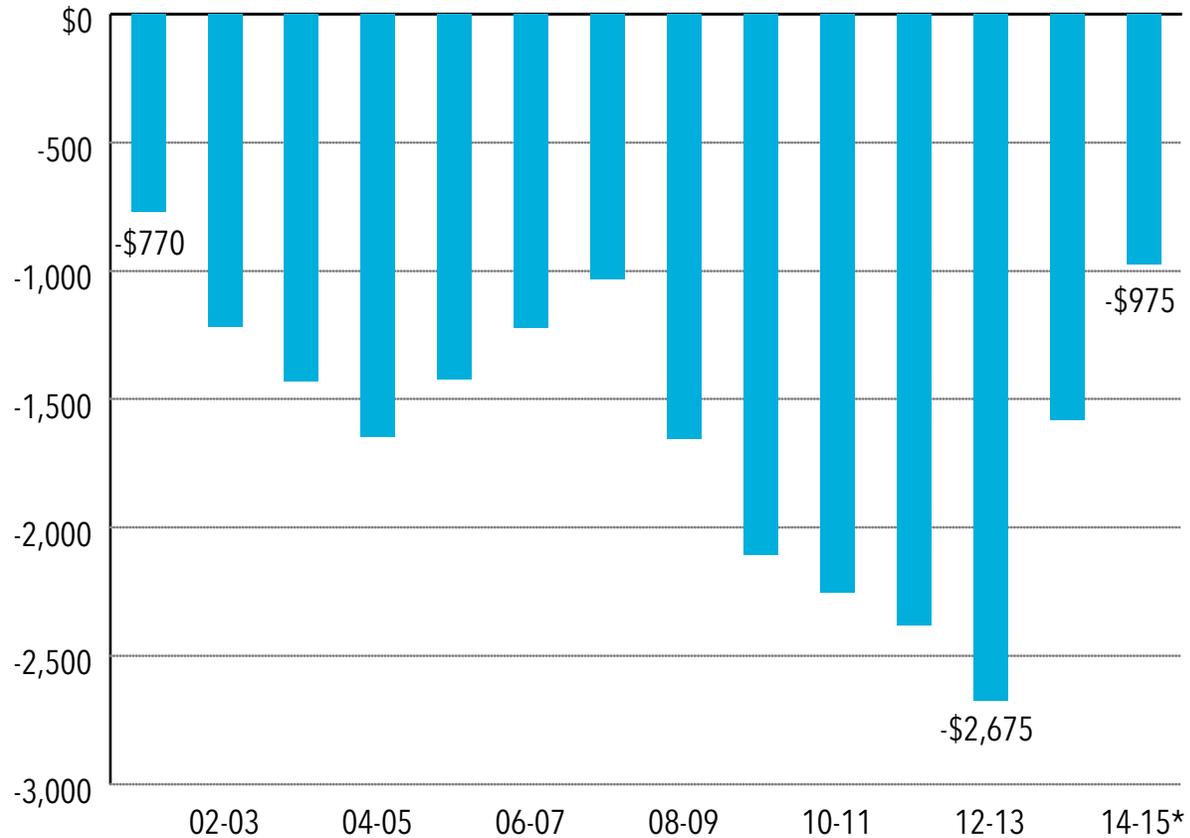


Implications for the State Budget and Education Spending?



California's Per Student Spending Has Gained on the Rest of the US, but Still Lags

Gap Between California's K-12 Spending Per Student and the Rest of the US



* 2013-14 and 2014-15 data are estimated.

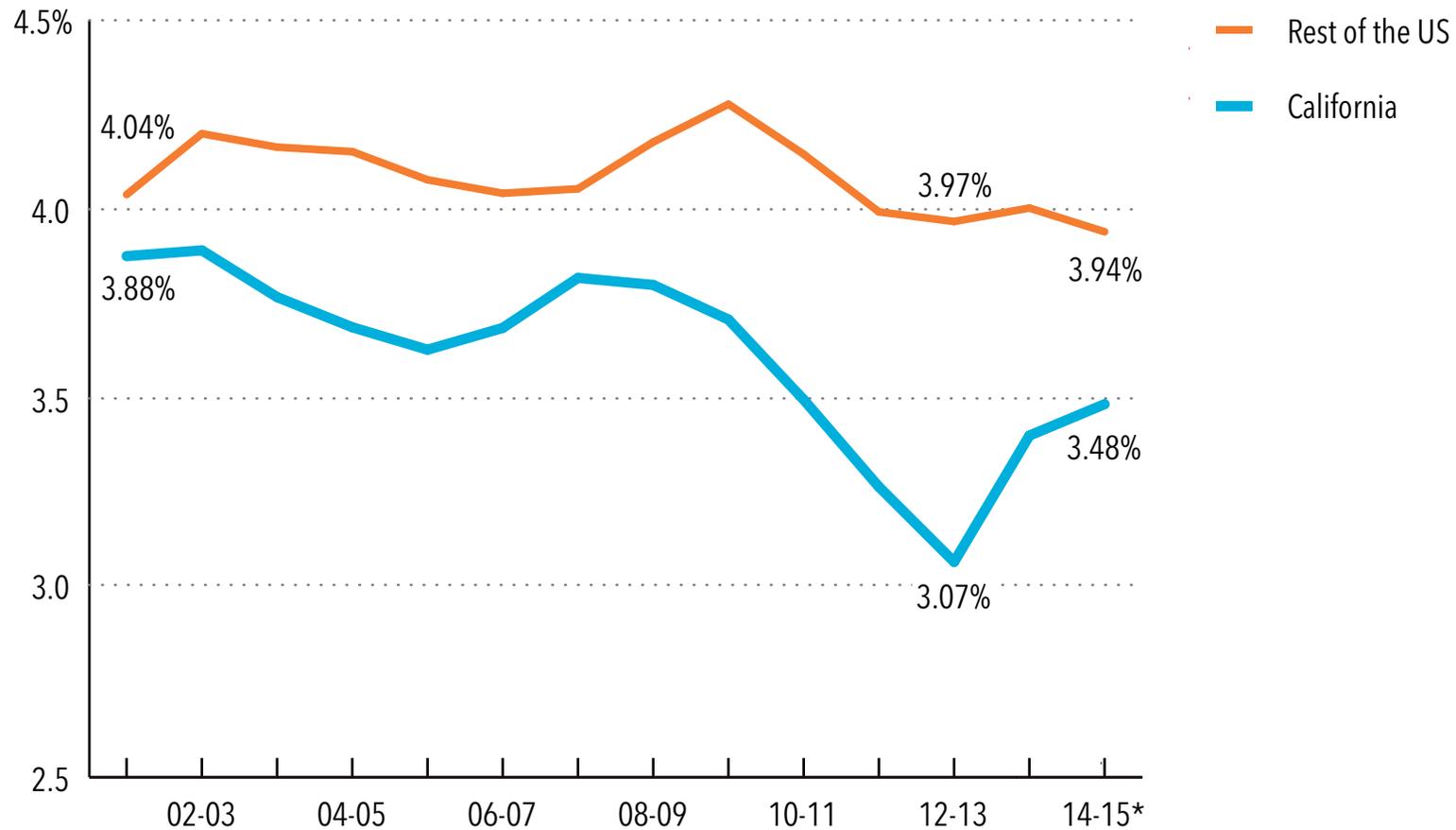
Note: Figures are in 2014-15 dollars.

Source: National Education Association



The Gap Between California's K-12 Spending and That in the Rest of the US Has Narrowed Since 2012-13

K-12 Spending as a Percentage of Personal Income



* 2013-14 and 2014-15 are estimated.

Source: National Education Association and US Bureau of Economic Analysis



California's Support for K-12 Education Ranks Low by Almost Any Measure



How Does California's Support for K-12 Education Compare?

	Rank	California	US	Source
Spending Per Student				
K-12 Spending Per Student Adjusted for Cost of Living (2014-15)*	42	\$10,139	\$12,040	National Education Association (NEA) and Texas A&M University
Spending as a Share of the Economy				
K-12 Spending as a Percentage of Personal Income (2014-15)*	36	3.48%	3.88%	NEA and US Bureau of Economic Analysis
Staffing Ratios				
Number of K-12 Students Per Teacher (2014-15)*	51	22.4	15.5	NEA
Number of K-12 Students Per Guidance Counselor (2011-12)	51	785	440	National Center for Education Statistics (NCES)
Number of K-12 Students Per Librarian (2011-12)	51	7,572	958	NCES

* Data are estimated.
Note: All figures reflect Budget Center calculations.





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