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## **Southern California Survey**

### **Title**

Policy Brief 1: Falling Short on Helping the Poor

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# FALLING SHORT ON HELPING THE POOR

Prepared for the  
UCLA Center for the Study of Urban Poverty

Information assembled by the  
UCLA Ralph and Goldy Lewis Center for Regional Policy Studies

## INTRODUCTION

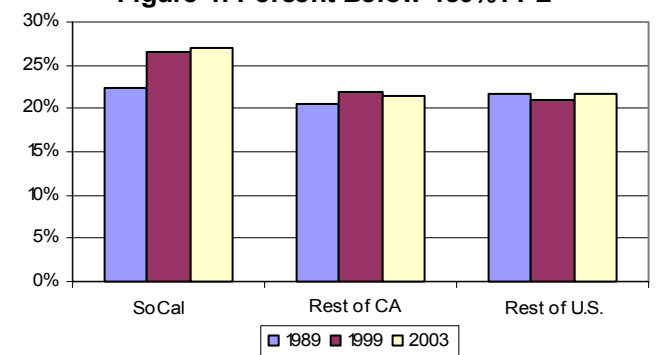
The responsibility of assisting the poor through public policy has increasingly fallen on the shoulders of local governments. Historically, the federal government had played a very strong role in ensuring a basic quality of life for most poor urban residents. From large-scale federal efforts at providing low-income housing, to relatively well funded community block grants, to the provision of public assistance for poor mothers who raise children, local governments could count on federal assistance to help provide a safety net for the most economically and socially vulnerable residents in society. However, federal devolution of these responsibilities to states and local governments, and the restructuring and cutbacks of federal public programs, have increasingly put stress on local governments to meet the needs of poor families and individuals. Federal welfare reform that shifted more responsibilities to states and local governments to assist poor mothers with children, cuts in federally subsidized housing such as Section 8 vouchers, and the recent proposed shift of administering community block grants from the Department of Housing and Urban Development to the Department of Commerce are evidence that the federal government is weakening its historic role in providing a basic safety net and retreating from its role as partner with local governments to ensure better standards of living for poor urban residents. Given the increasing responsibilities on already resource-strained local governments to provide public assistance for poor urban residents, this policy brief examines local residents' perceptions of whether local governments in Southern California are doing enough to meet the needs of the poor.

## BACKGROUND

The question of whether local governments are doing enough for poor residents in Southern California is also an increasingly important question because of the disproportionate number of persons in poverty in this region relative to the rest of the state and country. Figure 1 shows that the share of the population that falls below 150 percent of the federal poverty line is much higher in Southern California than in the rest of the state or nation. One hundred fifty percent of the Federal Poverty Level (FPL) amounts to essentially

\$28,735.50 in 2004 for a family of four (with two children). Additional information on the FPL and its use can be found in the Appendix. The statistics in Figure 1 come from the 1990 and 2000 decennial census and the 2004 Current Population Survey, and are based on annual income for the prior year. For the rest of California outside of Southern California and the rest of the nation outside of the state, roughly a fifth of the population fell below this threshold, a proportion that essentially remained unchanged for the three reporting years. Unfortunately, the proportion for Southern California (Los Angeles, Orange, Riverside, San Bernardino, and Ventura counties) increased, from slightly over a fifth to slightly over a quarter over this period. The increase is due in part to both an immigration-driven demographic shift to a less skilled labor force and an economic restructuring that has limited upward mobility into the middle class.

Figure 1: Percent Below 150% FPL



The poor in Southern California also have not fared well over the short-run. The regional economy has experienced a recession and slow recovery over the last few years, and the impact has been particularly hard on those at the bottom of the income ladder. The average (median) per capita income for the bottom fifth in this region took a significant hit from 2000/01 to 2002/03, a period when the unemployment rate increased and incomes stagnated. (See Volume 1, Number 1 of the SCS Fact Sheet series.) What is troubling is that other groups did not experience the same hardships (see Figure 2). The medians for the top fifth in

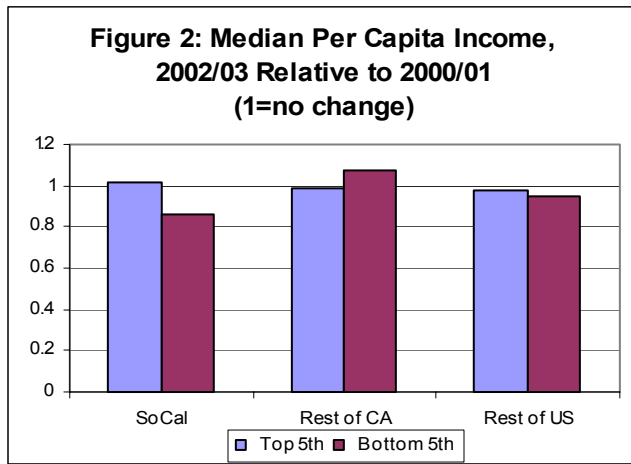
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### ABOUT THE AUTHORS

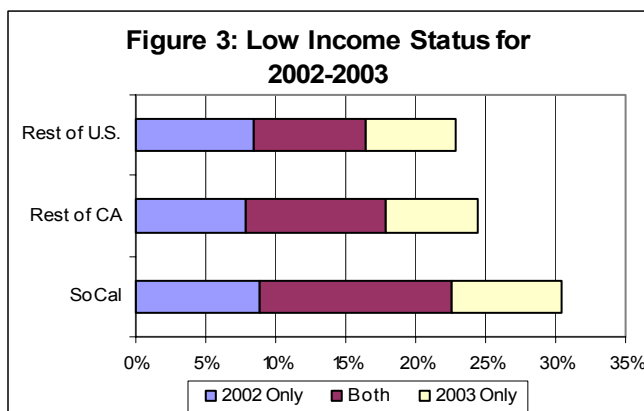
Paul Ong is Director of the Ralph and Goldy Lewis Center for Regional Policy Studies. Michael Stoll is Associate Director of the Center for the Study of Urban Poverty. Kim Haselhoff is a post-doctoral fellow at the Lewis Center for Regional Policy Studies. Abel Valenzuela is Director of the Center for the Study of Urban Poverty.

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this region, both the top and bottom fifth for the rest of California and the rest of the nation, did not change substantially.



A final point worth noting is the underlying dynamics of the movement into and out of the low-income segment. Changes in financial conditions are fairly pronounced at the individual level, and may have become more volatile in recent years. (See for example, Formby, et al., 2002; Gosselin, 2004; and Naifeh, 1998.) The movement between income classes can be seen in Figure 3, where a significant proportion of the population moved into and out of the low-income segment. Not surprisingly, the percentages for all categories (only in 2002, only in 2003, and in both years) are larger for Southern California than for other areas. The findings indicate that over a third of those in the low-income segment were able to move up, but unfortunately they were replaced by nearly the same number of individuals falling into this segment. Another interpretation of the statistics is that the number of long-term poor is smaller than indicated by the annual statistics but the



number of people who experience some financial hardship over a longer time period is larger than indicated by the annual data.

## PUBLIC OPINION OF THE GOVERNMENT AND THE POOR

Given the increasing burdens on local governments to meet the needs of poor residents and given the growing size of the low-income population in this region, a critical question is whether residents in Southern California believe adequate attention is being paid to the poor. Specifically, the survey asked respondents, “Has your local government done enough to help the poor?” Figure 4 reports the results. For the whole sample, a majority stated that government has not done enough. The majority is even larger after excluding those who did not give a response. Over two-thirds of this sub-sample expressed this opinion.

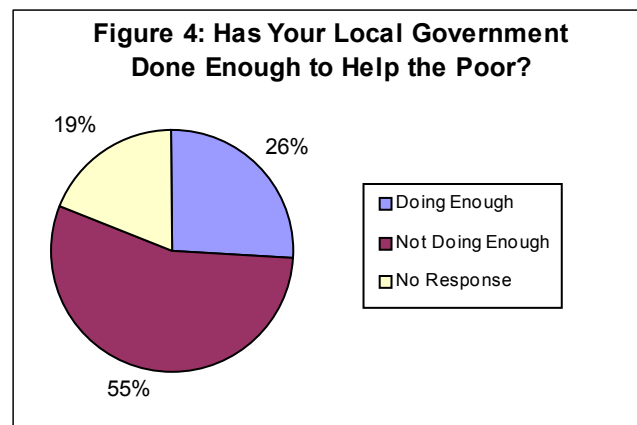
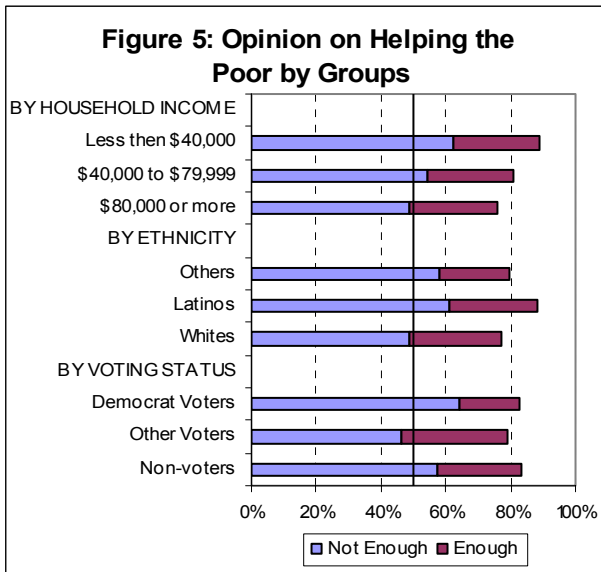
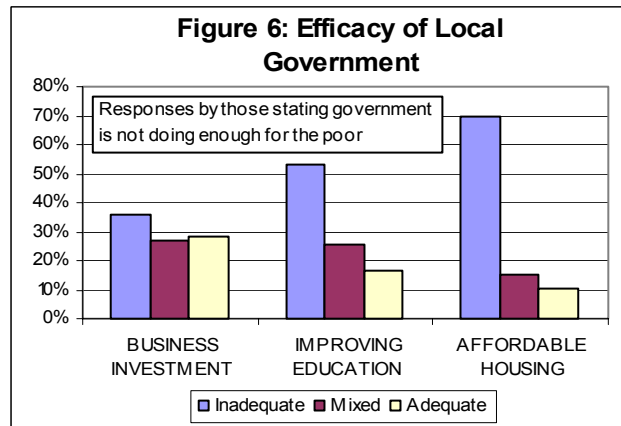


Figure 5 reports the response by economic, ethnic and political groupings. Not surprisingly, an overwhelming majority of those in the “Less than \$40,000” category stated that government has not done enough. The percentage is only slightly higher for those in households with less than \$20,000 in annual income, while only a quarter held the opposite opinion. What is telling is the pattern for those in the “\$80,000 and more” category. Nearly half believes that government has failed to do enough to help the poor. Moreover, if excluding those with no responses, those saying “no” outnumber those saying “yes” by 3 to 2. This general pattern holds even among households with incomes of \$125,000 or more.



Among Latinos, those in the “other” ethnic category, Democrats who voted, and those who did not vote, a large majority also stated that local government is not doing enough for the poor. For the other two groups (whites and 2004 voters who are not Democrats), those saying “no” outnumber those saying “yes.” This pattern holds even among Republicans.

Responses to another set of questions provide some insights into where government is falling short in assisting the poor. The interviewees were asked to evaluate the performance of local government in several policy areas, including those related to the poor. (“For the following issue areas, please tell me whether the performance of Southern California’s elected officials has been generally inadequate, mixed, or generally adequate.”) Figure 6 presents the tabulations on three items for those who believe that government is not doing enough for the poor: keeping and attracting business investment in the region; providing affordable housing in the region; and improving education in the region. The public sector could foster economic development by enhancing the region’s competitiveness through supporting business investments, but this does not appear to be a particularly strong concern, as respondents are divided on this. Furthermore, while investments may increase job opportunities, they may do little to increase the income of the working poor. On the other hand, a majority believes that local government is doing an inadequate job of improving education. Tackling the problem of our public schools would ultimately help improve



the economic chances of the children of the poor. Finally, a super majority states that local government is failing to provide affordable housing. Since the high cost of housing is particularly burdensome to those with low incomes and since the federal government continues to underfund public housing assistance programs relative to need, the provision of more affordable housing would provide immediate relief for the poor.

## WHAT CAN BE DONE?

The survey of Southern California residents about whether local governments are doing enough for the poor shows a broad sentiment that local governments are not doing enough. Across almost every demographic category shown here, from the rich to the poor, across racial/ethnic groups, and across persons of different party affiliations, most residents in Southern California say that local governments are not doing enough to help the poor. Of course, with the federal withdrawal of resources to aid in these efforts, more responsibility is put on already resource-constrained local governments to address the needs of the poor. Surely, any increase in federal support in these affairs would likely change residents’ opinions about whether local governments are doing enough. But federal devolution of these responsibilities to states and local governments is likely to be the steady state of affairs for at least the short to medium term, thus requiring local governments to be a central agent in providing these resources. What then can local governments do to meet more of the needs of the poor? First, it is clear that local governments must increase their revenue streams to provide more resources for programs in such critical areas as housing, education, and business investment. Local governments

should continue efforts to lobby for increases in these sources such as those gotten through more progressive taxation sources as vehicle license fees and property taxes, and from state and federal sources. As a last resort, local governments may want to voice support for increases in local sales taxes, though these tend to be much more regressive, thus putting more burdens on the low-income and the poor to support these services. At the same time, local governments could adopt other policies to increase the development of low-income housing that may not require large increases in additional resources. These include prudently relaxing development requirements in inner-city areas such that low-income housing can be developed relatively quickly and more cheaply on abandoned or in-fill property. Requiring the federal government to provide more resources for education, especially for those unfunded education programs and practices required by the No Child Left Behind Act, should be pursued as well, especially given the relatively high dropout rates from secondary schools in the region documented recently. Finally, moderate tax abatements and other development incentives should also be provided to attract employers that pay good jobs with health benefits.

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#### RECOMMENDED CITATION

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#### DISCLAIMER

Neither the University of California, the School of Public Affairs nor the Lewis Center for Regional Policy Studies either support or disavow the findings in any project, report, paper, or research listed herein. University affiliations are for identification only; the University is not involved in or responsible for the project.

## APPENDIX: SOUTHERN CALIFORNIA PUBLIC OPINION SURVEY, 2005

The 2005 Southern California Public Opinion Survey is supported by the UCLA Ralph and Goldy Lewis Center for Regional Policy Studies and is designed to gather the views and opinions of Southern California residents on critical public policy issues in this region. The survey was developed with input from campus and community organizations. UCLA units include the Center for Communications and Community, the Institute of Transportation Studies, the Center for Civil Society, and the Anderson School of Management. Three public agencies participated in the process: the Southern California Association of Governments (SCAG), the Los Angeles County Metropolitan Transportation Authority, and the Los Angeles Economic Development Corporation (LAEDC). Several UCLA faculty provided valuable input: Professors Vickie Mays, Michael Stoll, Brian Taylor, Amy Zegart, Frank Gilliam, Helmut Anheier, Chris Thornberg, and Ed Leamer.

The 2005 Survey gathered basic demographic data and covered seven topical areas: 1) major issues facing the region, 2) the efficacy of local government, 3) transportation, 4) the state of the regional economy, 5) housing, 6) civic engagement, and 7) major disasters. When possible, questions were worded to parallel existing questions from other surveys.

The Survey was conducted in English and Spanish during the months of January and February 2005 using random digit dialing, and the data were collected by The Social Science Research Center at California State University, Fullerton. There are 1544 completed surveys for the five counties: Los Angeles, Orange, Riverside, San Bernardino, and Ventura. The sample is divided proportionally by county household population. The characteristics of the sample by age, ethnicity, income and home ownership categories are consistent with the 2004 March Current Population Survey. There is a sampling error of +/- 2.6 percent at the 95 percent confidence level for the full sample. (Sampling error may be larger for subpopulations).

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The **Center for Study of Urban Poverty's** primary mission is to encourage and facilitate academic research into the causes and consequences of urban poverty and the effectiveness of policies aimed at alleviating poverty. The Center's research agenda focuses on three broad issues: Poverty in Los Angeles, The Working Poor, and Transition to work/Disadvantaged Low Skill Workers. The Center was established in 1989 by Professor Melvin Oliver and Professor Jim Johnson. During its thirteen years of existence, the Center has successfully brought in grant and research monies to conduct investigations, train graduate and undergraduate students and support senior and junior faculty. Its focus on the various dimensions of urban poverty, such as income and status disparities, employment and occupational patterns has led to a number of publications and reports.

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The **Ralph and Goldy Lewis Center for Regional Policy Studies** was established to promote the study, understanding and solution of regional policy issues, with special reference to Southern California, including problems of the environment, urban design, housing, community and neighborhood dynamics, transportation and economic development. It is a focus of interdisciplinary activities, involving numerous faculty members and graduate students from many schools and departments at UCLA. It also fosters links with researchers at other California universities and research institutes on issues of relevance to regional policy. Founded in 1988 with a \$5 million endowment from Ralph and Goldy Lewis, it was directed until December 1994 by Professor Allen J. Scott, directed by Roger Waldinger from 1994 through 1998 and is currently directed by Paul Ong. The Center is supported by its endowment, other private donors and foundations and research grants from a variety of agencies. The director works with an executive committee, with guidance from an advisory board that includes members drawn from both the University and the wider community.

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