



A PORTRAIT OF CALIFORNIA

CALIFORNIA HUMAN DEVELOPMENT REPORT 2011

STANDARD OF LIVING IN CALIFORNIA TODAY

Consider this fact: A gap of \$58,000 in earnings separates the top earners in the Santa Clara–Cupertino, Saratoga, Los Gatos area (about \$73,000) from the lowest earners in the LA–East Adams–Exposition Park area (about \$15,000)—a gap double the median personal earnings for the country as a whole.

Standard of Living is one of three areas, along with health and education, that make up the American Human Development Index used to measure the well-being of Californians in *A Portrait of California 2011*. Standard of living is measured using median personal earnings—the wages and salaries of all workers 16 and older.

A Portrait of California explores the state of human progress within California, ranking the major racial and ethnic groups, women and men, native- and foreign-born residents, and 233 Census-defined neighborhood and county groups across the state for which there is reliable U.S. Census data. The report sorts areas with similar scores into “Five Californias”—with remarkably different human development conditions—including Silicon Valley Shangri-La, Metro Coastal Enclave California, Main Street California, Struggling California, and the Forsaken Five Percent.

	MEDIAN EARNINGS
UNITED STATES	\$28,000
CALIFORNIA	\$30,000
Silicon Valley Shangri-La	\$63,000
Metro-Coastal Enclave California	\$46,000
Main Street California	\$33,000
Struggling California	\$25,000
Forsaken Five Percent	\$18,000

STRIKING FINDINGS IN STANDARD OF LIVING FROM A PORTRAIT OF CALIFORNIA

While everyone can agree that the state as a whole was hit hard by the Great Recession, *A Portrait of California* reveals that the pain was not spread evenly across the population. The span of median personal earnings by neighborhood and county groups in California is vast:

- Median personal earnings in the Bay Area, at nearly \$38,000 per year, are significantly higher than those of any other California region, and 28 percent (about \$8,000) higher than the state median.
- Median earnings for Asian Americans in the San Francisco Metro Area, at slightly more than \$40,000 per year, are \$6,000 more than Asian Americans earn in the Riverside-San Bernardino Metro Area.

- Within Fresno, earnings range from about \$33,000 per year in the neighborhoods around CSU Fresno in the northern part of the city to \$20,000 or less in Fresno city center and in the mostly agricultural communities to the south and west of the city. These wages and salaries are comparable to those of the typical American worker in the mid-1960s, in today's dollars.
- In the San Diego Metro Area, whites earn \$38,000, Asian Americans earn \$36,000, African Americans earn \$30,000, and Latinos earn \$23,000. The gap among racial and ethnic groups is larger in Los Angeles; there, whites have median person earnings of \$43,000, Asian Americans, \$35,000, African Americans, \$30,000, and Latinos, \$21,000.
- California is one of only five U.S. states in which African Americans earn about the same or more than the U.S. median personal earnings.
- Foreign-born Asian Americans earn about \$3,000 more than native-born Asian Americans. Foreign-born African Americans out earn native-born African Americans by about \$5,000. However, the reverse is true among Latinos; native-born Latinos have median earnings about \$4,000 higher than foreign-born Latinos.

POLICY LEVERS FOR CHANGE

Many factors fuel gaps in living standards within California. Some stem from historic patterns of discrimination and exclusion. Others relate to changes in labor market demand, the greater economic returns to education, and the lasting effects of the Great Recession. However, many are amenable to policy change—even given the state's budget crisis. Priorities include the following:

- **BACHELOR'S AND GRADUATE DEGREE ATTAINMENT:** If current trends continue, by 2025 California will have **one million fewer college graduates** than its labor market will demand. Increasing educational attainment would also boost wages; the typical worker in California hasn't received a raise in 40 years.
- **UNEMPLOYMENT:** Unemployment has spared no group of Californians; even Silicon Valley Shangri-La and Metro Coastal Enclave California have relatively high (from a historical perspective) unemployment rates of about 8 percent. But the impacts of the recession were more severe for those with less education. The unemployment rate was **6.1** percent for those with a bachelor's degree compared with **12.2** percent for those with a high school degree and **17.3** percent for adults who did not complete high school.
- **HOUSING:** Even in comparatively affluent Metro Coastal Enclave California, large portions of the renting population dedicate half their incomes or more to housing—and many more spend at least a third of their incomes on either rent or mortgage payments. The proportion of renting households with a high housing cost burden is larger still in Main Street California, Struggling California, and The Forsaken Five Percent.