CCRI
Civic Capacity Research Initiative
at University of California Merced

Policy Report

October 2019

Inequality at the Heart of California

Edward Orozco Flores, Associate Professor of Sociology, University of California Merced

The State of California's economic policies will have a profound impact on its economy, the quality of jobs in the state, and the lives of its 39.6 million residents. At $3.0 trillion, the state's economy ranks as the world's fifth largest. At the same time, the state's economic development has been uneven, giving rise to regional inequalities from education and employment to wages and home ownership. Nowhere is this more true than in the Central Valley.[1]

The Central Valley, located in the heart of California, produces the majority of one of the state's leading exports—agriculture.[2] At the same time, the Central Valley's counties have consistently ranked among the nation's worst for unemployment, poverty, contaminated drinking water, and air pollution (American Lung Association 2019, Hartzog et al. 2016, London et al. 2018). Recent initiatives have sought to increase economic development as a means of ameliorating some of these inequalities—particularly by extending tax cuts to economic development projects. The assumption underlying such initiatives is that such tax cuts will bring businesses to the region, stimulate the economy, and lift up the disadvantaged.

This report draws upon five-year American Community Survey (ACS) 2013-17 data, and the most recent county-level US Bureau of Economic Analysis data (2012-2015), to examine economic growth and several quality of life measures (e.g. unemployment, home ownership and earnings) by region. This report finds that California—and particularly the Central Valley—does not suffer from lack of economic growth. *Rather, California and the Central Valley have experienced sustained growth alongside high unemployment, low wages, and low home ownership rates*.

Inequality in Economic Development

This year, the US economy enters its tenth year of continuous economic growth. In 2009, after the collapse of the housing market and the financial sector, the US Government provided a massive $700 billion bail-out to financial institutions. The bailout stabilized the US economy, and the US subsequently entered into a steady recovery, adding 9.6 million jobs from August 2009 to August 2019.[3] Years later, however, the recovery has looked differently for American workers than it did for the financial executives who ran the nation's financial institutions.

---

[1] California's Central Valley (i.e. the San Joaquin Valley), is a collection of eight counties—Kern, Tulare, Kings, Fresno, Madera, Merced, Stanislaus and San Joaquin—that comprise a largely rural area of the state.
[2] See California County Agricultural Commissioners' Reports 2017 (2017, 4)
[3] CCRI analysis of US Bureau of Labor Statistics data 2009-2019

Table 1.1 Household and Economic Characteristics, California and the US

		California	Non-CA US
Household Characteristics	Household Income	$69,798	$58,905
	Subfamilies (per 100 households)	9.3	6.3
	Home Ownership rate	54.0%	64.5%
	Home Ownership rate (adj.)	49.4%	60.7%
Individual Characteristics	Unemployment Rate	7.5%	6.4%
	% of Labor Force Full-time, Full-year	60.6%	64.3%
	Among Full-time, Full-year workers:		
	Median Wages and Salary	$48,924	$45,040
	Below Poverty	3.3%	3.2%
	SNAP Assistance	7.4%	8.3%

Source: American Community Survey (ACS) Public Use Microdata Series 2013-2017

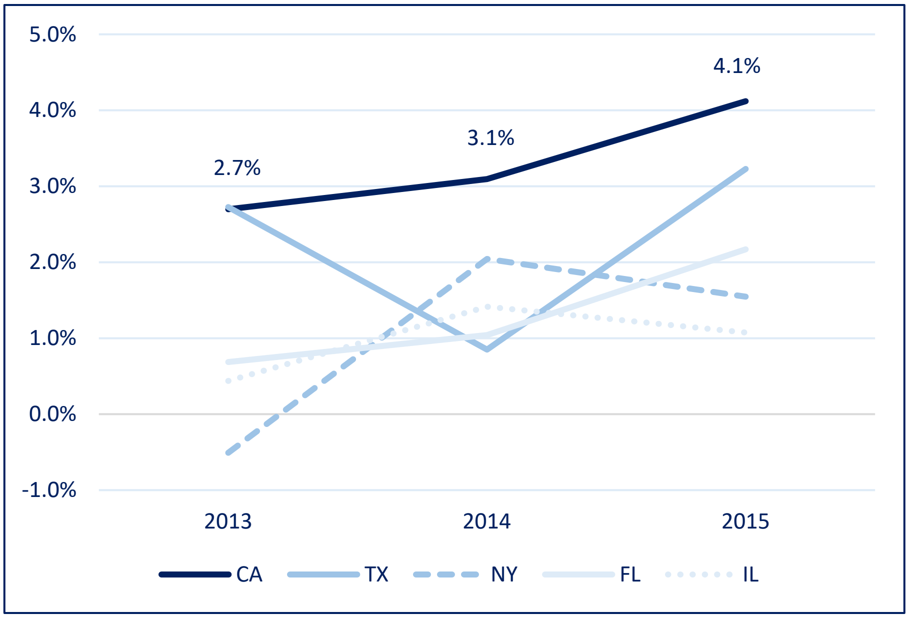
According to American Community Survey (ACS) data for 2013-2017—the most recent five-year file available—California's median household income was $69,798 (see table 1.1).[4][5] While this was much higher than the non-California US average ($58,905), California had a much lower home ownership rate. Only 54.0% of California householders were homeowners, compared with 64.5% of the rest of the households in the nation.

California exhibited greater inequalities than the rest of the nation in a few other respects. California had the nation's second highest rate of subfamilies; for every 100 households, there were 9.3 families living in households that did not belong to them. This was much higher than the subfamily rate for the rest of the nation (6.3 per 100). Adjusting for this, true home ownership rate was even lower; California's adjusted home ownership rate was less than half (49.4%), while the non-California US rate was 60.7%.

California labor force participants also exhibited disadvantages compared with the rest of the nation's workers. California had a higher unemployment rate (7.5% vs 6.4%), lower rates of full-time work (60.6% vs 64.3%), and similar poverty rates (3.3% vs 3.2%) than the rest of the nation.[6] Only in examining California's rate of full-time workers living in households receiving the Supplemental Nutrition Assistance Program (7.4%) do we find the nation's workers at a greater disadvantage (8.3%).

[4] Adjusted for inflation, August 2019 dollars.
[5] A median value means half of the distribution was above, and half below (i.e. half of California households earned above $69,798, and half below.)
[6] This report uses the Internal Revenue Service's (2019) definition of a full-time worker—one who works an average of 30 hours or more a week. Only those full-time workers who worked 50-52 weeks in the previous twelve months were included in analyses.

Figure 2.1 Real GDP per Capita Growth, by select states, 2012-2015



Source: US Department of Commerce- Bureau of Economic Analysis 2012-2015

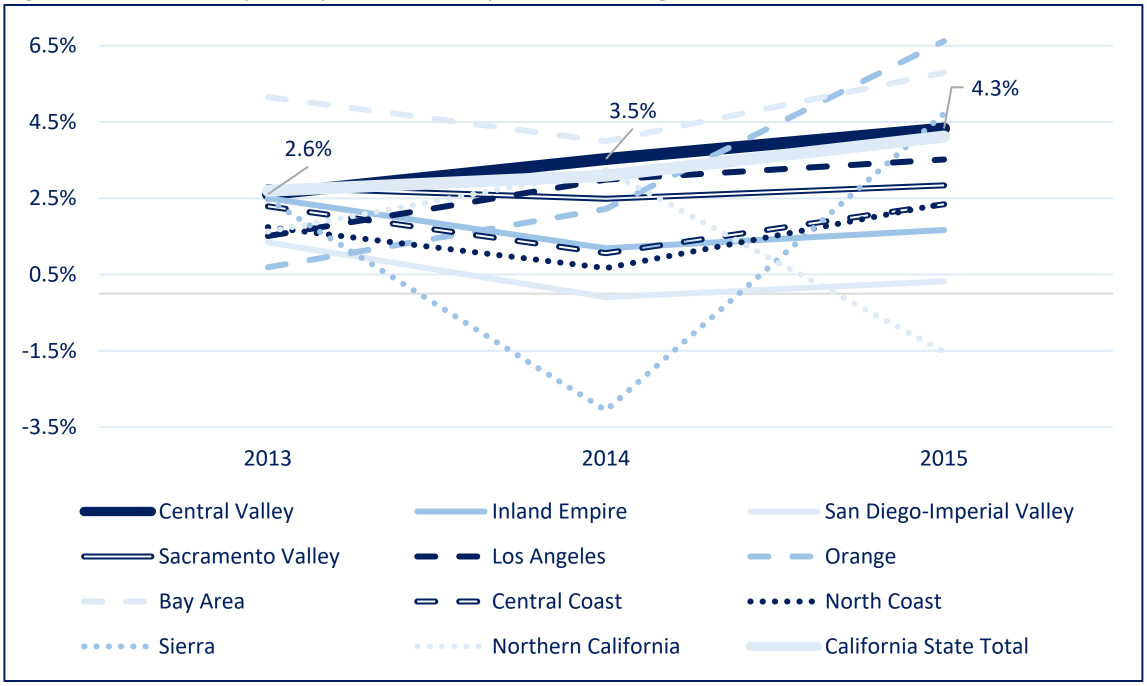
Real GDP Growth Per Capita

California's disadvantages exist not due to a lack of economic growth but as a result of it. From 2012 to 2015, California's economy—measured in chained 2012 dollars, and per capita—grew at a faster rate than that of the other four largest states (see figure 2.1). In 2013, California's real GDP growth was highest among the nation's five states (2.7%). In 2013, while Texas tied California at 2.7% growth, Florida (0.7%), Illinois (0.4%), and New York (-0.5%) all experienced much lower growth. This trend persisted through years 2014 and 2015, when California's economy grew at rates of 3.1% and 4.1%—far more than the other four states in both periods.

Comparing California's regions, the Central Valley's GDP grew at rates that surpassed all other regions—with the exception of the Bay Area (see figure 2.2). While the Bay Area's economy grew 5.2%, 4.0%, and 5.8%, the Central Valley's economy grew 2.6%, 3.5%, and 4.3%. These figures were on par with and above the state average. The rest of the state's twelve regions experienced much slower economic growth. Apart from the Bay Area, only the Sacramento Valley in 2013 (2.8%), Orange County in 2015 (6.6%), and the Sierra region in 2015 (4.7%) surpassed the Central Valley's economic growth.

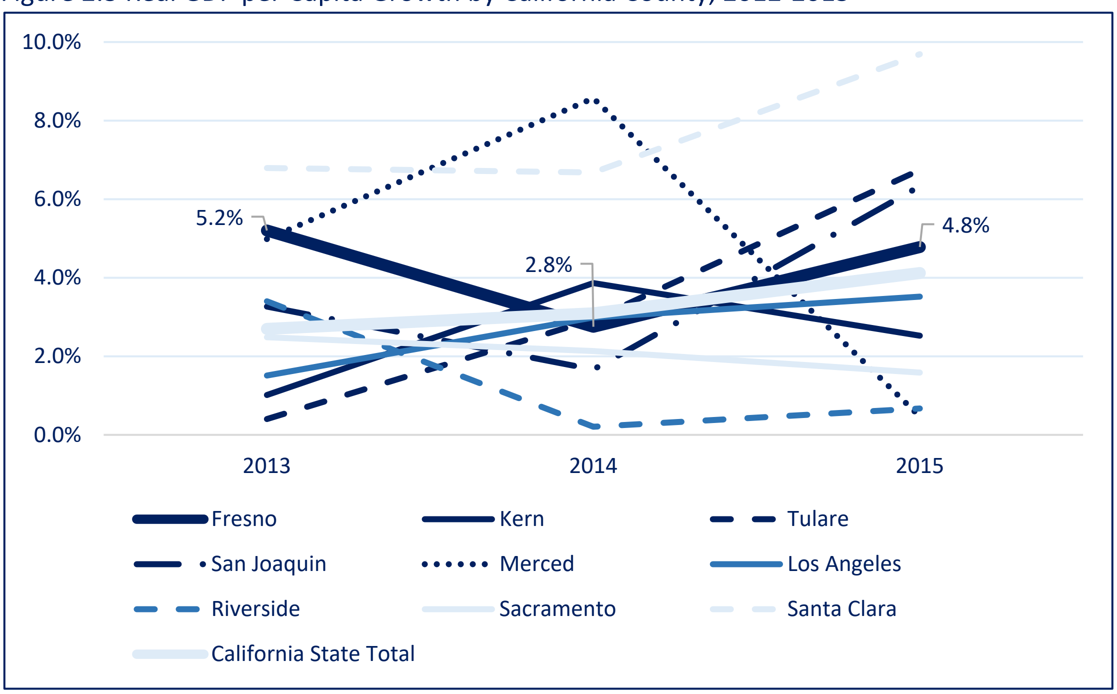
Among counties, Central Valley counties' GDP grew faster than many other California counties. Fresno County's real GDP per capita grew consistently faster than most other counties, at annual rates of 5.2%, 2.8%, and 4.8% (See figure 2.3). Two other major Central Valley counties had promising trends for economic growth. In 2013, Tulare County had less annual economic growth (0.4%) than the state average (2.7%) but increased across the two following years (2.9% and 6.7%). San Joaquin County started with economic growth slightly higher than the state (3.3%), before dropping below (1.7%) and then finally increasing above it (6.3%).

Figure 2.2 Real GDP per Capita Growth by California Region, 2012-2015



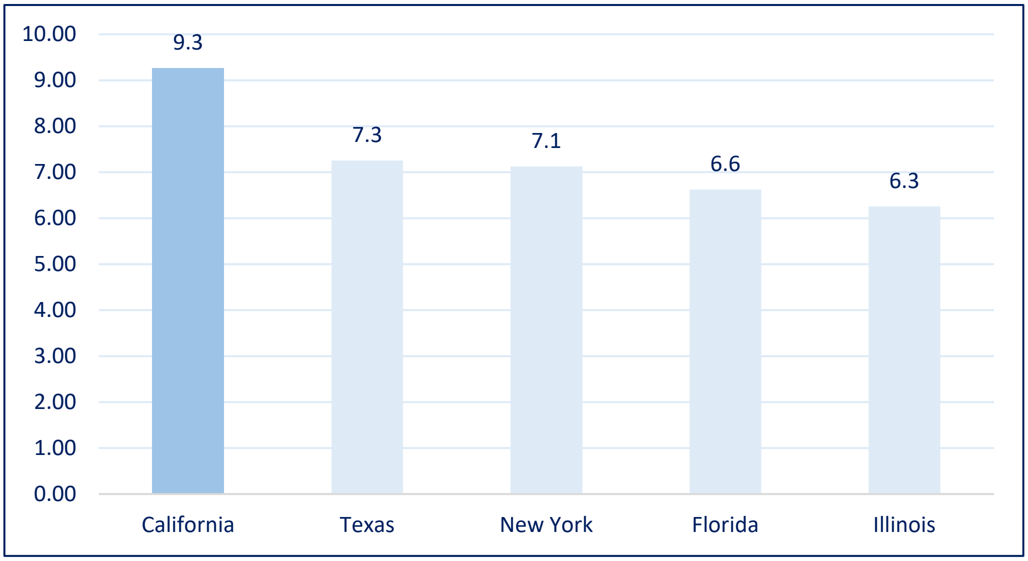
Source: US Department of Commerce- Bureau of Economic Analysis 2012-2015

Figure 2.3 Real GDP per Capita Growth by California County, 2012-2015



Source: US Department of Commerce- Bureau of Economic Analysis 2012-2015

Figure 3.1 Subfamilies per 100 households, by state



Source: American Community Survey (ACS) Public Use Microdata Series (PUMS) 2013-2017

Household Characteristics

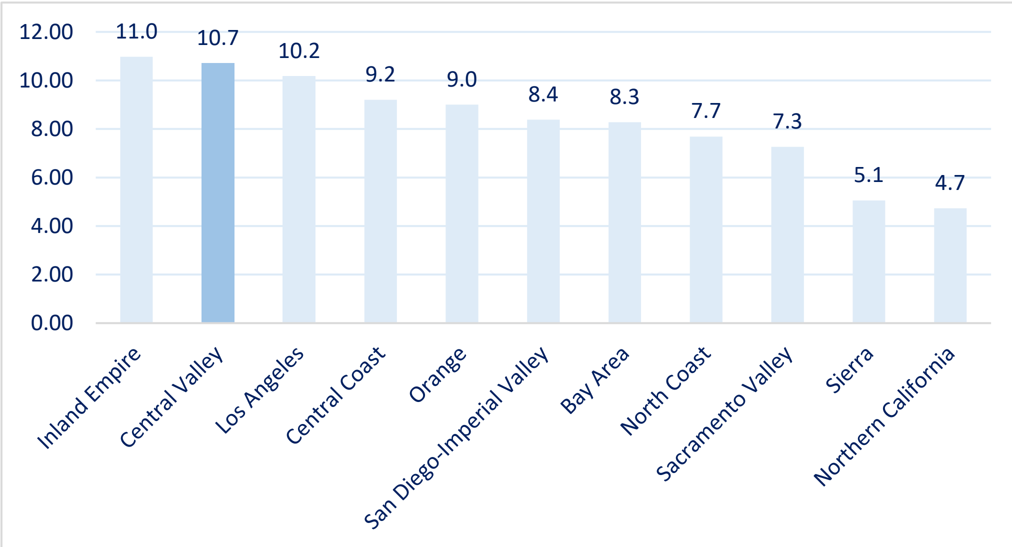
California had larger and more complex households than almost any other state in the nation.[7] California had a (mean) average of 2.77 members per household, higher than the rest of the US (2.47), and the third-highest rate after Utah (3.02) and Hawaii (2.80).[8] As mentioned previously, California also had a much higher prevalence of subfamilies (9.3 per 100 households) than the rest of the nation (6.3 per 100 households). This rate was second highest, after Hawaii (12.0 per 100 households). This figure was far higher than that of the other four largest states Texas (7.3), New York (7.1), Florida (6.6) and Illinois (6.3) (see figure 3.1).

The Central Valley stood out even among the pattern of complex households in California's diverse regions. The Central Valley averaged 10.7 subfamilies per 100 households, second only to the Inland Empire region (11 subfamilies per 100 households), and far higher than that of large urban centers such as Los Angeles, (10.2) Orange (9.0), San Diego-Imperial (8.4), and the Bay Area (8.3) (see figure 3.2). Rates in the state's less urbanized regions, such as the Central Coast (9.2), the North Coast (7.7), and the Sacramento Valley (7.3), were still higher than for the rest of the nation (6.3). However, two of the state's northernmost rural regions, the Sierra (5.1) and Northern California (4.7), had lower rates than the rest of the nation.

Central Valley counties ranked among California counties with the highest rates of subfamilies (see figure 3.3). Of 41 counties, Merced ranked first in the state with a rate of 12.6 subfamilies per 100 households. Four Central Valley counties ranked in the top eight; Madera's rate (12.1) was only slightly below that of Merced, while Tulare (11.5) and Fresno (11.1) rounded out the top eight

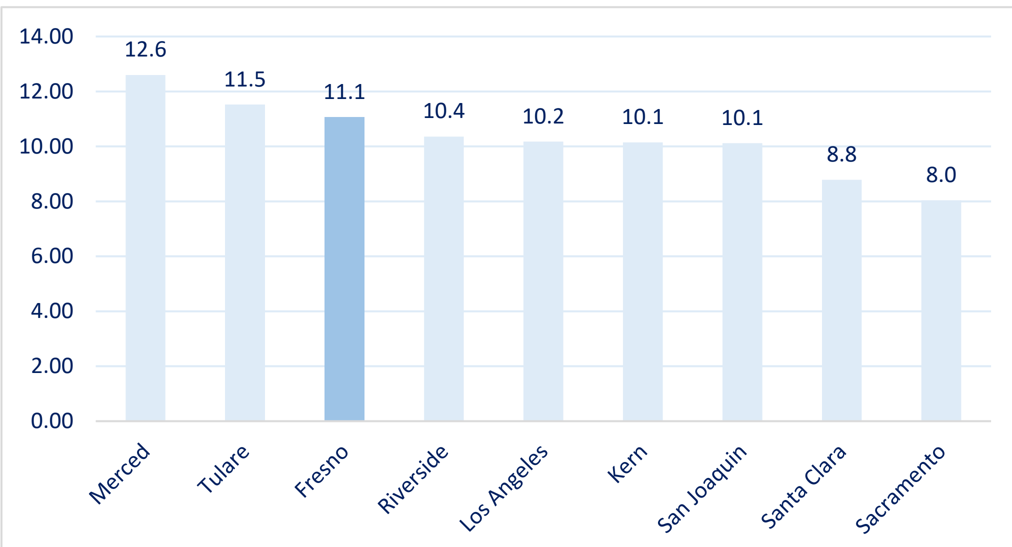
[7] Complex households refer to those with subfamilies residing in them.
[8] Mean refers to the sum of the total divided by the number of cases. In this case, California's total household members were divided by the number of households.

Figure 3.2 Subfamilies per households, by region



Source: American Community Survey (ACS) Public Use Microdata Series (PUMS) 2013-2017

Figure 3.3 Subfamilies per 100 households, by select counties

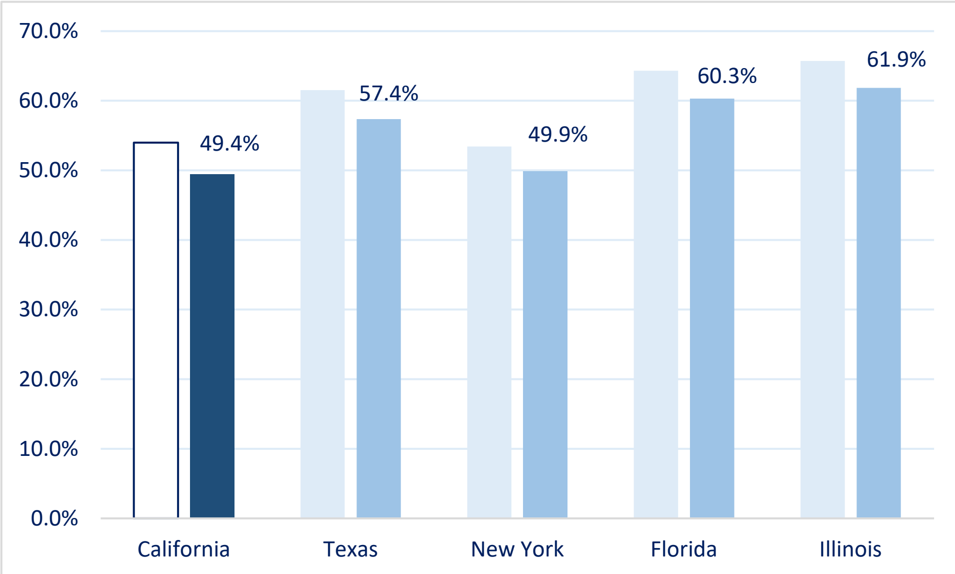


Source: American Community Survey (ACS) Public Use Microdata Series (PUMS) 2013-2017

(not shown). All eight Central Valley counties were in the state's top sixteen counties with the highest rates of subfamilies, including Kern, Stanislaus and San Joaquin (all 10.1 per 100 households), as well Kings (9.4, not shown).

California's largest urban regions also ranked high in prevalence of subfamilies. San Bernardino (11.7, not shown) Riverside (11.1) and Los Angeles (10.4) all had rates above the state average of 9.3 subfamilies per household (see figure 3.3). Santa Clara (8.8), home of Silicon Valley, and Sacramento (8.0) had subfamily rates lower than the state average, but still much higher than the rest of the nation (6.3, see table 1.1).

Figure 4.1 Adjusted Home Ownership, by state



Source: American Community Survey (ACS) Public Use Microdata Series (PUMS) 2013-2017

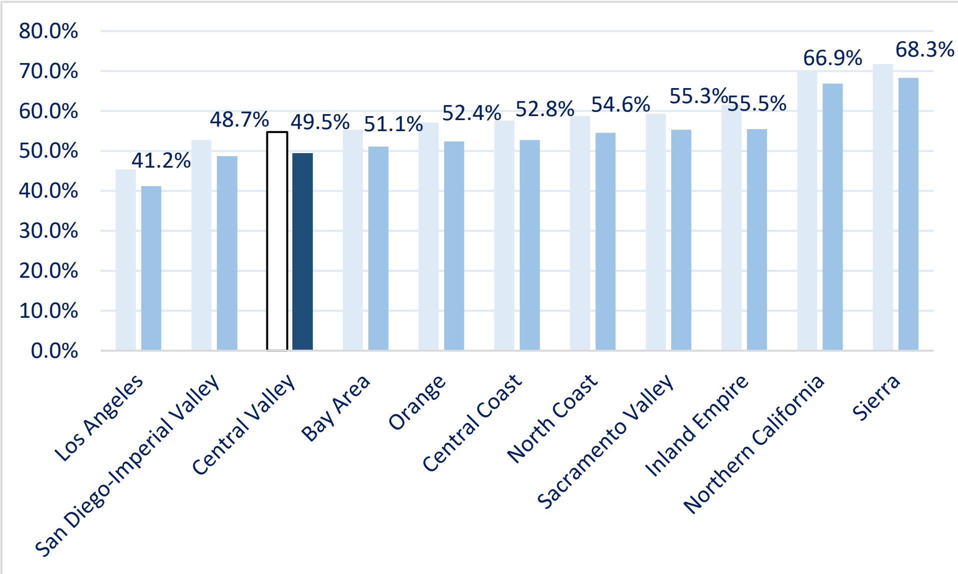
Home Ownership

As mentioned previously, California's adjusted home ownership rate—taking into account the many subfamilies living in households that are not theirs—is much lower, at 49.4%, than the official rate (54.0%), for the 2013-2017 period (see table 1.1). California's official home ownership rate was third-lowest in the nation, only better than Washington D.C.'s (40.8%, not shown) and New York's (53.4%) (see figure 1.3). After accounting for subfamilies, however, California's adjusted home ownership rate dropped to less than half (49.4%)—below New York (49.9%) but above Washington DC (38.8%). Texas (57.4%), Florida (60.3%) and Illinois (61.9%) all had adjusted home ownership rates far higher than that of California (see figure 4.1).

California's regions also revealed wide disparities in adjusted home ownership. Los Angeles, long home to a large influx of Americans from other states, had the lowest rate of adjusted home ownership (41.2%) of any region in California (see figure 4.2). Only San Diego (48.7%) joined Los Angeles in having adjusted home ownership rates below the state average of 49.4%. While the Central Valley (49.5%) was very near the state average, several more regions had homeownership rates above 50% but below the rest of the nation (the Bay Area, Orange, the Central Coast, the North Coast, Sacramento, and the Inland Empire). Two had rates above the rest of the nation: Northern California (66.9%) and the Sierra (68.3%).

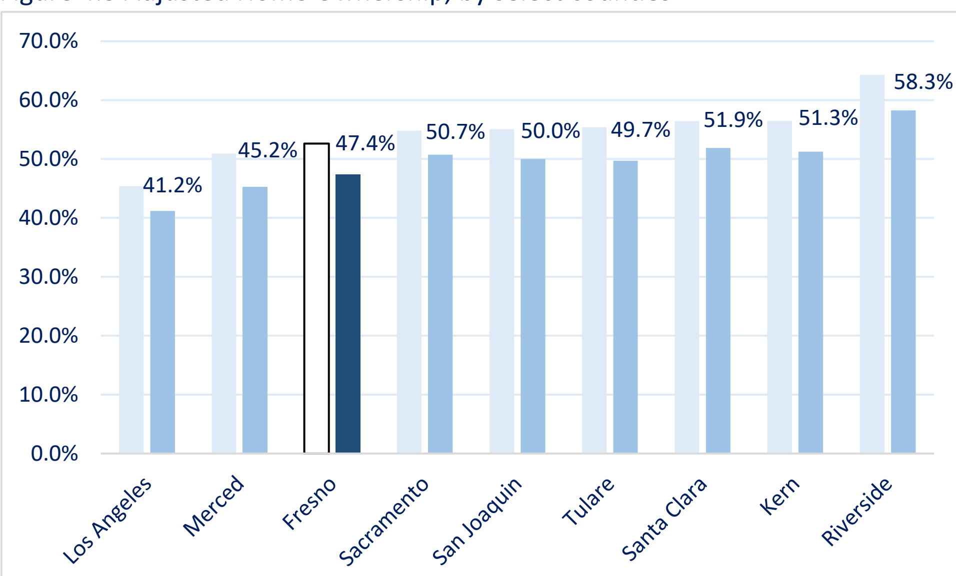
Among counties, San Francisco, which had experienced a tech boom and one of the nation's largest demands for housing, unsurprisingly had the lowest rate of adjusted home ownership (34.1%) in the state (see figure 4.2). Los Angeles (45.4%) ranked second lowest. Six Central Valley counties (Merced, Kings, Fresno, Tulare, San Joaquin and Stanislaus) ranked among the fourteen counties with the lowest adjusted home ownership rates (some figures not shown).

Figure 4.2 Adjusted Home Ownership, by region



Source: American Community Survey (ACS) Public Use Microdata Series (PUMS) 2013-2017

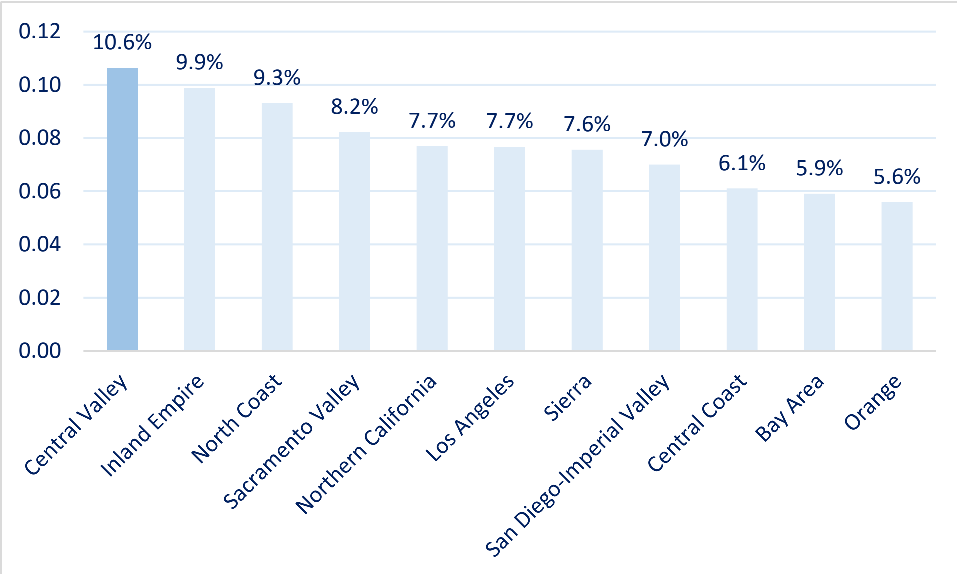
Figure 4.3 Adjusted Home Ownership, by select counties



Source: American Community Survey (ACS) Public Use Microdata Series (PUMS) 2013-2017

Several Central Valley counties—owing to their high prevalence of complex households—had adjusted home ownership rates that dipped below those in major counties. The home ownership rate was initially higher for San Joaquin (55.1%) and Tulare (55.4%) than Sacramento (54.8%), but after adjusting for complex households, rates in San Joaquin (50.0%) and Tulare (49.7%) dropped below that of Sacramento (50.7%) (see figure 4.3). Kern's home ownership rate (56.5%) was also above Santa Clara's (56.4%), but lower when accounting for complex households (51.3% vs. 51.9%).

Figure 5.1 Unemployment rate, by region



Source: American Community Survey (ACS) Public Use Microdata Series (PUMS) 2013-2017

Socio-Economic Characteristics

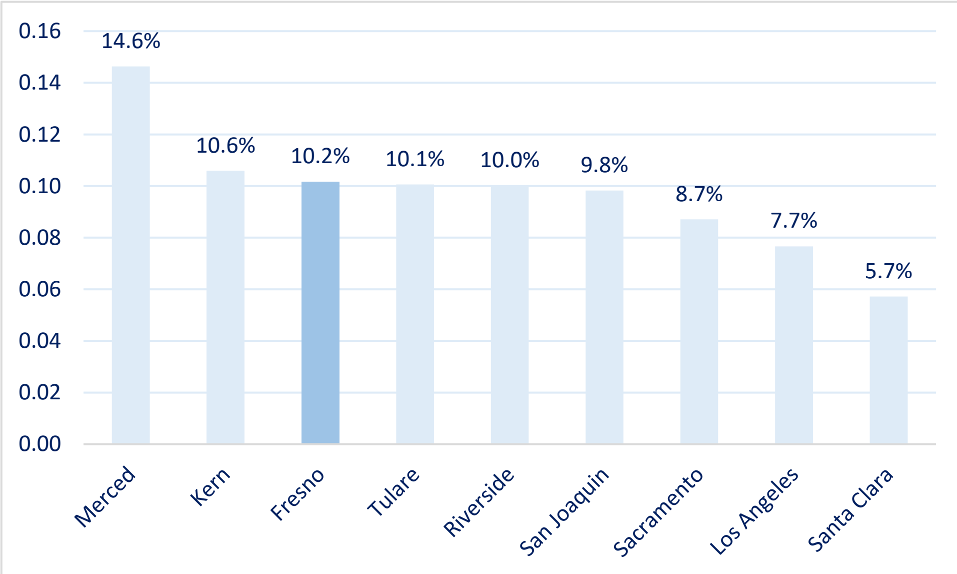
The State of California and the Central Valley exhibit characteristics of acute inequality. Previous analyses examined how the state's economic growth—and that of the Central Valley—was strong, but how it also ranked at or near the most disadvantaged end of several quality of life indicators (e.g. complex households, adjusted household ownership rates). This section more closely examines the State's regional socio-economic characteristics, such as unemployment, earnings, and usage of the Supplemental Nutrition Assistance Program (i.e. SNAP, or food stamps).

Unemployment

In the years between 2013 and 2017, the Central Valley had California's highest regional unemployment rate. On average, more than one out of ten (10.6%) of Central Valley labor force participants were unemployed (see figure 5.1). Three other regions had unemployment rates much higher than the state average (7.5%): the Inland Empire (9.9%), the North Coast (9.3%), and the Sacramento Valley (8.2%). Three more regions had unemployment rates near the state average: Northern California (7.7%), Los Angeles (7.7%), and the Sierra (7.6%). Four regions had unemployment rates noticeably below the state average: San Diego-Imperial (7.0%), the Central Coast (6.1%), the Bay Area (5.9%) and Orange (5.6%).

Central Valley counties had among the highest unemployment rates among the state's 41 counties. Merced's unemployment rate (14.6%, see figure 5.2) ranked second only to the Imperial Valley (15.1%, not shown). Seven of the Central Valley's eight counties—including Stanislaus (12.3%, not shown), Kern (10.6%), Fresno (10.2%), Tulare (10.1%), San Joaquin (9.8%), and Madera (8.7%, not shown)—all ranked within the top 15 of the state's counties with the highest unemployment rates.

Figure 5.2 Unemployment rate, by select counties



Source: American Community Survey (ACS) Public Use Microdata Series (PUMS) 2013-2017

Full-Time Workers and Living Wages

Central Valley full-time workers, between 2013 and 2017, earned median annual wages and salaries of $40,751 (see Table 6.1). These median wages were the second lowest of all California's regions. North Coast full-time workers earned the lowest median wages at $39,142. The Bay Area had the state's highest regional median wages ($65,231), followed by Orange ($52,500). While the Sacramento Valley tied the state's median wages ($48,924), several counties had median wages below the state average; this included San Diego-Imperial ($48,865), Sierra and Northern California (both $48,257), the Central Coast ($47,250), Los Angeles ($43,420), and the Inland Empire ($42,895).

Not included in these figures are typical cost-of-living expenses. (For example, rent costs are higher in areas where housing is in greater demand). The focus now turns to an analysis that utilizes the Massachusetts Institute of Technology's (2019) Living Wage Calculator—used to factor in typical, county-level, cost-of-living expenses—to examine the relative worth of California worker wages.[9]

Table 6.1 presents that percentage of a region's workers that earn less than the living wage associated with their county. In the Central Valley, for example, **almost two-thirds (65.2%) of full-time workers earned less than the wage it would take to "avoid consistent and severe housing and food insecurity"** (Nadeau 2018, 2) for a family of four in the county they lived in (e.g. Fresno, Merced, etc.).

[9] The Massachusetts Institute of Technology's (2019) "living wage calculator" uses the costs of "typical expenses" in a given locality to calculate the "minimum subsistence wage" necessary for the working poor to "avoid consistent and severe housing and food insecurity" (Nadeau 2018, 2). This report utilized the living wage calculator to estimate the wages it would take one working parent to support a family, with one partner and two children.

Table 6.1 Full-time worker profile (by California region)

	Full-time Workers		Occupations with the Highest Rate Below Living Wage		
Region	Avg. Wage	% <Living Wage	Occupation	% <Living Wage	% on SNAP
Bay Area	$65,231	55.4%	Misc Personal Appearance Workers	99.3%	16.7%
Orange	$52,500	61.9%	Misc food prep and serving	100.0%	12.5%
Sacramento Valley	$48,924	57.2%	Teacher Assistants	98.1%	6.5%
San Diego-Imperial	$48,865	65.3%	Misc food prep and serving	100.0%	17.3%
Sierra	$48,257	56.0%	——		
Northern Calif	$48,257	56.0%	——		
Central Coast	$47,250	65.1%	Food Preparation Workers	99.5%	7.1%
Los Angeles	$43,420	68.0%	Graders and Sorters, Agricultural	100.0%	24.8%
Inland Empire	$42,895	65.3%	Food Preparation Workers	99.0%	18.9%
Central Valley	$40,751	65.2%	Graders and Sorters, Agricultural	99.6%	25.8%
North Coast	$39,142	67.4%	——		

Source: American Community Survey (ACS) Public Use Microdata Series (PUMS) 2013-2017

Table 6.2 Full-time worker profile (by Central Valley county)

	Full-Time Workers			Occupations with the Highest Rate Below Living Wage		
County	Avg. Wage	Living Wage	% <Living Wage	Occupation	% <Living Wage	% on SNAP
San Joaquin	$44,192	$54,704	61.3%	Food Preparation Workers	100.0%	16.8%
Stanislaus	$43,462	$55,307	65.5%	Dental assistants	100.0%	12.1%
Kern	$39,900	$53,518	63.4%	Graders and Sorters, Agricultural	99.0%	11.9%
Fresno	$39,139	$54,246	65.9%	Childcare Workers	100.0%	29.3%
Madera	$39,139	$54,309	67.5%	Cashiers	100.0%	40.3%
Kings	$38,668	$53,851	68.5%	Personal Care Aides	100.0%	28.9%
Merced	$38,007	$51,958	68.7%	Cooks	100.0%	21.0%
Tulare	$36,750	$52,666	70.1%	Maids and Housekeeping Cleaners	100.0%	38.3%

Source: American Community Survey (ACS) Public Use Microdata Series (PUMS) 2013-2017

Adjusting for typical expenses made living in the Central Valley more affordable than four other counties—but not five others. Los Angeles (68.0%), the North Coast (67.4%), the Inland Empire and San Diego-Imperial Valley (both 65.3%) had a higher percentage of full-time workers that earned less than a living wage. On the other hand, in five counties a lower percentage of full-time workers earned less than the living wage: the Bay Area (55.4%), Sierra (56.0%), Northern California (56.0%), Sacramento (57.2%), Orange (61.9%), and the Central Coast (65.1%). Thus, after accounting for the lower costs of living, the Central Valley was a more affordable place to live and work than in some regions—but not others.

Central Valley counties with the greatest percentage earning a living wage were also those with the highest earnings (see table 6.2). Of all Central Valley counties, San Joaquin County had both the highest median earnings for full-time workers ($44,192) and the highest percentage earning above a living wage (61.3%). There was almost a uniformly linear correlation between median earnings and percent below a living wage; Stanislaus was the lone exception, ranking second in earnings ($43,462) but third in percent earning below a living wage (65.5%). In four counties—Madera (67.5%), Kings (68.5%), Merced (68.7%), and Tulare (70.1%)—more than two out of three full-time workers earned less than a living wage.

Occupations below a living wage

As previously mentioned, in all California regions large numbers of workers earned less than the living wage (see table 6.1). Table 6.1 lists each region's occupation with the highest rate of workers earning less than a living wage (minimum 2,000 workers). In the Central Valley, 99.6% of agricultural graders and sorters earned less than a living wage; one-fourth (25.8%) of these workers were on food stamps. Several California counties, apart from the Central Valley, also had occupations in which more than 98% of workers earned less than a living wage. In the Sacramento Valley, 98.1% of teacher assistants earned less than a living wage. In the Bay Area, 99.3% of miscellaneous personal appearance workers earned less than a living wage.

Most of these leading regional occupations (of full-time workers with high prevalence of earning less than a living wage) were related to the production, distribution, or serving of food—a surprising fact considering that California is a national leader in food production. In the Inland Empire, 99.0% of food preparation workers earned less than a living wage. In San Diego-Imperial Valley region, 100% of miscellaneous food preparation and serving workers earned less than a living wage.

Nearly all Central Valley counties had at least one occupation in which virtually all (>98%) workers earned less than a living wage (minimum 500 workers) (see table 6.2). In Fresno, this was childcare workers (100% below a living wage). In Kings, personal care aides (e.g. home care workers) (100%). In Madera, cashiers (100%). In Merced, cooks (100)%. In San Joaquin, food preparation workers (100%). In Stanislaus, dental assistants (100%). In Tulare, maids and housekeeping cleaners (100%). In Kern, agricultural graders and sorters (99%). In these occupations, workers' household usage of food stamps varied widely. At the lowest end, 11.9% of full-time agricultural graders and sorters in Kern lived in households that received food stamps. At the high end, 40.3% of full-time cashiers in Madera lived in households that received food stamps.

Table 6.3 Occupations with the Highest Rate Below a Living Wage, Full-time, Central Valley

Occupation	Median Wage	< Living Wage	% on SNAP
Graders and Sorters, Agricultural	$19,546	99.6%	25.8%
Tellers	$27,148	98.5%	11.6%
Childcare Workers	$21,000	98.3%	21.5%
Food Preparation Workers	$20,589	97.9%	24.9%
Hairdressers, Hairstylists, and Cosmetologists	$19,569	97.6%	16.0%
Food Preparation and Serving Workers	$19,635	97.6%	30.2%
Packers and Packagers, Hand	$22,050	96.8%	22.4%
Agricultural workers	$23,890	96.8%	29.8%
Maids and Housekeeping Cleaners	$22,044	96.6%	27.4%
Personal Care Aides	$21,447	96.6%	27.6%

Source: American Community Survey (ACS) Public Use Microdata Series (PUMS) 2013-2017

Table 6.4 Occupations with the Lowest Rates of Full-time Work, Central Valley

		Part-Time Workers	
Occupation	% Full-time	Median Wage	% on SNAP
Host/Hostess, Restaurant, Lounge, and Coffee Shop	29.1%	$9,170	31.6%
Counter Attendant, Cafeteria, Concession, Coffee Shop	47.1%	$7,828	13.1%
Misc food prep and serving	52.6%	$10,496	25.1%
Waiters and Waitresses	58.4%	$13,031	26.4%
Dishwashers	58.6%	$8,687	18.4%
Childcare Workers	59.0%	$8,820	20.9%
Recreation and Fitness Workers	61.1%	$9,170	10.8%
Other Teachers and Instructors	62.0%	$7,350	30.3%
Food Preparation and Serving Workers	62.1%	$12,075	41.0%
Food Preparation Workers	64.0%	$10,500	22.2%

Source: American Community Survey (ACS) Public Use Microdata Series (PUMS) 2013-2017

Table 6.4 reveals the occupations with the highest rate of Central Valley full-time workers earning below a living wage. This occupational list includes agricultural graders and sorters; tellers; childcare workers; food preparation workers; hairdressers, hairstylists, and cosmetologists; food preparation and serving workers; packers and packagers; agricultural workers; maids and housekeeping cleaners; and personal care aides. The lowest earning occupation on this list, agricultural graders and sorters, earned median wages of $19,546 for full-time work; 99.6% earned less than a living wage, and 25.8% lived in households that received food stamps. Personal care aides, who ranked tenth on this list, fared little better; their median wages were $21,447, 96.6% earned below the living wage, and 27.6% lived in households that received food stamps.

Lastly, the prevalence of part-time work further underscored the disadvantages driving economic inequality in the Central Valley. Many Central Valley workers worked in occupations which were characterized by a high prevalence of part-time work (see table 6.4). Among Hosts/hostesses, only 29.1% of workers who worked as hosts/hostesses worked full-time; they earned median wages of $9,170, and 31.6% lived in households that received food stamps.

Several more occupations on the list of Central Valley occupations with the lowest rates of full-time work revolved around the food industry: counter attendant, host/hostess, food preparation workers, food preparation and serving workers, miscellaneous food preparation and serving, waiters and waitresses, and dishwashers. The annual wages among these food-related, part-time workers ranged from $7,828 to $13,031, and the share of their households that relied on SNAP ranged from 13.1% to 41.0%. Only three occupations (Childcare workers, Recreation and Fitness Workers, and Other Teachers and Instructors) on this list were not related to the food industry.

Conclusion

California's economic struggles characterizes broader trends facing American workers. California has experienced great economic growth following the end of the last recession, and this should be associated with workers experiencing greater wages and owning homes. However, while state elected and appointed leaders continue to emphasize the importance of economic growth, a closer look suggests that the real policy question is not how to create growth—because we have already been experiencing it for some time—but what that growth should look like.

California residents are facing a more challenging economic and housing market than residents of many other states in the nation. California has higher median wages than the rest of the nation ($48,924 vs. $45,040), but unemployment is higher (7.5% vs. 6.4%), rates of complex households are nearly 1.5 times higher (9.3 vs 6.3 per 100 households), and adjusted home ownership rates are the second-lowest in the nation (49.4%). Only the state's percentage of full-time workers on the Supplemental Nutrition Assistance Program (7.4%) is lower than that of the rest of the nation (8.3%)—but even this figure serves to underscore the severe challenges facing workers today.

The Central Valley exhibits some of California's most challenging inequalities. Despite the second-highest economic growth of California's twelve regions, the Central Valley is highest in unemployment, second-highest in complex households, and third lowest in home ownership. Central Valley counties also exemplify these inequalities. At the same time the construction of the University of California Merced has been touted as an economic engine to the region, Merced has the state's highest complex household rate, the second highest unemployment rate, and the third lowest home ownership rate.

The Central Valley's reputation as the "breadbasket of California" further underscores the inequalities of development at the heart of California. Of the ten occupations with the highest rate of full-time workers earning below a living wage, four occupations deal with the production of food: agricultural workers, agricultural graders and sorters, food preparation workers, and food preparation and serving workers. One out of four of full-time workers in these food-related occupations cannot afford to put food on their own table, and live in a household that receives the Supplemental Nutrition Assistance Program.

In conclusion, addressing issues of regional economic inequality will require more than ongoing efforts to stimulate greater economic development by cutting taxes for the wealthy. Agriculture drives the Central Valley's economy at the same time it pays poverty wages to food workers and requires them to subsist on food stamps. For policy to effectively come to terms with and address issues of regional economic inequality, policymakers must stop asking "how do we bring more economic development?" and instead ask, "what do we want economic development to look like?"

References

American Lung Association. 2019. State of the Air 2019. Chicago: American Lung Association.

Cassie Hartzog, Carolyn Abrams, Nancy Erbstein, Jonathan K. London and Sara Watterson. 2016. California's San Joaquin Valley: A Region and Its Children Under Stress. Report commissioned by Sierra Health Foundation. Davis, CA: UC Davis Center for Regional Change.

Internal Revenue Service. 2019. Identifying Full-time Employees. Accessed on September 28, 2019 at https://www.irs.gov/affordable-care-act/employers/identifying-full-time-employees

London, Jonathan, Amanda Fenci, Sara Watterson, Jennifer Jarin, Alfonso Aranda, Aaron King, Camille Pannu, Phoebe Seaton, Laurel Firestone, Mia Dawson, and Peter Nguyen. 2018. The Struggle for Water Justice in California's San Joaquin Valley: A Focus on Disadvantaged Unincorporated Communities. Report Commissioned by Resources Legacy Fund and Water Foundation. Davis, CA: UC Davis Center for Regional Change.

Massachusetts Institute of Technology. 2018. Living Wage Calculator. Accessed on September 28, 2019 at https://livingwage.mit.edu/

Nadeau, Carey Anne. 2018. Living Wage Calculator. User's Guide/ Technical Notes: 2018 Update. Cambridge: Massachusetts Institute of Technology. Accessed on September 28, 2019 at https://livingwage.mit.edu/resources/Living-Wage-User-Guide-and-Technical-Notes-2018.pdf

CCRI Mission Statement

The Civic Capacity Research Initiative is located at the University of California Merced. It uses research and education to build civic capacity among the San Joaquin Valley's community-based and labor organizations.