The New Economy, The New Diversity, the New Inequality: Latino Futures, California’s Challenges

Presented by:
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What is the CJTC?

Mission:

Established in January 2000, the Center for Justice, Tolerance, and Community focuses on issues of social and economic justice, dialogues across diversity, and the building of collaborative communities.

Combining cutting-edge research with an emphasis on public dissemination of findings and active engagement with affected communities, the Center aims to make a difference in people’s lives by providing information and analysis for action.
Outline of Presentation

- What is the intersection of the new economy and rising inequality?
- Why is this a central issue for California Latinos?
- What are the challenges for policy and politics?
California’s Demographic Change

Figure 1-3. California’s Demographic Changes, 1970-2000

Long Term Trends in Inequality

Top 5% of taxpayers
Next 15% of taxpayers
Middle 40% of taxpayers
Bottom 40% of taxpayers
Who Gained and Lost in the Upswing

Household Income Changes (Top 20 & Bottom 40) in California over the 1990s

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Top 20 dollars</td>
<td>$109,630</td>
<td>$116,544</td>
<td>$127,240</td>
</tr>
<tr>
<td>Bottom 40 dollars</td>
<td>$16,730</td>
<td>$17,085</td>
<td>$19,755</td>
</tr>
</tbody>
</table>

2000 dollars
Race Matters

Figure 3. Shifts in Household Median Income by Race, California in the 1990s
It Isn’t Just Immigration


- US-born Anglos: 76.6%
- US-born Latinos: 54.2%
- Immigrant Latinos: 76.6%
How Can We Narrow the Divide?

- Economic growth, partly through regional clusters
- Education and training
- New networks and connections
- Labor standards that set new floors
Why Growth?

Flattening of the Wage Distribution in the Peak of the Boom

- 25th percentile: 16.8%
- 50th percentile: 14.2%
- 75th percentile: 10.5%

% change, 1998-2001
Wages, Race, and Recovery

Median Wage by Race in California
(three year moving average)

2001 dollars

Anglo
Black
Latino

Education and Training is a Must

- In explaining the growing wage inequality in the California and the nation, several main culprits:
  - globalization
  - technology

- Both raise the wage premium and
- Education can close the gap
Education and Wages, 1980-2001

Wages and Education Since 1980 in the U.S. Labor Market

Wage in 2001 dollars

- Less than High School
- High School
- Some College
- College Degree
- Advanced Degree

Percent gain over period

-28.6%
-25.4%
-6.8%
-1.5%
-15.7%
Figure 9. Educational Attainment for Those in the Labor Force, California 1998

Relative Education Levels in California

- **Anglos**
- **Latinos**
- **U.S.-born Latinos**

- College grad
- High school grad
- Less than high school
Adding Networks to the Picture

**Community Isolation**

- Disconnection from regional economy, political power, and policy opportunities
- Lack of “bridging” social capital to connect to key sources of power
- Importance of “thinking and linking” to the region

**Individual Isolation**

- Skill mismatch
- Spatial mismatch
- Social mismatch – “bonding” and “bridging” social capital
## Job Openings in the New Economy

### Top Six Occupations With the Greatest Absolute Job Growth in California, 1998-2008

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Absolute Change</th>
<th>Percent Change</th>
<th>Education or Experience Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>GENERAL MANAGERS, TOP EXECUTIVES</td>
<td>85,600</td>
<td>23.3%</td>
<td>WORK EXPERIENCE, PLUS A BACHELOR’S OR HIGHER</td>
</tr>
<tr>
<td>GENERAL OFFICE CLERKS</td>
<td>81,900</td>
<td>23.1%</td>
<td>SHORT-TERM ON-THE-JOB TRAINING</td>
</tr>
<tr>
<td>SALESPERSONS, RETAIL</td>
<td>77,800</td>
<td>18.4%</td>
<td>SHORT-TERM ON-THE-JOB TRAINING</td>
</tr>
<tr>
<td>CASHIERS</td>
<td>68,700</td>
<td>22.4%</td>
<td>SHORT-TERM ON-THE-JOB TRAINING</td>
</tr>
<tr>
<td>SYSTEMS ANALYSTS–ELECTRONIC DATA PROCESSING</td>
<td>53,600</td>
<td>90.2%</td>
<td>BACHELOR’S DEGREE</td>
</tr>
<tr>
<td>GUARDS AND WATCH GUARDS</td>
<td>52,000</td>
<td>41.6%</td>
<td>SHORT-TERM ON-THE-JOB TRAINING</td>
</tr>
</tbody>
</table>
Looking for Hope – Keep Looking

Labor Location for the Future
Anglos and Latinos in California

Anglo

- High-wage, fast-growth: 26.3%
- Low-wage, fast-growth: 34.1%
- High-wage, slow-growth: 18.4%
- Low-wage, slow-growth: 21.2%

Latino

- High-wage, fast-growth: 15.4%
- Low-wage, fast-growth: 44.9%
- High-wage, slow-growth: 12.3%
- Low-wage, slow-growth: 27.5%
Figure 1. Percentage Latino by Census Tract in 1980 in Santa Cruz and Monterey counties

Note: This view focuses on the most populated areas of Santa Cruz and Monterey counties.
Figure 2. Percentage Latino by Census Tract in 2000 in Santa Cruz and Monterey counties

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Figure 2. Percentage Latino by Census Tract in 2000 in Santa Cruz and Monterey counties

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Figure 3. Median Household Income by Census Tract in 1999 in Santa Cruz and Monterey Counties (in 1999 dollars)

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The Politics of Putting It All Together

Pressing Needs & Now More Than Ever
- Recession will be an excuse for some to forget the bottom but equity is not a luxury

Universal and Particular Approaches
- Understand that Latino issues are, in large part, California issues

Face-to-face and Race-to-race
- Encourage conversations and collaboration to break barriers
Restoring the California Promise

Public Will and Civic Engagement

- Investing in Everyone’s Children
- Offering a Vision of What We Have Been and Could Be