California Connections . . . :
The New Demography, The New Economy, and the New Inequality

Presented by:
Manuel Pastor
UC Santa Cruz
November 2005
La Conyuntura vs. the Long-run

- We tend to think about short-term politics and pressures but . . .
- . . . It is also useful to look long-term.
- One key issue in California is restoring a common narrative, a common future, and a common view of economic fortunes.
Leading the U.S. in Demographic Change

California’s Changing Demographics, 1970-2000

- 1970: 77.3% Anglo, 6.9% Asian Pacific, 3.3% Latino, 12.1% Other
- 1980: 67.1% Anglo, 19.4% Asian Pacific, 5.3% Latino, 6.9% Other
- 1990: 57.2% Anglo, 26.0% Asian Pacific, 9.2% Latino, 6.9% Other
- 2000: 47.1% Anglo, 32.6% Asian Pacific, 11.3% Latino, 6.5% Other

Categories: Anglo, African American, Latino, Asian Pacific, Other
The Future is Now . . .

Ethnic Composition by Age for California, Year 2000

- Asian Pacific & Other: 11%
- African American: 45%
- Latino: 36%
- Anglo: 71%

By Age Group:
- Under 18 years old: 13% Anglo, 8% Latino, 11% Other
- 18 to 39 years old: 13% Anglo, 7% Latino, 13% Other
- 40 to 64 years old: 13% Anglo, 7% Latino, 13% Other
- 65 years or older: 11% Anglo, 5% Latino, 13% Other
California’s New Economy: Leading in Technology

Share of Private Employment in Tech Sector

San Jose
California
United States
Tale of Two Recessions

Loss in Non-Farm Employment Over Two Recessions as Percent of Initial Employment, Los Angeles and the Bay Area

1990-1993
- Los Angeles: -10.4%
- Bay Area: -2.4%

2000-2003
- Los Angeles: -10%
- Bay Area: -2.0%

Legend:
- Los Angeles
- Bay Area
California Also Leading in Inequality . . .

- Considering the ratio of the top fifth of families to bottom fifth of families, we are the **fourth most unequal** state.

- Considering the ratio of the top fifth of families to middle fifth of families, we are the **third most unequal** state.

- And we are becoming more unequal faster than forty five other states.
Race Matters

Poverty Rates (150%) by Race for California, 1998-2002

- Anglo: 15.4%
- Latino: 39.9%
- African American: 29.5%
- Asian: 18.2%

- US-born Anglos: 80.2%
- US-born Latinos: 57.2%
How Can We Narrow the Divide?

- Economic growth, partly through regional strategies

- Education and training for workforce development

- Reducing the “digital divide” and its impacts

- Labor and community standards that set new floors
Why Growth?


<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Anglo</td>
<td>16.0</td>
<td>15.4</td>
</tr>
<tr>
<td>Latino</td>
<td>47.6</td>
<td>39.9</td>
</tr>
<tr>
<td>African American</td>
<td>37.9</td>
<td>29.5</td>
</tr>
<tr>
<td>Asian</td>
<td>25.2</td>
<td>18.2</td>
</tr>
</tbody>
</table>
Relative Education Levels in California

Educational Attainment for Work Force by Ethnicity and Immigration, California, 1998-2003

- U.S.-born Anglos: 6.2% college, 58.6% high school, 35.1% less than high school
- African Americans: 6.4% college, 22.6% high school, 71.0% less than high school
- U.S.-born Latinos: 19.8% college, 69.6% high school, 10.6% less than high school
- Immigrant Latinos: 5.8% college, 57.7% high school, 36.5% less than high school
- U.S.-born Asians: 8.7% college, 50.5% high school, 40.8% less than high school
- Immigrant Asians: 9.2% college, 43.5% high school, 47.4% less than high school
Is There a Digital Divide?

- Falling Through the Net becomes A Nation Online

**Percent of Households with Computers and Internet Connections, 1998-2003**

- Computer at home
- Internet at home
- Broadband at home

% of U.S. households
### Why Labor Standards Matter

#### The Lucky Thirteen?
Top Occupations in Net Growth, California, 2002-2012

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Net Jobs</th>
<th>Training Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Salespersons</td>
<td>77,800</td>
<td>Short-Term OJT (11)</td>
</tr>
<tr>
<td>Combined Food Preparation and Serving Workers, Including Fast Food</td>
<td>62,200</td>
<td>Short-Term OJT (11)</td>
</tr>
<tr>
<td>Cashiers</td>
<td>61,900</td>
<td>Short-Term OJT (11)</td>
</tr>
<tr>
<td>Registered Nurses</td>
<td>56,800</td>
<td>Associate Degree (6)</td>
</tr>
<tr>
<td>Waiters and Waitresses</td>
<td>50,900</td>
<td>Short-Term OJT (11)</td>
</tr>
<tr>
<td>Business Operations Specialists, All Other</td>
<td>47,900</td>
<td>BA/BS Degree (5)</td>
</tr>
<tr>
<td>Customer Service Representatives</td>
<td>47,300</td>
<td>Moderate-Term OJT (10)</td>
</tr>
<tr>
<td>Office Clerks, General</td>
<td>46,200</td>
<td>Short-Term OJT (11)</td>
</tr>
<tr>
<td>General and Operations Managers</td>
<td>42,900</td>
<td>BA/BS + Experience (4)</td>
</tr>
<tr>
<td>Teacher Assistants</td>
<td>42,700</td>
<td>Short-Term OJT (11)</td>
</tr>
<tr>
<td>Janitors and Cleaners, Except Maids and Housekeeping Cleaners</td>
<td>41,700</td>
<td>Short-Term OJT (11)</td>
</tr>
<tr>
<td>Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientific Products</td>
<td>39,500</td>
<td>Moderate-Term OJT (10)</td>
</tr>
<tr>
<td>Security Guards</td>
<td>37,500</td>
<td>Short-Term OJT (11)</td>
</tr>
</tbody>
</table>
A New California

- A need to think beyond the immediate and focus long-term
- A need to construct a new California “story”