

# The Great Recession and Distribution of Income in California

Sarah Bohn  
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# California Families Hit Hard by Recession and Its Aftermath

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- Family income declined across the spectrum
  - Lower-income families saw steepest losses
- Families of all demographic and regional groups affected
  - Education a partial buffer
- Unemployment a significant factor
  - Underemployment also important



# California at New Extremes by 2010

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- Less than majority of families fall in middle income range
- Gap between upper- and lower-income families widest in 30 years



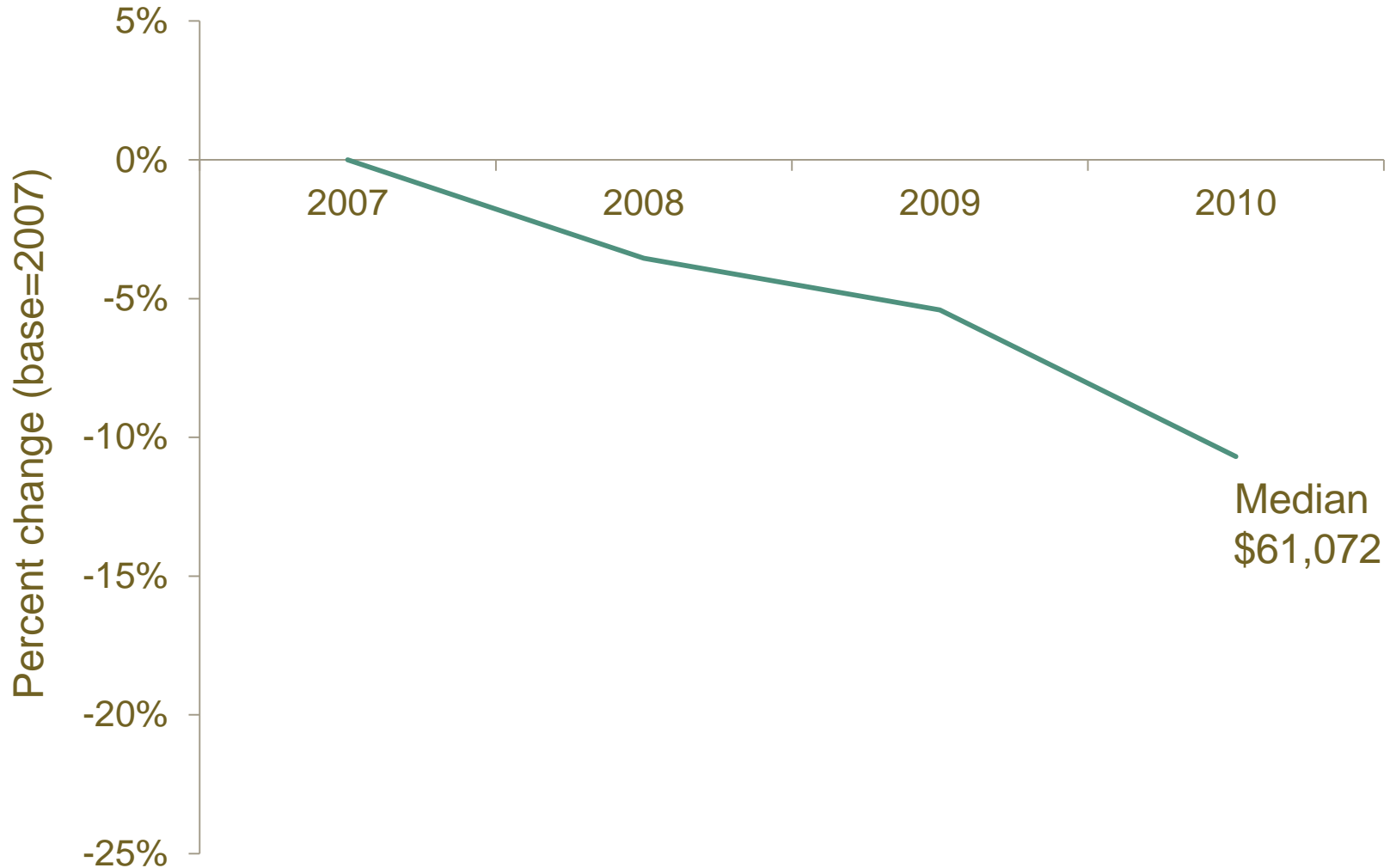
# Outline

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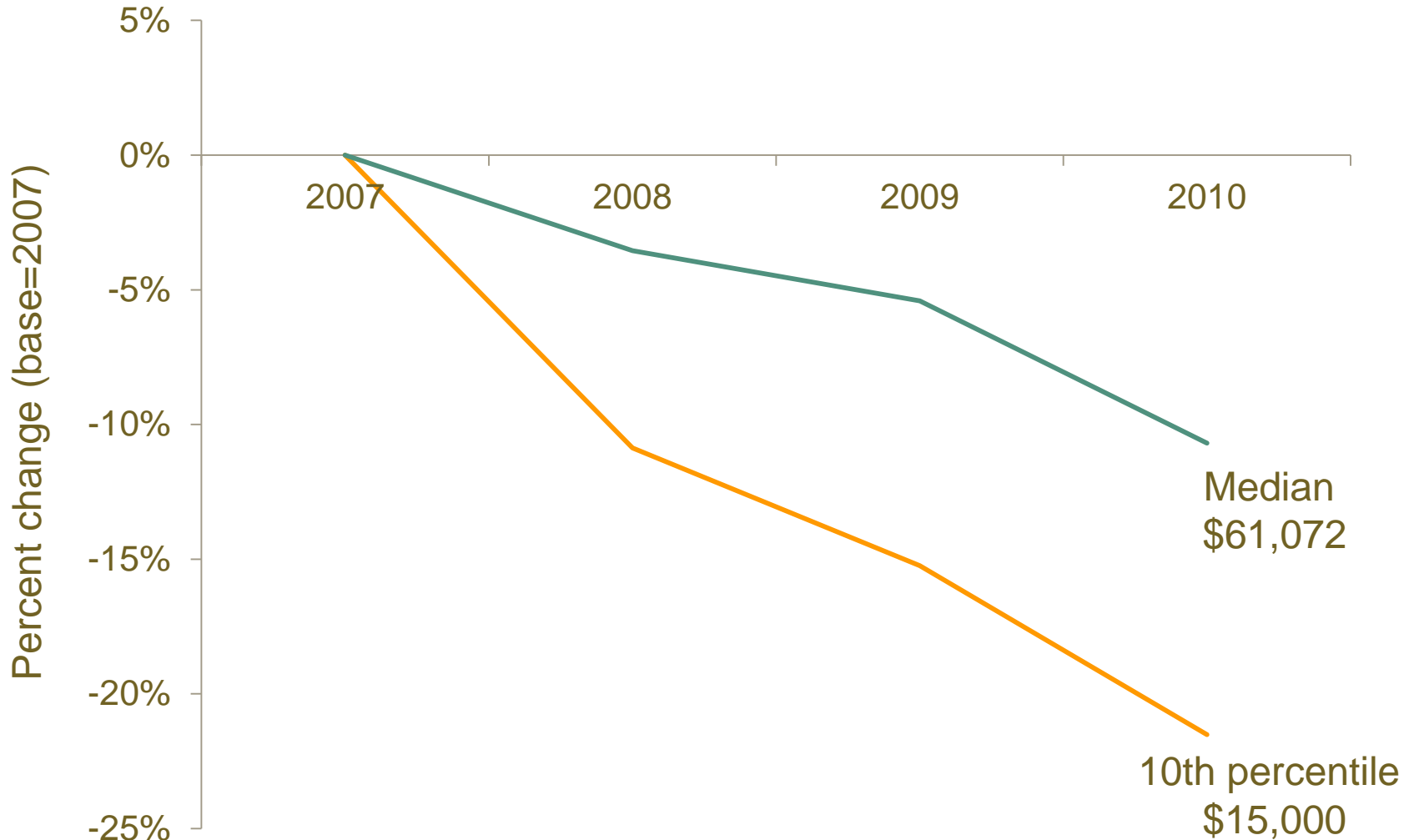
- Income declines across the spectrum
- Declines at the middle
- Unemployment and underemployment
- Demographic snapshot
- Conclusions



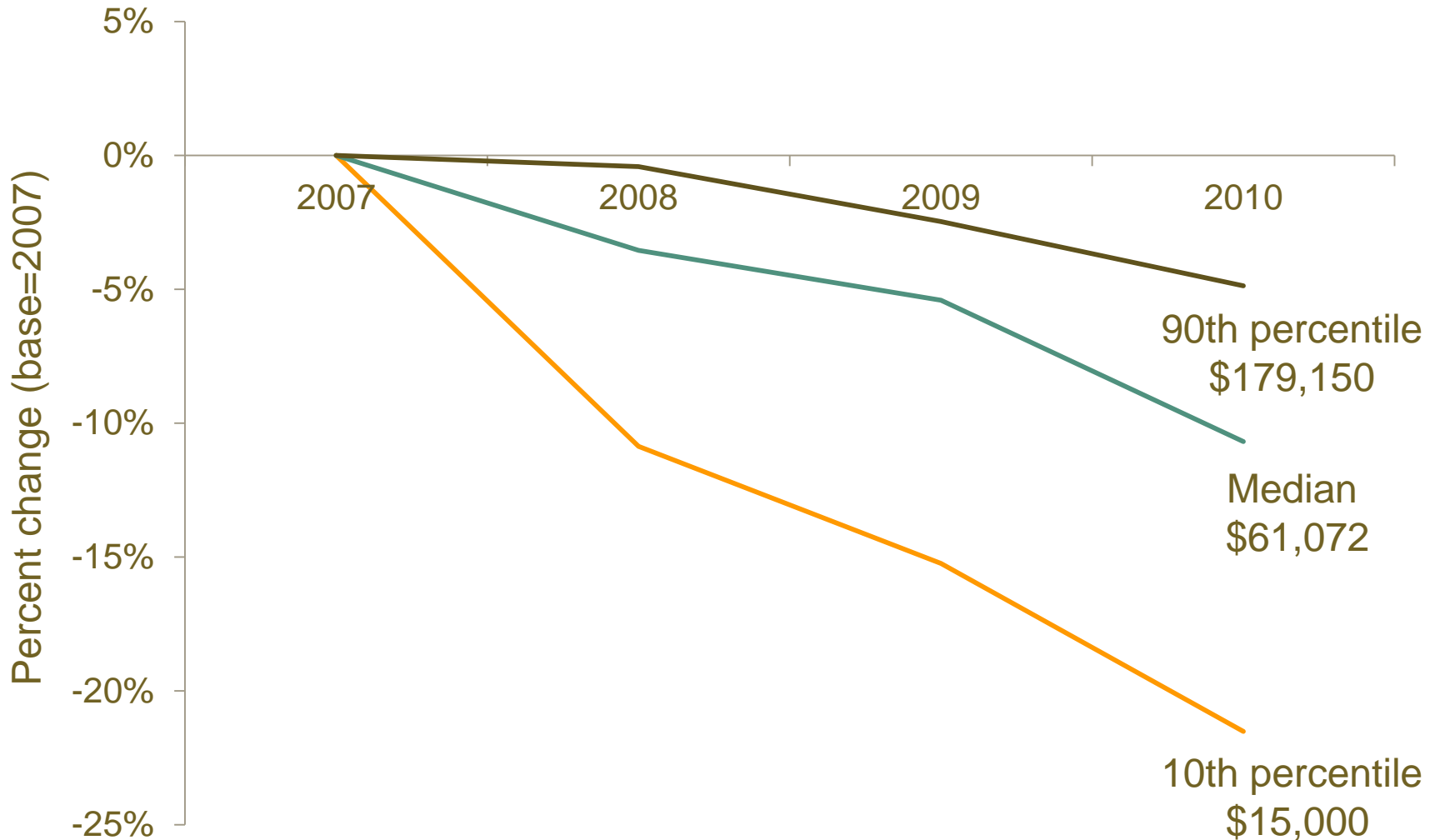
# All Incomes Dropped, Some More Than Others



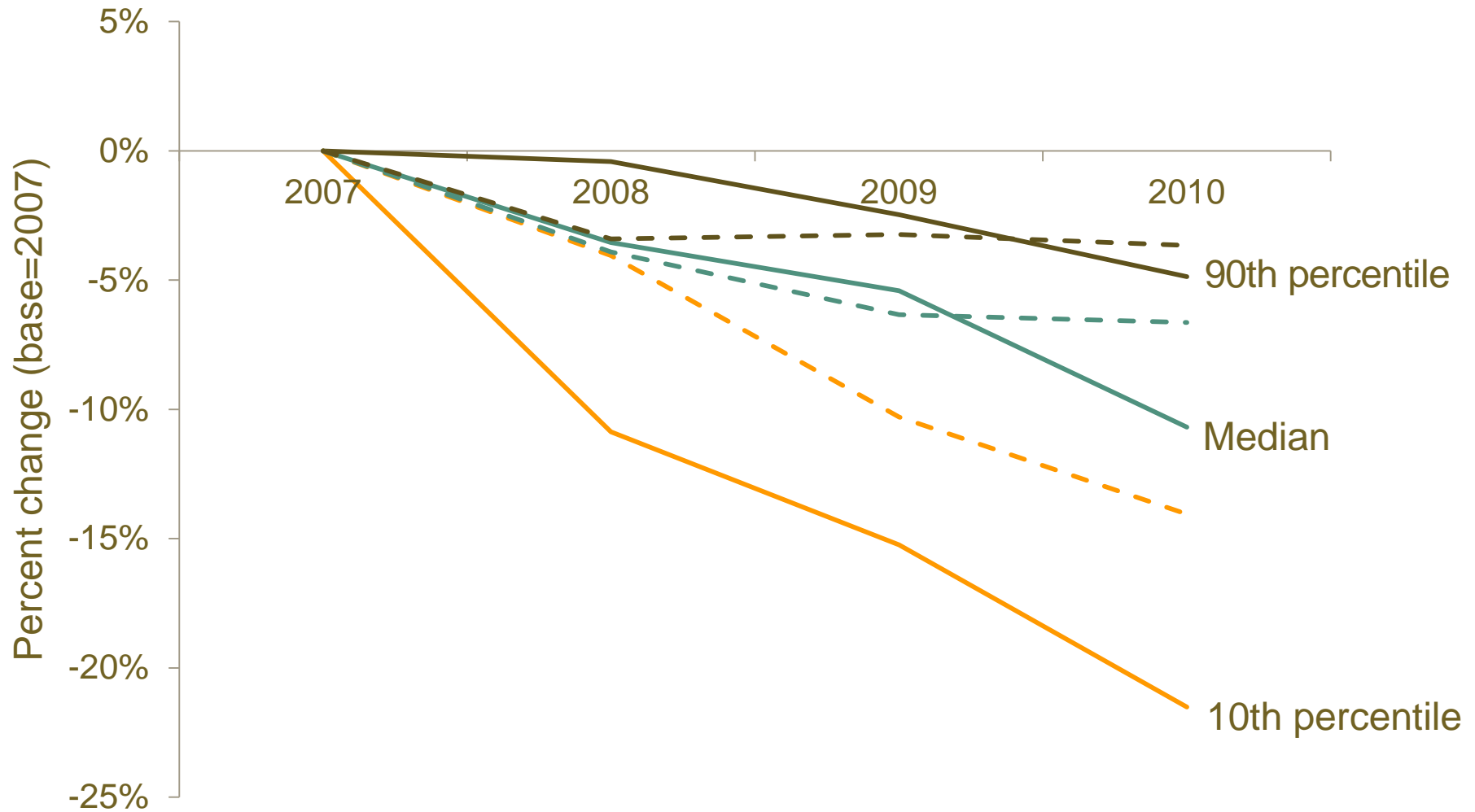
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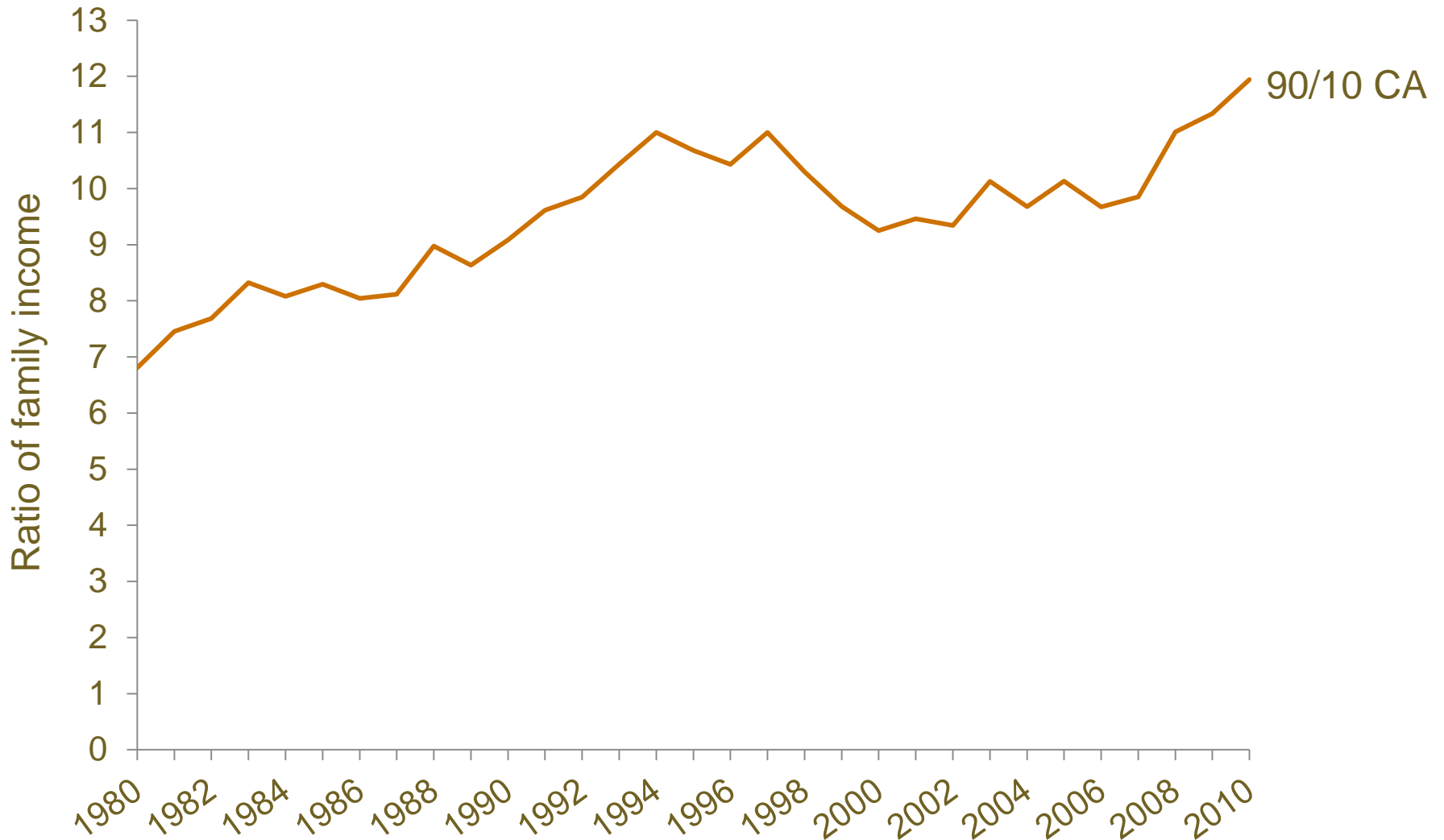


# Declines Generally Smaller in Rest of U.S.

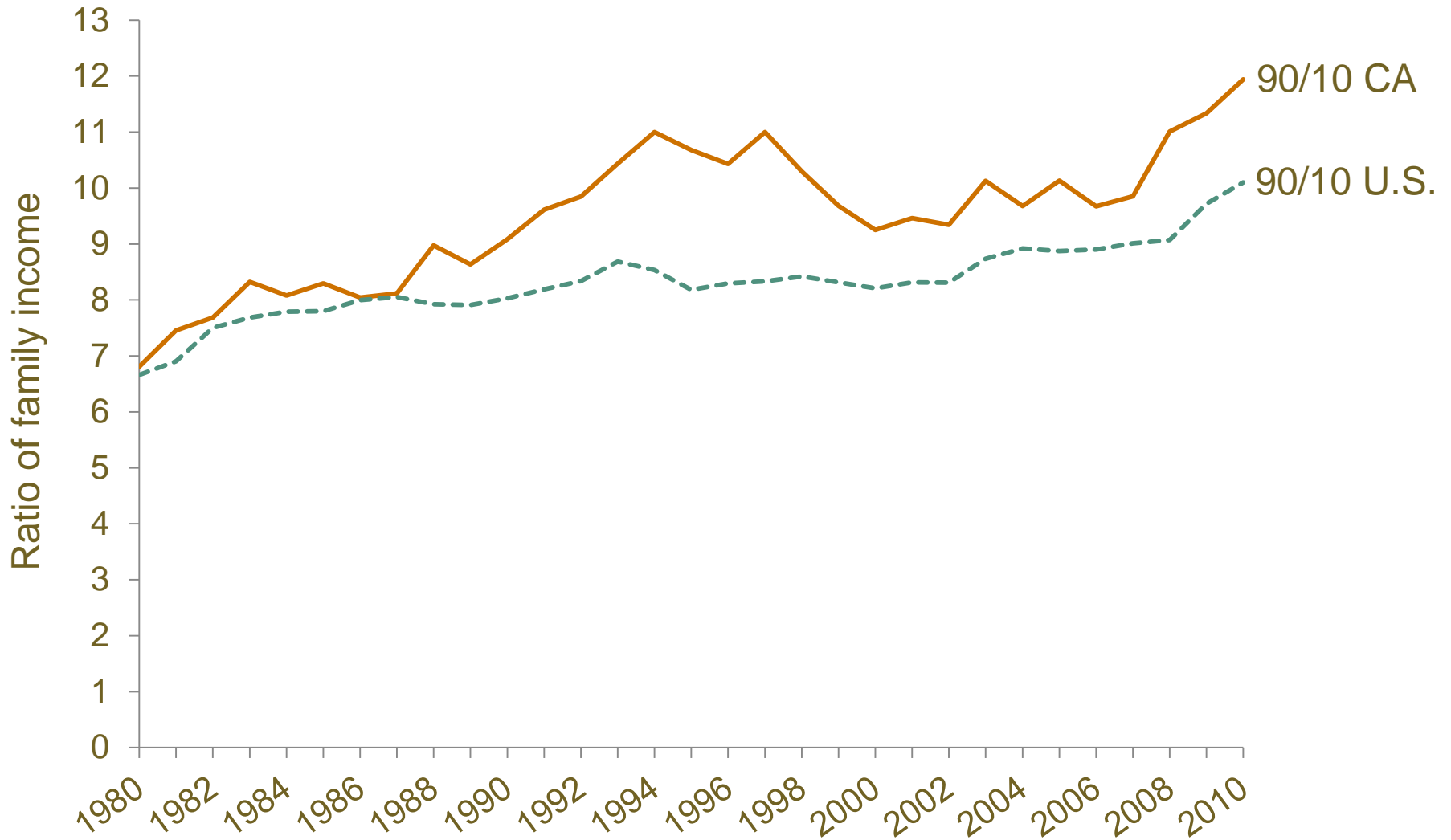




# California Reached New Extremes in Income Gap



# Gap Is Worse in California than in Rest of U.S.



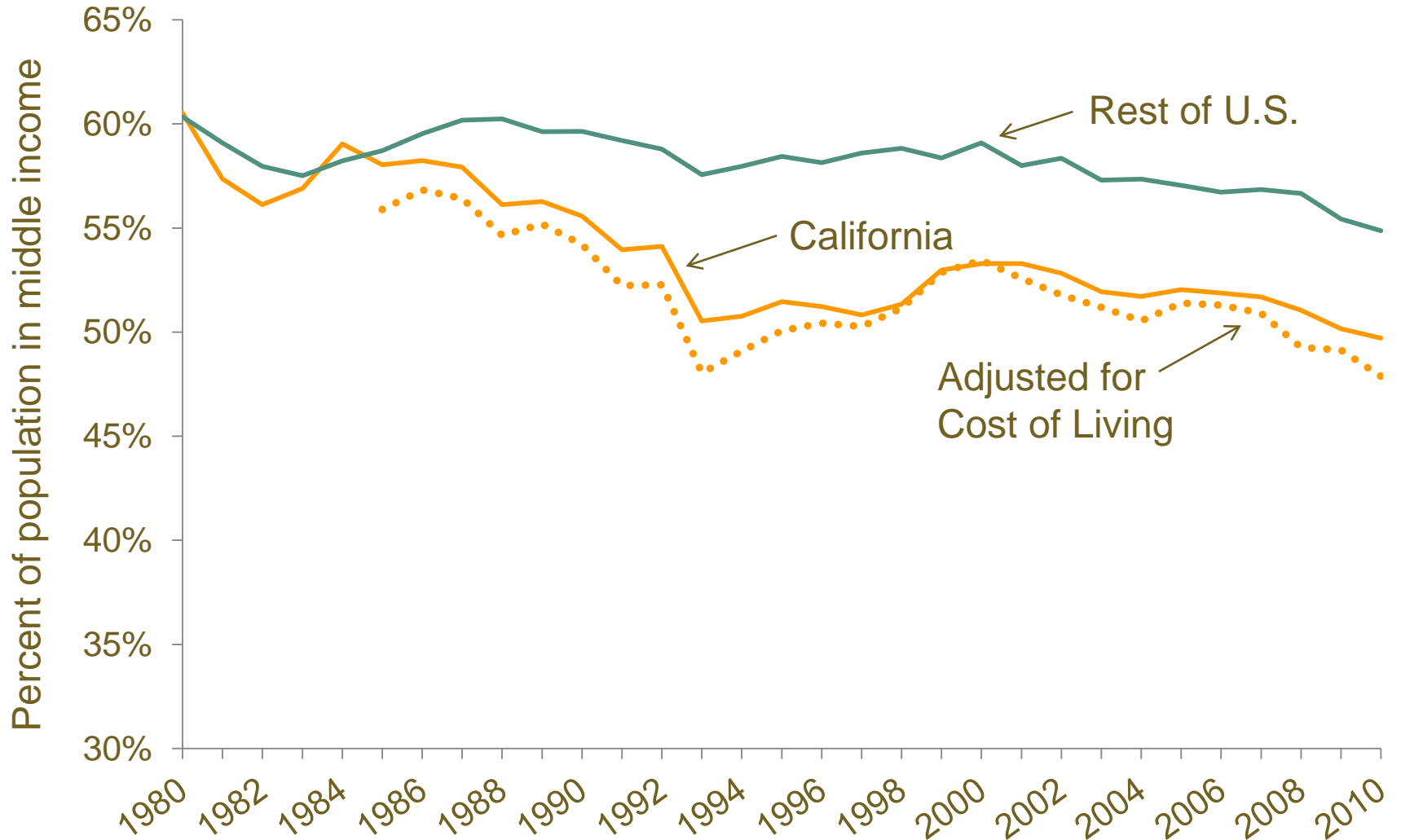
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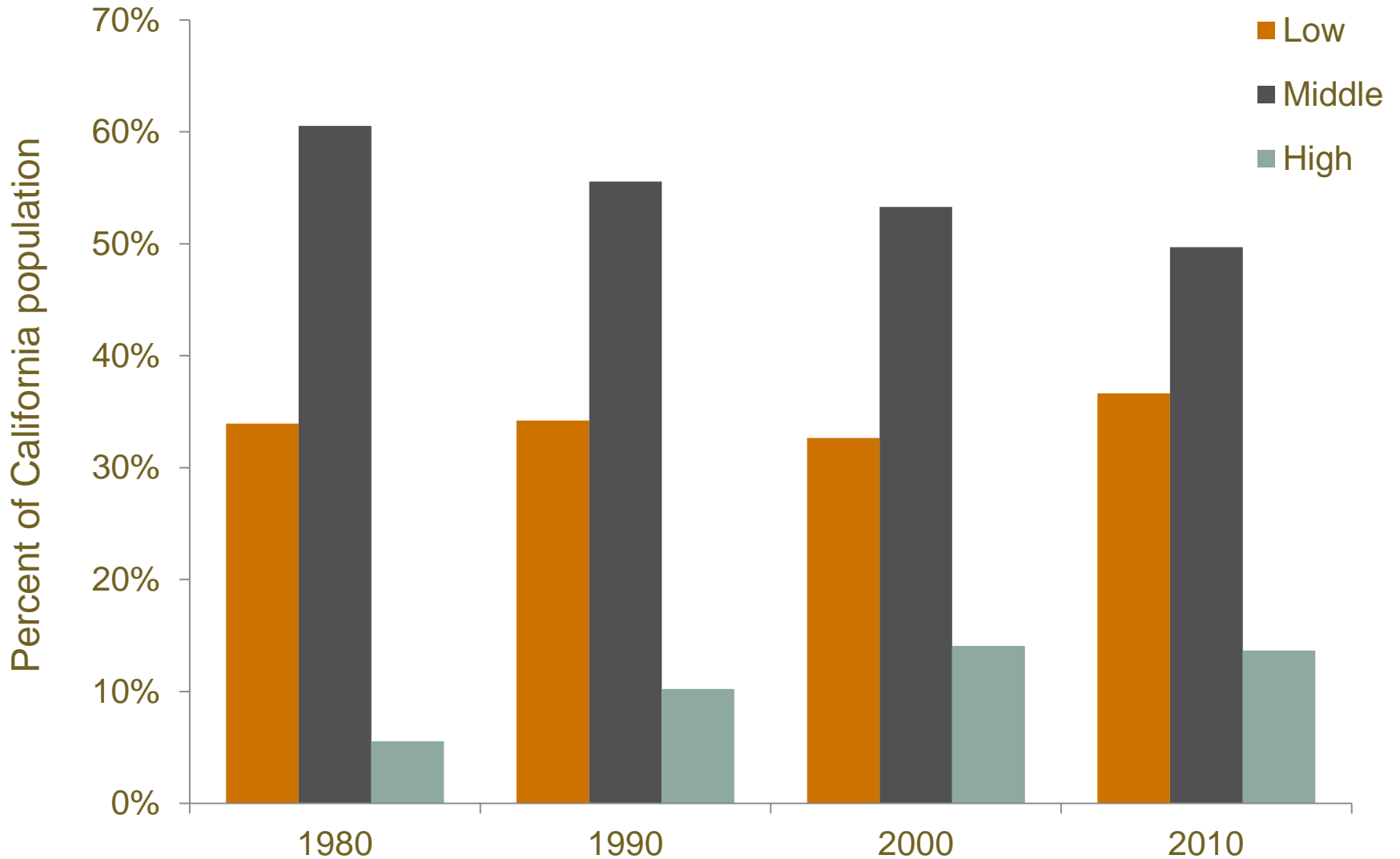
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# Share of Middle Income Families Declining for Decades



# Recession Reversed Trend of Middle Income Families



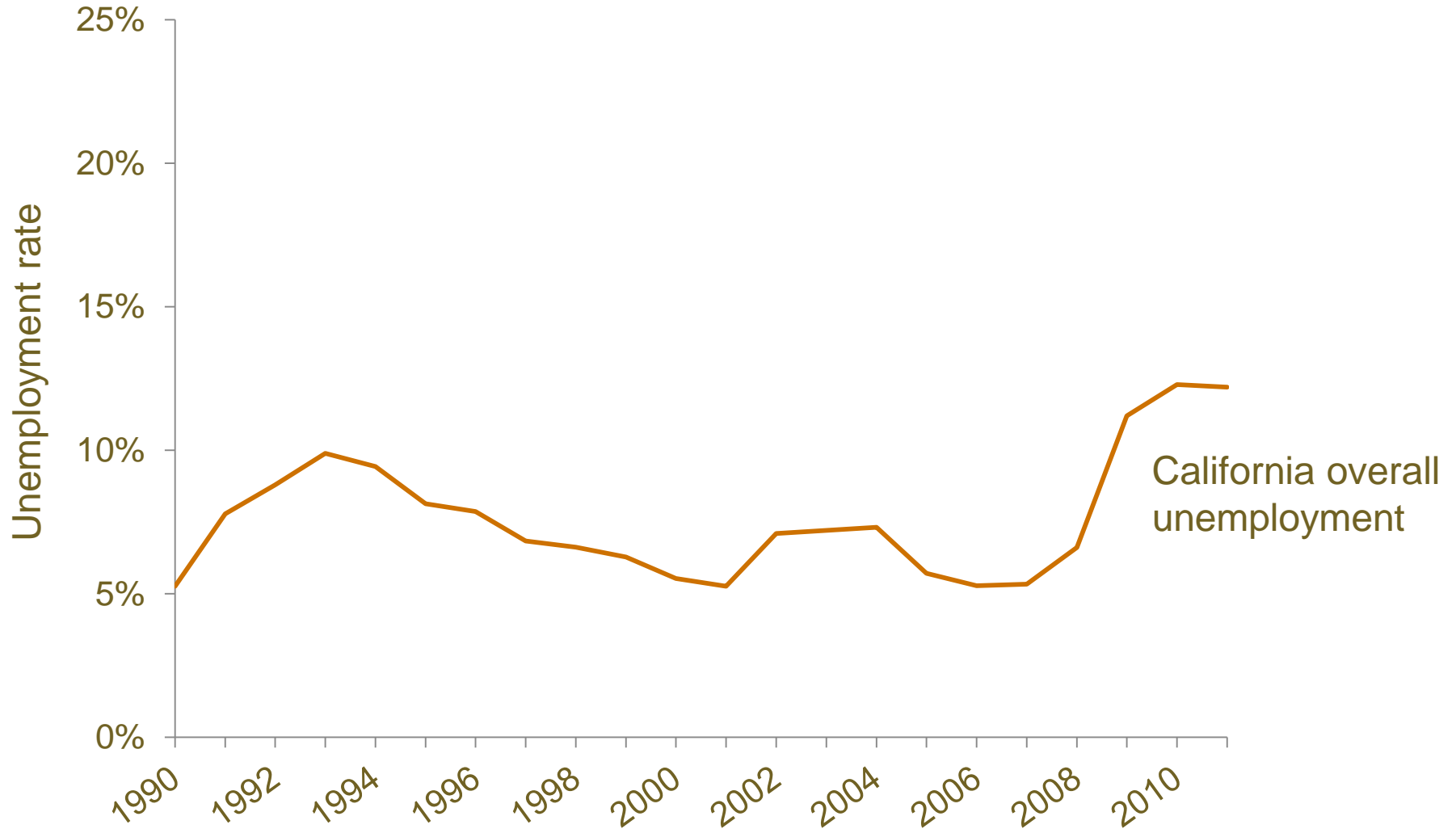
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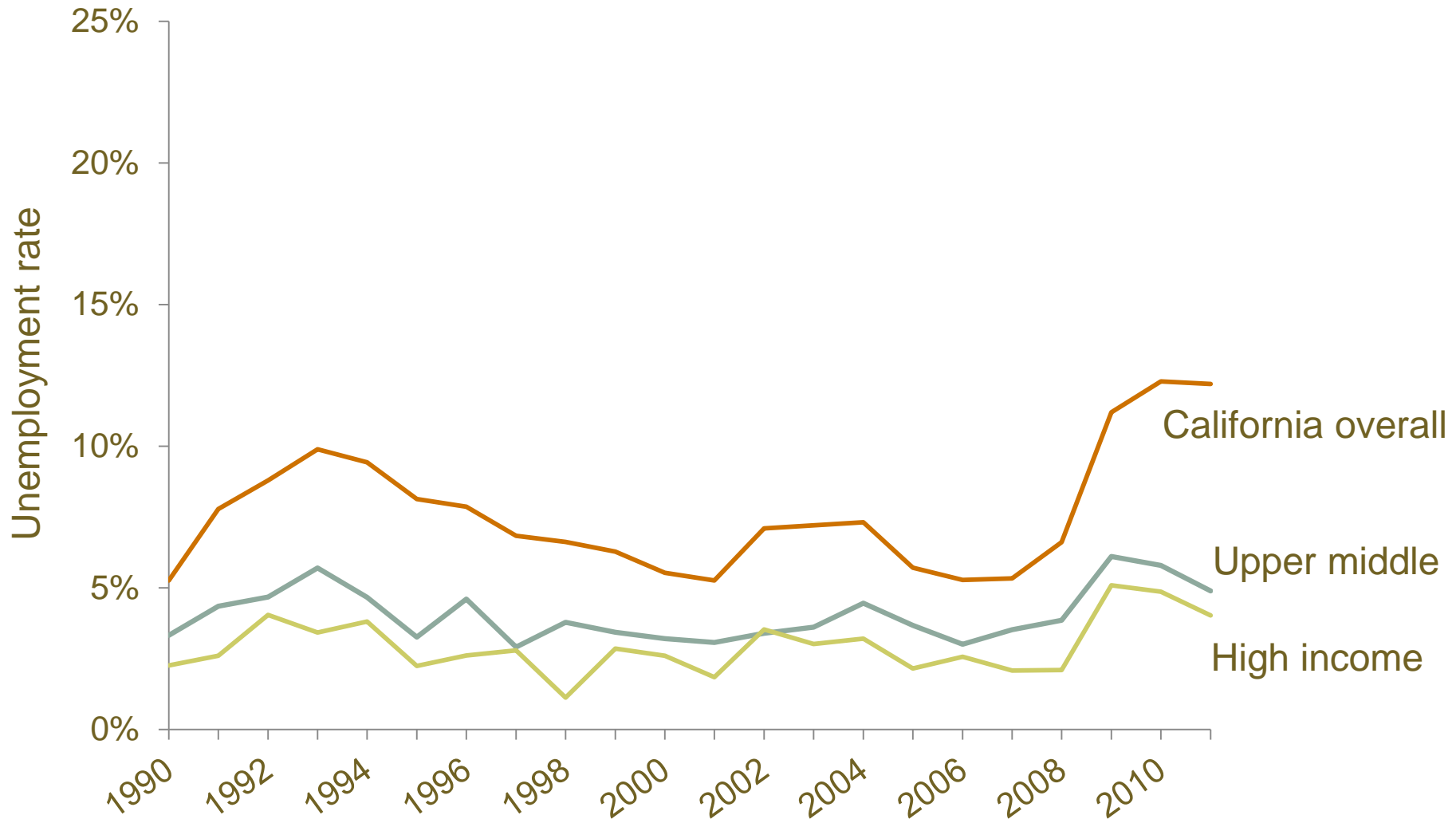
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# Unemployment a Hallmark of the Great Recession

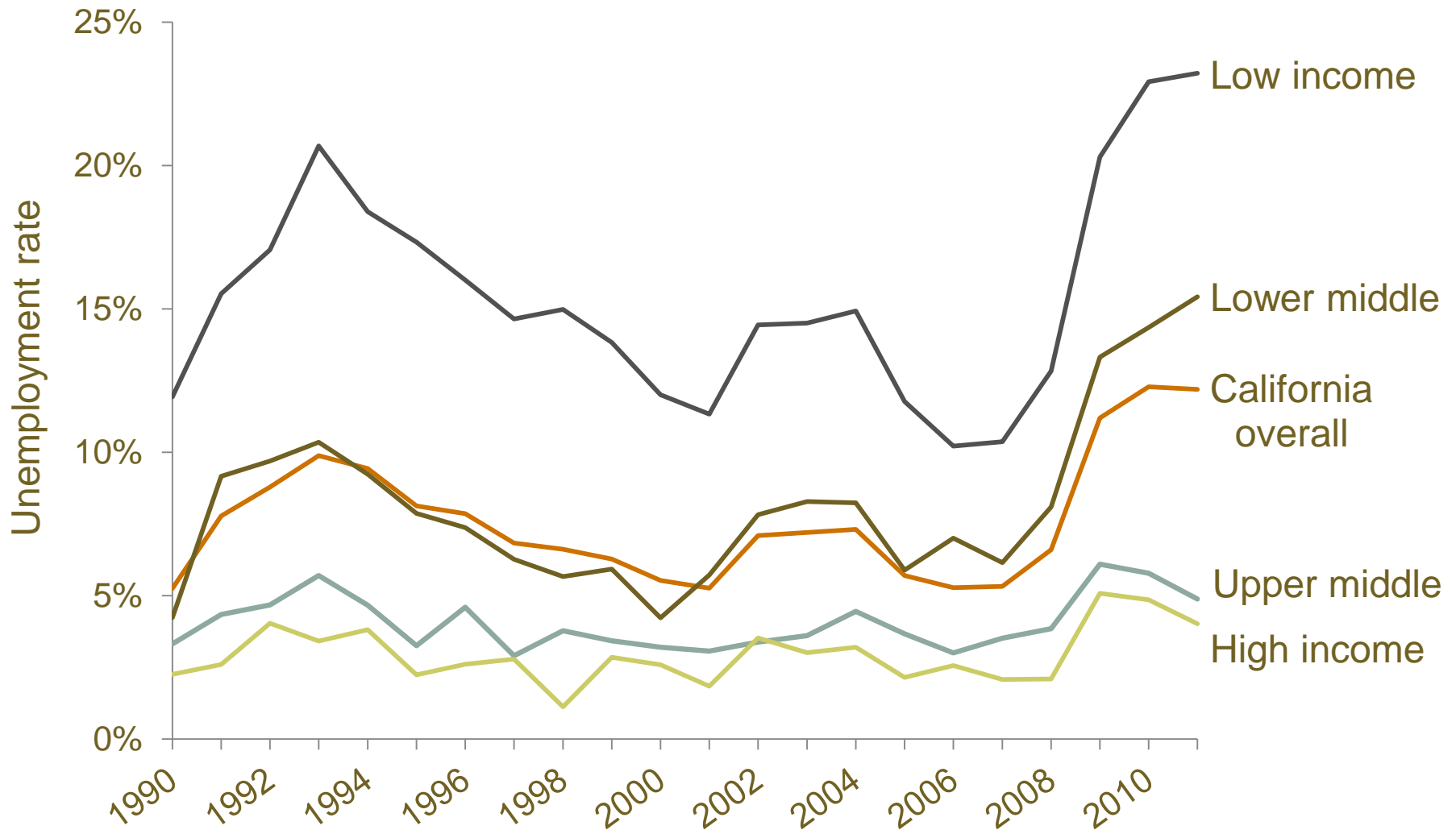


# Turnaround May Be Starting for Higher Income Workers

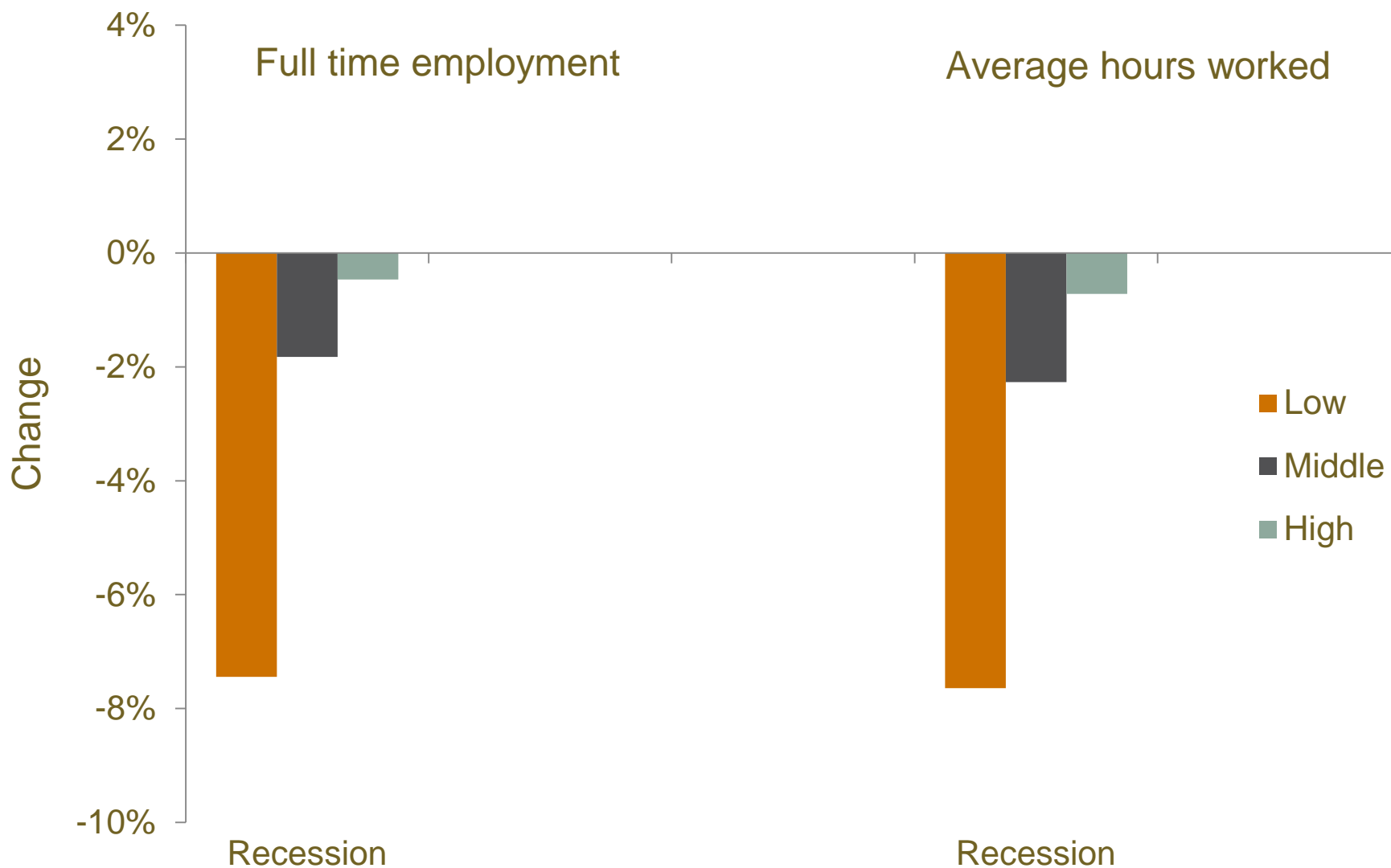




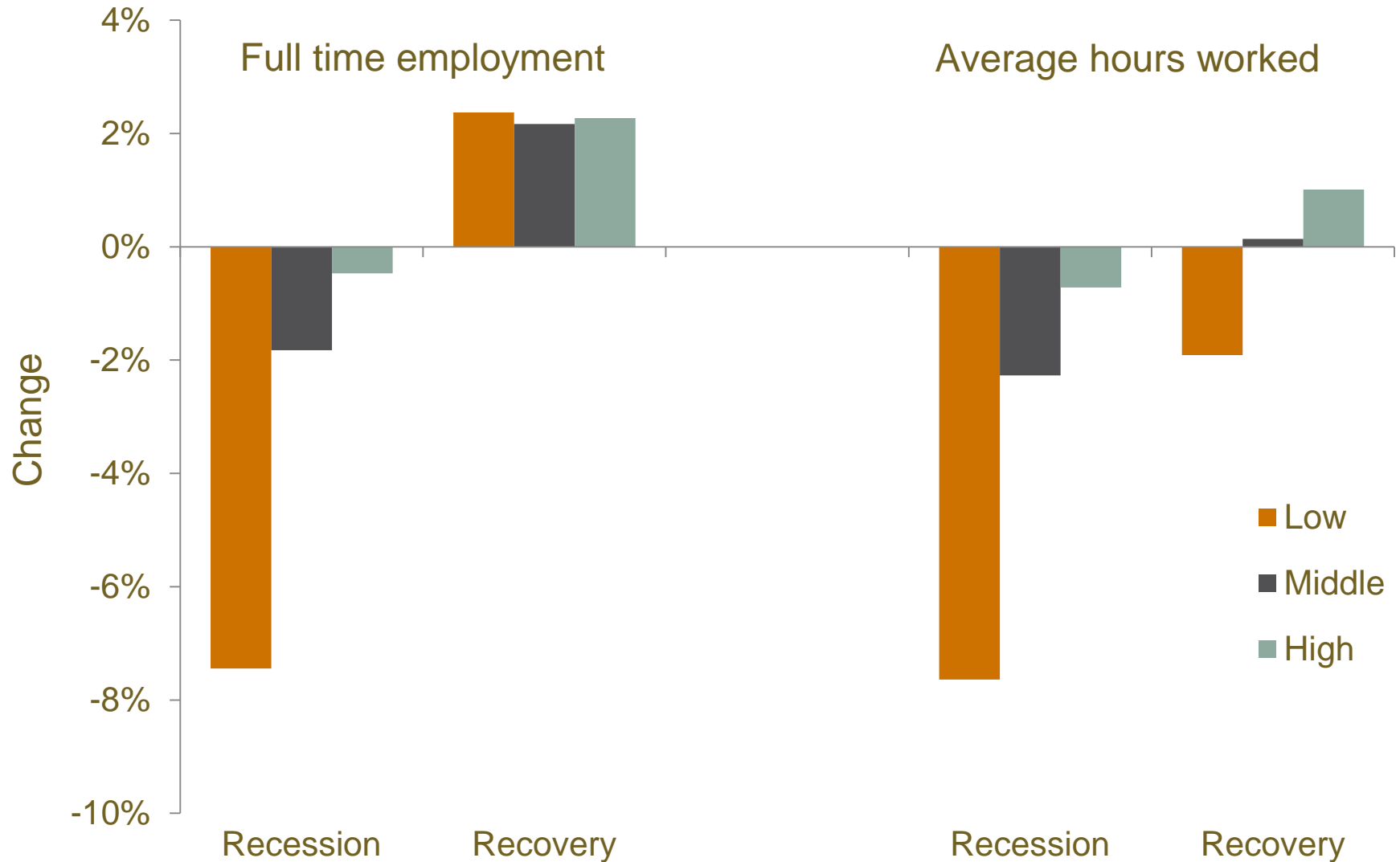
# Picture Remains Bleak for Lower Income Workers



# Underemployment Also Had Sizeable Effects



# Signs of Recovery for Some, But Challenges Remain



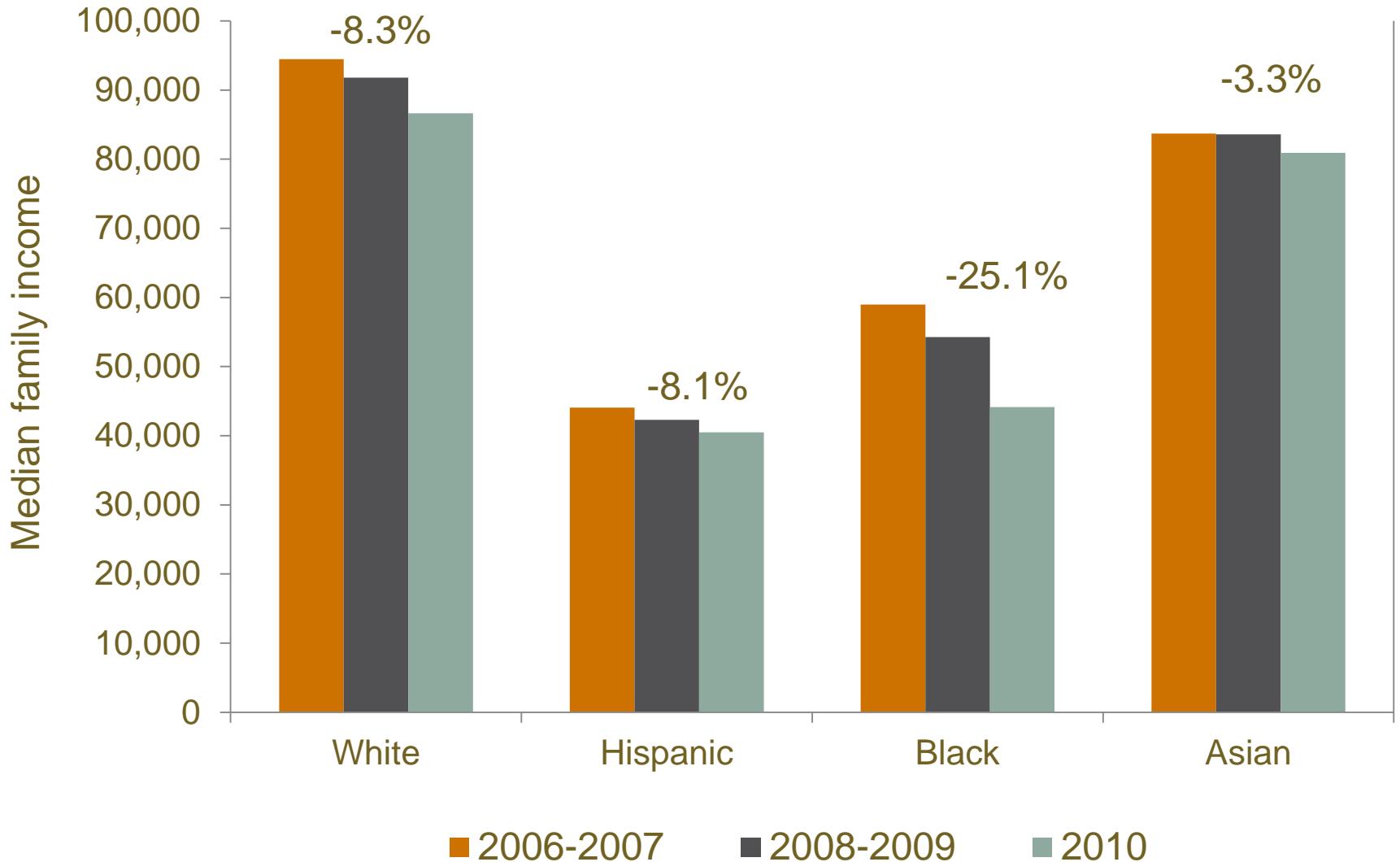
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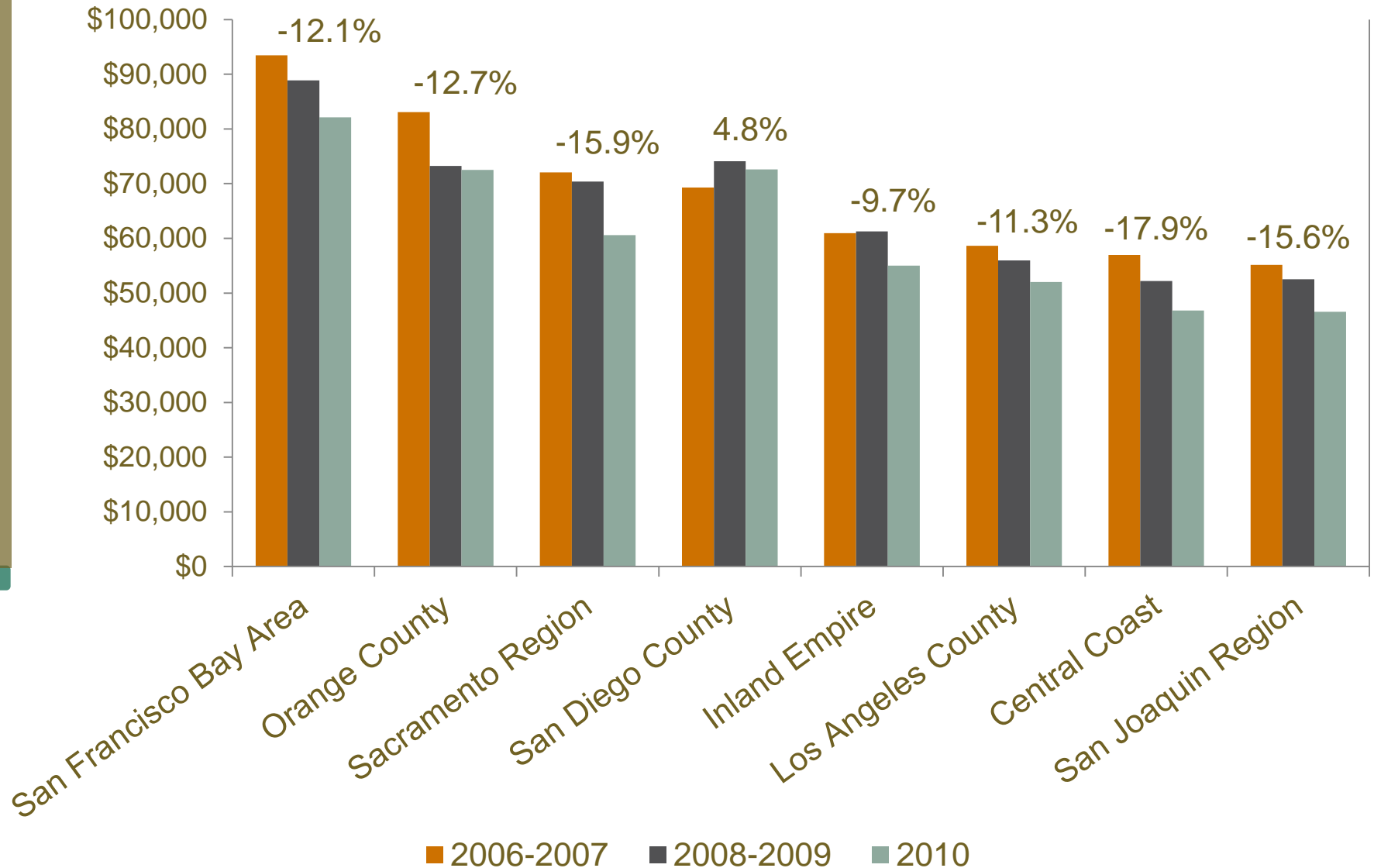
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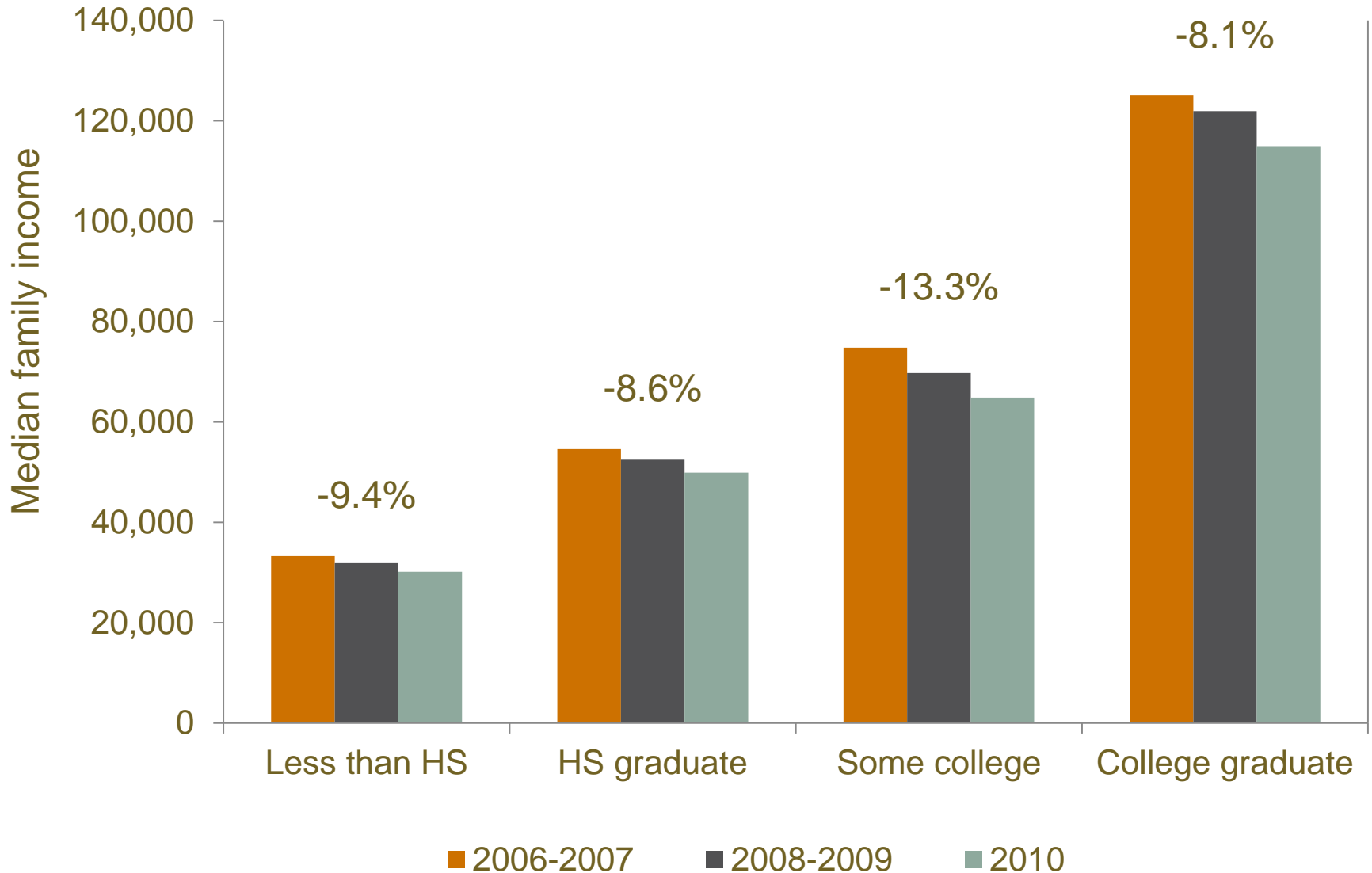
# Black and Hispanic Families Hardest Hit



# Regions Across the State Saw Declines



# Families with More Education Somewhat Buffered



# Outline

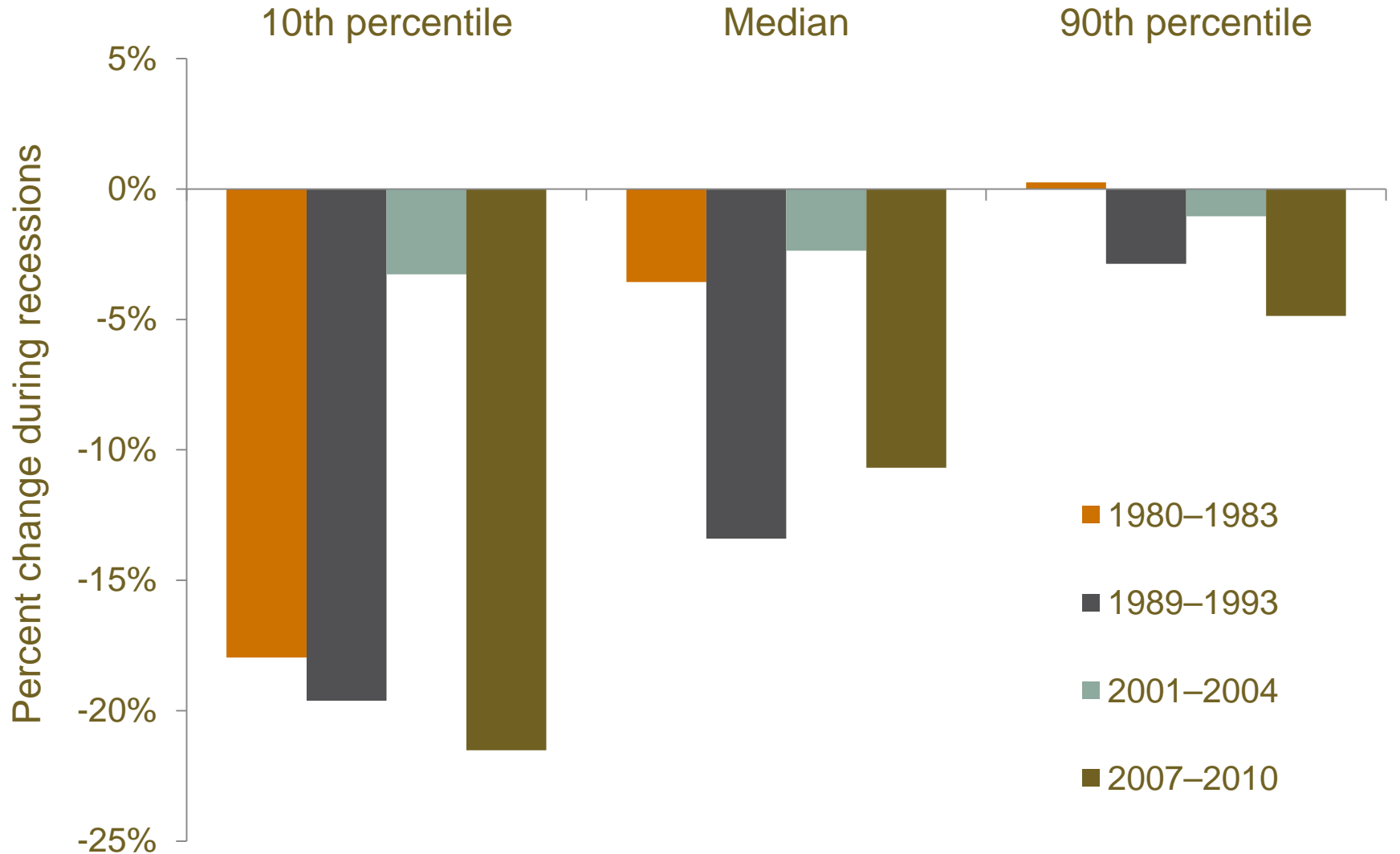
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# Recessions Always Hit Lowest Income Group Hardest



# Current Pattern of Recovery Uncertain

- In past, high income families recovered faster
- Similar recovery could worsen growing inequality



# Conclusions

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- Underemployment, as well as unemployment, affected incomes
  - Policies to promote job creation and full time employment are critical in short-term
- All families affected
  - Those with more education somewhat buffered
  - Promoting opportunity through education is important in long-term



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# Notes on the use of these slides

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These slides were created to accompany a presentation. They do not include full documentation of sources, data samples, methods, and interpretations. To avoid misinterpretations, please contact:

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Thank you for your interest in this work.

