How will the current crisis affect economic opportunity in California?

- Millions of Californians have lost work or income since March
  - Low-income Californians, communities of color, and women have been hardest hit

- Widening income inequality and stagnating economic mobility are long-term challenges
  - Gap between high- and low-income households has been growing
  - Concern that crisis will amplify longstanding disparities
Family incomes have polarized over the past 40 years.
Past recessions had the most severe impact on low-income families.
The current recession is following the same—or a worse—trajectory

- The effects are concentrated among:
  - Low-income families
  - African American and Latino workers
  - Workers with lower levels of educational attainment
  - Women
Unemployment is much higher among low-income families
Policies can support an equitable recovery

- Moving the needle on economic disparities will not be easy
  - Policy choices are not costless and have important tradeoffs
- Near-term control of COVID-19 and stabilization of the economy, businesses, and families are key
  - These efforts should be targeted
- Long-term priorities must address systemic disparities, account for a shifting future of work, and invest in what works
Most Californians say state should do more to reduce inequality

% saying state should do more to reduce gap between the rich and poor

<table>
<thead>
<tr>
<th>Groups</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Californians</td>
<td>59</td>
</tr>
<tr>
<td>African Americans</td>
<td>73</td>
</tr>
<tr>
<td>Asian Americans</td>
<td>65</td>
</tr>
<tr>
<td>Latinos</td>
<td>69</td>
</tr>
<tr>
<td>Whites</td>
<td>50</td>
</tr>
<tr>
<td>Less than $40,000</td>
<td>68</td>
</tr>
<tr>
<td>$40,000 to under $80,000</td>
<td>57</td>
</tr>
<tr>
<td>$80,000 or more</td>
<td>53</td>
</tr>
</tbody>
</table>
What policy levers are available to the state?

- Safety net expansions
- Training and education
- Dependent care
- Employment policy
- Tax policy
- Housing costs and protections
## Policy recommendations

### Short term

- Target efforts to the most-affected Californians
- Invest in future-oriented training for workers in hardest-hit sectors and regions
- Expand availability and subsidies for dependent care

### Long term

- Invest in child care and early education
- Expand access and capacity to higher education
- Address racial and regional disparities in opportunity
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.