

Income Inequality and Economic Opportunity in California

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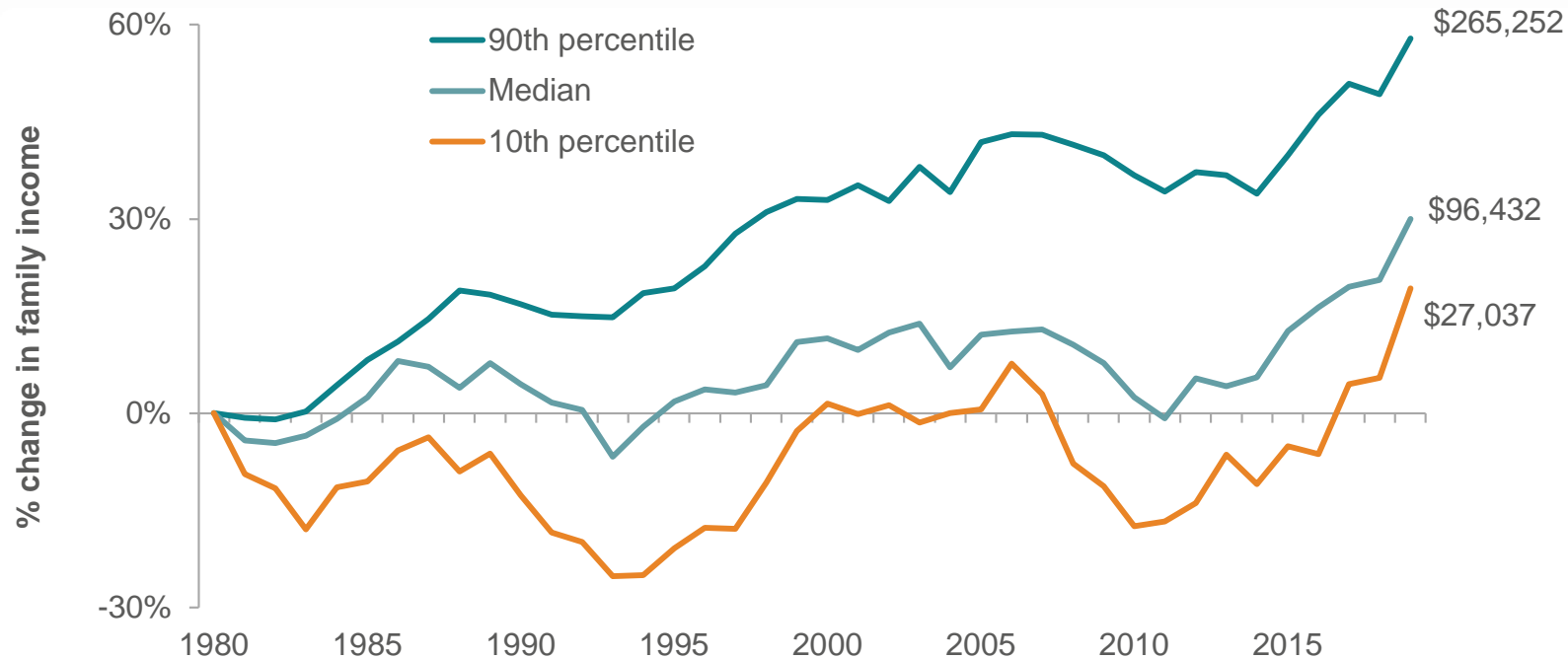
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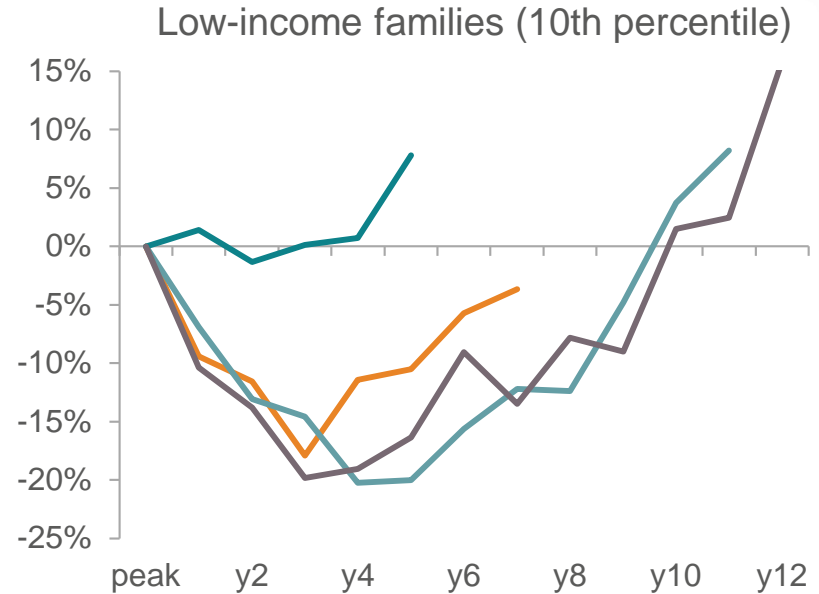
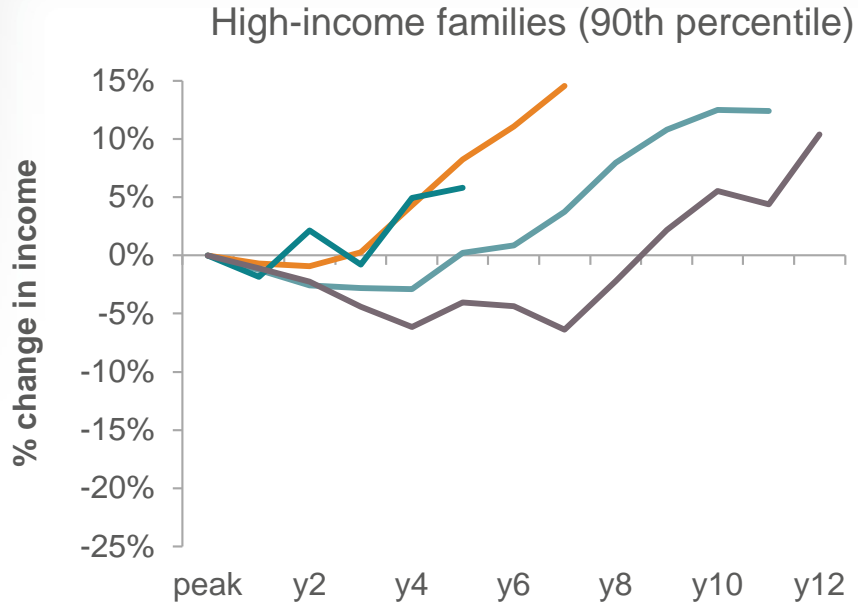
How will the current crisis affect economic opportunity in California?

- 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

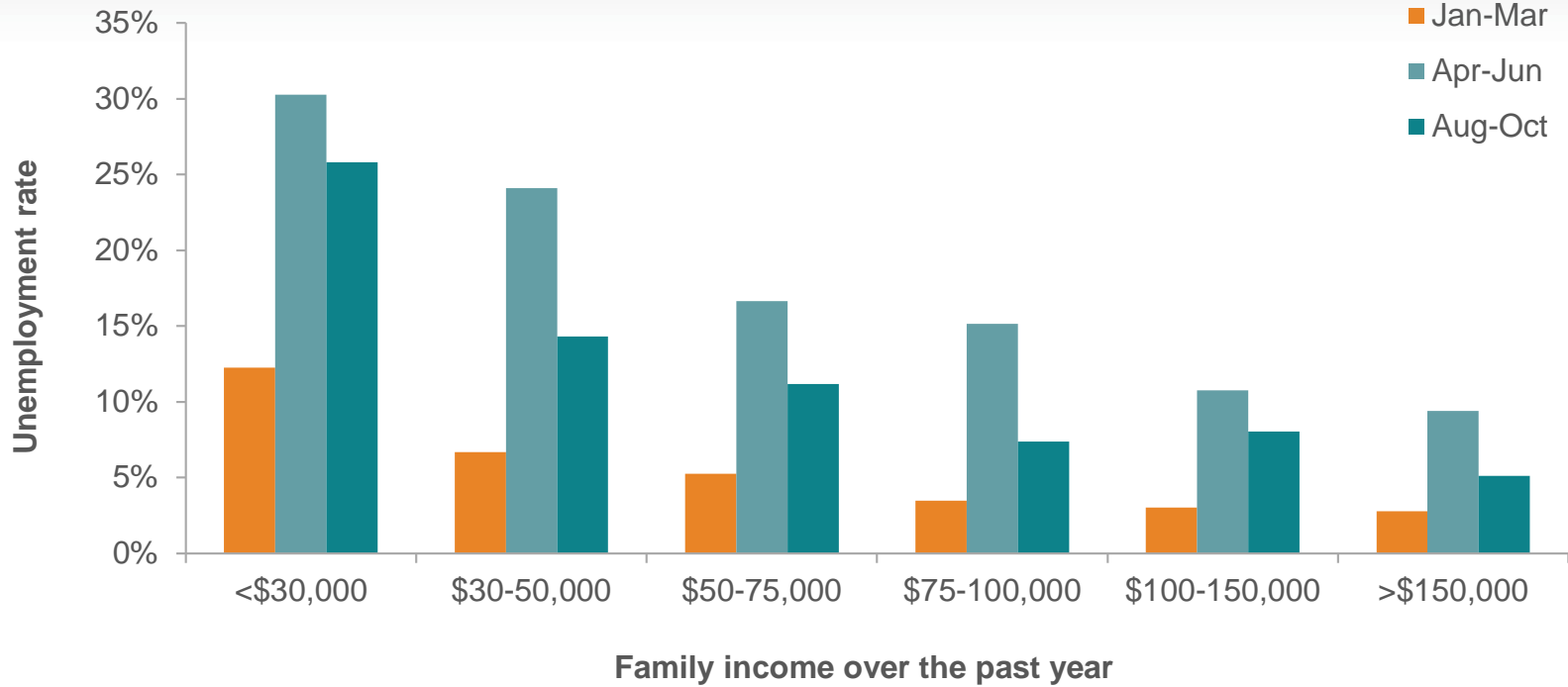


— 1980 — 1989 — 2001 — 2007

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

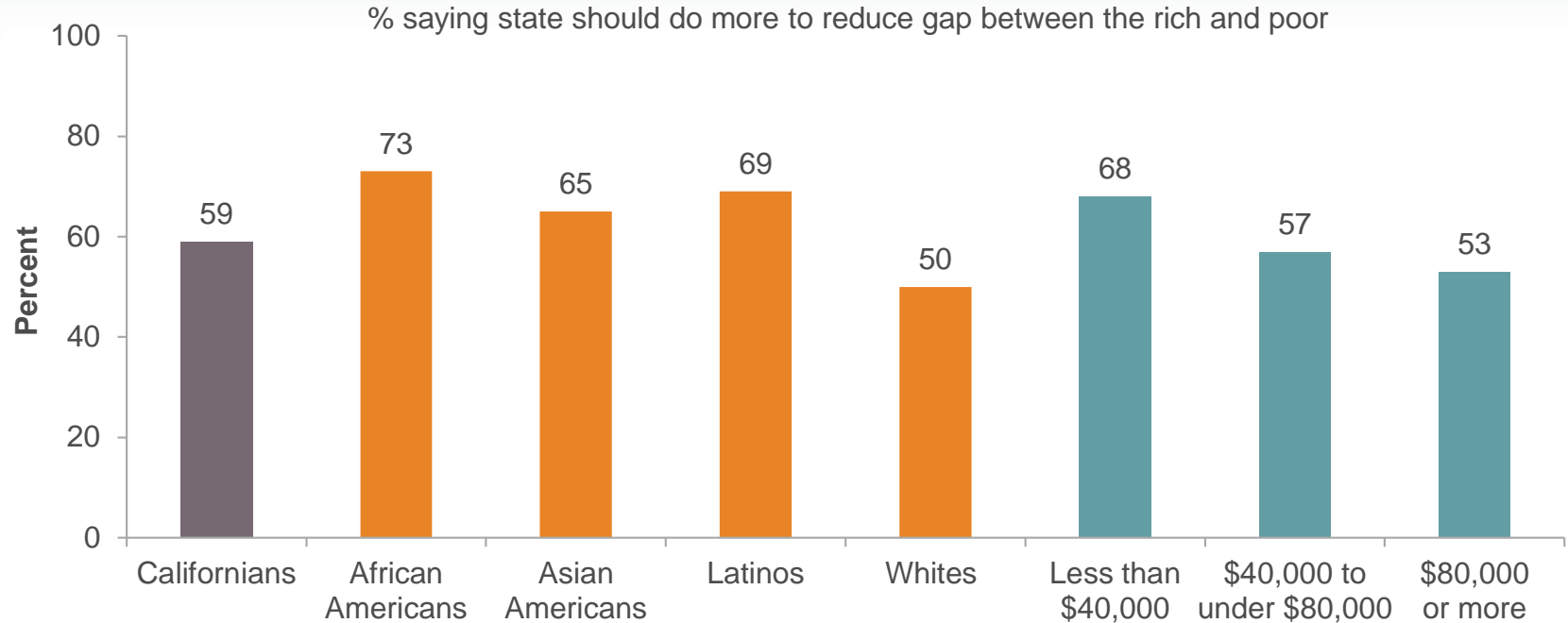
Unemployment is much higher among low-income families



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



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

Notes on the use of these slides

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.