

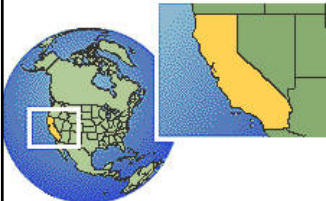
The New Demography, the New Economy, and the New Inequality: Tackling Poverty in a Time of Crisis

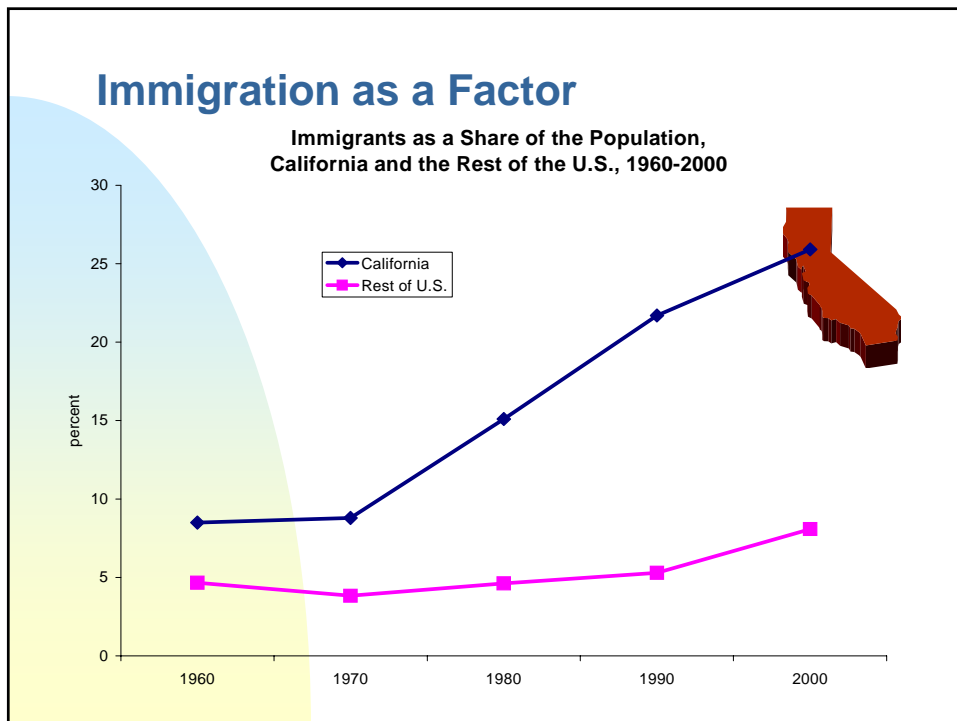
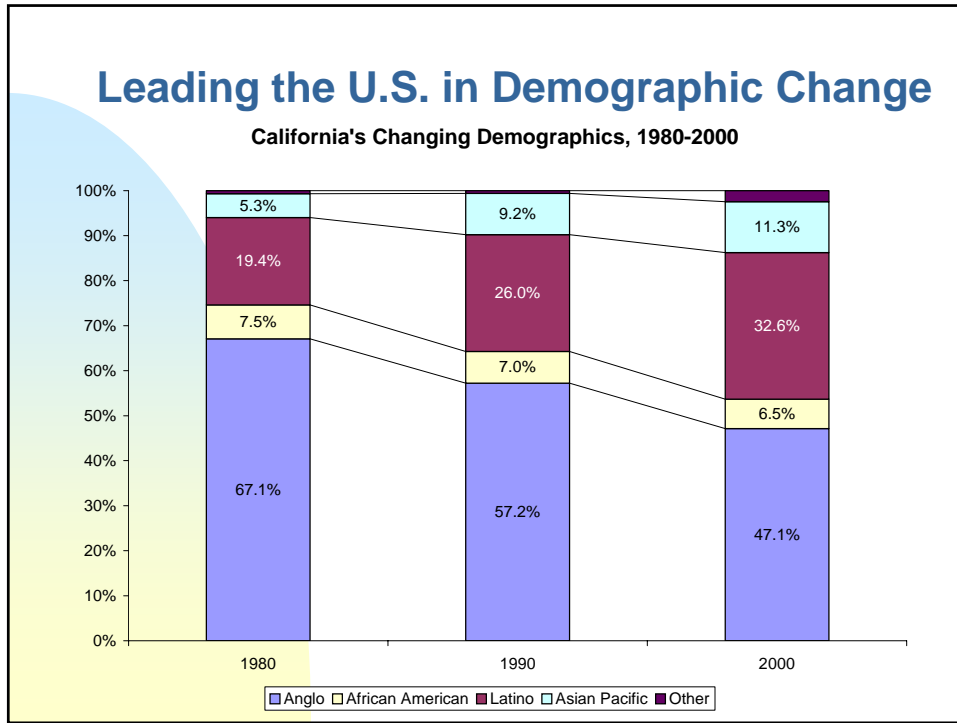
Manuel Pastor
October 2009



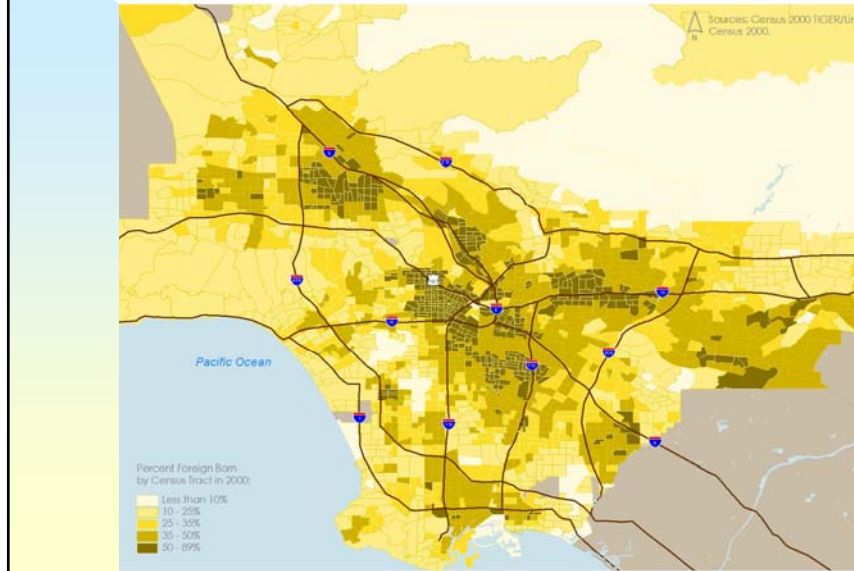
La Conyuntura vs. the Long-run

- We tend to think about short-term pressures and politics . . .
 - . . . So we better look long-term as well.
- Three trends –demographic, distributional, economic – are rocking California, and set the stage for both short- and long-term





Foreign Born Population by Census Tract



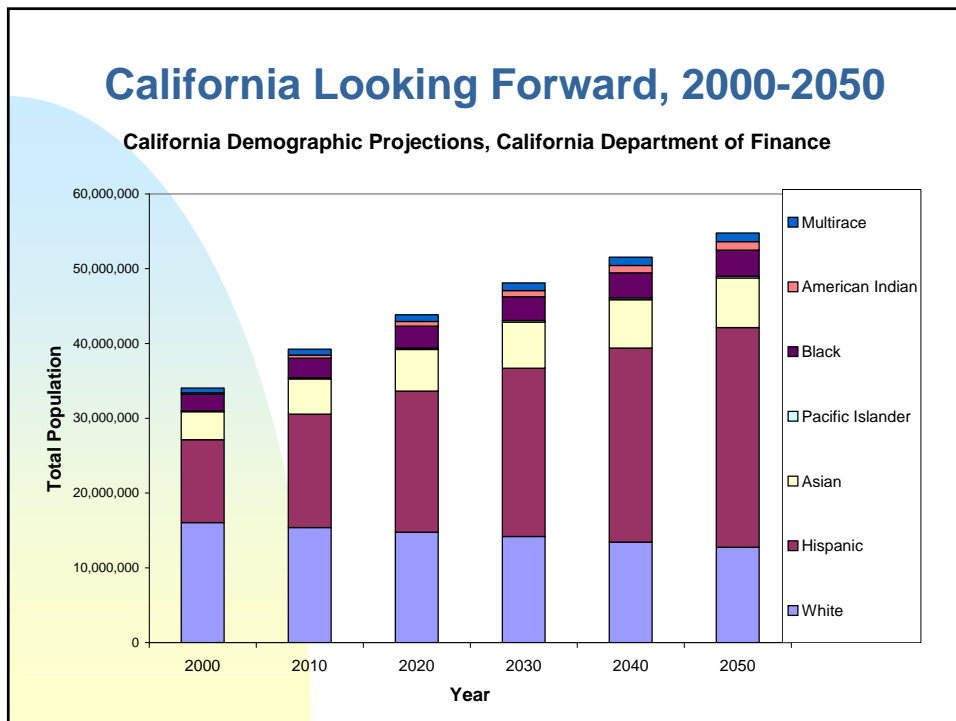
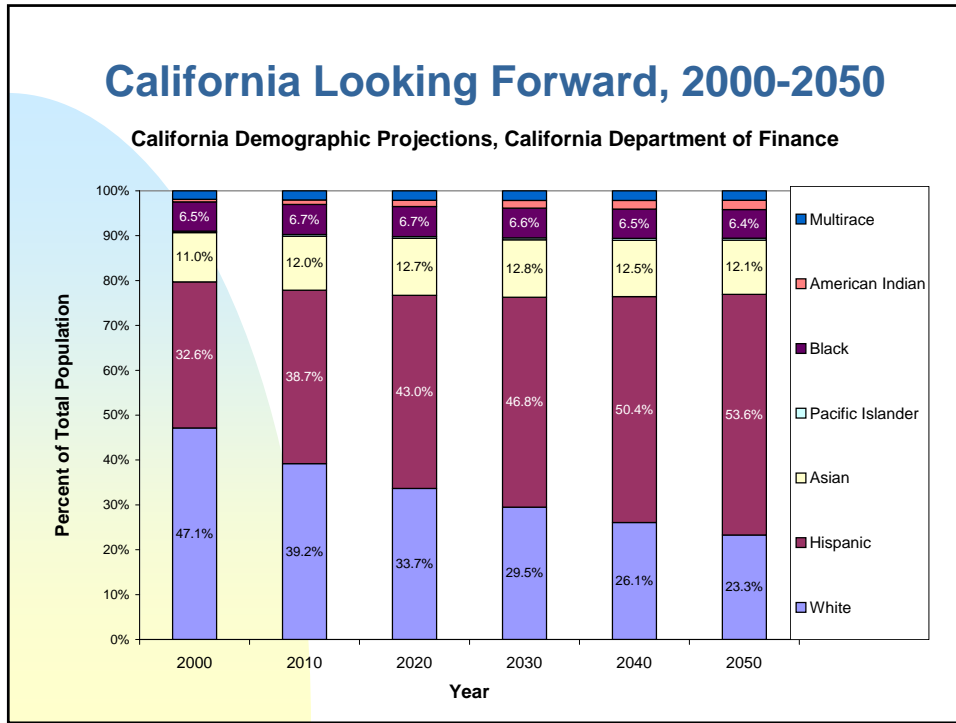
Looking Forward . . .

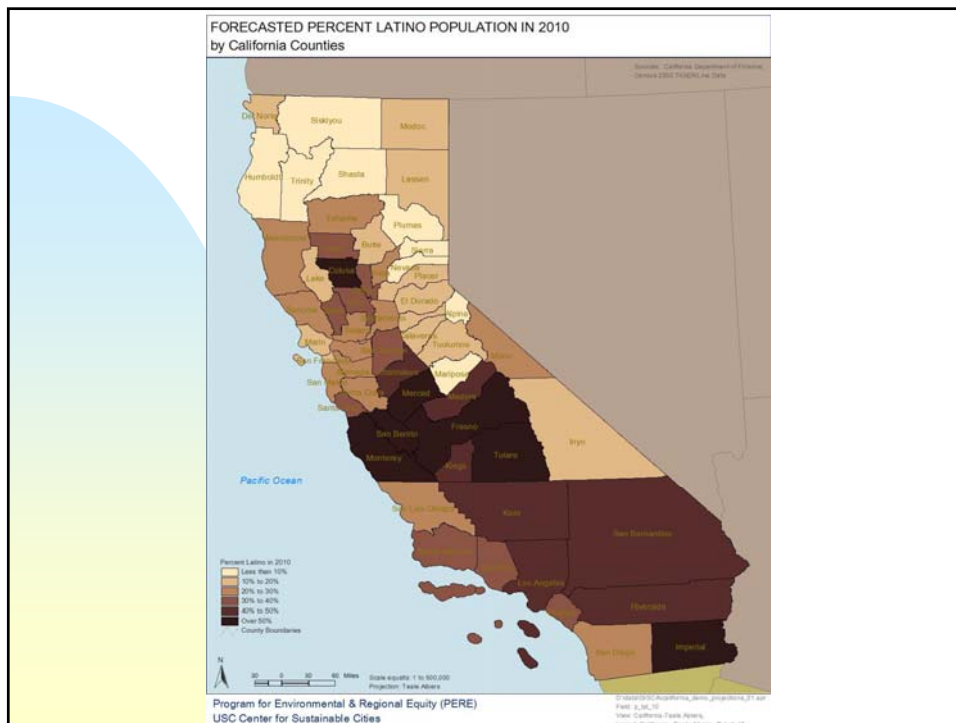
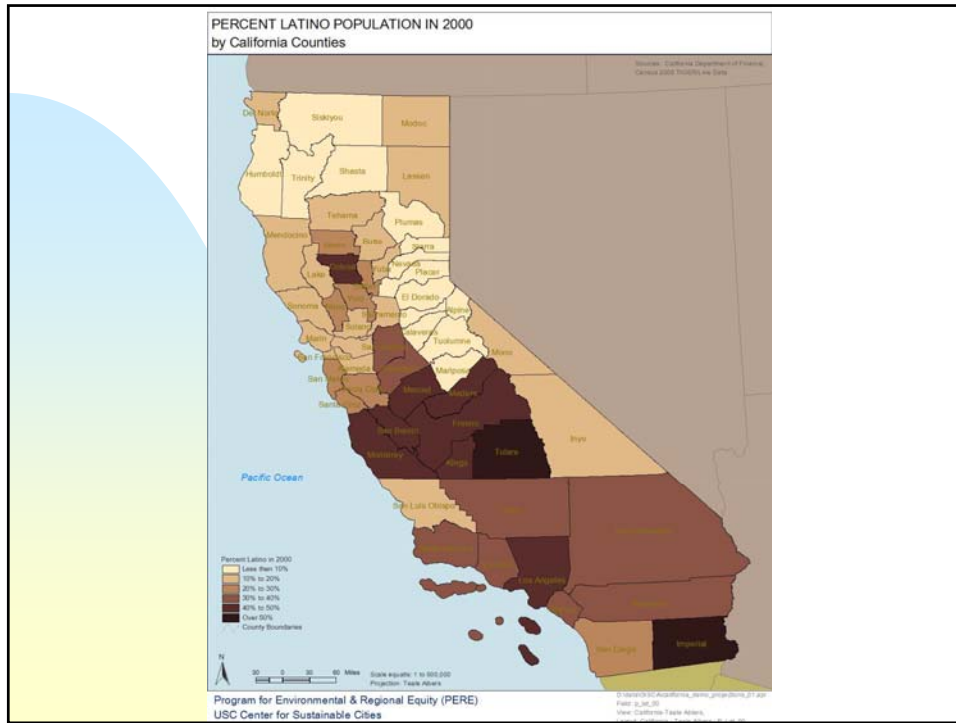
Immigrants are:

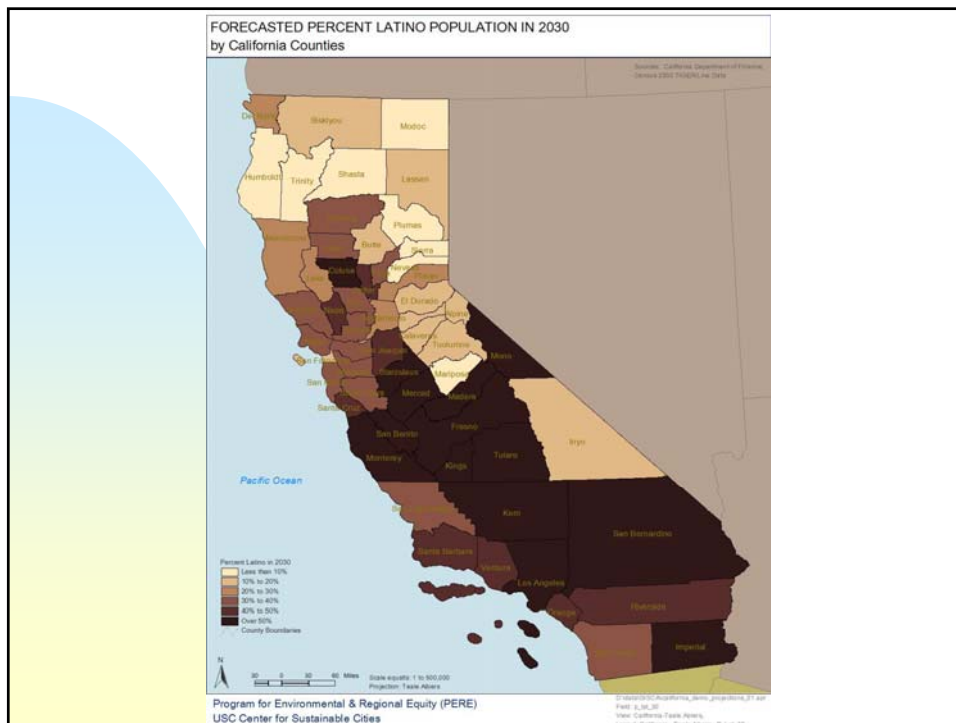
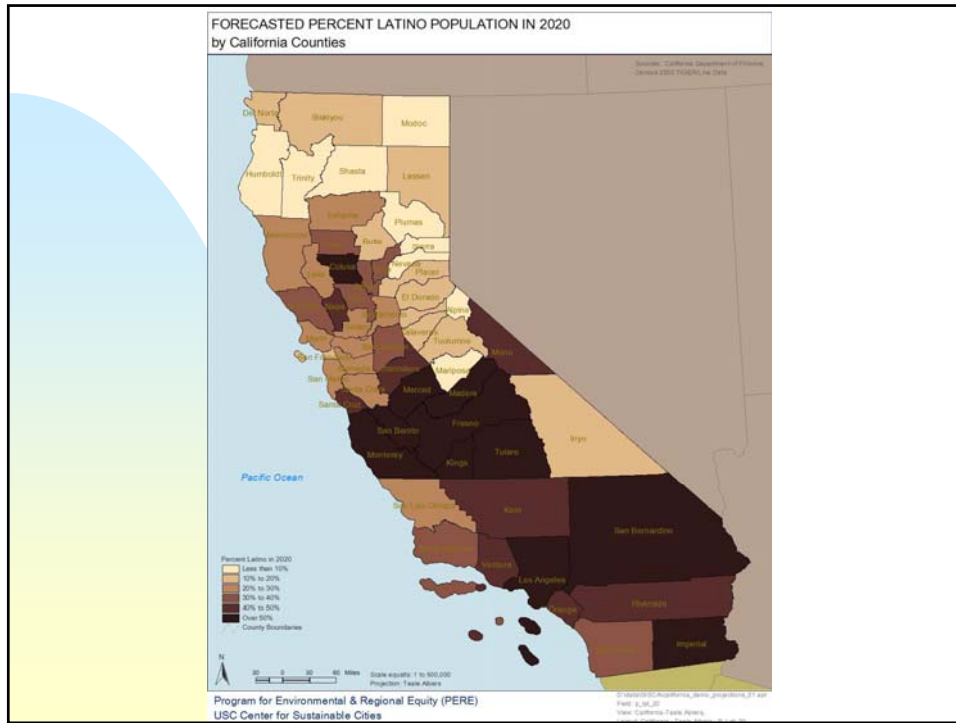
- **One in three** County residents
- **46 percent** of the LA County workforce
- Children of immigrants are **64 percent** of all LA County children
- Of the children of immigrant parents, **nearly ninety percent** are US citizens

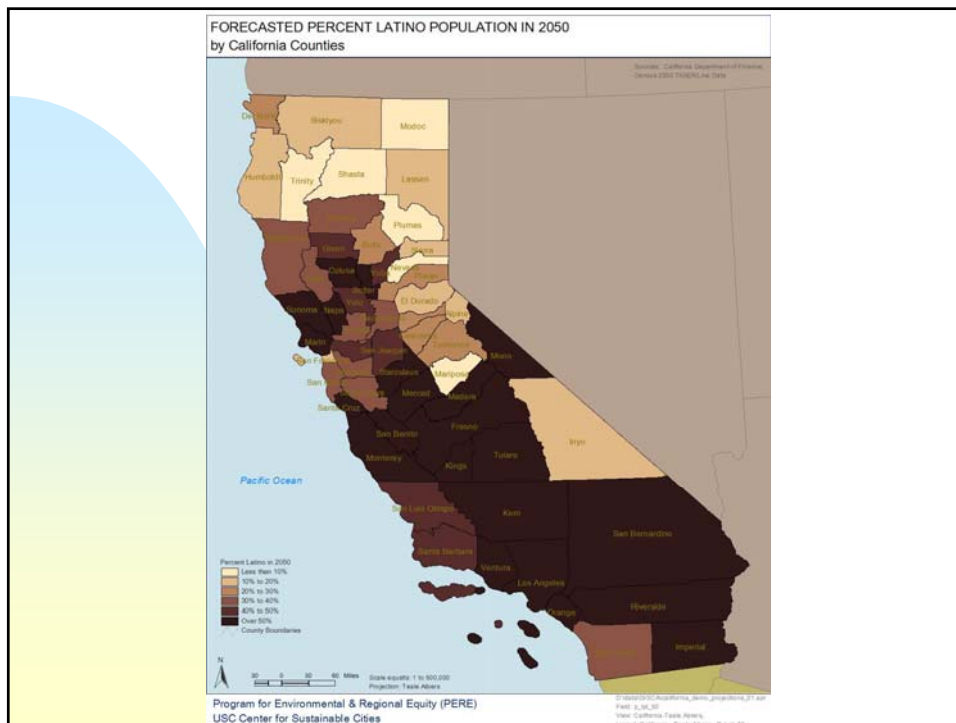
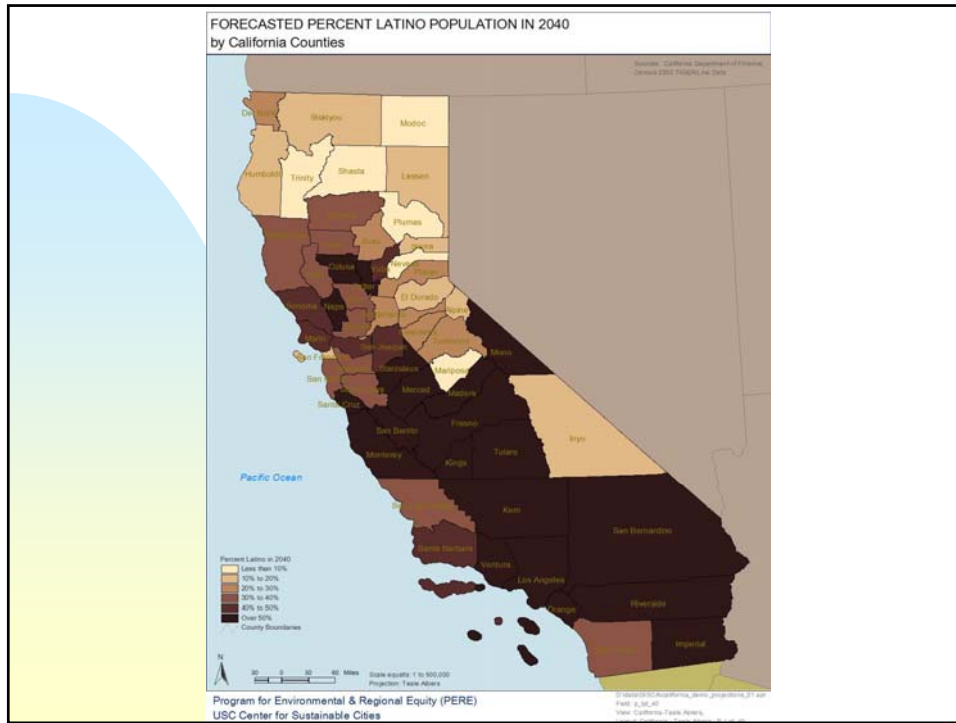


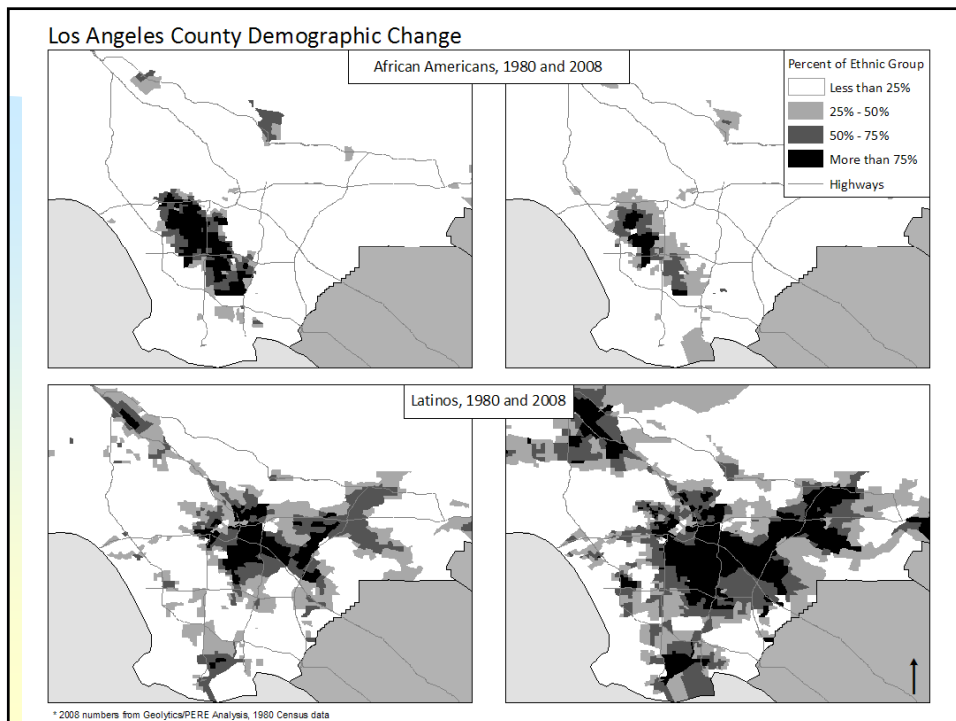
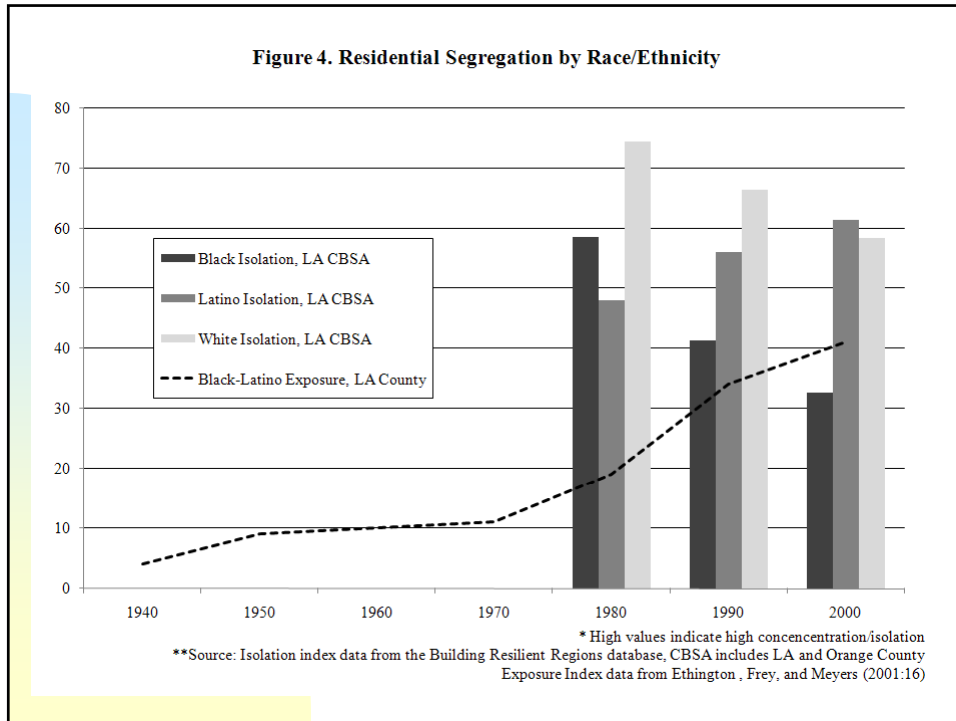
Source: PERE analysis of 2006 ACS data

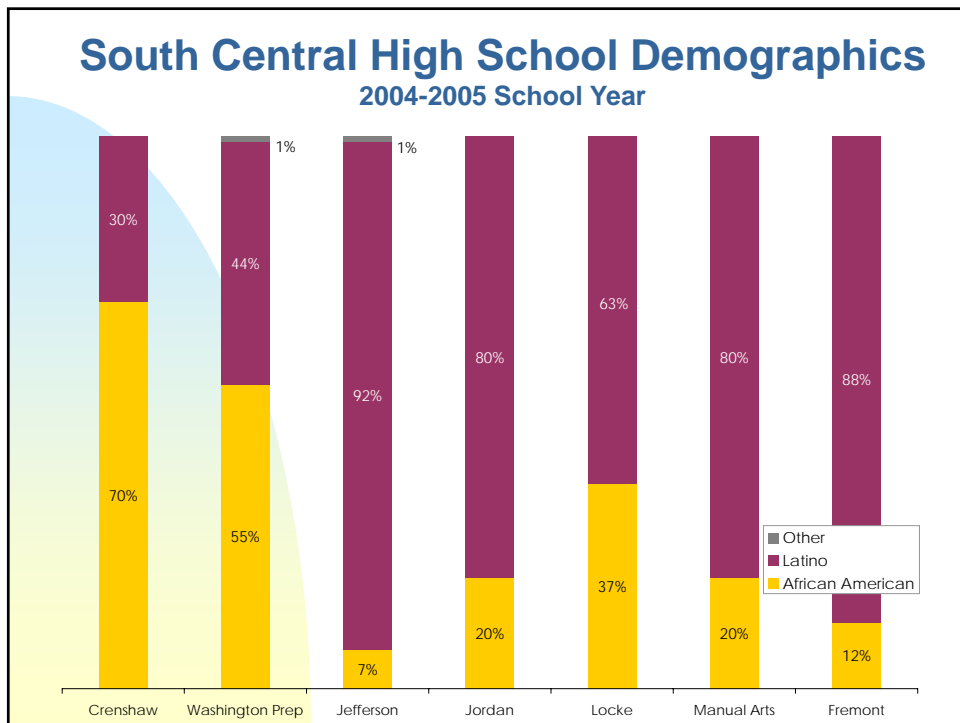
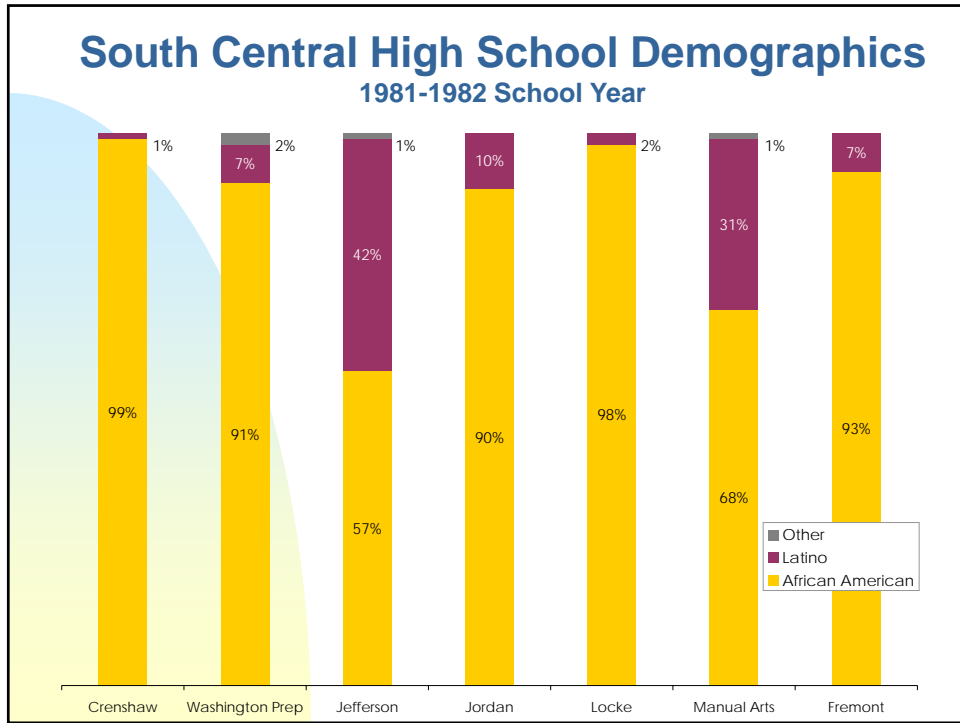


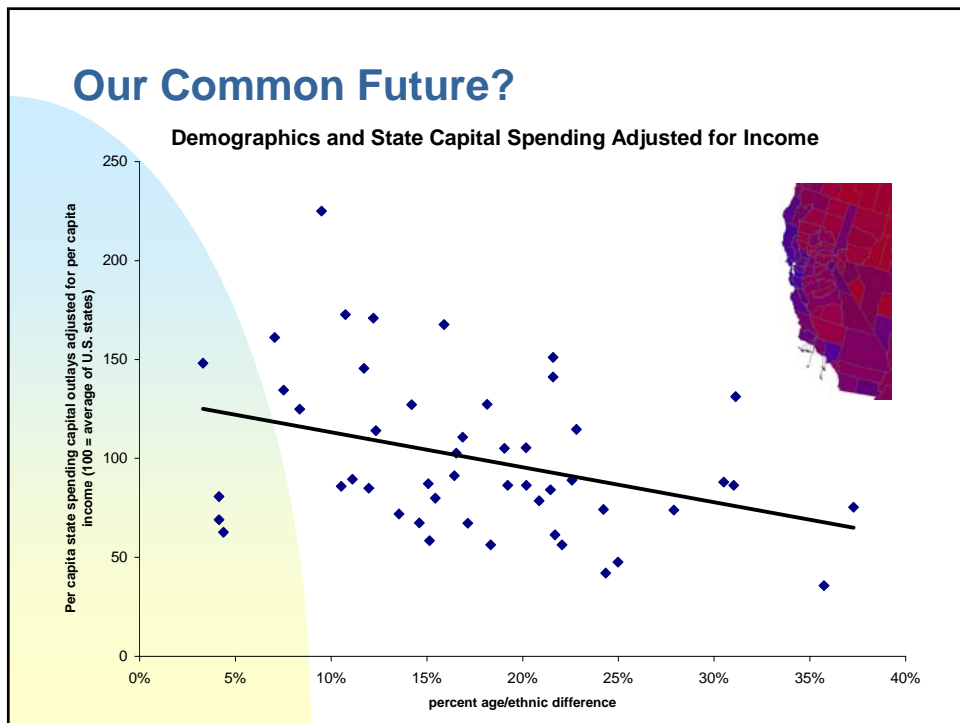
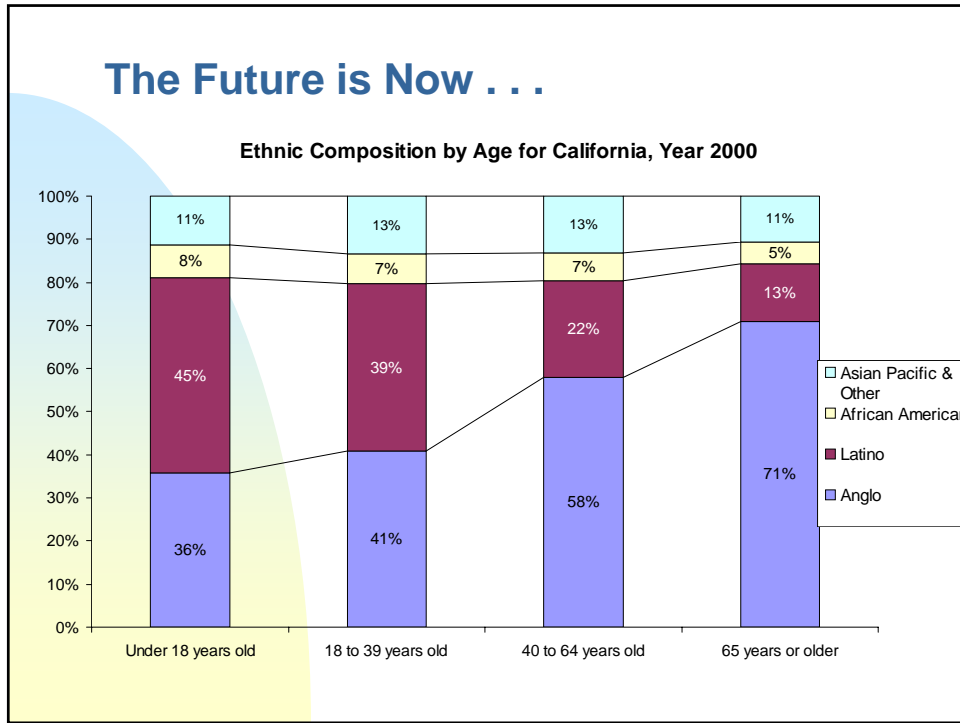












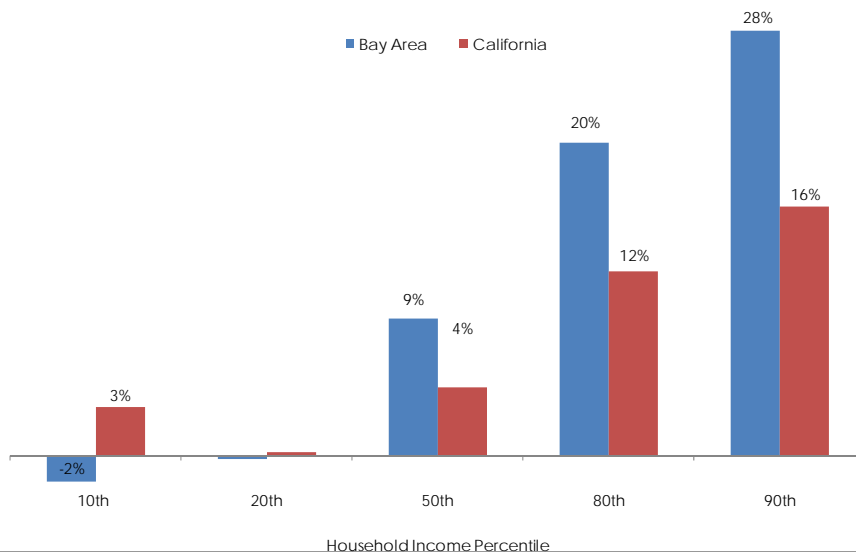
California Also Leading in Inequality . . .

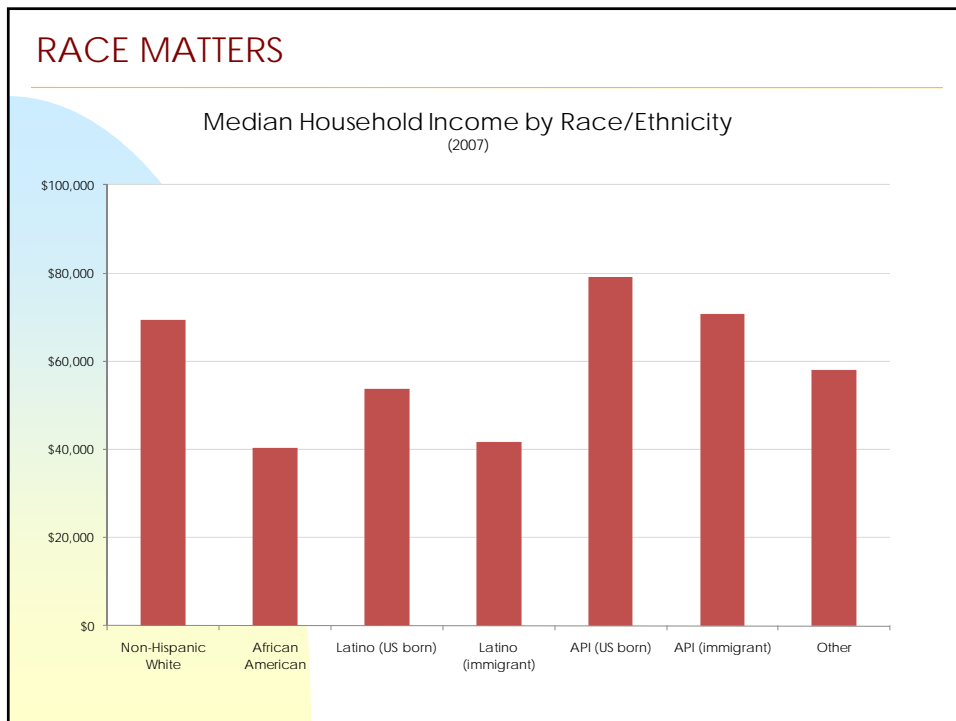
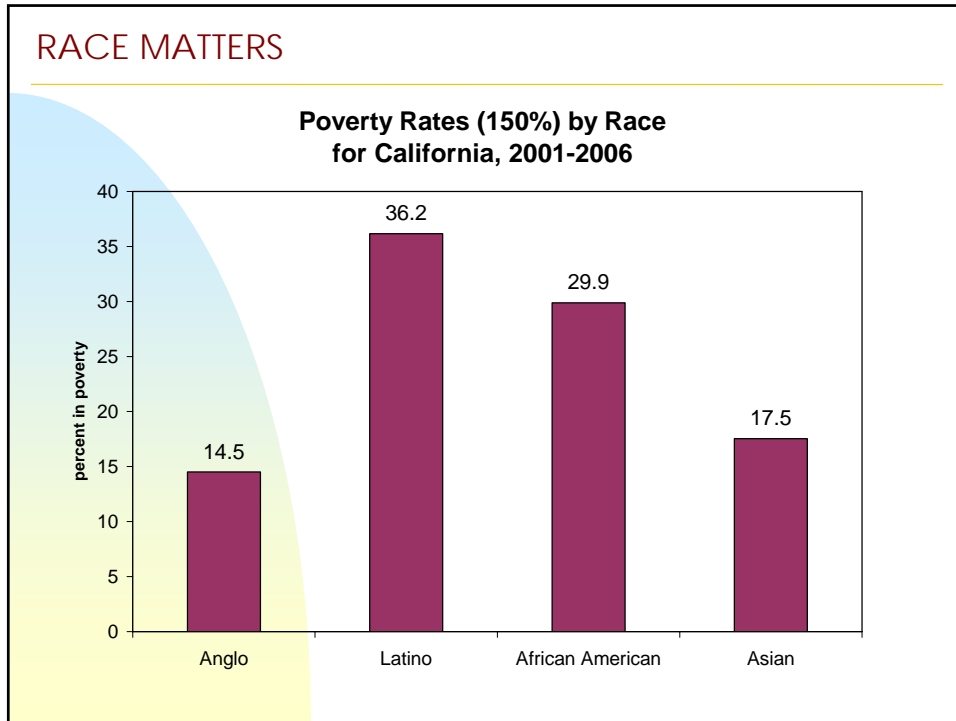
- Considering the ratio of the top fifth of families to bottom fifth of families, we are the **sixth most unequal** state
- Considering the ratio of the top five percent of families to the bottom fifth of families, we are the **eighth most unequal** state
- And we are becoming **more unequal faster** than thirty-two other states.

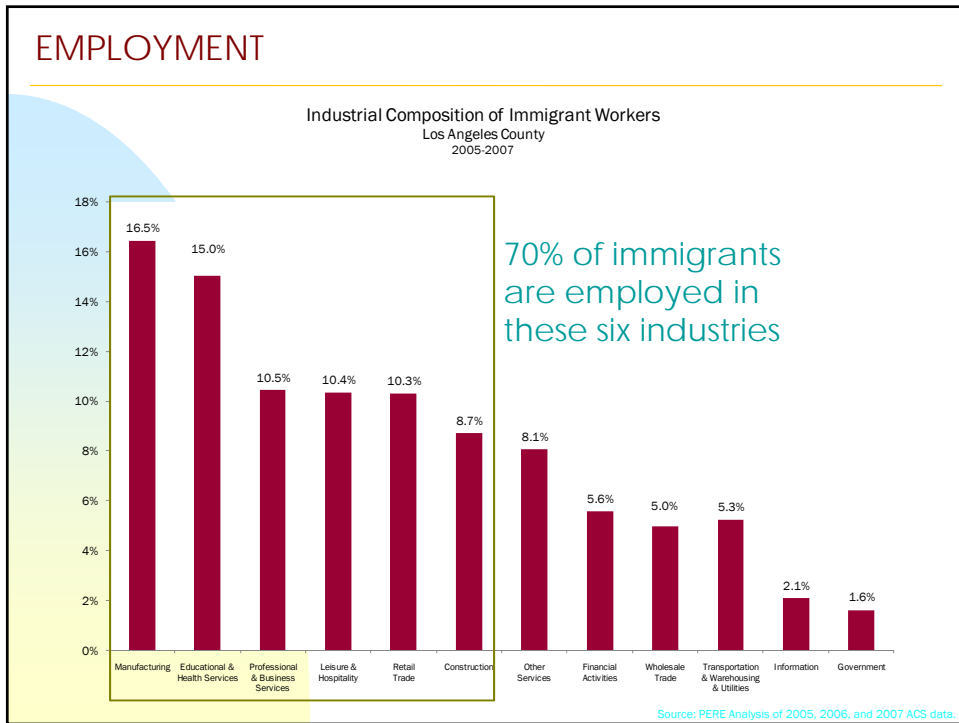
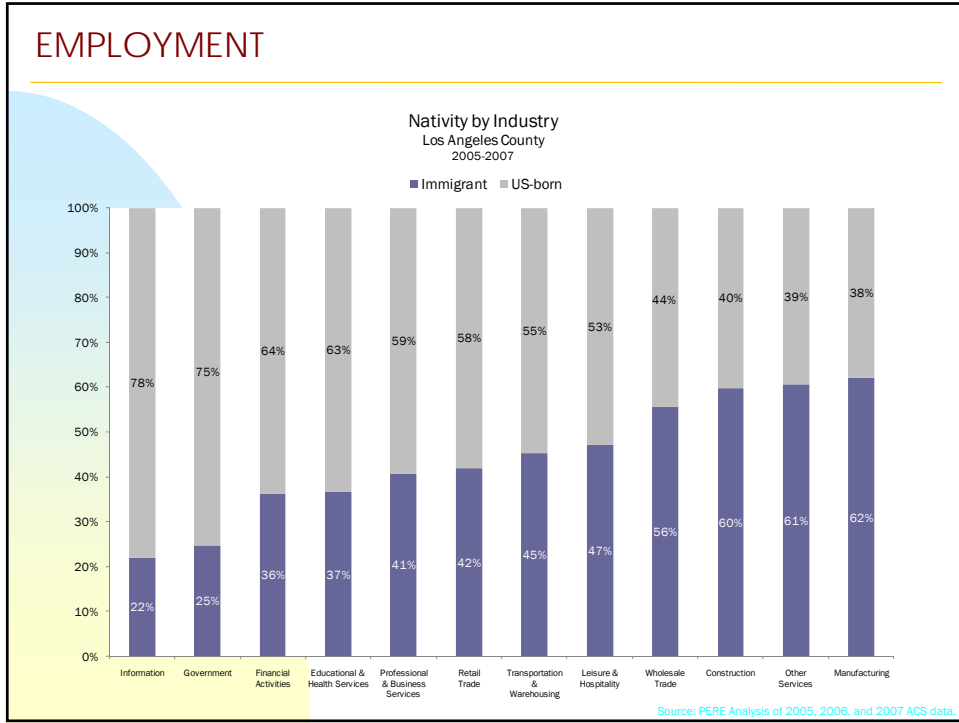


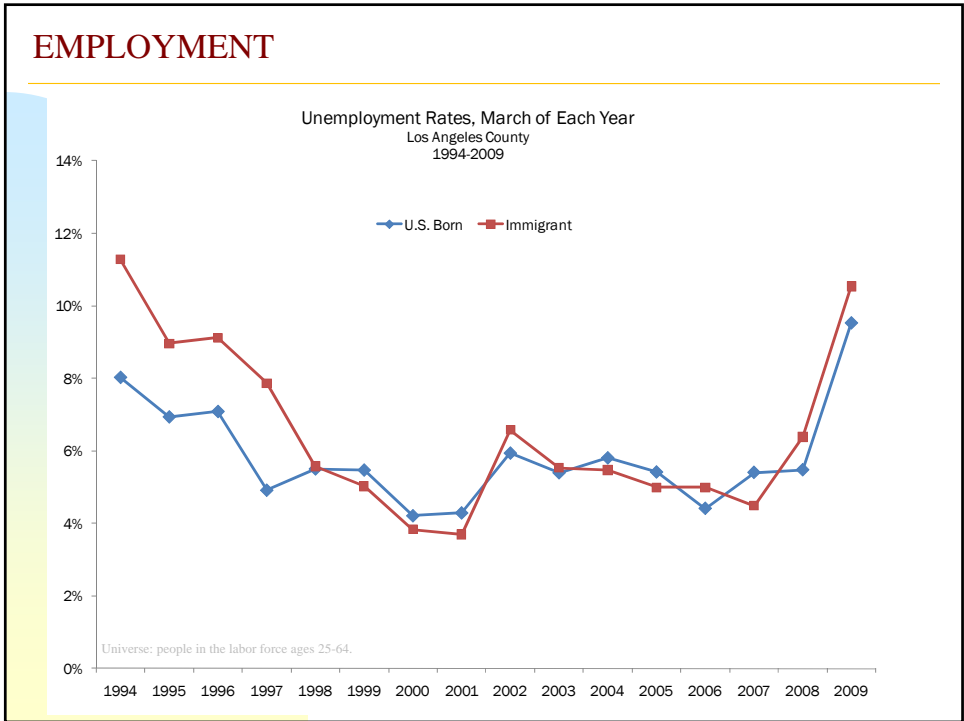
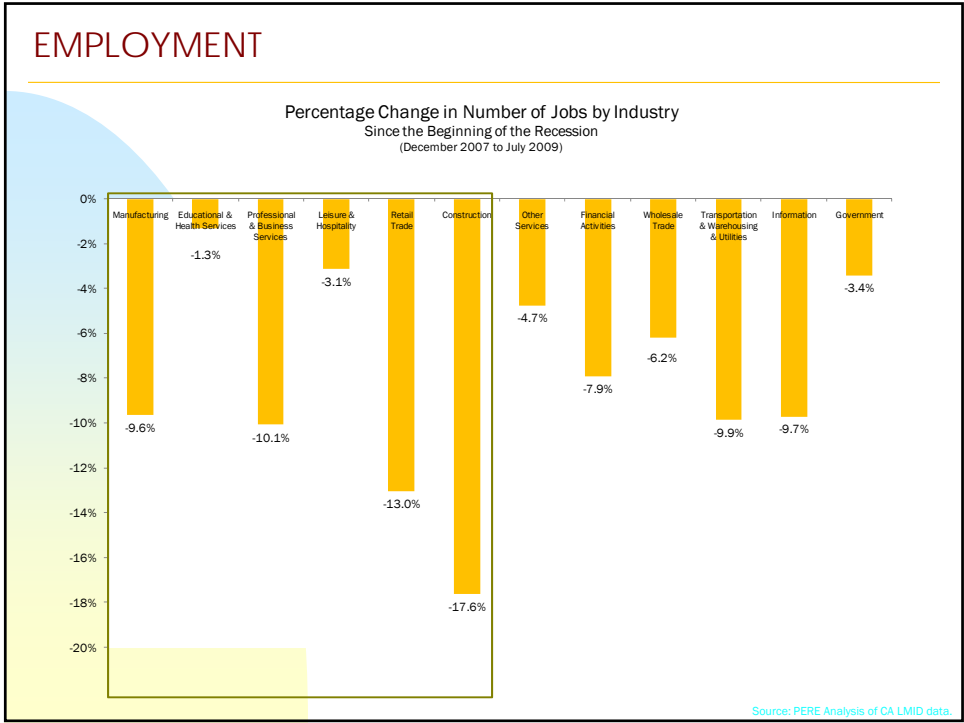
THE NEW ECONOMY

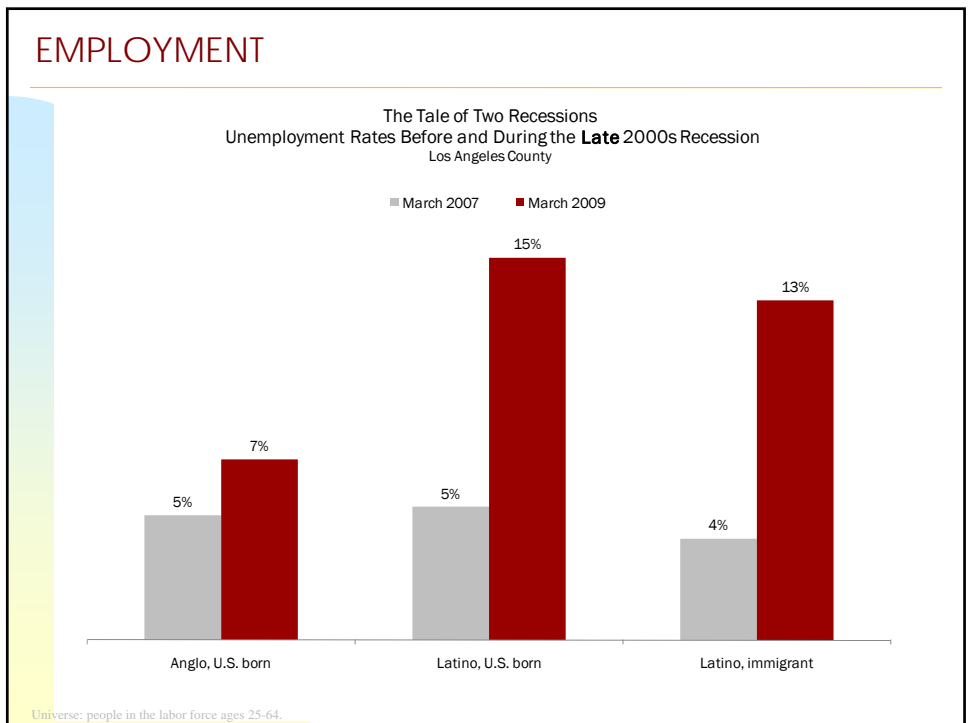
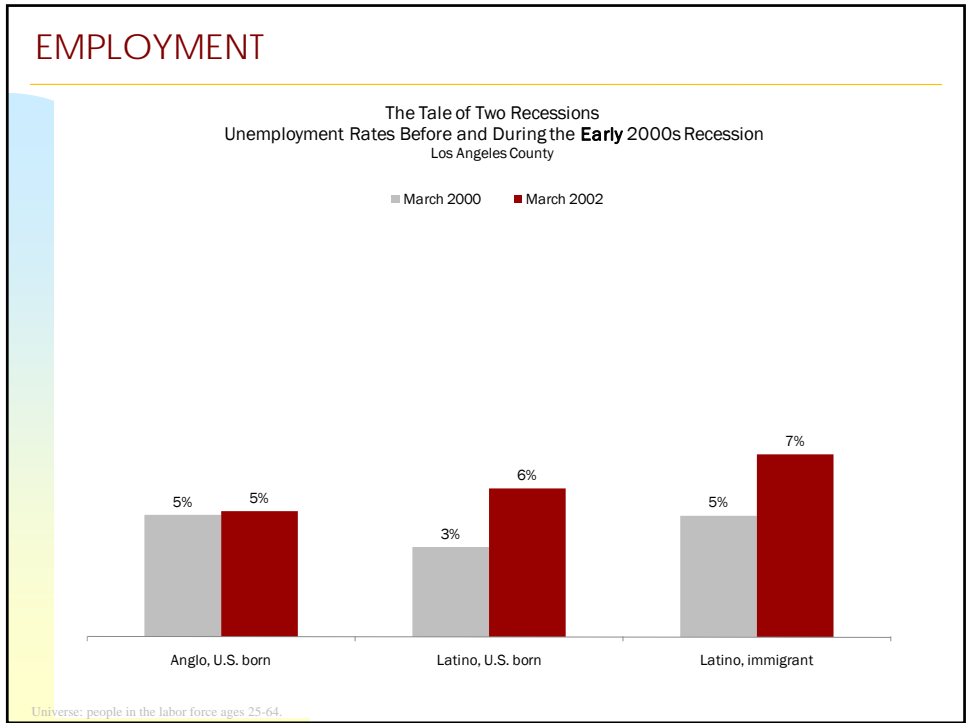
California and the Bay Area: Real Household Income Growth by Percentile
Percent Change in Real Household Income from 1989-2007





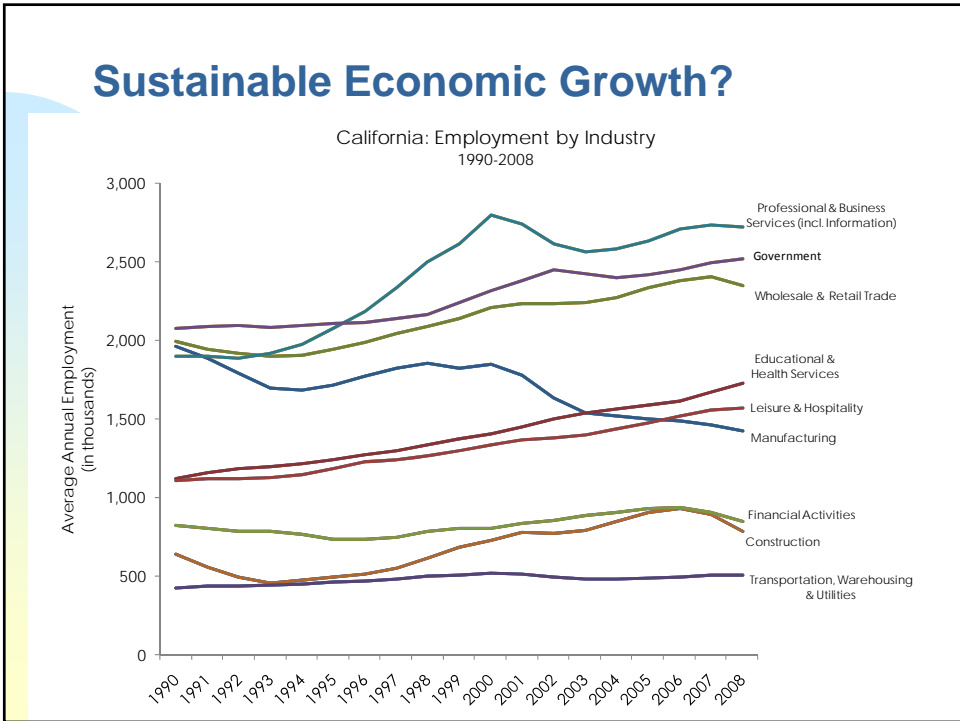


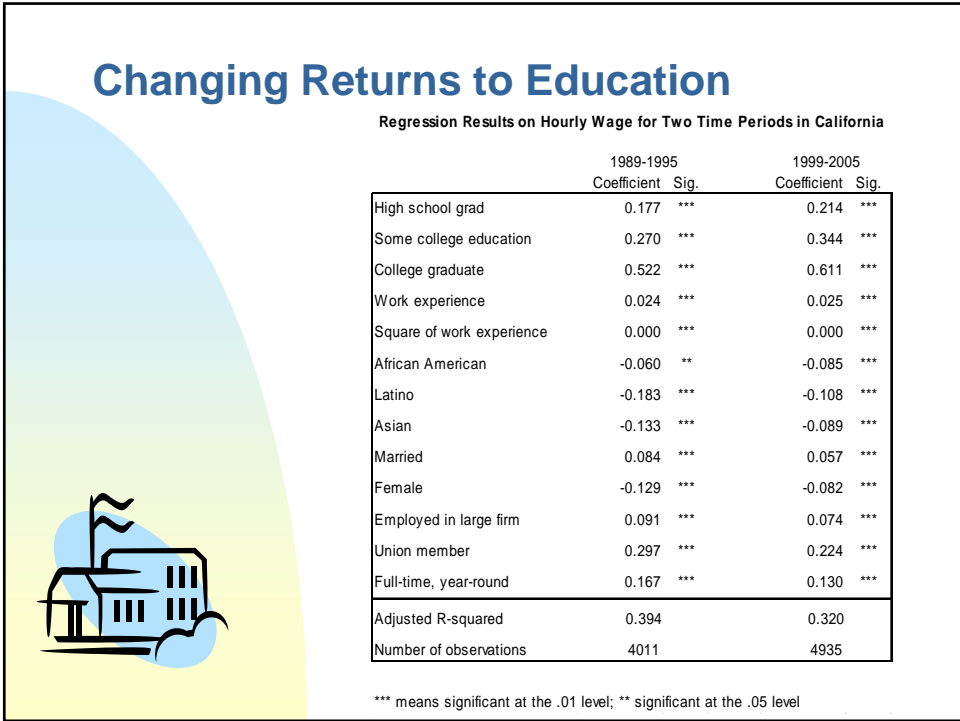




How Can We Narrow the Divide?

- Generate sustainable economic growth
 - Provide education and training for workers of today and tomorrow
 - Create labor and community standards that set new floors

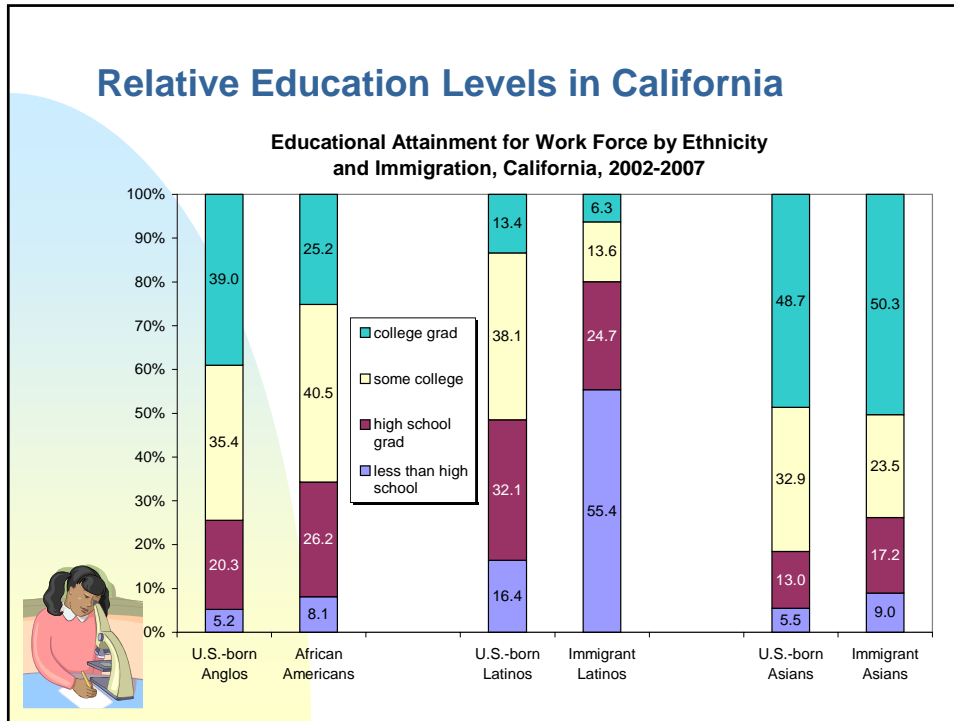




Changing Returns to Education

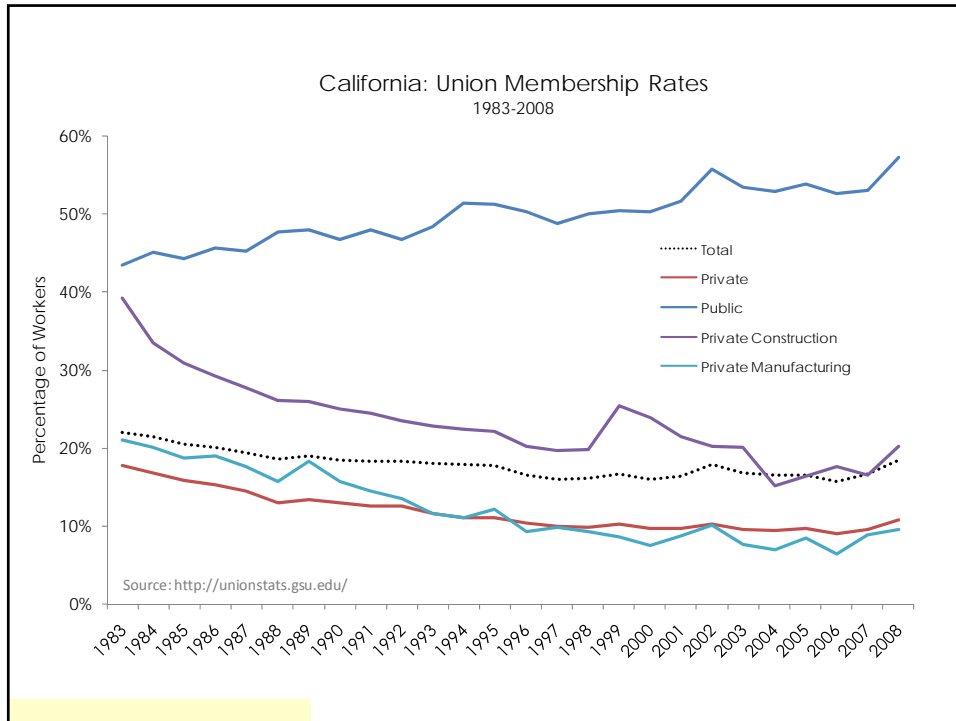
Regression Results on Hourly Wage for Two Time Periods in California

	1989-1995		1999-2005	
	Coefficient	Sig.	Coefficient	Sig.
High school grad	0.177	***	0.214	***
Some college education	0.270	***	0.344	***
College graduate	0.522	***	0.611	***
Work experience	0.024	***	0.025	***
Square of work experience	0.000	***	0.000	***
African American	-0.060	**	-0.085	***
Latino	-0.183	***	-0.108	***
Asian	-0.133	***	-0.089	***



Top 15 Occupations in Terms of Projected Job Openings, 2006-2016

Occupation	New Openings	Median Wage	Education Requirements
Retail Salespersons	261,600	\$10.18	Short-Term On-the-Job Training
Cashiers	191,300	\$9.18	Short-Term On-the-Job Training
Waiters and Waitresses	180,100	\$8.52	Short-Term On-the-Job Training
Office Clerks, General	138,300	\$13.17	Short-Term On-the-Job Training
Personal and Home Care Aides	125,100	\$10.11	Short-Term On-the-Job Training
Laborers and Freight, Stock, and Material Movers, Hand	120,900	\$10.72	Short-Term On-the-Job Training
Customer Service Representatives	111,600	\$16.05	Moderate-Term On-the-Job Training
Registered Nurses	99,000	\$37.71	Associate Degree
Elementary School Teachers, Except Special Education	93,200	\$33.86	Bachelor's Degree
Combined Food Preparation and Serving Workers, Including Fast Food	93,200	\$8.56	Short-Term On-the-Job Training
Counter Attendants, Cafeteria, Food Concession, and Coffee Shop	81,400	\$8.80	Short-Term On-the-Job Training
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	79,300	\$10.81	Short-Term On-the-Job Training
Executive Secretaries and Administrative Assistants	74,000	\$20.98	Moderate-Term On-the-Job Training
Bookkeeping, Accounting, and Auditing Clerks	71,400	\$17.62	Moderate-Term On-the-Job Training
General and Operations Managers	66,300	\$50.50	Bachelor's Degree



Rethinking the Role of the Public Sector

- This is a moment of unparalleled and fundamental change – role of government in market and the social balance of power
 - Framing in terms of investment impacts for the future and the role of equity in sustaining the economy and growth
 - Need to rethink the role of the public sector – and regain confidence about efficiency, effectiveness, and rationality

Can We Meet Our Challenges?



A New Story, A New Hope



- Preparing for a new generation
- Understanding and developing a new narrative that connects us