CREATING AN INCLUSIVE AND EQUITABLE FUTURE FOR CALIFORNIA

CALIFORNIA

VISION & STRATEGY FOR THE NEXT CENTURY
ABOUT CALIFORNIA 100

The California 100 Initiative envisions a future that is innovative, sustainable, and equitable for all. Our mission is to strengthen California’s ability to collectively solve problems and shape our long-term future over the next 100 years.

California 100 is organized around 5 policy themes and 5 core values, and driven by interrelated stages of work: research, policy innovation, and engagement with Californians. California 100’s work is guided by an expert and intergenerational Commission.

Through various projects and activities, California 100 seeks to move California towards an aspirational vision—changing policies and practices, attitudes and mindsets, to inspire a more vibrant future. This Regional Analysis was produced as part of California 100’s research stream of work.

The California 100 initiative is incubated through the University of California and Stanford.

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CREATING AN INCLUSIVE AND EQUITABLE FUTURE FOR CALIFORNIA
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INTRODUCTION

THE PAST AND PRESENT

California has been both a land of opportunity and a land of discrimination and exclusion—sometimes both for the same group of people. Its history, like that of all the American states and of all nations, is rife with group conflict and oppression as well as economic, social, and technological progress. This report focuses on the inequities and lack of inclusion in California that are consequential for the lives of people today, but we begin by first quickly recounting the opportunities provided by California for the many groups that have made California the most ethnically and racially diverse state except for Hawaii. The bulk of this report provides a detailed description of the ongoing inequities and exclusion that continue to haunt and hinder California’s progress toward a just society, but as a preface, we provide a short history of group conflict and exploitation. In order to get on with our major goal of chronicling today’s problems, we have left a great deal of the history out, but we hope that our footnotes will provide a guide to more detailed historical materials.
Despite its attractiveness to many groups, its economic prosperity, and its Progressive Era politics—not every group has been treated the same in California. California’s riches have attracted many groups. When the Europeans first came to California in the 16th century, perhaps 300,000 Native Americans—13 percent of America’s indigenous population—lived on its fertile coasts and in its rich valleys and foothills. This population was large, healthy, and peaceful. Other groups—in what can only be called genocide (see below), would replace them through violent conflict and the ravages of disease—as the Catholic Missions, then the Gold Rush, and finally the transcontinental railroads brought many more people to California. The first California Census in 1850—completed just as California became a state and the Gold Rush was booming—enumerated only 92,597 people in California. Seventy years later in 1920, the population had grown almost forty-fold. With its prosperous economy, fair weather, and other amenities California’s population then grew more than tenfold in the next 100 years from 3.6 million people in 1920 to almost 40 million by 2020—nearly four times the rate of growth of the rest of the United States during that same 100 year period.

California attracted everyone, although as we shall see, they were not always treated equally. During the crucial 1940 to 1970 period when the California population as a whole almost tripled, the African American population grew from 1.8 percent in 1940 to 7.0 percent in 1970 becoming 11 times larger as African Americans sought opportunities in California that were not available elsewhere. Similarly, the Latino population increased from 6.0 percent to 13.7 percent during that period becoming almost seven times larger. The Asian American and Pacific Islander
population also more than tripled from 1940 to 1970, although it increased only slightly as a percentage of the population from 2.4 percent to 2.8 percent. The white non-Hispanic portion of the population grew 2.5 times bigger although its share of the total population dropped from 89.5 percent to 78.0 percent.3

Today, according to the 2020 Census—next to Hawaii—California is the most diverse state in the nation with an ethnic and racial breakdown of its residents that is 39 percent Latino, 35 percent non-Hispanic white, 15 percent Asian American or Pacific Islander, 5 percent Black, 4 percent multiracial, and slightly less than 1 percent Native American or Alaskan Natives.

Yet despite its attractiveness to many groups—borne of its economic prosperity, its relative freedom as a state not encumbered by Jim Crow, and its Progressive Era politics—not every group has been treated the same in California. California, like the rest of America, has a deep history of discrimination and exclusion for many groups.

Native Americans—Soon after the Europeans came, California’s Native American population began to decline due to disease and exploitation, and the state would not have a total of 300,000 residents again until the 1860 census when only 17,798 Native Americans remained.4 Efforts to exterminate the Native American population were not hidden or covert; they were actively pursued by the government. In his second state of the state address in 1851, the first governor of California, Peter Burnett, recounted the taking of land experienced by Native Americans. Without irony or self-consciousness, he deplored the “hatred against the white man that never ceases to exist in the Indian bosom.” He predicted “that a war of extermination will continue to be waged between the races until the Indian race becomes extinct [which] must be expected. While we cannot anticipate this result but
with painful regret, the inevitable destiny of the race is beyond the power or wisdom of man to avert.” Burnett followed up with support for local militias that decimated Native American tribes in the state. Subsequent treaties negotiated with Native Americans were not ratified and not respected, leading to the taking of almost all Indian lands, and their isolation on tiny parcels of tribal lands.

**African Americans** – Although California entered the Union in 1850 as a free state, its early government supported slavery and passed a fugitive slave act in 1852. California ratified the Thirteenth Amendment outlawing slavery on December 19, 1865, but “California did not ratify the Fourteenth Amendment until 1959, which protected the equal rights of all citizens, and the Fifteenth Amendment, which prohibited states from denying a person’s right to vote on the basis of race, until 1962.” Discrimination against African Americans in California took many forms such as political disenfranchisement, housing segregation, separate and unequal education, an unjust legal system, and an ongoing wealth gap. As late as 1964, with their support of Proposition 14, almost two-thirds (65.4%) of California voters reversed the 1963 Rumford Fair Housing Act that provided for equal access to housing opportunities by prohibiting discrimination in selling housing. Proposition 14 was eventually voided by the California Supreme Court, and in 1968, the federal Fair Housing Act made discrimination illegal. Unfortunately, subtle forms of discrimination, such as redlining created by the Federal Housing Administration during the New Deal, continue to have impacts.
Asian Americans and Pacific Islanders – “In 1850, the California Legislature passed a law taxing all foreign miners 20 dollars a month. Although stated in general terms, it was enforced chiefly against Mexicans and Chinese.”10 This amount was exorbitant even by the inflated standards of Gold Rush Era California, amounting to enough to make mining either impossible or a form of wage-slavery. In 1870’s San Francisco, Denis Kearney’s Workingman’s Party fanned animosity toward the Chinese in California, and the 1879 California Constitution banned employment of Chinese in corporations or government. In 1882, California’s Congressional representatives supported the Chinese Exclusion Act which placed a 10-year ban on Chinese laborers migrating to the United States. Over time, the Act was extended and revised, but it was not until 1943 in the midst of World War II when China was our ally that it was repealed. In 1905, the Asiatic Exclusion League was founded to exclude Japanese and Koreans. In the 1924 Immigration Act, Japanese were excluded for 28 years. The California legislature passed numerous bills during the 1930s limiting the rights of the Japanese in California.11 During World War II, Japanese-Americans in California were interned in camps. Most lost their businesses, their homes, and their possessions. Filipinos were the last major AAPI group to come to California before the 1970s, and they suffered discrimination as well. Over four days in late January of 1930, hundreds of whites in Watsonville, California attacked the Filipino community there, killing one person, injuring others, and destroying property.”12
Latinos – Throughout California history, different names have been used for this group, but we will use the words “Latinos” and “Hispanics” interchangeably. California’s relationship to Latinos is tied up with the legacies of Spanish and then Mexican rule in the 18th and 19th centuries. It is also the result of California’s proximity to Mexico, which has led to a flow of migrants across the border, especially as agricultural and other low-wage laborers. The most obvious legacies to Spanish and Mexican history in the state are the California missions as well as the geography of California, where cities present Spanish names and follow the geography of Spanish or Mexican land grants. Although Mexicans within California became American citizens after the Treaty of Guadalupe Hidalgo ended the Mexican American War in 1848, they suffered discrimination. “Thus, while the federal treaty of 1848 was inclusive of Mexican nationals, California reclassified its Mexican residents as a non-white racial caste subject to its exclusionary state policies.” The Miners’ tax was one method of doing this. “In 1855, California went further in targeting Mexican Americans by enacting a universal anti-vagrancy law that popularly became known as the Greaser Act, based on a derogatory racial epithet.” In the 1930s, California repatriated many Californians with Mexican citizenship who had come across the border. In the next decades, given the need for agricultural workers, California created programs such as the Bracero program from 1942 to 1964 that allowed millions of Mexican “guest” workers to come to the United State for short periods of time to harvest crops. As recently as 1994, Californians approved Proposition 187 by a vote of 58.9 percent that would have limited benefits to undocumented immigrants. However, the Proposition was found unconstitutional by federal courts, and its passage is credited with mobilizing Latinos in the state of California to ensure that their voting participation and political involvement dramatically increased.
Women – Although California, like other states, treated women as second-class citizens, it also has been a leader in gender equality since the 19th century. Women were admitted “on an equal basis” with men in 1870 at the University of California – just two years after the University was founded. Stanford University admitted women from its founding in 1891. An attempt to give women the vote failed in California’s 1896 general election, but it (just barely) succeeded by 3,587 votes on the 1911 ballot making California the sixth state to endorse women’s suffrage. The vote also gave women the right to run for office. In 1920, the Nineteenth Amendment provided nationwide suffrage for women. On November 13, 1972, the California state legislature approved the Equal Rights Amendment making California the 22nd state to do so, but ultimately, the amendment did not get ratified by enough states to become part of the U.S. Constitution. More recently, California has been a leader in paid family (e.g., maternity) leave and other issues to promote gender equity and equality.
Lesbian, Gay, Bisexual, Transgender and Queer Communities — LGBTQ+ communities suffered from harsh discrimination in California until the end of the 20th century with laws that criminalized them for both expression of their identity and their sexual behavior. But California has also been a leader in LGBTQ+ rights. On August 28, 1951, the California Supreme Court ruled that gays have the right to assemble, which led to the establishment of gay bars and organizations. In the 1950s the Mattachine Society and the Daughters of Bilitis started in Los Angeles and San Francisco respectively, providing leadership for the movement. In 1972, California added a right to privacy to its Constitution which provided some protection for LGBTQ+ people. In 1975 the future Speaker of the California Assembly, Willie Brown, provided more protections through the passage of a path-breaking “Consenting Adult Sex Bill.” In 1977, Harvey Milk, an openly gay man, was elected supervisor for the City and County of San Francisco — the first in California and the third in the United States. In November 1978, the Briggs Initiative which would have banned openly gay people from teaching in schools was decisively rejected by Californians with a 58.4 percent “no” vote. Milk’s tragic assassination a few weeks later only added momentum to the movement. In 1984, the city of Berkeley provided the first in the nation Domestic Partnership Health Benefits. Despite this history, in 2000, California passed Proposition 22 to define marriage as only between a man and a woman under state statute. In May of 2008, the California
Supreme Court ruled the initiative as unconstitutional. However, in the 2008 election, Proposition 8 codified language in the California Constitution that defined marriage as between one man and one woman. Proposition 8 had the effect of reversing the court’s ruling and banning same-sex marriage. In August 2010, a U.S. District Court ruled that Proposition 8 violated the U.S. Constitution, which ultimately allowed same-sex marriages to begin in California in 2013. However, state law bans health insurance providers from discriminating against transgender patients and from excluding coverage for transgender-specific care. State Medicaid policy also explicitly includes medical transgender-related health care.

**Disability Rights** – Disabled people in America have sometimes been ridiculed, sometimes pitied, and sometimes provided with disability insurance, such as the 1956 addition of disability payments to Social Security, but they have seldom been included in day-to-day life. Starting at the University of California, Berkeley in the 1960s, a movement led by students such as Ed Roberts—a polio victim confined to an iron lung—began that pushed to make independent living possible for those with disabilities. In 1972 the Center for Independent Living (CIL) was founded by activists in Berkeley. Today there are hundreds of such centers. National legislation such as the Rehabilitation act of 1973, the Individuals with Disabilities Education Act of 1975, and, especially, the Americans with Disabilities Act of 1990 broadened the movement and provided legal standards for accommodating disabilities.
But Berkeley and the CIL led the way in showing how independent living was possible with such simple and sensible reforms as putting “curb cuts” at traffic intersections so that those with disabilities would not have to cope with curbs. “Ed Roberts, a student at the University of California, Berkeley, played an essential part in making the struggle for curb cuts more widely known.” Ed Roberts, a student at the University of California, Berkeley, played an essential part in making the struggle for curb cuts more widely known. “Curb cuts” are now a powerful metaphor for how equity can be achieved for all groups.30

Other Communities – There are other communities in California that deserve attention. Rural communities often suffer from a lack of infrastructure (e.g., inadequate roads or limited broadband), small and understaffed schools, and lack of healthcare. Religious communities are sometimes targeted for hate crimes and treated unfairly because of their faiths. Poor people in general suffer from lack of housing, healthcare, and even food. Both people of color and whites experience these difficulties. The mentally ill often find themselves stigmatized with little help available. Older Americans sometimes face prejudice. We will not be able to cover every group in this report, but it is important to remember that every group deserves equitable treatment.

What California is Doing Now – California continues to be a leader in advancing the rights of women, LGBTQ+ communities, and the disabled. In addition, in the past decade, California has taken these steps to include historically marginalized communities:

• Truth and Healing Council for Native Americans – In 2019 Governor Newsom issued an apology to Native Americans for “for historical mistreatment, violence and neglect” and he established a “Truth and Healing Council” to provide a forum for clarifying the historical record.31

• Task Force to Study Reparations for African Americans – Assemblymember Shirley Weber (now Secretary of State) championed a bill signed by Governor Newsom (September 30, 2020) that established a “Task Force to Study Reparations for African Americans.” The interim report was released in June 2022.32

• Providing Funds to End Racism towards Asian Americans and Pacific Islanders and Providing Apologies for Past Injustice – Governor Newsom has provided funds to support groups working to end racism towards the AAPI community.34 California’s legislature formally apologized for its anti-Chinese legislation in 2009, for its treatment of Filipinos in 2011, and its internment of Japanese-Americans in 2020.35

• Blueprint for Including and Protecting Immigrants – The state of California has passed numerous laws to protect, support, and include immigrants. The California Immigrant Policy Center describes them as follows: “Californians are fortunate to enjoy an expansive list of pro-immigrant state laws that bring many benefits to all residents. As home to the largest immigrant population in the country, California has wisely begun to invest in immigrants and their families with commonsense, effective initiatives”.36

• Including Equity in Agency Missions – Through gubernatorial executive order, California is working to establish a Racial Equity Commission which will produce a Racial Equity Framework.37
Nationally, California is known as a progressive and innovative state. However, as this report illustrates, racial and social disparities in California are large and prominent across a multitude of sectors including education, health, environmental pollution, and more. Over the past decade, racial and social disparities in the state have either widened or only seen slight improvement. As a state that prides itself on democratic, progressive, innovative values, California is failing its most marginalized and vulnerable people, including low-income and minority communities.

This report focuses on the idea that an equitable and inclusive state is one where all residents—regardless of their race/ethnicity, nativity, gender, income, religion, neighborhood of residence, ability, or other characteristics—are able to 1) participate and benefit from the state’s economic vitality, 2) connect to the state’s assets and resources, and 3) contribute to the state’s readiness for the future. While this report is aimed at highlighting equity gaps that currently exist in California, it is important to acknowledge the complexity and challenge in addressing and solving these issues while simultaneously calling for more aggressive, meaningful, and successful action to address the root causes of these inequities.
In the decades ahead, California faces shifts in demographics, technology, and climate that threaten to exacerbate inequalities in the state. The state’s demographics are shifting as the population ages and becomes increasingly diverse. People of color and the elderly are among the most vulnerable populations. As diverse populations increase so may racial disparities in wealth, education, housing, health, and more. Additionally, the growing elderly population will put more pressure on the state’s already overburdened healthcare system.

In addition to demographics, the state’s economy will continue to shift as California continues its leadership in technological innovation and as automation replaces workers. California’s increasing dominance in shaping new technologies has given rise to growing income inequality and increasing wage stagnation for low-skilled labor as the state’s demand for skilled labor increases. Lastly, shifts in the state’s climate are accelerating and impacting the everyday lives of residents, including more frequent high heat days, worse air quality, and more severe wildfires and droughts. Although all Californians are impacted by climate change, low-income populations and people of color are the most vulnerable to its harmful effects.
For the purposes of this report, we rely on the equity models developed by the National Equity Atlas to identify and describe indicators meant to elucidate how successful California currently is at providing and promoting an equitable and inclusive climate for all residents.

Equity refers to fairness and justice. Equity is a basic principle of English common law mentioned more than 560 times in the 18th century’s standard work on jurisprudence, *Blackstone’s Commentaries on the Laws of England*. Blackstone tells us that “EQUITY then, in its true and genuine meaning, is the soul and spirit of all law: positive law is constructed, and rational law is made, by it. In this, equity is synonymous to justice; in that, to the true sense and sound interpretation of the rule.” For Blackstone, concerns with equity ensure that rules are not just blindly followed and that justice is done.

Equity involves ensuring that people get what they deserve. It is a different concept from equality because it takes into account people’s situations and their actions. It is not just a simple formula such as “everyone should be equal.” Instead, it employs principles such as recognizing needs, redressing wrongs, ensuring true proportionality, and rewarding contributions. On the one hand, it considers and tries to make-up for the physical handicaps, financial challenges, and stigma in the form of racism or sexism that some people start with in life because of forces that have nothing to do with their deservingness. On the other hand, it considers and rewards justly the contributions that they make to society as they progress in life. Sometimes equity requires giving a leg-up to those who have been, through no fault of their own, given very little resources or capabilities to afford housing, get good healthcare, or buy food. The goal in this case is to even up the playing field, and to make sure that everyone has the resources they need to succeed. And sometimes it requires proportionate rewards for those who make significant contributions to society through their effort or abilities. The goal in this case is to provide incentives for people to make important contributions, although these rewards should not be so oversized that they give undue advantages to anyone such as the opportunity to insulate their children from the need to compete on a relatively equal footing with others. Equity, as Blackstone says, is about justice.

One very clear example of inequities is when a society assigns less in the way of rewards for people making the same contributions because of their skin color, gender, religious beliefs, sexual preferences, area of residence, or some other irrelevant characteristic. Another example is when a society becomes richer but income groups at the top of the income distribution garner all of the increased wealth to the exclusion of those in the middle or bottom of the income distribution despite the fact that the entire society has worked hard to produce that wealth. Still another example is when some people cannot afford necessities.
that most people consider basic rights such as adequate healthcare or sufficient food. Finally, remedying inequities sometimes requires taking into account the history of racism, sexism, or other forms of discrimination suffered by a group and finding ways to overcome these wrongs through programs that ensure truly fair and just outcomes. Sometimes programs that do this are very controversial, such as affirmative action, but making considerations of equity require that they be considered.

Inclusion is a related concept. It requires that everyone feel included in society regardless of their characteristics or background. It requires not only that people, regardless of their characteristics, have a legal right to jobs, goods, services, and help from the government; it also requires that energetic efforts are made to reach out to everyone and to create a climate that makes everyone feel comfortable and included. Stakeholders should be “recognized, engaged, and granted influence” over decision-making.47

The indicators of equity and inclusion presented in this report often speak for themselves, but they may sometimes be open to dispute because of the complexity of assessing what is fair and just. We have erred on the side of presenting many different indicators that suggest inequities or lack of inclusion with the realization that debates often swirl around their meaning. We understand, for example, that differences in income or wealth levels between racial and ethnic groups may be partly the result of different levels of education and skill, but sorting out the relative contribution of skill, education, and racism is a complicated task that we cannot undertake here, especially since some of the differences in skill and education may themselves be the result of long-term structural inequities. We can say, however, that for many groups there is persuasive evidence that these structural inequities exist. For example, for racial and ethnic groups, there is persuasive evidence that part of the differences are due to “deeply rooted factors unique to the Hispanic and African-American experience”48 that have unfairly penalized these communities. Hence, these differences suggest a need to examine our educational and work institutions to determine to what degree structural racism or other inequities have led to them.

Even if some of these indicators do not depict injustices, taken altogether it is hard to deny the fact that California is becoming more unequal in many categories and that historic inequities seem to persist in many others. It cannot be good for California or fair to its residents that wages are becoming more unequal, poverty is the highest in the nation, many Californians cannot afford food, healthcare, or housing, and these differences are even worse for some historically marginalized groups.
This report acknowledges and highlights economic, racial, and social disparities in California in the following categories:

1. **Economic Vitality**: using indicators related to Income and Wealth-Building and Access to Quality Employment,

2. **Power of Place and Connection**: using indicators related to Health and the Environment and Neighborhoods and Housing, and


The trends are clear: inequities will persist and may widen in the future without significant, bold, and meaningful action from the state. As California prepares for the future, the state must place equity at the forefront of policy decisions in order to ensure the trends summarized below and discussed in this report do not continue or are further exacerbated.

<table>
<thead>
<tr>
<th>INCOME AND WEALTH BUILDING</th>
<th>ACCESS TO QUALITY EMPLOYMENT</th>
<th>COMMUNITY AND ENVIRONMENTAL HEALTH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income and wealth disparities persist and far too many Californians struggle to get by.</td>
<td>Wages that would be considered “livable” in California far exceed the state’s current minimum wage.</td>
<td>Large inequities in healthcare access, health outcomes, and pollution burden remain.</td>
</tr>
<tr>
<td>The median income for white Californians is 39% higher than Black Californians.</td>
<td>Access to livable wages varies by region, racial/ethnic backgrounds, and gender throughout the state.</td>
<td>Infant mortality rates for African-Americans are 2x higher than for white infants.</td>
</tr>
<tr>
<td>64% of white Californians own a home compared to 35% of Black and 46% of Hispanic Californians.</td>
<td>More than 40% of Latino workers, 33% of Black workers, and 35% of immigrant workers were paid low wages.</td>
<td>Hispanics account for 68% of the over 2.6 million Californians that do not have health insurance.</td>
</tr>
<tr>
<td>Poverty rates have only slightly declined. Nearly a 1/3 of Californians lived in poverty in 2019.</td>
<td>Latino workers earned 60% and Black workers earned 69% of the median hourly wage of their white counterparts.</td>
<td>People of color account for 91% of the population in California’s most environmentally impacted communities.</td>
</tr>
</tbody>
</table>

49
California is unaffordable and segregated.

63% of Black households are housing cost-burdened compared to 51% of white households.

-998,510

Shortage of rental homes affordable and available for extremely low income earners.

Of California's 58 counties, 26 are experiencing high levels of racial residential segregation.

K-12

Large student achievement gaps persist.

79% of low-income students failed to meet math performance standards, compared to 48% of moderate to high-income students.

Black and Latinos students graduate at lower rates. The gap between Asian and Black graduation rates is an overwhelming 16%.

40% of Black students graduated high school eligible to attend a UC or CSU compared to 73% of Asian students.

COLLEGE

College remains too costly and inaccessible for many.

Rural counties have low rates of educational attainment and coastal counties have high rates.

11% of Latinos and 17% of African Americans have a bachelor's degree compared to 27% of white residents.

Low-income students are half as likely to earn a bachelor's degree than their middle- and high-income peers.
California is outperforming its U.S. and global peers with a booming economy. The Golden State is the wealthiest state in the country. If it were a nation, it would rank as the world’s fifth largest economy, with a GDP of nearly $3.4 trillion in 2021. Today, California’s economy continues to grow, and it is projected to become the world’s fourth largest economy, making it larger than Germany and the United Kingdom. In fact, over the last 25 years, California’s economic output has grown substantially faster than the national average.

Yet, despite California’s prosperous economy, a significant portion of Californians do not benefit from the state’s economic vitality. Amongst California’s abundance of wealth is widespread poverty. In 2021, more than a quarter of Californians were living in or near poverty. For communities of color, poverty rates are even higher.

Disparities in income, wealth, and employment opportunities stand in the way of an economically equitable California in which all residents are able to participate in and benefit from the state’s economic vitality.

**Indicators**

This section has identified five indicators across two focus areas. These indicators measure the current state of economic equity in the state and provide a clear illustration of the current economic inequities in California.
In an economically equitable California, all residents should be able to access, generate, and maintain income and wealth that enables them to meet their needs and prosper. A strong economy does not, in and of itself, provide a better standard of living for all Californians. An equitable distribution of income and wealth building is essential to ensuring that the wellbeing enabled by economic growth is widespread.

The indicators within this category measure the distribution of income and wealth-building in California. Results show significant racial and geographic inequities among who is economically prospering in California and who is not.

1.A. INCOME AND WEALTH-BUILDING

What does this indicator measure?
This indicator measures the median income of households in California. This includes the income of the householder and all other individuals 15 years old and over living in the household. It includes all sources of income including wages and salaries, interest income, property income, etc. The median divides the income distribution into two equal parts: one-half of the cases fall below the median income and the other half fall above.

Why is it an important measure of economic equity?
Median household income provides a clear indication of the economic equity in a state. This measurement allows us to compare incomes across geographic regions and across various racial/ethnic groups. Through these comparisons, we are able to measure inequities that exist across different demographics.

What does this measure show?
The median household income has been steadily increasing in California. From 2010 to 2021, the median household income increased from $54,283 to $81,575 (in 2021 dollars). However, as shown by the figure on the next page, the income of top earners has grown at more consistent and rapid rates than low
and middle income earners. This phenomenon has thereby created significant income inequality. So much so that families at the top of the income distribution earn 11 times more than families at the bottom of the income distribution ($270,000 and $25,000, respectively).\textsuperscript{54}

**Figure 1** Change in Californians’ Household Incomes, 1980 to 2020

![Graph showing change in Californians’ household incomes from 1980 to 2020.](source)

**SOURCE:** PPIC, IPUMS CPS-ASEC Data
RACIAL/ETHNIC EQUITY

In 2021, the median income for white households was 39 percent higher than that of Black households and 27 percent higher than Hispanic households. However, from 2010 to 2021, Hispanic households experienced the largest increase in median household income of 55 percent compared to a 45 percent increase for white households and a 39 percent increase for Black households.

**Figure 2** Median Household Income by Race/Ethnicity

**Source:** U.S. Census data, ACS 1-year estimates: Tables B19001B, B19001, B19001D, B19001E, B19001H, and B19001I. California, 2010-2021.
1.A.II. INDICATOR #2: CALIFORNIA POVERTY MEASURE (CPM)

What does this indicator measure?

The California Poverty Measure (CPM) was established by the Public Policy Institute of California and the Stanford Center on Poverty and Inequality. Unlike other poverty measures, the CPM provides a more accurate and comprehensive picture of poverty in California by taking into account the differences in cost of living across the state.

Why is this an important measure of economic equity?

The CPM provides critical information to understand the income distribution within California. A large poverty measure suggests...
that there are significant disparities in income and economic opportunities. By measuring poverty levels across different demographics, we are able to identify which groups are experiencing higher levels of poverty.

**What does this measure show?**

California has the highest poverty rates in the nation. A third (34%) of the state’s residents were living in or near poverty (150% of the poverty line) in 2019. Almost one in 20 (4.6%) were in deep poverty which is 50 percent of the poverty line, and 16.4 percent were in poverty. In 2021, California experienced a significant decline in poverty rates. This was primarily due to social safety net programs, which increased benefits and expanded eligibility in response to the COVID-19 pandemic. Among the most productive programs at reducing poverty was the federal Child Tax Credit (CTC), which increased benefits and expanded eligibility to previously ineligible low-income families. This resulted in poverty rates falling by -5.3 percent in fall of 2021. Child poverty rates saw the largest decrease of -8.6 percent.

Policies that strengthened social safety net programs during the pandemic illustrate the power that a strong safety net program can have on decreasing poverty. However, pandemic-related support was only temporary, so poverty rates are expected to have increased after the pandemic.

**Figure 4 Poverty Rates With and Without Safety Net Programs**


**DATA:** CPM for years 2011-2019 and Fall 2021, 2020 omitted due to pandemic-related quality issues.
RACIAL/ETHNIC EQUITY

While poverty rates among Latinos is down from 30.9 percent in 2011, Latinos still face higher poverty rates than other racial/ethnic groups. In 2019, 26 percent of Latinos were living in poverty, compared with 21 percent of African Americans, 19 percent of Asians, and 17 percent of white residents. As shown by the table on the next page, these rates increase significantly if we include those living near poverty.
### Table 1  Poverty Rates by Race/Ethnicity, 2021

<table>
<thead>
<tr>
<th>Race/Ethnicity</th>
<th>Deep Poverty (&lt;50%)</th>
<th>Poverty (&lt;100%)</th>
<th>Near Poverty (&lt;150%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>3.7%</td>
<td>9.9%</td>
<td>19.6%</td>
</tr>
<tr>
<td>Black</td>
<td>2.8%</td>
<td>12.6%</td>
<td>34.0%</td>
</tr>
<tr>
<td>Hispanic/Latino</td>
<td>2.9%</td>
<td>13.5%</td>
<td>38.8%</td>
</tr>
<tr>
<td>Asian</td>
<td>3.4%</td>
<td>11.8%</td>
<td>23.8%</td>
</tr>
</tbody>
</table>

**SOURCE:** Kimberlin, Sara, Sarah Bohn, Caroline Danielson, Patricia Malagon, and Christopher Wimer. “Poverty in California, Technical Appendix,” October 2022.

### OTHER INEQUITIES

In addition to communities of color, children, the elderly, immigrants, and less educated Californians have the highest rates of poverty. In 2021, 51 percent of residents with less than a high school education were living at or near poverty. In comparison, only 17 percent of residents with a college degree or higher were living at or near poverty.\(^{56}\)

Immigrants also experience poverty at high rates, with 52 percent living at or near poverty in 2021. This was 16 percent higher than the poverty rate of non-immigrant residents during that year. Lastly, children and elderly residents face high poverty rates: 40 percent of children and 46 percent of elderly residents lived at or near poverty in 2021. The chart on the next page shows how these marginalized groups often live in poverty and deep poverty.
Figure 5  Groups with Highest Poverty Rates, 2021

<table>
<thead>
<tr>
<th>Group</th>
<th>Deep poverty (&lt;50%)</th>
<th>Poverty (&lt;100%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than high school education</td>
<td>2.7%</td>
<td>13.2%</td>
</tr>
<tr>
<td>High school education</td>
<td>3.8%</td>
<td>14.1%</td>
</tr>
<tr>
<td>Adults 65+</td>
<td>4.7%</td>
<td>16.3%</td>
</tr>
<tr>
<td>Children</td>
<td>1.7%</td>
<td>9.0%</td>
</tr>
<tr>
<td>Immigrants</td>
<td>4.2%</td>
<td>16.1%</td>
</tr>
</tbody>
</table>

**SOURCE:** Kimberlin, Sara, Sarah Bohn, Caroline Danielson, Patricia Malagon, and Christopher Wimer. “Poverty in California, Technical Appendix,” October 2022.
1.A.III. INDICATOR #3: HOMEOWNERSHIP RATES

What does this indicator measure?
Homeownership rates measure the percentage of households that own a home in which they live.

Why is it an important measure of economic equity?
For decades, homeownership has been viewed as a desirable goal and for valid reasons. Homeownership is the leading source of wealth for most families, especially generational wealth.57 Many who bought their homes decades ago, when home prices were lower, are today considered ‘house-rich.’ In 2020, more than 700,000 households in California had at least $1 million in equity in their homes.58 In addition to wealth-building, homeownership, in the long run, provides families with lower and more stable housing costs than renting.59

Yet, California’s homeownership rate is among the lowest in the country.60 As a result of rising home prices, homeownership has become further and further out of reach for many Californians. Large disparities among high-income versus low- and middle-income Californians are increasing. Perhaps more concerning are the persistent racial gaps in homeownership rates which are expected to widen. Moreover, geographic differences in housing prices have led to stark differences in homeownership rates ranging from 37 percent in Los Angeles to 59 percent in Bakersfield.61

What does this measure show?
From 2010 to 2021, homeownership rates in California have not significantly changed. California is behind the national average with only 56 percent of Californians owning a home in which they live, compared to the national average of 65 percent.62 The only state with lower homeownership rates is New York at 54 percent.

Racial/Ethnic Equity
Homeownership rates are lower for Black, Hispanic, and Native Americans households compared to white households. In 2021, only 37 percent of African American, 47 percent of Latinos, and 47 percent of American Indians and Alaskan Natives owned the home in which they lived, compared to 65 percent of Asian-American and Pacific Islanders, and 66 percent of white non-Hispanic households.63 In addition to the wealth losses felt by communities of color due to low homeownership rates, additional losses are felt due to predominantly Black and brown neighborhoods being valued at lower costs than predominantly white neighborhoods.64 Both of these compounding factors—lower homeownership rates and lower median home values—contribute to the racial wealth gap.
Geographic Equity

Homeownership varies greatly by region. As shown in the figure below, homeownership rates are highest in the Shasta Cascade and Sierra regions and lowest in dense metro areas and the San Joaquin Valley region. Specifically, San Francisco County has the lowest homeownership rate in the state at 38 percent, while sparsely populated Alpine County has the highest rate of homeownership at 81 percent. Among the top five most populated counties, homeownership rates range from 46 percent in Los Angeles to 60 percent in San Bernardino.65

Figure 6  Geography of Homeownership, California, 2016-2020

Socioeconomic Equity

Homeownership has become increasingly out of reach for many low- and middle-class households as home prices increase. In January 2023, the median price for single-family homes in California was over $750,000—that is a 164% increase from single-family home prices in 2010. Median home prices are highest in the Bay Area ($1 million) and Central Coast ($894,500) and lowest in the Far North ($367,000) and Central Valley ($425,000) regions.

For traditional middle-income occupations, wages have not kept up with rising house prices. As a result, low- and middle-income households often find themselves priced out of the real estate market. This has consequently resulted in middle-income households remaining as renters, thereby decreasing the available housing stock that is affordable for low-income households, as middle-income households outbid low-income households for available units.

1.B. ACCESS TO QUALITY EMPLOYMENT

Every day, Californians put in a lot of effort to support their families and the communities in which they live. But in California, a job by itself does not ensure financial stability. Even those who work often struggle to make ends meet.

In California, it can be challenging for workers with low or moderate incomes to afford to live, raise a family, and eventually retire. Research indicates that wages and benefits have significantly declined for many Californians in recent decades, despite the fact that their situation has never been easy. Moreover, workers who are Black, Latino, and/or women face some of the greatest economic disadvantages and workplace discrimination.

To build a successful life for themselves and their families, Californians require good-paying jobs, economic opportunities, and resources. State officials can create an inclusive California where everyone has the means to cover their basic needs and no one is left struggling to make ends meet.

Even though worker productivity has increased, many workers are only being paid slightly more than they were in 1979. Fewer workers have access to retirement plans provided by their employers, leaving individual workers on their own to make the most of their limited funds and resources to plan how they will spend their later years affording the high cost of living and healthcare in California. In other words, current work arrangements further deflect responsibilities from businesses, placing a heavy burden on employees and—where supports are present—requiring the public sector to fill the void.
1.B.I. INDICATOR #1: DISTRIBUTION OF LIVABLE WAGE JOBS

What does this indicator measure?

The distribution of livable-wage jobs measures how livable-wage jobs are spread out across different regions in California. Livable wages are those that provide enough income for a worker to afford basic necessities like food, housing, and healthcare, while still having some money left over for savings and discretionary spending. The UC Berkeley Labor Center defines low-wage workers as those earning less than two-thirds of the median full-time wage in California, which was $18.02 in 2021. Therefore, livable wages must be greater than $18, and far beyond California’s $15 minimum wage.

We use an amalgam of measures to identify a range of livable wages for California. For example, the United Ways of California calculates a Real Cost Measure to identify how much a household must earn to afford the basics in various California cities. According to this Real Cost Measure, two adults would need to earn $84,076 full time, to make a living wage for a family of four. That annual income accounts for an average of $20.21 an hour for each adult. Additionally, the MIT Living Wage Calculator shows that two working adults would need to earn $30.06 for a family of four. Finally, the National Low Income Housing Coalition identifies a “housing wage” for how much a household must earn working full-time to afford a two-bedroom rental home at fair market rent. As of 2022, households must earn at least $39.01 per hour to afford a two-bedroom rental in California. Therefore, we consider the range of a livable wage in California to be between $20 and $39, which also depends on the location in which a resident and/or household resides.

Why is it an important measure of economic equity?

The concentration of livable-wage jobs is important because it impacts economic mobility, income inequality, and regional economic growth. Access to livable-wage jobs can provide a pathway to the middle class for workers without a college degree, and for those saddled with student loan debt. California is no longer affordable for workers earning the minimum wage, so access to opportunities that allow workers to earn higher wages is critical to ensuring California’s workers do not live and work in poverty.

What does this measure show?

The data on the distribution of livable-wage jobs in California suggest that these jobs are not evenly distributed across the state.

The United Way Real Cost Measure shows that the lowest earnings a family in the San Joaquin Valley would need would be $69,431 annually (or $16.69 an hour each) to support a family of four—the lowest Real Cost Measure budget in the state. However, in the Bay Area—the highest Real Cost Measure in the state—two adults would need to earn $106,866 annually (or $25.69 an hour each) to support a family of four. Similarly, the MIT Living Wage Calculator shows that a family in Santa Clara County—the highest income county in the
state—would need to earn $35.96 an hour from two working adults for a family of four. In Trinity County—the lowest income county in the state—the MIT living wage calculator shows a family of four would need to earn $24.20 an hour with two working adults.

The San Francisco Bay Area has the highest concentration of livable-wage jobs, while the San Joaquin Valley has the lowest. This means that workers in certain regions may have better access to livable-wage jobs than others, which could impact their ability to earn a livable wage and achieve economic stability. Because the Bay Area is home to many technology and innovation companies, higher wages are more prevalent, but the Bay Area also experiences high rates of income inequality throughout the region, particularly for middle- and livable wage jobs.

The figure on the next page shows what share of total growth in wages and salaries is expected to come from increases in average wages versus increases in the number of jobs. Overall wage and salary growth is expected to result mostly from average wages, rather than jobs. Mostly, this means that existing workers’ wages are rising rather than additional people gaining employment. However, the highest wages shown in the figure are not available in all areas of the state. For example, nondurable manufacturing, an industry that thrives in the Inland Empire of California, does not show significant growth in wages, and shows practically zero employment growth.
Understanding the distribution of livable-wage jobs is important for policymakers because it can inform targeted policy interventions to promote job growth and economic mobility. For example, policymakers could invest in industries that are likely to create livable-wage jobs, such as healthcare and advanced manufacturing, in regions with low concentrations of these jobs. Additionally, policies that promote workforce development and education could help workers acquire the skills they need to access higher-quality jobs and earn a higher wage.

### Median Wages for Largest Occupations in California

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Total Employment</th>
<th>Median Hourly Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farmworkers and Laborers, Crop, Nursery, and Greenhouse</td>
<td>186,600</td>
<td>$15.10</td>
</tr>
<tr>
<td>Home Health and Personal Care Aides</td>
<td>717,220</td>
<td>$15.10</td>
</tr>
<tr>
<td>Cashiers</td>
<td>405,670</td>
<td>$15.22</td>
</tr>
<tr>
<td>Waiters and Waitresses</td>
<td>171,630</td>
<td>$15.39</td>
</tr>
<tr>
<td>Cooks, Fast Food</td>
<td>123,640</td>
<td>$15.48</td>
</tr>
<tr>
<td>Fast Food and Counter Workers</td>
<td>360,980</td>
<td>$15.49</td>
</tr>
<tr>
<td>Retail Salespersons</td>
<td>344,380</td>
<td>$15.58</td>
</tr>
<tr>
<td>Janitors and Cleaners, Except Maids and Housekeeping Cleaners</td>
<td>214,640</td>
<td>$18.03</td>
</tr>
<tr>
<td>Security Guards</td>
<td>142,040</td>
<td>$18.35</td>
</tr>
<tr>
<td>Stockers and Order Fillers</td>
<td>261,130</td>
<td>$18.35</td>
</tr>
<tr>
<td>Cooks, Restaurant</td>
<td>129,350</td>
<td>$18.56</td>
</tr>
<tr>
<td>Miscellaneous Assemblers and Fabricators</td>
<td>122,690</td>
<td>$18.61</td>
</tr>
<tr>
<td>Laborers and Freight, Stock, and Material Movers, Hand</td>
<td>366,180</td>
<td>$18.64</td>
</tr>
<tr>
<td>Teaching Assistants, Except Postsecondary</td>
<td>128,790</td>
<td>$18.97</td>
</tr>
<tr>
<td>Office Clerks, General</td>
<td>274,700</td>
<td>$19.70</td>
</tr>
<tr>
<td>Customer Service Representatives</td>
<td>202,230</td>
<td>$19.74</td>
</tr>
</tbody>
</table>

**Lowest Range of Livable Wage in California According to Real Cost Measure**

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Total Employment</th>
<th>Median Hourly Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Light Truck Drivers</td>
<td>121,060</td>
<td>$21.67</td>
</tr>
<tr>
<td>Secretaries and Administrative Assistants, Except Legal, Medical, and Executive</td>
<td>172,560</td>
<td>$23.87</td>
</tr>
<tr>
<td>Maintenance and Repair Workers, General</td>
<td>131,460</td>
<td>$24.00</td>
</tr>
<tr>
<td>Bookkeeping, Accounting, and Auditing Clerks</td>
<td>170,580</td>
<td>$24.39</td>
</tr>
<tr>
<td>Heavy and Tractor-Trailer Truck Drivers</td>
<td>179,450</td>
<td>$24.94</td>
</tr>
</tbody>
</table>

**Lowest Range of Livable Wage in California According to MIT Living Wage Calculator**

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Total Employment</th>
<th>Median Hourly Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>First-Line Supervisors of Office and Administrative Support Workers</td>
<td>153,650</td>
<td>$31.65</td>
</tr>
<tr>
<td>Sales Representatives of Services, Except Advertising, Insurance, Financial Services, and Travel</td>
<td>118,580</td>
<td>$32.03</td>
</tr>
<tr>
<td>Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientific Products</td>
<td>134,320</td>
<td>$32.25</td>
</tr>
<tr>
<td>Business Operations Specialists, All Other</td>
<td>182,380</td>
<td>$38.64</td>
</tr>
</tbody>
</table>

**Two-Bedroom Housing Wage (statewide)**

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Total Employment</th>
<th>Median Hourly Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elementary School Teachers, Except Special Education</td>
<td>145,510</td>
<td>$40.70</td>
</tr>
<tr>
<td>Accountants and Auditors</td>
<td>151,320</td>
<td>$40.97</td>
</tr>
<tr>
<td>General and Operations Managers</td>
<td>286,030</td>
<td>$54.86</td>
</tr>
<tr>
<td>Registered Nurses</td>
<td>324,400</td>
<td>$63.76</td>
</tr>
<tr>
<td>Software Developers</td>
<td>228,240</td>
<td>$71.47</td>
</tr>
</tbody>
</table>

**Source:** National Low Income Housing Coalition. “Out of Reach 2021: California.”
**Racial/Ethnic Equity**

Race, gender, or any other individual characteristic should not affect people’s ability to make ends meet. Yet Latino Californians in working families, as well as immigrants and women in working families, are more likely to be unable to afford basic needs. This outcome could be partly the result of these groups having less marketable job skills because of their lower average education. However, sorting out the relative contribution of skills versus individual characteristics is a very difficult task. Rather than trying to do that here, we present the raw data that is not corrected for skill levels, and we leave it for others to determine the degree of inequity represented by these statistics. We also note that given the increasing incomes at the top of the income ladder, there are reasons to wonder whether workers are getting their fair share of total income regardless of their skills.

About 1 in 5 Latino Californians (19%) couldn’t make ends meet despite living in working families, compared to 14 percent of all individuals in working families. The Real Cost Measure in California for 2021 shows that 52 percent of Latinos are struggling to earn enough in wages to afford living in the state. These low-paying jobs fail to provide the economic stability and security that people deserve. In California in 2021, more than 2 in 5 Latino workers (42%), one-third of Black workers (33%), and 35 percent of immigrant workers were paid low wages, compared to 30 percent of all workers.

Black, Latino, Native American, and Native Hawaiian/Pacific Islander workers in California are disproportionately represented at the low-end of the wage scale where wages have stagnated. They also are typically paid far less than white workers. Between 2016 and 2018, the median hourly wage for Latino workers ($16.51) was just 60 percent of the median hourly wage of their white counterparts ($27.64) and the median hourly wage for black workers ($19.04) was just 69 percent of that of white workers.
Workers of Color are Typically Paid Less than White Workers

**NOTE:** Racial and ethnic groups are mutually exclusive. These figures provide only a preliminary understanding of disparities by race and ethnicity, as the data are not available or cannot be reported for all racial and ethnic groups.

**LGBTQ+ Equity**

There is a severe lack of wage data for LGBTQ+ people, demonstrating the need for greater public investment in fair and inclusive data collection. Transgender people, however, have particularly high rates of poverty, according to both California and national data. Additionally, according to recent California data, LGBTQ+ people as a whole have experienced more financial hardship during the pandemic than cisgender straight Californians.

Workplace discrimination, which is a frequent occurrence for LGBTQ+ workers, is one factor that contributes to financial hardship among LGBTQ+ people. According to a recent study, 1 in 10 people had encountered discrimination in the previous year, and nearly half had at some point in their careers encountered unfair treatment at work.28

**1.B.II. INDICATOR #2: INDIVIDUAL WAGES BY EDUCATION LEVEL, BY RACE/ETHNICITY, AND BY GENDER**

**What does this indicator measure?**

People’s wages by their education level measures the average pay earned by workers in California, broken down by their level of educational attainment. These data provide insight into the relationship between education and earning potential, and can help policymakers understand the value of investing in education and training programs. By further breaking the data down by race and ethnicity, we can see whether there are inequities by race even after controlling for education. Similarly, by breaking down by gender after controlling for education, we can see if there are inequities by gender.

**Why is it an important measure of economic equity?**

This measure is important because it provides a contemporaneous measure of disparities that considers how wages and salaries differ across racial and ethnic groups and between genders after controlling for the one factor, education, that has the biggest impact on differences in pay. It provides a clearer picture of inequities than household income because it focuses on individuals and their characteristics such as race or gender. In addition, household income can vary as a result of different sized households and different numbers of earners in the household and because some households have access to property or interest income while others do not. Property or interest income typically comes from accumulated
wealth and savings that reflects the history of the household. There is growing evidence that these wealth differences not only reflect the effort and luck of past and present generations of a family, but also factors such as slavery and discrimination in housing and employment that limited the ability of some groups to accumulate wealth. Although differences in wealth have a large role in perpetuating inequities from one generation to the next, we will focus here on inequities in wages.

To do this we use wage and salary data from the 2021 American Communities Study. We consider all people who have jobs in the state of California and who are working “full-time” or 32 hours per week or more. This means that we will not capture any inequities due to the fact that some people are unemployed because they cannot even get full or part-time jobs. We consider five levels of education: less than high school (9% of this group of people with full-time jobs), high school graduates (28%), some college (21%), college graduates (26%), and those with more than four years of college (16%). Table 3 presents the average yearly incomes by these five educational levels and by six racial and ethnic groups.

<table>
<thead>
<tr>
<th>Group by Race/Ethnicity</th>
<th>Less than High School</th>
<th>High School Graduate</th>
<th>Some College</th>
<th>Four Year College</th>
<th>More than Four Years: 5+</th>
<th>Group Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Hispanic White</td>
<td>$51,083</td>
<td>$59,354</td>
<td>$70,883</td>
<td>$108,535</td>
<td>$143,420</td>
<td>$96,647</td>
</tr>
<tr>
<td>Asian American/Pacific Islander</td>
<td>$37,219</td>
<td>$44,615</td>
<td>$56,588</td>
<td>$94,917</td>
<td>$151,726</td>
<td>$95,392</td>
</tr>
<tr>
<td>African American/Black</td>
<td>$39,168</td>
<td>$48,605</td>
<td>$55,887</td>
<td>$78,444</td>
<td>$111,494</td>
<td>$66,415</td>
</tr>
<tr>
<td>Native American/Alaskan Native</td>
<td>$39,614</td>
<td>$49,073</td>
<td>$52,471</td>
<td>$63,575</td>
<td>$80,548</td>
<td>$55,461</td>
</tr>
<tr>
<td>Hispanic/Latino</td>
<td>$32,060</td>
<td>$40,593</td>
<td>$49,238</td>
<td>$71,940</td>
<td>$97,377</td>
<td>$48,206</td>
</tr>
</tbody>
</table>

**SOURCE:** Authors’ calculations from IPUMS-CPS, University of Minnesota, [www.ipums.org](www.ipums.org), using the 2021 American Communities Study Census Data.
People can belong to only one of these racial and ethnic groups except for Hispanics—the groups are “mutually exclusive” except for Hispanics. About 4 percent of Hispanics identify with one of the non-white racial groups, and almost three-quarters (73%) of this 4 percent identify as Native American. Also, about 4 percent of the total population of those working full time in California do not fit into these categories—most of them identifying with two or more races or ethnic groups. Table 4 below breaks down average income by educational attainment and gender.

**What Does this Measure Show?**

Note that, in every case in Table 3, as we move along the rows to higher and higher levels of education, average yearly wages increase dramatically and in increasing increments. This growth indicates the value of education, especially higher education, for all racial and ethnic groups in California.

Also note the substantial differences among groups. Roughly speaking, yearly wages decrease as we go down the columns. Non-Hispanic whites and Asian Americans and Pacific Islanders are typically at the top of the distribution, although there is a lot of heterogeneity in these groups. African Americans, Native Americans, and Hispanics are at the bottom. These substantial differences, even after we control for education, strongly suggest racial and ethnic discrimination. For example, Native Americans, Hispanics, and African Americans with four-year college degrees earn $30,000 to $45,000 less per year than non-Hispanic whites on average.

There are other reasons why there may still be income differences after controlling for education, but careful, peer-reviewed research using experiments and other sophisticated methods suggests that “differential treatment accounts for at least one-third of the Black-white wage gap.” Hence, even if we ignore historical forms of discrimination that might have given some groups advantages, we still find that groups today experience differential treatment in the wages they receive.

The results for men and women in Table 4 demonstrate similar disparities after controlling for education. As before, there are additional reasons why there might be differences, but careful research has suggested that they do not explain the entire gap.

### Table 4

**Average Yearly Wages in 2021 in California for Those Working Full Time by Educational Attainment and Gender**

<table>
<thead>
<tr>
<th>Group by Gender</th>
<th>Less than High School</th>
<th>High School Graduate</th>
<th>Some College</th>
<th>Four Year College</th>
<th>More than Four Years: 5+</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Men</td>
<td>$35,974</td>
<td>$50,541</td>
<td>$66,174</td>
<td>$108,068</td>
<td>$162,062</td>
<td>$82,123</td>
</tr>
<tr>
<td>Women</td>
<td>$27,918</td>
<td>$40,462</td>
<td>$50,401</td>
<td>$81,513</td>
<td>$109,959</td>
<td>$66,396</td>
</tr>
</tbody>
</table>

**SOURCE:** Authors’ calculations from IPUMS-CPS, University of Minnesota, [www.ipums.org](http://www.ipums.org), using the 2021 American Communities Study Census Data.
Understanding the relationship between education and earning potential is important because it can inform policy decisions related to education and workforce development. Policymakers can use this data to identify education and training programs that are likely to provide workers with the skills they need to access higher-paying jobs. Additionally, policies that promote access to education, such as financial aid programs and support for non-traditional students, can help ensure that all workers have the opportunity to improve their earning potential through education.

Breaking these income disparities down further by race, ethnicity, and gender sheds light on ongoing inequities, highlighting the need for policies that promote access to education, support workers, and eliminate discrimination, so that they can improve their earning potential regardless of their gender, race, ethnicity, and/or other characteristics. Additional analyses show that unemployment rates vary in a similar way, indicating that education also increases the chances of getting a job and that not only do some groups get lower wages when they get work, but the same groups (especially African Americans and Native Americans) have a harder time finding a job even after controlling for education.
Research has consistently shown the power of place and connection in community health. Where one lives determines whether one has access to clean air and water, good schools, parks, safe neighborhoods, healthy food options, medical care, and more. As a result, ‘place’ has a significant impact on an individual’s health, well-being, and economic opportunity.

Place equity and inclusivity in California is complex and multifaceted. While California is one of the wealthiest states in the U.S., it is also one of the most expensive and residentially segregated. The state’s historical discriminatory housing practices have resulted in neighborhoods that are racially and economically segregated, with low-income individuals and people of color often residing in neighborhoods with limited resources and opportunities. In addition, California has been grappling with a severe housing supply shortage and affordability crisis. The impact of the housing crisis is most critical on low-income individuals and communities of color, further exacerbating existing inequities.

Health and environmental equity show similar results. California’s healthcare system ranks among the best in comparison to other states.84 Furthermore, the state has established itself as a global leader in addressing climate change and reducing carbon emissions. However, health and environmental inequities persist,
and remain particularly unaddressed in low-income and communities of color which disproportionately bear the burden of pollution and environmental hazards. These inequities are also reflected in disparities in access to healthcare and health outcomes.

Persistent health, environmental, housing, and neighborhood disparities stand in the way of an equitable California in which all residents are able to live in vibrant, well-resourced neighborhoods that support their ability to live healthy and productive lives.

**Indicators**

This section identifies five indicators across two focus areas. These indicators measure the current state of place equity in the state.

<table>
<thead>
<tr>
<th>Health and the Environment</th>
<th>Housing and Neighborhoods</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. Environmental Pollution</td>
<td></td>
</tr>
</tbody>
</table>

**2.A. HEALTH AND THE ENVIRONMENT**

In an equitable California, all residents have access to environmental quality and healthcare. A prosperous state requires healthy residents. Yet, all Californians—primarily low-income communities, communities of color, and immigrant populations—are not able to live healthy lives based on where they live. The differences in healthcare outcomes are due to inequities in healthcare access, environmental racism, and the social and structural determinants of health (SSDOH).

The indicators within this category measure the distribution of healthcare outcomes, healthcare access, and pollution burden in California. Results show significant racial, socioeconomic, and geographic inequities among those who have access to healthy and clean communities.
2.A.I. INDICATOR #1: HEALTH OUTCOMES—LIFE EXPECTANCY AND INFANT MORTALITY

What do these indicators measure?

Life expectancy measures the number of years a person born today can expect to live. The infant mortality rate measures the number of infants who died prior to 1 year of age per 1,000 live births.

Why are these measures an important measure of health equity?

Mortality is a key summary measurement of overall health and well-being in a population. Extensive research shows that life expectancy and infant mortality rates are correlated with other factors that influence the well-being of populations, such as quality and access to medical care, quality of environment, economic opportunity, educational attainment, and more. These measurements allow us to compare health outcomes across geographic areas, racial/ethnic groups, and socioeconomic status. Through these comparisons, we are able to measure the health equity of the state.

What do these measures show?

California has one of the lowest infant mortality rates (4.2%) and highest life expectancy rates (79 years) in the nation. Yet, there are overwhelming racial/ethnic, geographic, and socioeconomic disparities in these outcomes, which reflect the social and structural determinants of health in California.

Racial/Ethnic Equity

Since 2011, the Black infant mortality rate in California has decreased by 14 percent. However, although there has been progress, significant racial disparities remain that need to be addressed. In 2017, 8.3 Black infants out of 1,000 live births died before their first birthday. This is more than double the rate for white infants in the same year (3 deaths per 1,000 live births).
Infant Mortality Rates by Race/Ethnicity, California, 2011-2017

Figure 9

<table>
<thead>
<tr>
<th>Race/Ethnicity</th>
<th>Infant Mortality Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>African American</td>
<td>9.49</td>
</tr>
<tr>
<td>Asian / Pacific Islander</td>
<td>3.19</td>
</tr>
<tr>
<td>Hispanic / Latino</td>
<td>4.51</td>
</tr>
<tr>
<td>White</td>
<td>3.61</td>
</tr>
<tr>
<td>Total population</td>
<td>4.53</td>
</tr>
</tbody>
</table>

Life expectancy rates reflect a similar trend. In 2020, Black men and women had the lowest gender-based life expectancy rates, 69.8 and 76.2 years, respectively. The COVID-19 pandemic caused a decline in life expectancy rates for all races/ethnic groups, but the Black and Latino populations were particularly affected. Latinos represented 42.3 percent of COVID-19 deaths despite only accounting for 36.3 percent of the population, while African Americans accounted for 7.1 percent of COVID-19 deaths despite only accounting for 6.1 percent of the population. These disproportionate death tolls among communities of color suggest that they face severe social disparities.

**Socioeconomic Equity**

Social and structural determinants of health (SSDOH) refer to environmental conditions that impact an individual’s health and overall well-being. Economic stability, education access and quality, healthcare accessibility, and other factors are all examples of SSDOH.

In California, higher income and education levels are associated with lower infant mortality rates. Infants of mothers insured by Medi-Cal—California’s public health insurance for low-income children and adults—were 42 percent more likely to die compared to infants of mothers insured by private or other public insurance. In addition, infants of mothers with a college degree were 70 percent less likely to die compared to infants of mothers with less than a high school education.
Figure 11  Infant Mortality Rates by Medical Insurance and Educational Attainment, California, 2017

**Source:** California Department of Public Health, Center for Health Statistics and Informatics.
Similarly, communities in California with low poverty rates and high educational attainment lived five years longer, on average, than communities with high poverty rates and low educational attainment. As a result, life expectancy rates vary significantly by place. Even within one county there are large disparities. For example, Los Angeles’s most affluent communities—Beverly Hills, Malibu, and Santa Monica Northwest—have an average life expectancy of 88.1 years. That is an overwhelming 14 years longer than the average life expectancy within Los Angeles County’s poor communities, including the rural areas of Lancaster Central and Palmdale North Central.

**Figure 12** Life Expectancy by Income and Education

**Poverty and Life Expectancy**
In MSSAs, 2016-2020

<table>
<thead>
<tr>
<th>Quartile</th>
<th>Mean Life Expectancy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Least advantage)</td>
<td>78.6</td>
</tr>
<tr>
<td>2</td>
<td>80.2</td>
</tr>
<tr>
<td>3</td>
<td>81.7</td>
</tr>
<tr>
<td>4 (Most advantage)</td>
<td>83.7</td>
</tr>
</tbody>
</table>

**HS Grad or Less and Life Expectancy**
In MSSAs, 2016-2020

<table>
<thead>
<tr>
<th>Quartile</th>
<th>Mean Life Expectancy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Least advantage)</td>
<td>79.1</td>
</tr>
<tr>
<td>2</td>
<td>79.7</td>
</tr>
<tr>
<td>3</td>
<td>81.4</td>
</tr>
<tr>
<td>4 (Most advantage)</td>
<td>84.1</td>
</tr>
</tbody>
</table>

**SOURCE:** California Department of Public Health, data are from the American Community Survey, using 5-year data, 2015-2019.

**NOTE:** The unit of measure is ‘places’ rather than ‘persons’, the figure compares the social determinant and health outcome context for these communities, grouped into quartiles. The geographic level of the community is based on California Department of Health Care Access and Information (HCAI) Medical Service Study Areas (MSSAs); aggregations of census tracts. Graph compares life expectancy using two social determinants of health (1) community-level poverty rates (percent of community <150% of federal poverty level) and (2) community-level educational attainment (percent of community with high-school education or less).
2.A.II. INDICATOR #2: HEALTH ACCESS—MEDICALLY UNDERSERVED AREAS AND HEALTH INSURANCE

What do these indicators measure?

Medically underserved areas/populations (MUA/Ps) are regions or populations designated by the Health Resources & Service Administration (HRSA) as having too few primary care providers, high infant mortality, high poverty, or a large elderly population.88 Health insurance measures the proportion of the population that has health insurance coverage.

Why are they an important measure of place equity?

Health insurance is critical to helping people receive the medical care they need to live a healthy life. Research shows that uninsured adults have worse health outcomes,89 higher rates of mortality and premature death,90 less access to preventative services,91 undiagnosed or untreated chronic conditions,92 and more complex emergency visits.93 Thus, health insurance is an important measure of healthcare access and general well-being in a population. In addition to health insurance, ensuring that there are sufficient health care professionals in communities is essential to guaranteeing that residents have access to the care they need to have good health.

What do these measures show?

The uninsured rate in California has decreased substantially since the implementation of the Affordable Care act (ACA) in 2014. The uninsured rate before the ACA was 16 percent. Two years after the implementation of the ACA, the uninsured rate reached a low of 9 percent in 2016. Since then the uninsured rate has decreased even further, reaching a low of 7 percent in 2021—a rate 1.6 percent better than the national average.94 Still, more than 2.8 million California residents report being uninsured and notable disparities remain among those who remain uninsured.95

Additionally, health insurance coverage does not ensure access to healthcare services. Substantial geographic inequities demonstrate that even those who are insured oftentimes do not have sufficient access to medical care in their region. That is due to California having the largest number of Medically Underserved Areas/Populations (214) in the country. This deficit is, in part, due to California having the highest number of Health Professional Shortage Areas in the nation (1,645).96
### Top 5 Health Professional Shortage Areas by State

<table>
<thead>
<tr>
<th>Rank</th>
<th>State</th>
<th>HSPA Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>California</td>
<td>1,825</td>
</tr>
<tr>
<td>2</td>
<td>Texas</td>
<td>1,184</td>
</tr>
<tr>
<td>3</td>
<td>Alaska</td>
<td>977</td>
</tr>
<tr>
<td>4</td>
<td>Missouri</td>
<td>962</td>
</tr>
<tr>
<td>5</td>
<td>Florida</td>
<td>772</td>
</tr>
</tbody>
</table>


**DATA:** HPSA total count includes shortages based on geographic areas, populations, and facilities.

---

**Racial/Ethnic Equity**

In 2021, significant racial and ethnic differences persisted between the uninsured population, with Hispanics and Latinos constituting 39 percent of the total population but comprising 68 percent of those without insurance. The number of uninsured Hispanics in California was just below 2 million. One of the leading factors contributing to the high uninsured rate among Hispanics is their immigration status. Immigrants who are not lawfully present do not qualify for a health plan through Covered California. They also do not qualify through Medi-Cal unless they are younger than 26 or 50 or older, a DACA recipient, or currently pregnant or recently pregnant. These restrictive eligibility requirements result in many undocumented residents without health insurance.
Uninsured Population by Race, California, 2008 – 2021

**Geographic Equity**

Medically underserved areas (MUAs) are more prevalent in rural communities and inner city areas, meaning these communities are identified as having too few primary care providers, high infant mortality rates, high poverty or a high elderly population. As shown by the figure on the following page, rural regions, including Humboldt County, Kings County, and Siskiyou County have notably high rates of medically underserved areas. These rural communities are vulnerable because they are far from big city hospitals with the necessary staff and equipment needed to administer proper medical care.

Inner cities throughout the state are also often medically underserved, including inner cities in Los Angeles County, Sacramento County,
and San Francisco County. The susceptibility of these communities is attributable to several factors. These include systemic racism in the medical sector that discriminates against Black and brown individuals and the substantial proportion of Asian and Hispanic residents in urban areas who do not speak English, thereby creating obstacles to healthcare access.98

**Figure 14** Medically Underserved Areas in Rural Communities vs. Non-Rural Communities

**SOURCE:** Health Resources & Services Administration.
2.A.III. INDICATOR #3: ENVIRONMENTAL POLLUTION

What does this indicator measure?

The California Environmental Protection Agency’s (Cal EPA) CalEnviroScreen identifies communities in California that are most impacted by environmental pollution. It does so through a combined measure of 1) pollution burden and 2) population characteristics. It measures pollution burden by calculating a community’s exposure to numerous pollutants, including: diesel emissions, pesticides, traffic density, ozone concentrations, solid waste facilities, impaired water bodies, cleanup sites and more. Population characteristics account for factors that make communities more vulnerable to the harmful effects of pollution including high rates of asthma, cardiovascular disease, infant low birth weight, poverty, unemployment and more.

Why is this an important measure of place equity?

Environmental pollution has detrimental effects on human health. Studies show that polluted air is considered one of the major factors leading to cardiovascular and respiratory disease and lung cancer. Water pollution has been linked to more than 50 kinds of diseases, including respiratory disease, cancer, neurological disorder and cardiovascular disease. Soil pollution has been linked to cancer, neurological damage, and kidney disease. Additionally, environmental pollution contributes to climate change, which can have a variety of impacts on human health and overall well-being, including more frequent and severe heat waves, higher risk of fires, and droughts. A clean environment free of harmful pollutants is critical to living a healthy life. Having access to air, water, and soil that is clean and free of contaminants is a
basic and mandatory need for all. The lack of access to environmental quality for all Californians poses a severe threat to public health.  

**What do these measures show?**

As the state with the largest population and economy, California, is also the most polluted state in the U.S. However, California’s environmental quality has improved over the last few decades as the state has taken bold action to curtail climate change. For example, California established a statewide goal of reducing greenhouse gas (GHG) emissions to 1990 levels by 2020 with the passage of Assembly Bill 32 in 2006. As a result of these efforts, the state has managed to reduce GHG emissions even as its population grew and its GDP increased.

While environmental pollution is improving, many communities continue to experience unacceptable levels of pollution. Specifically minorities and rural and urban communities disproportionately bear pollution burdens. The impact of pollution compounds as these communities are also the groups that face socioeconomic and health-related challenges.

**Racial/Ethnic Equity**

CalEnviroScreen illustrates that people of color, especially Black and Latino people, disproportionately reside in areas that have been identified as highly impacted communities. Latinos are the most overrepresented racial/ethnic group residing in the top percent of census tracts most impacted by pollution. Of the 3,304 census tracts in which Latinos are the most prevalent racial/ethnic group, 754 tracts are in the top 10 percent of the CalEnviroScreen’s most impacted areas. That accounts for 23 percent of the group’s total census tracts. While African Americans are the most prevalent racial group in only 114 census tracts, 21 tracts are in the 10 percent most impacted. That accounts for 18 percent of the group’s total census tracts.

**Geographic Equity**

California is home to seven of the top 10 most polluted cities in the U.S. Those seven cities include both rural and urban areas, which are disproportionately impacted by environmental pollution. Rural counties in the San Joaquin Valley, which include the cities of Fresno and Bakersfield, are home to a large share of the state’s agricultural operations, oil production, and warehouse distributional activities. They also have unfavorable meteorological conditions at the end of the San Joaquin Valley because they are surrounded by high mountains that do not allow pollution to disperse. As a result, these regions are not only the most polluted areas in the state, but also the top two most polluted areas in the nation by particle pollution. The CalEnviroScreen data dashboard shows that the rural regions in the San Joaquin Valley, specifically Bakersfield and Fresno, have the highest pollution scores in the state. These pollution burdens are more severely felt by these communities due to high levels of poverty, linguistic barriers, low infant birth weight, and more, which makes them more vulnerable to the effects of pollution. For example, an estimated 1,200 cases of premature death in the San Joaquin Valley each year are due to poor air quality.
In addition to rural regions, California’s inner cities are also greatly impacted by pollution. Los Angeles, San Diego, and Sacramento are ranked among the top 10 most polluted metropolitan areas by ozone in the nation. Los Angeles is a city notorious for its smog, resulting in large part from vehicle emissions. Pollution burden scores vary within Los Angeles with lower income regions found in inner cities bearing a greater amount of pollution than more affluent coastal areas in Los Angeles.

**SOURCE:** OEHHA, October 2021 CalEnviroScreen 4.0 Report.

**DATA:** This graph shows percentile of combined pollution exposures and environmental effect indicators. Environmental effect indicators were assigned half the weight of exposure indicators.
2.B. HOUSING AND NEIGHBORHOODS

In an equitable California, all residents should be able to access affordable housing in strong and well-resourced neighborhoods. Vibrant and affordable neighborhoods are essential to building strong communities. However, a myriad of issues get in the way of this vision for California residents. With median rent prices and home values far exceeding the national average, California has become unaffordable for many low- and middle-income households. The high cost of living leads to severe housing cost burdens, especially for low-income and residents of color. This housing burden is further exacerbated by California’s inability to build sufficient housing. Affordable housing in California needs considerable investment to meet the increasing demands.

Furthermore, California’s housing crisis is exacerbating racial and economic segregation in neighborhoods. A study by the Othering and Belonging Institute shows that racial and economic segregation in California’s metropolitan areas has become more severe over the last two decades. Increasing racial and economic segregation in neighborhoods is leading to an increasing number of low-income and people of color living in neighborhoods that lack sufficient resources to break cycles of poverty.

2.B.I. INDICATOR #1: HOUSING-COST BURDEN

What does this indicator measure?

Households are considered cost burdened when they spend more than 30 percent of their income on rent, mortgage and utilities. Households are considered severely cost burdened when more than 50 percent of their income is going towards housing costs.

Why is this an important measure of place equity?

Affordable housing is a critical basic need for individuals, families, and communities to thrive. The lack of affordable housing can lead to a wide range of negative consequences, including increased rates of homelessness, displacement, economic instability, and health impacts. This impacts low-income and marginalized communities the most by exacerbating already existing inequalities.

What does this measure show?

California’s home and rent prices are higher than anywhere else. According to 2019 census data, the median California home is priced nearly 2.5 times higher than the median national home. Additionally, the average rent for a 2-bedroom apartment is about $2,028, close to 60 percent higher than the national average. As a result, California has higher rates of cost-burdened households than the national average. In California, 55 percent of renters and 38 percent of homeowners are cost burdened compared to the national rate of 50 percent for renters and 28 percent for homeowners.

Due to the absence of affordable housing, the state has experienced various adverse consequences including a surge in homelessness, displacement of residents, and economic instability. In 2020, California recorded the high-

2.B. HOUSING AND NEIGHBORHOODS
est rate of homelessness in the nation, with over 160,000 people affected. Additionally, the lack of affordable housing options and high housing costs are particularly affecting low-income renters, leading to increased displacement. Moreover, according to a statewide survey conducted in 2019, 52 percent of residents experienced financial strain due to housing expenses, indicating a 21 percent increase in the past 15 years.

**Socioeconomic Equity**

The combination of California’s rising housing costs and widening income inequality leads to severe housing cost burdens, especially for low-income households. Low income renters are the most severely impacted by California’s high housing costs. For example, extremely low income (ELI) renters, whose incomes are at or below the poverty guideline or 30 percent below their area median income (AMI), experienced severe cost burden at an overwhelming rate of 78 percent. This is not surprising due to a shortage of close to 1 million rental homes that are affordable and available to ELI households. Housing cost burden affects an estimated 1.3 million or 22 percent of renters.

**Figure 16** Housing Cost Burden by Income Group

<table>
<thead>
<tr>
<th>Income Group</th>
<th>0%</th>
<th>25%</th>
<th>50%</th>
<th>75%</th>
<th>100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extremely Low Income</td>
<td>88.5%</td>
<td>78.0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Very Low Income</td>
<td>85.0%</td>
<td>51.5%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low Income</td>
<td>64.1%</td>
<td>16.4%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**NOTE:** “Extremely low income” households have incomes at or below the poverty guideline or 30 percent below their area median income, whichever is higher. “Very low income” households are those whose incomes do not exceed 50 percent of the median family income for the area; and “Low income” households are those whose incomes do not exceed 80 percent of the median family income for the area.

**SOURCE:** National Low Income Housing Coalition

**DATA:** 2021 ACS PUMS, Income levels based on HUD’s Median Family Income (MFI) levels or poverty guidelines, if higher.
Racial/Ethnic Equity

Households of color experience higher housing cost burdens than white households. According to 2020 data, 63.1 percent of Black households and 57.5 percent of Hispanic households are cost burdened compared to 50.9 percent of white households. Some of the major reasons for these disparities include systemic racism and significant income gaps between racial groups. Systemic racism has impacted housing policies and practices in California for decades. From redlining, racially restrictive covenants, and gentrification, finding stable and affordable housing in California has been a difficult endeavor for people of color.123

Figure 17  Housing Cost Burden by Race/Ethnicity, California, 2020

<table>
<thead>
<tr>
<th>Race/Ethnicity</th>
<th>Cost Burdened</th>
<th>Severely Cost Burdened</th>
</tr>
</thead>
<tbody>
<tr>
<td>African American/Black</td>
<td>63.1%</td>
<td>36.6%</td>
</tr>
<tr>
<td>Hispanic/Latino</td>
<td>57.5%</td>
<td>29.4%</td>
</tr>
<tr>
<td>White</td>
<td>50.9%</td>
<td>26.9%</td>
</tr>
<tr>
<td>Pacific Islander</td>
<td>52.2%</td>
<td>26.8%</td>
</tr>
<tr>
<td>Asian American</td>
<td>49.6%</td>
<td>27.7%</td>
</tr>
</tbody>
</table>

SOURCE: National Equity Atlas  DATA: IPUMS USA
2.B.II. INDICATOR #2: RACIAL AND ECONOMIC RESIDENTIAL SEGREGATION

What does this indicator measure?

Racial and economic segregation in neighborhoods refers to the degree to which racial and socioeconomic groups live separately from one another.

Why is this an important measure of place equity?

One of the root causes of racial inequities in California is residential segregation. Much of this segregation originated in practices such as redlining that denied credit to prospective homeowners in areas deemed poor investments based solely upon the race or ethnicity of the inhabitants and housing covenants that restricted the sales of houses to people of certain groups. Although both of these practices have been illegal for many decades, their legacy has been segregated housing. Zoning restrictions such as large-lot single family zoning have also limited the density of housing and placed a barrier in the way of lower income groups becoming part of a community.

Segregation by race/ethnicity and income impacts groups’ social, educational, political, and economic opportunities and outcomes. For example, a recent study by UC Berkeley found that segregated communities of color have low homeownership rates (46%) and high poverty rates (21%). In contrast, segregated white neighborhoods had high homeownership rates (77%), low poverty rates (7%), and home values nearly twice as high as those in segregated communities of color. Promoting economic and racial integration is key to addressing racial and economic inequities and increasing opportunities for upward mobility.

What does this measure show?

Neighborhoods in California are becoming less diverse and more segregated by income. Although California’s population is increasingly becoming more diverse, its neighborhoods have become more segregated. A majority of California’s largest metropolitan regions—including Santa Cruz, Santa Rosa, Santa Barbara, San Jose, Riverside, Sacramento, Ventura, and San Diego—are more racially segregated than they were in 1990 (see Table 6 on the next page). In addition, numerous studies show the rise in residential segregation by income, especially in coastal regions and urban centers, including Southern California, the Bay Area, and Los Angeles.
California Metro Regions with the Greatest Increases in Segregation, 1990-2019

<table>
<thead>
<tr>
<th>Metropolitan Statistical Area</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Santa Cruz</td>
<td>1</td>
</tr>
<tr>
<td>Santa Rosa - Petaluma</td>
<td>2</td>
</tr>
<tr>
<td>Santa Barbara - Santa Maria - Goleta</td>
<td>3</td>
</tr>
<tr>
<td>San Jose - Sunnyvale - Santa Clara</td>
<td>4</td>
</tr>
<tr>
<td>Riverside - San Bernardino - Ontario</td>
<td>5</td>
</tr>
<tr>
<td>Sacramento - Arden-Arcade - Roseville</td>
<td>6</td>
</tr>
<tr>
<td>Oxnard - Thousand Oaks - Ventura</td>
<td>7</td>
</tr>
<tr>
<td>Vallejo - Fairfield</td>
<td>8</td>
</tr>
<tr>
<td>San Diego - Carlsbad - San Marcos</td>
<td>9</td>
</tr>
<tr>
<td>Modesto</td>
<td>10</td>
</tr>
<tr>
<td>Chico</td>
<td>11</td>
</tr>
<tr>
<td>San Luis Obispo - Paso Robles</td>
<td>12</td>
</tr>
<tr>
<td>San Francisco - Oakland - Fremont</td>
<td>13</td>
</tr>
<tr>
<td>Bakersfield - Delano</td>
<td>14</td>
</tr>
</tbody>
</table>

SOURCE: Othering & Belonging Report

Geographic Equity

While there are variations in the degree of segregation across California, the majority of the state is racially segregated. Butte and San Luis Obispo are the only two counties in California that are considered racially integrated. Of the remaining counties, 26 are experiencing high levels of racial residential segregation. One of the most segregated counties in the state is Los Angeles County, which is ranked as the sixth most segregated region in the U.S. with a population of 200,000 or more.131

Los Angeles County is also home to the second most racially segregated city in the country, Inglewood. Its residents are 50
percent Black and 43 percent Latino. Whites only account for 2 percent of the city’s population. Los Angeles County is a perfect illustration of how a city having a diverse population does not necessarily translate to diverse neighborhoods.
**Racial/Ethnic Equity**

Racial and economic segregation closely intersect, as people of color are more likely to live in high-poverty neighborhoods. For example, in 2020, California’s white population had the lowest share of people living in high-poverty neighborhoods at 2.9 percent, while Black and Latino populations had the largest share living in high-poverty neighborhoods, at 9.3 percent and 8.6 percent respectively. This segregation has significant consequences for people of color since high-poverty neighborhoods have limited access to resources, including access to quality education, healthcare, and job opportunities. These segregated neighborhoods with low access to resources leads to perpetuating historical cycles of poverty and limits upward mobility for many communities of color.

**Figure 19** Percent Living in High-Poverty Neighborhoods by Race/Ethnicity, California, 2020

- **African American / Black**: 9.3%
- **Hispanic / Latino**: 8.6%
- **Pacific Islander**: 5.2%
- **Asian American**: 3.6%
- **White**: 2.9%

**Source:** National Equity Atlas
Higher education plays a crucial role in advancing California's booming economy. California's economic productivity is made possible by a skilled and educated workforce. As the demand for a skilled workforce increases in the 21st century economy, it is imperative for college to be accessible to more people. With the population becoming increasingly diverse, educational equity is necessary to build a strong workforce for a thriving economy.

Higher education is also critical to combating economic and social inequities. By earning a college degree, individuals can experience significant increases in wages and gain access to job opportunities with better benefits compared to those without a bachelor’s degree. Additionally, college graduates tend to be more resilient during economic recession and are the most likely to benefit from economic recoveries.133

California's K-12 education system is of the utmost importance in preparing students for higher education. However, low-income and minority students have large achievement gaps, lower graduation rates, and are less likely to meet UC/CSU enrollment requirements upon graduation. Similar disparities exist in California's higher education system. For example, low-income and minority students are less likely to enroll in college and are more likely to drop out before completing their degree. Educational disparities stand in the way of an equitable California in which all residents have access to a quality education that adequately prepares them to enter the workforce.
Indicators

This section identifies five indicators across two focus areas. These indicators measure the current state of educational equity in the state. Each indicator is analyzed through a racial/ethnic lens, socioeconomic lens, and other relevant demographic indicators such as English learners, homeless or foster youth, and students with disabilities.

<table>
<thead>
<tr>
<th>K-12 Education</th>
<th>Higher Education</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Academic Performance</td>
<td>1. Educational Attainment</td>
</tr>
<tr>
<td>2. Graduation Rates</td>
<td>2. College Access and Completion</td>
</tr>
<tr>
<td>3. College Readiness</td>
<td></td>
</tr>
</tbody>
</table>

3.A. K-12 Education

In an equitable California, all students would have access to quality K-12 public schools that prepare them for college or a career. Providing this preparation is even more imperative for those who start with significant disadvantages. A majority of the 6 million students educated in California’s public schools are considered “high need,” meaning they are low-income, English Learners (EL), homeless, and/or foster youth. More than half of the student body are low-income and 19 percent are English learners, compared to 8 percent nationwide. California’s large “high need” student body is a notable contributing factor to the state’s low K-12 performance in comparison to other states. According to U.S. News & World Report, California’s K-12 system ranks 40th in the nation based on indicators such as high school graduation rates, eighth-grade math and reading test scores, preschool enrollment rates, and SAT and ACT scores.

Over the past decade, California has implemented various reforms with the goal of enhancing student achievement and reducing equity gaps. These reforms include an improved school funding formula, new statewide standards in math, English, and science, and an overhauled assessment system. Moreover, in 2020, the state launched a new master plan for early education and childcare. However, the COVID-19 pandemic has disrupted many of these efforts.

Despite the state’s efforts, the indicators within this category highlight large and persistent inequities in California’s K-12 public schools. Results illustrate disparities in academic
achievement based on race, socioeconomic status, and geographic location.

3.A.I. INDICATOR #1: ACADEMIC PERFORMANCE

What does this indicator measure?

It measures the percentage of students in grades 3-8 and grade 11 who met or exceeded the English Language Arts (ELA) and Mathematics academic assessments.

Why is it an important measure of educational equity?

Academic performance in K-12 is a key indicator of students’ future success in higher education and the workforce. Research shows that students who perform well in math and language arts assessments are more likely to succeed in college and have higher earnings as adults than low performing students.137 As a result, improving the academic performance of students in K-12 is critical to achieving educational equity.

What does this measure show?

California’s academic performance measures have historically and continue to be lower than many other states. For example, in 2022, California’s 4th graders had the 14th lowest math scores and 20th lowest reading scores in the nation.138 Math and ELA proficiency rates have decreased since the COVID-19 pandemic. Math proficiency rates decreased from 37 percent in 2016 to 33 percent in 2022. Similarly, ELA proficiency rates have decreased from 49 percent in 2016 to 47 percent in 2022. The COVID-19 pandemic is a major factor that contributed to a decrease in academic performance not just in California, but nationally as well.139
Racial/Ethnic Equity

Among racial/ethnic groups, Black and Latino students have worse academic performance on average and across all grade levels. For example, in terms of math, results from academic year 2021-22 show that only 16 percent of Black students and 21 percent of Latino students met or exceeded math assessment standards compared to 48 percent of white students and 69 percent of Asian students. Similarly, in terms of ELA, only 30 percent of Black students and 36 percent of Latino students met or exceeded math assessment standards compared to 61 percent of white students and 75 percent of Asian students.

**SOURCE:** California Department of Education
Socioeconomic Equity

Low-income students have worse academic performance on average than their higher-income peers. For example, in 2022, only 35 percent of economically disadvantaged students met or exceeded ELA standards compared to 65 percent of non-economically disadvantaged students—an overwhelming 30 percent difference. Similarly, only 21 percent of economically disadvantaged students met or exceeded math standards compared to 52 percent of non-economically disadvantaged students.

SOURCE: California Department of Education

DATA: ELA and Math test results for all grades and all school types for year 2021-22.
3.A.II. INDICATOR #2: GRADUATION RATES

**What does this indicator measure?**

This measure only includes students who graduated with a high school diploma and it does not include a general equivalency diploma, certificate of completion, certificate of attendance, or any other similar or lesser credential.\(^{160}\)
Why is it an important measure of educational equity?

Completing high school is the first essential step students need to have increased opportunities in terms of higher education, employment, and social mobility. Research shows that students who dropout of high school typically have lower earnings, limited job opportunities, worse health outcomes, and higher incarceration rates. Therefore, efforts at increasing graduation rates among all students, regardless of race, socioeconomic status, or other demographic factors, is critical to advancing equity.

What does this measure show?

Over the last decade, graduation rates have increased significantly in California. Since 2010, graduation rates have increased by over 10 percent—reaching an 87 percent graduation rate in 2022. While these measures are promising, high school graduation rates by race, geography, and socioeconomic status show large and persistent disparities in high school completion rates.

Figure 23  High School Graduation Rates, California, 2010-2022

SOURCE: California Department of Education

DATA: Four-year adjusted graduation rates from 2009-2010 to 2021-22 cohorts.
**Racial/Ethnic Equity**

Graduation rates for all racial groups have increased since 2010. However, large racial gaps in graduation rates persist. In 2022, over 90 percent of Asian and white students graduated high school within four years, meanwhile only 79 percent of Black students and 85 percent of Latino students graduated within the same timeframe. The gap in graduation rates between Asian and Black students was an overwhelming 16 percent.

**Figure 24** High School Graduation Rates in California by Race, 2010 and 2022

<table>
<thead>
<tr>
<th>Year</th>
<th>African American</th>
<th>Hispanic / Latino</th>
<th>White</th>
<th>Asian</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>60.5%</td>
<td>68.1%</td>
<td>83.5%</td>
<td>90.6%</td>
</tr>
<tr>
<td>2011</td>
<td>68.1%</td>
<td>76.8%</td>
<td>87.5%</td>
<td>95.2%</td>
</tr>
<tr>
<td>2013</td>
<td>72.8%</td>
<td>83.0%</td>
<td>91.9%</td>
<td>99.5%</td>
</tr>
<tr>
<td>2015</td>
<td>79.5%</td>
<td>88.3%</td>
<td>96.1%</td>
<td>100%</td>
</tr>
<tr>
<td>2017</td>
<td>85.8%</td>
<td>92.7%</td>
<td>99.7%</td>
<td>100%</td>
</tr>
<tr>
<td>2019</td>
<td>91.2%</td>
<td>96.5%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>2021</td>
<td>96.1%</td>
<td>99.5%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>2023</td>
<td>98.5%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

**SOURCE:** California Department of Education  
**DATA:** Four-year adjusted graduation rates from 2009-2010 to 2021-22 cohorts.
Geographic Equity

Graduation rates vary across the state. Graduation rates are high in coastal counties and lower in inland counties. For example, the graduation rates of coastal counties—including Santa Barbara (93%), San Luis Obispo (93%), San Mateo (91%)—are mostly above the state average of 87 percent. Meanwhile, many inland counties have graduation rates below the state average, including Fresno (84%), Imperial (85%), Plumas (73%), and Sacramento (84%). Furthermore, even within counties large disparities exist. For example, in the Bay Area county of Alameda, Fremont Unified High School and Oakland Unified High School had a devastating 20 percent difference in graduation rates in 2022. While both schools serve a cohort of around 2,500 students, Fremont Unified High School had a graduation rate of 94 percent while Oakland Unified High School had a graduation rate of only 74 percent.

Other Aspects of Equity

Homeless students, foster youth, English learners, students with disabilities, and socio-economically disadvantaged students had graduation rates significantly lower than the state average of 87 percent. Foster youth had the lowest graduation rates at a concerning 57 percent. Additionally, nearly a third of English learners and homeless students did not graduate from high school on time with graduation rates of 68 percent and 69 percent, respectively.

Table 7

Other Gaps in Graduation Rates, 2022

<table>
<thead>
<tr>
<th>Category</th>
<th>Graduation Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>87%</td>
</tr>
<tr>
<td>Homeless Youth</td>
<td>68%</td>
</tr>
<tr>
<td>Foster Youth</td>
<td>57%</td>
</tr>
<tr>
<td>English Learners</td>
<td>68%</td>
</tr>
<tr>
<td>Students with Disabilities</td>
<td>70%</td>
</tr>
<tr>
<td>Socioeconomically disadvantaged</td>
<td>81%</td>
</tr>
</tbody>
</table>

**SOURCE:** California Department of Education

**DATA:** Four-year adjusted graduation rates for 2021-22 cohorts.
3.A.III. INDICATOR #3: COLLEGE READINESS

What does this indicator measure?

It measures the number of high school graduates who meet UC/CSU entrance requirements. UC/CSU entrance requirements include completing a set of required courses, achieving a minimum GPA, and scoring well on standardized tests like the SAT or ACT.

Why is it an important measure of educational equity?

While high school graduation rates have increased significantly over the past decade, a high school diploma alone does not guarantee that students will be able to enroll in the states’ public university systems. Without meeting UC/CSU entrance requirements, students can have trouble qualifying for admissions to California’s four-year college campuses and can be unprepared for careers or college. To advance equity, it is important to increase the share of students who graduate ready for college.

What does this measure show?

For over a decade, the share of high school students meeting the UC/CSU requirements has consistently increased. In 2009, only 35 percent of high school graduates met UC/CSU requirements. In 2019, a little more than half (51%) of high school graduates met UC/CSU requirements. This increase is due to increased efforts to boost college readiness, including a growing number of districts having made UC/CSU course requirements, known as A-G courses, a part of their graduation requirements. Additionally, some districts have adopted an A-G curriculum, meaning all courses in core academic areas are A-G approved. While this increase is promising, low college readiness rates persist among students of color and low-income students.
**Racial/Ethnic Equity**

While all racial/ethnic groups have seen an increase in college preparation rates, large racial gaps remain. In 2019, only 40 percent of Black and 44 percent of Latino students graduated meeting UC/CSU requirements compared to 55 percent of white and 73 percent of Asian students.

**Socioeconomic Equity**

Low-income students also have lower college readiness rates. In 2019, only 43 percent of low income high school graduates met UC/CSU enrollment requirements compared to the state average of 51 percent.

---

**Figure 25**  
**UC/CSU Eligibility Course Requirements Completed by Race, 2009 vs. 2019**

<table>
<thead>
<tr>
<th>Race</th>
<th>2008-09</th>
<th>2018-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asian American</td>
<td>56%</td>
<td>73%</td>
</tr>
<tr>
<td>White</td>
<td>41%</td>
<td>55%</td>
</tr>
<tr>
<td>Hispanic / Latino</td>
<td>26%</td>
<td>44%</td>
</tr>
<tr>
<td>African American</td>
<td>27%</td>
<td>40%</td>
</tr>
</tbody>
</table>

**Source:** PPIC  
**Data:** Proportion four-year cohort graduation rates that met UC/CSU enrollment requirements. Data from California Department of Education.
College Preparedness Rates Continue to be Lower for Low-Income Students Than the Statewide Average Across 10 Years

![Bar chart showing college preparedness rates](chart.png)

**Statewide total**
- 2008-09: 35%
- 2018-19: 51%

**Low-income**
- 2008-09: 29%
- 2018-19: 43%

**Source:** PPIC

**Data:** California Department of Education, data based on cohort of four-year cohort graduation rates.
In an equitable California, all students should have the opportunity to successfully pursue higher education. Higher education has numerous social and private benefits. It produces economic growth, improves people’s quality of life, reduces poverty, and leads to greater equality. However, the high cost of college is making college unaffordable for many young adults. Higher education has become increasingly costly in the United States, with tuition costs increasing by 175 percent since 1980.

The consequences of tuition costs increasing are even more dire in California where students’ housing costs are significantly above the national average. The financial burden of college often results in students never attending college or dropping out.

In California, only about one-third of 9th graders eventually go on to complete college and
earn a bachelor’s degree.\textsuperscript{148} College affordability (or the lack thereof) hinders many low-income students, especially those from Black and brown communities, from obtaining the economic and social benefits that higher education can provide.

Students from middle- and high-income households are more than twice as likely to earn a bachelor’s degree compared to low-income students. Asian students are three times more likely to earn a bachelor’s degree compared to Latino and Black students.

This section identifies disparities in educational attainment, college enrollment, and completion rates in California. Results show unequal distributional outcomes, in which low-income and students of color are disproportionately underrepresented in higher education and are therefore also excluded from the social and economic benefits that higher education affords individuals.

\textbf{3.B.I. INDICATOR #1: EDUCATIONAL ATTAINMENT}

\textbf{What does this indicator measure?}

It measures the highest level of education completed by the share of the population 25 years or older.

\textbf{Why is it an important measure of educational equity?}

Research has consistently shown that individuals with higher levels of education tend to have higher earnings, better health outcomes, more job prospects, and lower rates of unemployment than those with lower levels of education.\textsuperscript{149} Additionally, California’s economy relies on its well-educated workforce to attract businesses and industries that require skilled workers. Comparing educational attainment across different demographic groups allows us to measure the state’s educational equity.

\textbf{What does this measure show?}

Over the past decade, educational attainment across the state has seen slight improvements. The share of residents 25 and older who have a high school diploma has increased by 3.7 percent since 2010. Additionally, the share of residents with a bachelor’s degree or higher has increased from 30.1 percent in 2010 to 36 percent in 2021. In comparison to other states, California ranks 16\textsuperscript{th} in the percentage of residents with a bachelor’s degree or higher.\textsuperscript{150} It is surpassed by states like Massachusetts, Vermont, and Colorado—all of which have rates above 44 percent.

\textbf{Racial/Ethnic Equity}

While all racial/ethnic groups have experienced an increase in educational attainment over the past decade, large disparities remain. In 2021, only 11 percent of Latinos and 17 percent of African Americans had a bachelor’s degree compared to 27 percent of white and 33 percent of Asian residents. Racial gaps are even larger when looking at the share of residents that have a master’s degree. Only 5 percent of Latinos and 11 percent of African Americans hold a master’s degree, compared to 22 percent of Asian and 18 percent of white residents. As we’ve noted before, there is substantial heterogeneity within the Asian group and some subgroups have much lower levels of education.
Gender Differences

Historically, men have been much more likely to have a Bachelor’s degree or higher. In California, among people 65 and older, 33.2 percent of men and 21.2 percent of women have a Bachelor’s degree or higher. Similarly for those 45-64 with 31.8 percent and 29.4 percent...
respectively for men and women. Recently, however, those figures have turned around and among those 35-44, fewer men (29.9%) than women (33.3%) have a Bachelor’s degree or higher, and the figures are quite substantial for people 25-34 where 34.7 percent of women have Bachelor’s degree or higher but only 26.9 percent of men.

**Geographic Equity**

While a third of California adults aged 25 and older have a bachelor’s degree or greater, rates vary greatly across the state. Rural counties such as Lassen (13%), Glenn (14%), and Tulare (15%) have rates significantly below the state average. On the other hand, coastal counties such as Marin (60%), San Francisco (58%), and Santa Clara (52%) have rates significantly higher than the state average. Even within counties, disparities are large. For example, in Marin County—the county with the highest educational attainment rates—over 60 percent of white and Asian residents have a bachelor’s degree. In contrast, only 24 percent of Latinos and 29 percent of Black residents have a bachelor’s degree.151
3.B.II. INDICATOR #2: COLLEGE ACCESS AND COMPLETION RATES

What does this indicator measure?

College access measures the proportion of high school graduates that enroll in college. Completion rates measure the proportion of enrolled college students that graduate college.

Why are they an important measure of educational equity?

A college degree is correlated with numerous benefits, including higher earnings, job security, and health benefits. Therefore, one of the most effective ways California can effectively address economic and social disparities is by advancing higher education.

What do these measures show?

The COVID-19 pandemic caused unprecedented drops in college enrollment in California and across the nation. Among California’s 2020 high school graduates, 63 percent enrolled in college following graduation compared to 68 percent in 2018—a 5 percent decrease. This decrease is worrisome, as data shows that underserved student population gaps were further exacerbated during the pandemic.
UC and CSU graduation rates have increased over the past decade. The 4-year graduation rates of UC campuses increased from 63 percent in 2010 to 73 percent in 2017—a 10 percent improvement. CSU campuses saw an even larger improvement with graduation rates increasing from 19 percent in 2010 to 33 percent in 2017—a 14 percent increase. While increasing graduation rates are promising, an overwhelming majority (67%) of CSU students fail to graduate within four years and 44 percent fail to graduate within five years.

**Racial Equity**

Since 2014, college enrollment rates have increased or stayed the same for white and Asian students. However, enrollment rates have decreased for Black and Latino students.

**Figure 28**  
College Enrollment Rates of High School Graduates by Race/Ethnicity

![Graph showing college enrollment rates by race/ethnicity from 2014-15 to 2019-20.](image)

**SOURCE:** California Department of Education  
**DATA:** Rates reflect high school students who enrolled in postsecondary education within 12 or 16 months of completing high school.
In the 2019-20 school year, 56 percent of recent Latino high school graduates enrolled in college compared to 59 percent in the 2014-15 school year. Black students had an even greater decrease, from 62 percent in 2014-15 to 55 percent in 2019-20.

There are significant differences in graduation rates between different racial and ethnic groups. For example, the five-year graduation rate for Black students in the CSU system was 40.5 percent among the 2017 cohort. The graduation rate for Latino students was also low, with a little under half graduating within five-years at 48.9 percent. In comparison, Asian and white students had higher graduation rates at 64 percent and 67.2 percent, respectively.

**Figure 29** UC and CSU Graduation Rates by Race/Ethnicity

- **African American**: CSU 40.5%, UC 75.6%
- **Hispanic / Latino**: CSU 48.9%, UC 76.2%
- **White**: CSU 67.2%, UC 85.4%
- **Asian**: CSU 64.0%, UC 89.4%

**SOURCE:** University of California Information Center; CSU Graduation & Success Dashboard

**DATA:** Based on first-time freshmen who graduated within 5 years among the fall 2017 cohort.
Similarly, Black and Latino students also faced lower graduation rates in the UC system. For example, the five-year graduation rate for black students was 75.6 percent among the 2017 cohort. The graduation rate for Hispanic students was slightly higher at 76.2 percent. In comparison, Asian and white students had graduation rates above 80 percent, with 89.4 and 85.4 percent, respectively.

**Socioeconomic Equity**

Students from lower-income backgrounds face unique challenges that can impact their academic success, such as being unable to afford college, limited access to resources, and the need to work while attending school. These challenges can make it difficult for them to enroll and ultimately graduate from college. This results in lower graduation rates among low-income students compared to their higher-income peers.

In California, disparities in enrollment and graduation rates by income are particularly noteworthy. For example, a study by the Public Policy Institute of California found that based on current data, out of 1,000 low-income 9th graders, only 312 attend a four-year college and only 203 earn a bachelor’s degree. In comparison, out of 1,000 middle- and high-income 9th graders, 564 attend a four-year college and 440 earn a bachelor’s degree. This makes middle- and high-income students more than twice as likely to earn a bachelor’s degree than their low-income peers.
**Figure 30** Trajectory of 9th Graders by Income

*Source:* PPIC, November 2020 report

*Data:* Chart shows how many out of 1,000 9th graders will reach key milestones, based on current completion rates.

- **9th graders**
  - Middle-and high-income students
  - Low-income students
- Complete high school
  - Middle-and high-income students: 920
  - Low-income students: 811
- Attend any college
  - Middle-and high-income students: 760
  - Low-income students: 541
- Attend a four-year college as freshmen or transfer
  - Middle-and high-income students: 564
  - Low-income students: 312
- Earn a bachelor’s degree
  - Middle-and high-income students: 440
  - Low-income students: 203
CREATING AN INCLUSIVE AND EQUITABLE FUTURE FOR CALIFORNIA

California is a diverse state that has made strides towards equity and inclusivity. However, there are still areas for improvement in order to fully support and empower all members of its diverse population.

Affordable housing is required for California to achieve equity and inclusivity. California has one of the highest costs of living in the country, which has led to a housing crisis that disproportionately affects low-income and minority communities. Addressing this issue will require a multifaceted approach, including policies that increase affordable housing stock and protect tenants from displacement.

California could increase its efforts to address homelessness by providing more affordable housing options, supportive services for people experiencing homelessness, and job training programs that enable individuals to become self-sufficient. The state could also implement policies that prevent homelessness, such as rent control measures and stronger tenant protections.

California must also work to address the environmental disparities that disproportionately affect low-income communities and communities of color. The state could enforce stricter regulations on industrial pollution, invest in renewable energy, and promote green spaces in disadvantaged areas. Additionally, California could provide resources for community organizations to raise awareness of environmental racism and advocate for change.

California could prioritize community health by investing in preventative healthcare services, promoting healthy living through education and access
to healthy foods, and addressing health disparities among different racial and ethnic groups. The state could also provide funding for community-based healthcare centers and programs that offer healthcare services to underserved populations.

While California has made significant progress in increasing access to K-12 and higher education for marginalized communities, there is still a significant achievement gap for low-income students and students of color. This outcome calls for continued efforts to provide equitable resources and opportunities for all students to succeed.

The state also needs to deal with the inequities faced by rural areas that have inadequate health care, lower rates of high school graduation and college attendance, and lower incomes. Some rural areas (e.g., the Sierra region) also face housing crises as their proximity to urban areas leads to the influx of high income homebuyers who bid up the price of housing.

Finally, the state needs to address systemic racism and discrimination that continue to plague many communities. While California has made progress in implementing policies that promote diversity and inclusion, there is still work to be done to ensure that all individuals are treated with dignity and respect.

Overall, becoming more equitable and inclusive in areas related to homelessness, environmental racism, and community health will require a combination of policy changes, public education, and community involvement. California can take a leadership role in addressing these issues by prioritizing the needs of its diverse communities and implementing solutions that promote equity and justice for all. California is a diverse state that has made strides towards equity and inclusivity. However, there is still work to be done in areas such as education, affordable housing, and systemic discrimination. By continuing to prioritize these issues and implementing policies that address them, California can become a more equitable and inclusive state for all its residents.
ENDNOTES

1. Library of Congress, “The First Peoples of California,” https://www.loc.gov/collections/california-first-person-narratives/articles-and-essays/early-california-history/first-peoples-of-california/ “An ample food supply, temperate climate, and absence of wars contributed to a large, healthy population. It has been estimated that when Europeans first came to California, the native population was probably close to 300,000—13 percent of the indigenous peoples in North America.”

2. Allan Colbern and S. Karthick Ramakrishnan vividly recount this process: “California made gold, and gold made the state of California, vaulting it from territory to statehood in record time. The region certainly sparked colonial interest before the discovery of gold, as Spain subjugated the local Native populations and established a system of townships (pueblos), religious centers (missions), and fortifications (presidios) in the eighteenth century as part of Alta California. And American settlers and military expeditions had encroached in parts of the state during the 1840s, even as the region struggled for power with the central government of Mexico. Still, it was the discovery of gold at Sutter’s Mill on January 24, 1848 – days prior to the conclusion of the Mexican-American War – that sealed the fate of California. The discovery of gold in 1849 brought in tens of thousands of migrants from other parts of the United States, upending the region’s racial order and accelerating its entry as a US state even as the country grappled with the question of slavery’s expansion into new territories.” Colbern, Allan, and S. Karthick Ramakrishnan. Citizenship Reimagined: A New Framework for State Rights in the United States. Cambridge University Press, 2020, page 208. Chapter 5 of this book “Worst to First: California’s Evolution from Regressive to Progressive State Citizenship” provides a very useful and detailed overview of how California has evolved with respect to various groups.


4. Bureau of the Census, October 24, 1900, “Population of California by Counties and Minor Civil Divisions,” Census Bulletin, Number 10, Twelfth Census. https://www2.census.gov/library/publications/decennial/1900/bulletins/demographic/10-population-ca.pdf. The category is “American Indian, Eskimo, and Aleut” but the overwhelming number are Native Americans. Native Americans were not separately identified in the 1850 Census.


8. Ibid. These are some of the chapter headings of this report.


The term “Latinx” has been proposed as a way to avoid the gendering in “Latinos” (as opposed to “Latinas”) but it has not caught on and the terms “Latinos” and “Hispanics” seem to be used interchangeably in the press. See: Noe-Bustamante, Luis, Lauren Mora, and Mark Hugo Lopez. “About One-In-Four U.S. Hispanics Have Heard of Latinx, but just 3% Use It.” 2020. Pew Research Center, https://www.pewresearch.org/hispanic/2020/08/11/about-one-in-four-u-s-hispanics-have-heard-of-latinx-but-just-3-use-it/

Colburn and Ramakrishnan, op. cit., page 215.

Ibid, page 216.


CREATING AN INCLUSIVE AND EQUIitable FUTURE FOR CALIFORNIA


California Task Force to Study and Develop Reparations Proposals for African Americans, op. cit.


Ibid.


“The term ‘equity’ refers to fairness and justice and is distinguished from equality: Whereas equality means providing the same to all, equity means recognizing that we do not all start from the same place and must acknowledge and make adjustments to imbalances. The process is ongoing, requiring us to identify and overcome intentional and unintentional barriers arising from bias or systemic structures,” National Association of Colleges and Employers, “Equity,” https://www.naceweb.org/about-us/equity-definition/.


56 Ibid.


61 Ibid.

62 American Community survey data (2016-2020), census bureau table DP04

63 Authors’ calculations from IPUMS-CPS, University of Minnesota, www.ipums.org, using the 2021 American Communities Study Census Data. There is substantial heterogeneity in these categories. The subgroup of Native Hawaiians and Pacific Islanders in the AAPI group has a homeownership rate of only 45%.


66 Unadjusted by inflation.

67 January 2023 figures, median prices of existing detached single-family homes. Data from California realtors association.

69 Ibid.


76 Ibid.


78 Kimberlin and Anderson, op. cit. ‘75.

79 For an extended discussion of these factors for African Americans in California, see California Task force to Study and Develop Reparations Proposals for African Americans, June 2022, op. cit.

80 All of these groups are heterogenous, and averages obscure these differences, but the Asian American and Pacific Islander group is very heterogeneous as indicated by the fact that the biggest range in incomes is across the row for that group (from $37,219 to $151,726). For example, the Native Hawaiian/Pacific Islander group within the AAPI group has much lower average income (about $57,310) than the overall group ($95,392).

81 These other variables include different age profiles, levels of attachment to the labor force, occupational profiles, geographical locations, qualities of education, and amounts of experience, but some of these differences may also be due to a history of discrimination such as exclusion from labor unions, from certain jobs, or from certain universities so that “controlling” for them may be missing an important part of the story. What is remarkable is that differences persist even after controlling for all these factors—indicating that raw, unvarnished discrimination still exists.


Ibid.


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109 op. cit. 106.


111 op. cit 106.


120 Public Policy Institute of California, op. cit. 117.


127 Mendienian, Gambhir, and Gailes, op. cit. 112.
144 op. cit. 140.


148 Johnson and Mejia, op. cit. 133.


151 Perez, Johnson, Hsieh, and Gao, op. cit. 145.


154 Johnson and Mejia, op. cit. 133.