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Income Polarization and California's
Social Contract

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Abstract

This chapter explores the implications of growing economic and social inequality in California for the state's social contract, as well as the role of government and other institutions in addressing the new polarization. Data from the ILE's 2001-02 California Workforce Survey reveal that a majority of Californians are seriously concerned about the widening economic divide and support public policy measures that would help to narrow it. Respondents with lower incomes and less education are especially supportive of a strong government role in this area, as are noncitizens, Latinos, and African Americans. Because of the concentration of low-wage workers, immigrants, and Latinos in the southern part of the state, attitudes there belie the conservative stereotype of Southern California, traditionally juxtaposed to the relatively liberal attitudes assumed to be typical of the Bay Area. The survey results suggest that today, southern Californians are in fact more supportive of a strong government role than are people in the rest of the state. Southern Californians are also more pro-union than their counterparts elsewhere in the state. Another important topic in the chapter is public policy in regard to the problem of combining work and family responsibilities, with a large majority of survey respondents reporting that they favor compensating workers for family leave, and making child care and elder care more affordable.

Income Polarization and California's Social Contract

MARGARET WEIR

THE BOOM ECONOMY OF THE LATE 1990S SPREAD THE BENEFITS OF growth across the income spectrum, temporarily halting the widening inequality of the previous three decades. But the half-decade of shared prosperity made barely a dent in the pattern of sharp economic inequality that had crystallized since 1970. In California the growth of economic inequality was greater than in the rest of the country, and inequality remained higher even after the boom of the 1990s. Particularly striking in California was the steep decline in income for families at the lower end of the income distribution (Daly, Reed, and Royer 2001; Hill 2000). Driving this pattern of inequality are two key transformations that have been especially pronounced in California: the emergence of the postindustrial economy, and large-scale international immigration. Together, these shifts have created a new California that challenges the American ideal of a middle-class society.¹

California's economic and social polarization poses fundamental questions about the state's social contract, and about the role of government and other institutions in addressing inequality. It also raises questions about how California families are managing to combine work, family, and responsibilities for care giving in this setting.

Drawing on data from the 2001–2002 California Workforce Survey (CWS), this chapter examines Californians' views about the social and economic conditions they confront, with particular attention to their opinions about how the problems they perceive can be remedied. Overall, the survey responses reveal that a majority of Californians have serious concerns about the economic divide and strongly support enhancing government's role in addressing it.

A closer look, however, reveals that groups with divergent labor market prospects attach different intensities to these views. Those with lower incomes and those with lower education levels, as well as noncitizens, African Americans, and Latinos (categories among which there are significant overlaps) are more likely to identify polarization as a very serious issue and more likely to support government action. The less advantaged groups also exhibit some distinct policy preferences. Most notably, they

1. I would like to thank the staff of the Survey Research Center at the University of California, Berkeley for preparing the tables and especially Tom Piazza who read and commented on the entire draft. Thanks also to Ruth Milkman for her comments on an earlier draft.

are more supportive of measures that directly address the problem of low earnings than other groups are.

The survey also reveals regional differences within California. It shows that there is greater economic distress and more concern about polarization in Southern California than in the Bay Area or other parts of the state. And although Bay Area respondents were more likely to identify their political orientation as “liberal” than respondents from Southern California were, the Southern Californians were more likely to support government policies designed to remedy economic inequality.² The Milkman and Dwyer chapter in this volume found evidence of striking differences in levels of polarization between the Bay Area and the Los Angeles area; the survey results reported here suggest that this underlying shift has also altered the policy views historically associated with these two parts of the state.

After examining Californians’ attitudes toward personal and public problems and the role of state government, the chapter explores their attitudes about three specific strategies for addressing the problems: raising the minimum wage, joining unions, and supporting initiatives for balancing work and family pressures.

This chapter pays particular attention to variations across income groups.³ It is important to note at the outset the close relationship between income and other social characteristics. Most important is the tie between education and income. Of those respondents earning \$20,000 or less per year, 71 percent had only a high school education or less. Among those earning more than \$100,000, 63 percent had a college degree or more education. Throughout the analysis the lowest income group with the lowest education level reports experiencing far more hardship and finding opportunity harder to grasp than other groups. This finding is also important because of its link with immigration status: Noncitizens and Latinos are disproportionately represented among the less educated. The education levels of noncitizens are markedly lower than the average among all respondents: 52 percent of noncitizens had less than a high school education, whereas the median level of education for all respondents was 13.4 years. The income and education levels of Latino respondents were especially low: 41 percent had not completed high school, and only 8 percent had completed college (compared to 26 percent of the entire sample).

It is important to keep the link between education and income in mind throughout the analysis because educational opportunity has historically been Americans’ principal mechanism for upward mobility, and since the 1960s it has been the cen-

2. On a scale of 1 to 7, with 1 extremely liberal and 7 extremely conservative, 36 percent of Bay Area respondents placed themselves in the first three “most liberal” categories, whereas only 23 percent of respondents from Southern California put themselves in those categories.
3. In our sample 20 percent of respondents earned \$20,000 or less each year; 30 percent earned more than \$20,000 to \$50,000; 33 percent earned more than \$50,000 up to \$100,000; and 17 percent earned over \$100,000. The median income was \$50,000. By education level, 16 percent of respondents had less than high school, 28 percent were high school graduates, 29 percent had some college, and 27 percent had a college degree or higher levels of education.

tral component of California's social contract (Schrag 1998; Weir 2002). Sharp divisions in well-being by education level suggest a need to reassess the workings of the social contract under the new social and economic conditions that California confronts.

PERSPECTIVES ON PERSONAL ECONOMIC SECURITY AND OPPORTUNITY

Telephone interviews for the CWS took place from July 10, 2001 through January 27, 2002, catching respondents just as the economic boom of the late 1990s was waning. Over that time the unemployment rate ranged from a low of 5.4 percent (in August 2001) to a high of 6.4 percent (in January 2002). Even at their highest, however, unemployment rates reported during the time of this survey were well below the 7 and 8 percent rates of the mid-1990s (State of California 2002).

Financial Status and Outlook on the Future

On the whole, as Figures 4.1 and 4.2 show, the survey sampling period was a prosperous time for Californians, with 37 percent of all respondents stating that these were "good times" and only 18 percent stating that these were "tough times" financially for themselves and their family. Yet when we look at the sample by income level, significant differences emerge. Those earning \$20,000 a year or less were nine times more likely than those earning more than \$100,000 to report that they were having tough times. One-third of those with less than a high school education reported that they were experiencing tough times, compared to only 11 percent of those with a college degree or more education. Among those who had completed four or more years of higher education, half responded that these were good times, compared to only 19 percent of those with less than high school education. The positive assessments of respondents whose income and education levels were between the two extremes grew larger as their income and education levels rose.

Income levels, not surprisingly, marked the sharpest difference in how respondents assessed their personal financial situation. As Figures 4.1 and 4.2 show, among groups differentiated by citizenship, race and ethnicity, and region, some significant differences emerge, but they are not as extreme as those sorted by income levels. Among respondents sorted by citizenship status and race and ethnicity, the answers tracked those for education, but the differences were somewhat more muted. For example, 42 percent of U.S.-born citizens reported that these were good times, compared to 33 percent of foreign-born U.S. citizens and only 22 percent of noncitizens. On the assessment of tough times, the differences were much smaller, with 16 percent of U.S.-born citizens, 20 percent of foreign-born U.S. citizens, and 21 percent of noncitizens reporting that these were tough times. African Americans and Latinos were

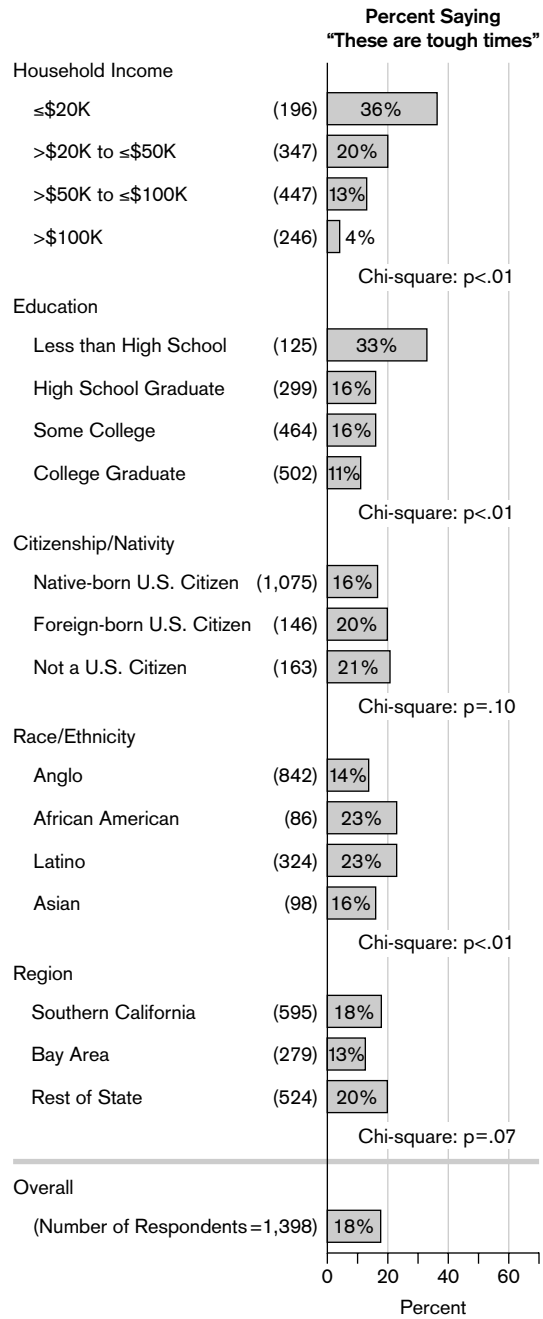
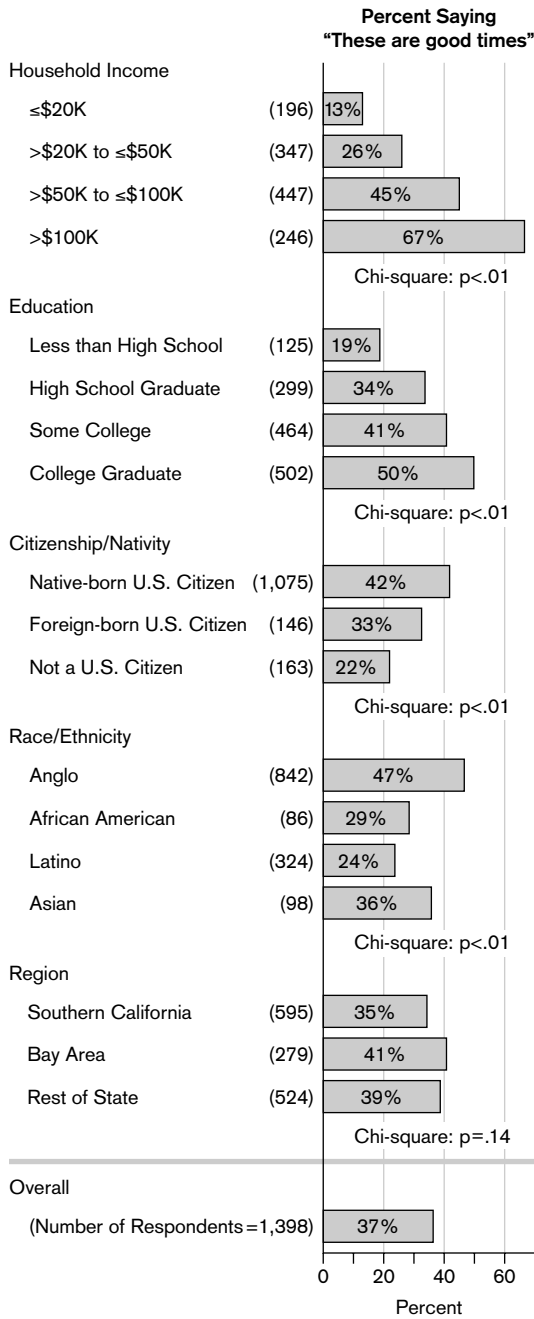


FIGURE 4.1 Respondents Reporting “Good Times,” by Selected Characteristics

FIGURE 4.2 Respondents Reporting “Tough Times,” by Selected Characteristics

SURVEY QUESTIONS: “First I’d like to ask you about your own situation and your family. In general, right now, how are things going financially for yourself and your family? Would you say these are good times, tough times, or something in-between?”

much less likely than Anglos and Asians to report that these were good times financially: 47 percent of Anglos and 36 percent of Asians said that these were good times, compared to 29 percent of African Americans and 24 percent of Latinos.⁴ Women were less likely than men to say that these were good times, at 33 percent versus 42 percent (not shown). Working union members were somewhat more likely to report good times, at 45 percent, than were nonunion members, at 40 percent (not shown).⁵

Regional differences also emerged, although they were smaller still. San Francisco Bay Area respondents were somewhat less likely to report tough times than respondents in the rest of the state.⁶ For example, 13 percent of Bay Area respondents reported tough times, compared to 18 percent of Southern Californians and 20 percent of respondents from the rest of the state. The regional differences among those reporting good times were not statistically significant.

Respondents were also asked to predict whether their family's financial situation would get better, stay the same, or get worse over the next five years. Reflecting an overall optimism, Figure 4.3 shows that 59 percent of all respondents envisioned things getting better for their family; 33 percent saw them staying the same, and only 8 percent saw them getting worse (not shown). The figure also suggests that differences across subgroups were small. Although not statistically significant, differences by income level were small, with 62 percent of those earning \$20,000 or less and 64 percent of those earning over \$100,000 expecting things to get better. Those respondents with less than a high school education were significantly more likely to see things getting worse, at 17 percent, than those with four or more years of higher education (not shown). However, African Americans and Latinos were considerably more likely than Anglos or Asians to believe that things would be getting better in the next five years: 80 percent of African Americans and 65 percent of Latinos gave the optimistic answer, compared to 55 percent of Anglos and 53 percent of Asians. Only small percentages of any racial or ethnic group expected things to grow worse for their family (not shown).

Groups with different citizenship status evaluated the future somewhat differently. Noncitizens were the most optimistic, with 64 percent believing that things would get better, compared to 60 percent of U.S.-born citizens. Foreign-born U.S. citizens

4. In this volume we use the term "Latinos" for people the Census and the CPS call "Hispanics" and the term "Anglos" for those they call "non-Hispanic whites," as Latinos may be of any race. Our use of "African Americans" and "Asians" refers to what the Census and CPS call "blacks" and "Asians and Pacific Islanders," respectively.

5. The results for the 29 cases of nonworking union members are not reported here.

6. The survey defined regions by area codes. Southern California was defined as urban Southern California and included respondents in the following area codes: 213, 310, 323, 562, 619, 626, 714, 818, 858, 909, and 949. The Bay Area included these area codes: 408, 415, 510, 650, and 925. The rest of California included these: 209, 559, 661, 916, 760, 805, 831, and 916. The distribution of respondents was as follows: 43 percent from Southern California, 20 percent from the Bay Area, and 37 percent from the rest of California.

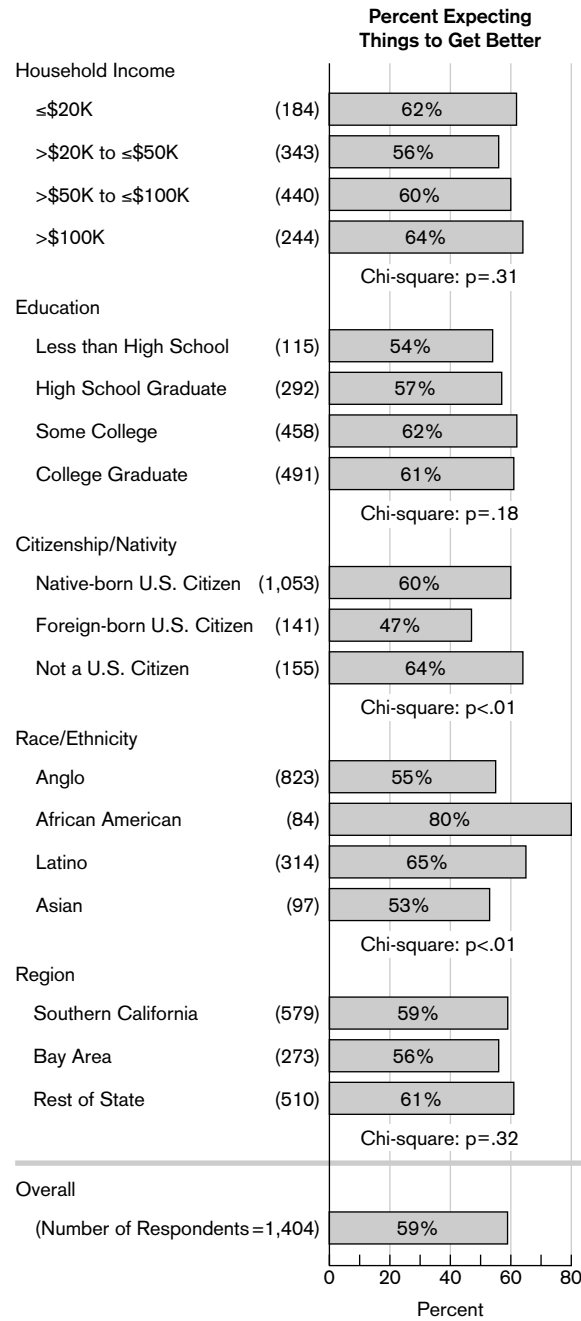


FIGURE 4.3 Respondents Saying the Next Five Years Will Be “Getting Better,” by Selected Characteristics
 SURVEY QUESTION: “In the next five years, do you see things for your family getting better, getting worse, or staying about the same?”

were the least optimistic, but even so, nearly half, 47 percent, responded that things were likely to get better for their family over the next five years. Differences between men and women were very small.

Economic Hardships

A similar pattern emerged in the responses to questions about particular economic problems. With the notable exception of difficulty buying a house, a minority of all respondents reported that the problems mentioned by the interviewer were “very serious” or “moderately serious” for them or their family. (For ease of presentation, these two categories are collectively termed “serious” in the remainder of this chapter.) Not surprisingly, however, among different income groups, the less well-off respondents were more likely to report that the problems mentioned were serious. As shown in Figure 4.4, those earning \$20,000 a year or less were much more likely to report a serious problem with all four choices; and on most issues, those earning over \$20,000 up to \$50,000 a year were closer to the lower income category in their responses than they were to the two higher income groups. As one would expect, the highest income category was markedly different from the rest of the sample, reporting relatively low levels of hardship on all four questions, with the notable exception of buying a house (and, to a lesser extent, being unable to save money). For example, as the figure indicates, 20 percent of all respondents reported that making rent or mortgage payments in the past year had posed a serious problem. Those earning \$20,000 or less were far more likely to rate this a serious problem (44 percent) than were those earning over \$100,000 (1 percent). Of the respondents earning over \$20,000 up to \$50,000, 28 percent said that rent or mortgage payments were a serious problem.

The results for respondents with different citizenship status and race or ethnicity closely matched those for groups with different income levels, with noncitizens reporting the greatest problems, foreign-born U.S. citizens in the middle, and native-born U.S. citizens reporting the fewest problems. For example, on the question whether they had a problem paying the rent or mortgage in the past year, 49 percent of noncitizens, 25 percent of foreign-born U.S. citizens, and 12 percent of native-born U.S. citizens reported a serious problem. African Americans and Latinos tended to report that the four problems were serious more frequently than did Anglos or Asians, but for the most part, the differences were considerably smaller than those for earnings and citizenship status.

Results for medical hardships were similar to those for paying the rent or mortgage. Only 19 percent of all respondents reported that delaying or trouble getting medical care was a serious problem for them or their family in the past year, whereas 32 percent of those respondents earning \$20,000 or less fell into this category. When asked about medical care, 26 percent of those in the over \$20,000 to \$50,000 income range said that it posed a serious problem. Over three-fourths of respondents earn-

ing \$50,000 or more reported that medical care was “not really a problem at all,” whereas 49 percent of those earning \$20,000 or less had no problem (not shown). Noncitizens were far more likely than others to report a serious problem in delaying or getting medical care: 35 percent of noncitizens indicated that they experienced such difficulties, compared to 21 percent of foreign-born U.S. citizens and only 14 percent of native-born U.S. citizens.

These results are not surprising when we consider the distribution of job-linked health benefits in the sample (not shown): 44 percent of those earning \$20,000 or less received no health benefits at work, whereas 29 percent of those earning over \$20,000 up to \$50,000 had no such benefits. Of those earning above \$100,000, only 4 percent reported receiving no health benefits at work.

Californians of all income levels had some trouble saving money, but the problem was most severe among those with the lowest household income. Overall, 47 percent of all respondents reported that saving money was a serious problem. However, 67 percent of those earning \$20,000 or less each year reported that this was a serious problem, compared to 58 percent of those earning over \$20,000 up to \$50,000, 44 percent of those earning more than \$50,000 up to \$100,000, and 19 percent of those earning over \$100,000 a year. These income differences appeared again when respondents were asked whether their total household income was enough for their usual monthly expenses (not shown). The majority of all respondents, 72 percent, said that it was. In contrast, among those earning \$20,000 or less, 57 percent responded that their household income was not enough for their usual monthly expenses. Of those earning over \$20,000 up to \$50,000, 36 percent reported that their household income was not enough to cover expenses.

Given the rapid escalation of California’s housing prices in the late 1990s and early 2000s, it is not surprising that buying a house posed problems for a majority of those who were looking—whatever their income level. In our survey 51 percent of the respondents reported that they were not looking for a house to buy, but among those who were looking, a majority—60 percent—reported that postponing the purchase of a house was a serious problem for them or their family. Among those earning \$20,000 or less, 75 percent called this a serious problem. But even among those earning more than \$50,000 up to \$100,000, half reported that buying a home posed a serious problem. A large majority of African Americans (68 percent) and Latinos (70 percent) who were looking for a house reported that the decision to postpone was a serious problem; among Anglos and Asians the figures were lower but still much higher than those for the other three problems, at 49 percent and 58 percent, respectively.

Educational Opportunity

Since the 1960s the right to a higher education has been a premise of California’s social contract. To some extent that contract remains in place. A majority (66 per-

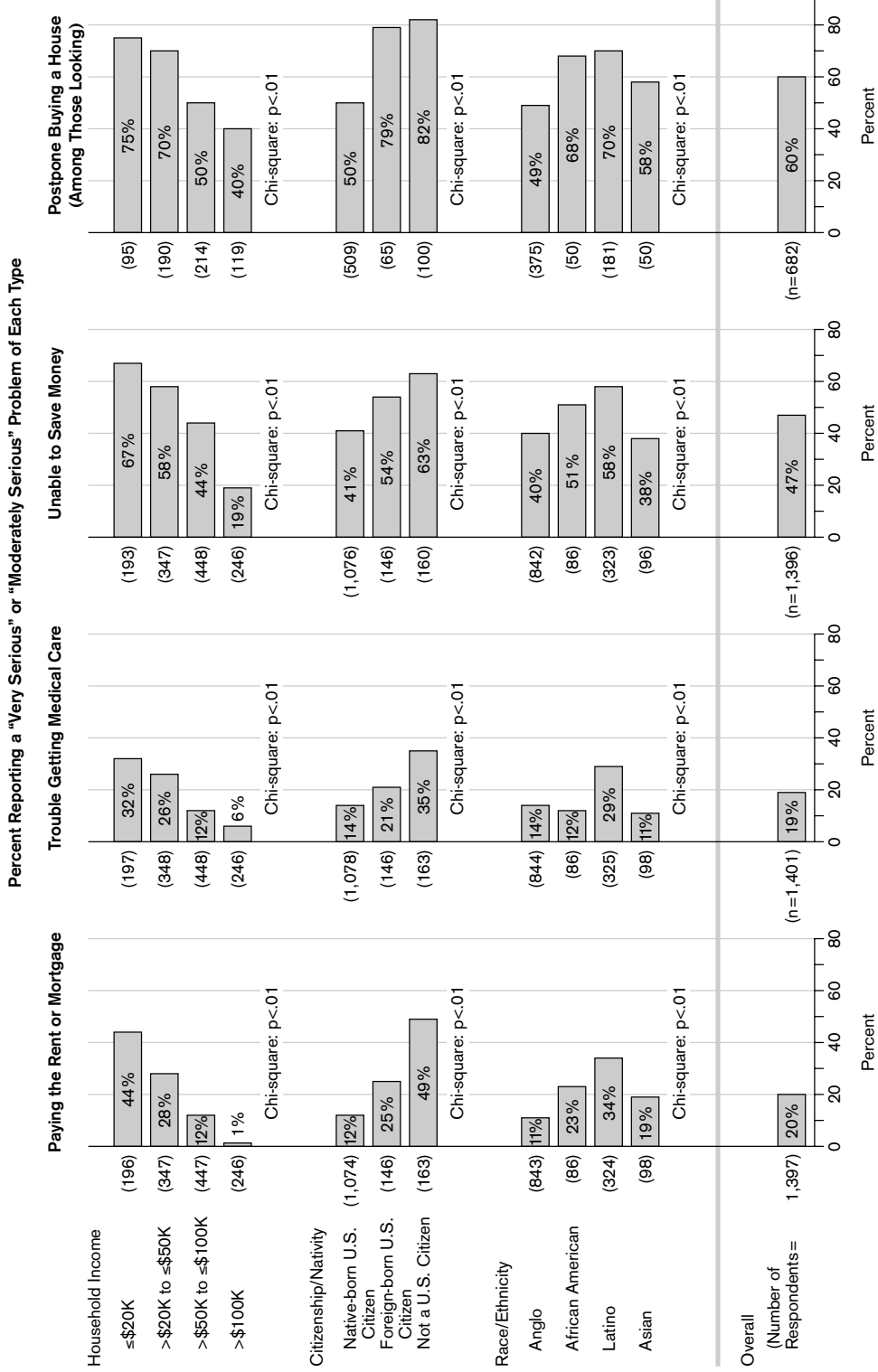


FIGURE 4.4 Respondents Reporting Financial Problems, by Type of Problem and Selected Characteristics
 SURVEY QUESTIONS: "Now I'm going to read a list of problems some people have had lately. For each one please tell me how serious a problem it's been for you or your family in the past year. "How about paying the rent or mortgage? In the past year has this been a very serious problem, a moderately serious problem, a small problem, not really a problem at all, or didn't you pay rent or mortgage?" "How about delaying or having trouble getting medical care for yourself or your family?" "How about being unable to save money for future needs?" "How about postponing buying a house because prices are too high?"

cent) of the 902 respondents who reported seeking training or education in the past year stated that they did not really have a problem getting it. Yet, as Figure 4.5 shows, differences among respondents with varied income levels, citizenship, and racial and ethnic backgrounds suggest that there are significant holes in the social contract. Among those with less than a high school education who were seeking training or education (not shown), 42 percent reported that getting it was a very serious or moderately serious problem. In other words, a significant percentage of high school dropouts encounter serious difficulties when they seek further education. This figure is very similar to that for respondents in households earning \$20,000 or less annually who were looking for additional training or education, 40 percent of whom reported that they had a serious problem doing so. Among those with a high school degree, 21 percent of those looking reported that getting training or education was a serious problem (not shown).

Among racial and ethnic groups (not shown) a majority of each reported that finding education and training was not really a problem. Latinos reported the greatest difficulty in this area, with 32 percent of those looking saying that it was a serious problem. As Figure 4.5 shows, further differences emerge within the Latino population. Only 21 percent of native-born Latinos who were looking encountered a serious problem finding training or education, but the share was 50 percent among Latinos who were foreign-born U.S. citizens and 35 percent among Latinos who were not citizens. Among Asians it was the noncitizens who reported a disproportionately higher difficulty in finding training or education, 40 percent, compared to 15 percent of U.S. citizens born in Asian countries and 19 percent of U.S.-born citizens of Asian descent.

Gender differences on the questions about personal economic problems were generally small and therefore were not reported in the previous Figures. One notable exception, however, was on this question of educational opportunities. Of those seeking training, 28 percent of women rated this as a serious problem, compared to 20 percent of men. As was true of the differences by household income and citizenship, this difference is highly statistically significant.

In sum, in these relatively prosperous times a majority of Californians (apart from those looking to buy a home) rated their problems of economic security and opportunity as small or not really a problem at all. Yet on all of these questions, respondents who had lower household incomes, less than a high school education, or no U.S. citizenship stood out as much more likely than others were to report a very or moderately serious problem. A picture of two Californias emerges: one inhabited by low-income households and noncitizens who experience great personal hardship, and the other inhabited by middle- and upper-income households that generally report little difficulty in handling their expenses or taking advantage of educational opportunities.

Percent Reporting a "Very Serious" or "Moderately Serious" Problem Getting Training/Education, Among Those Seeking It

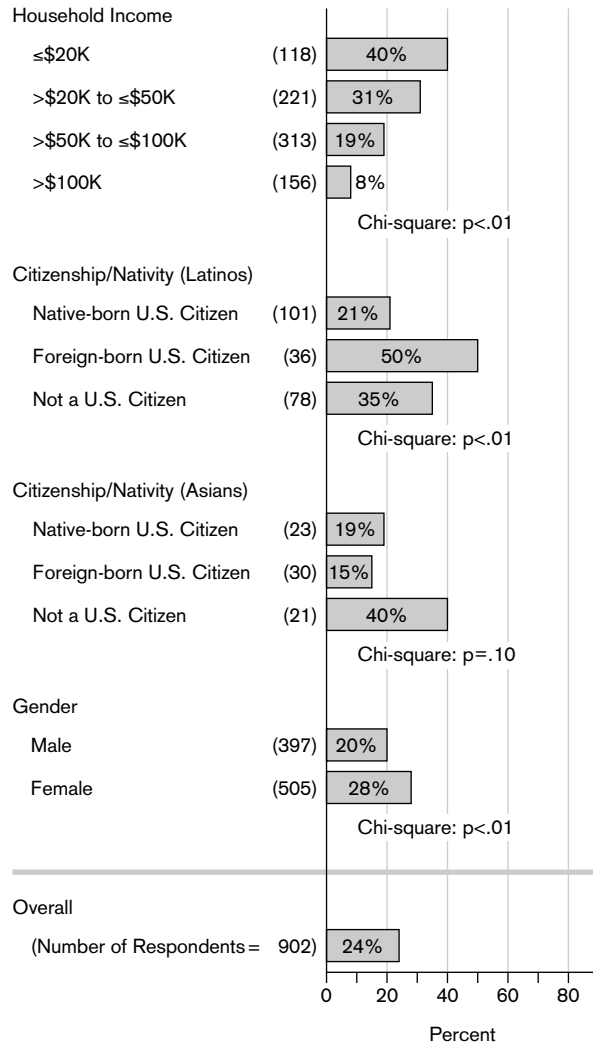


FIGURE 4.5 Respondents Reporting Problems Getting Training and Education, by Selected Characteristics

SURVEY QUESTION: "Now I'm going to read a list of problems some people have had lately. For each one please tell me how serious a problem it's been for you or your family in the past year. "(How about) getting the training and education you need to improve your job situation?" (In the past year has this been a very serious problem, a moderately serious problem, a small problem, not really a problem at all, or didn't you seek training or education?)"

PERSPECTIVES ON STATEWIDE ECONOMIC PROBLEMS

How did the personal experiences of Californians affect their assessment of the economic problems facing the state? To answer this question, the survey asked respondents to assess how serious they thought the following four statewide problems were: the gap between the rich and the poor, the cost of housing, low wages, and the number of people without health insurance. It also asked respondents whether they thought the state government should do more about the problems and which, among the problems they looked to the state to resolve, were the highest priority.

Serious Problems Facing the State

On the whole, a majority of Californians rated all four problems as very serious or moderately serious (not shown), even though most of them also reported they were not experiencing the problems themselves. For example, as we saw above, only 19 percent of all respondents reported that they had a serious problem delaying or getting medical care. Yet 71 percent of all respondents said that the number of uninsured in California was a very serious problem for the state. Similarly, although 72 percent of respondents said that their household income was sufficient to meet their monthly expenses, 48 percent stated that low wages posed a very serious problem for the state, and 33 percent said that they posed a moderately serious problem (not shown).

In fact, as Figure 4.6 shows, the problem that the greatest number of respondents—71 percent—ranked as a “very serious” one for California today was the number of people not covered by health insurance, followed closely by the cost of housing, at 62 percent. In contrast, less than half of all respondents characterized low wages and the gap between the rich and the poor as very serious problems. For example, 48 percent of respondents stated that low wages were a very serious problem, an estimate that grows to 81 percent if we include those identifying it as a “moderately serious” problem. Similarly, only 39 percent of respondents stated that the gap between the rich and the poor was a very serious problem, although that estimate rises to 79 percent if we include those ranking the gap as a moderately serious problem.

A majority of Californians, then, is concerned about economic problems that they personally do not have. Yet if we examine the estimates by income levels, those respondents who were most likely to report having these problems themselves—those earning under the median income—were also those most likely to rank the problems listed as very serious ones for the state. This difference is particularly striking on the economic issues of low wages and the gap between the rich and the poor. For example, among those whose household earned \$20,000 or less annually, 69 percent said that low wages were a very serious problem for California, whereas among those with household earnings over \$100,000 a year, only 22 percent did—a difference of 47 percentage points. Just under half of those in the lowest income group deemed the gap between the rich and the poor a very serious problem, whereas only just over

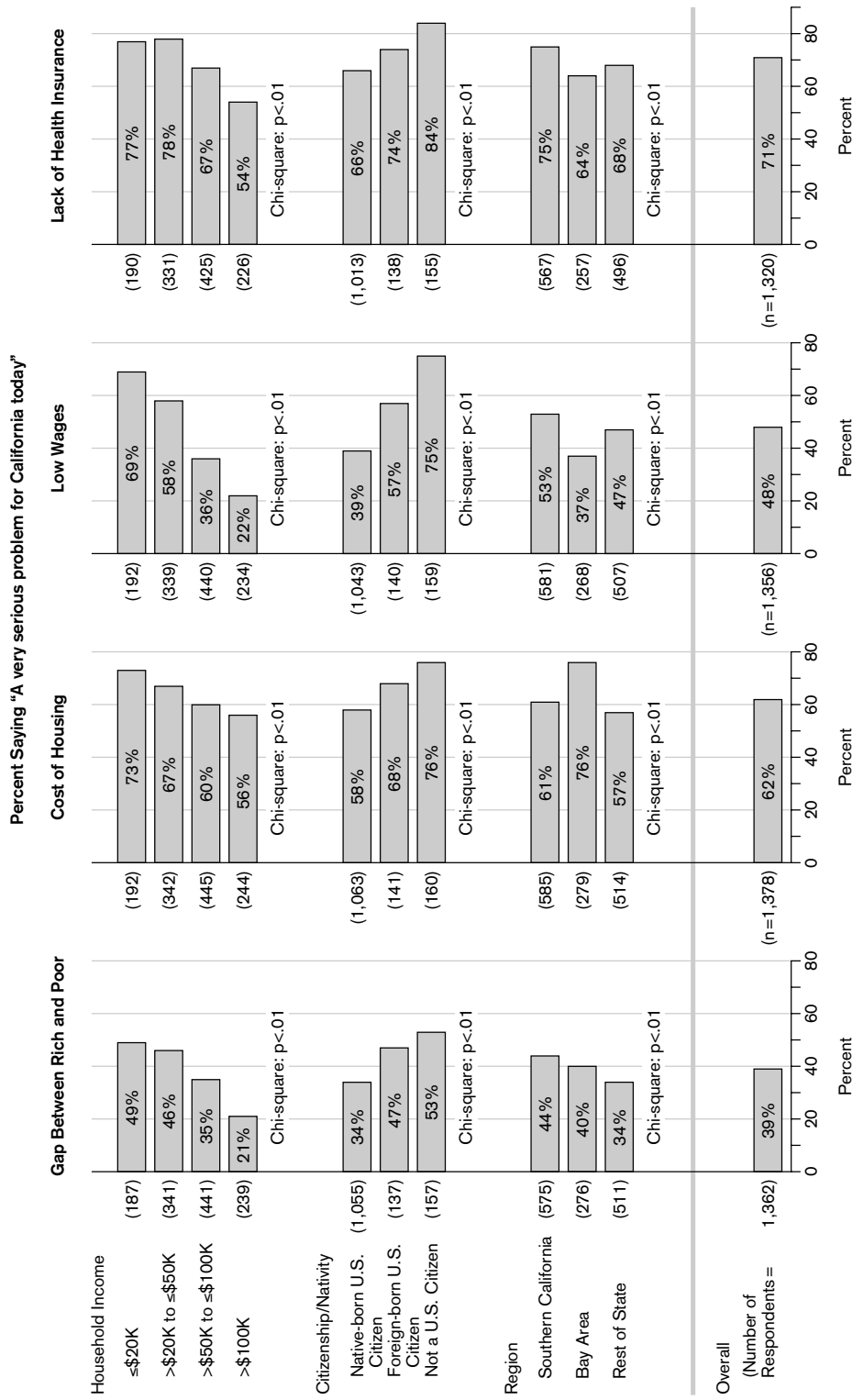


FIGURE 4.6 Respondents Saying That Economic Problems Facing Californians Are "Very Serious," by Type of Problem and Selected Characteristics
 SURVEY QUESTIONS: "Now I'd like you to think about people living in California. I'm going to read a list of problems that many people in California face. For each one, please tell me how serious a problem you think it is for California today. "How about the gap between the rich and the poor in California? Do you think this is a very serious problem, a moderately serious problem, a small problem, or not really a problem at all for California today?" "How about the cost of housing in California today?" "(How about) high taxes?" "(How about) low wages?" "(How about) the number of people not covered by health insurance?"

a fifth of those in the highest income group saw it as a very serious problem. Although just over a third of those whose household earned between the median income for the sample (\$50,000 a year) and \$100,000 did identify these two problems as very serious, they were much less likely than those earning below the median income to report them as such.

On health insurance and housing—the two problems ranked “very serious” most often in the full sample—the differences in the intensity of views across income levels were significant but less so than on the low-wages and economic-gap questions. For example, 73 percent of those earning \$20,000 or less stated that the cost of housing was a very serious problem in California, and 56 percent of those earning over \$100,000 shared this view. And while 77 percent of those earning \$20,000 or less stated that the number of people uninsured was a very serious problem, 54 percent of those in the highest income category agreed.

Attitudes about California’s problems also vary by citizenship and nativity. The responses of noncitizens track those of the lowest income group. For example, 53 percent of noncitizens called the gap between rich and poor a very serious problem for California, whereas only 34 percent of native-born U.S. citizens agreed. The responses of foreign-born U.S. citizens fell between these two extremes, although on most issues, the rankings of foreign-born U.S. citizens were somewhat closer to the views of noncitizens than they were to those of native-born citizens. Assessments of California’s problems vary by race and ethnic background as well (not shown), with African Americans and Latinos more likely to rate the four problems as very serious and Anglos and Asians more often describing the problems as moderately serious. For example, 56 percent of African Americans, 49 percent of Latinos, 33 percent of Anglos, and 25 percent of Asians called the gap between rich and poor a very serious problem. Latinos were particularly attentive to the problems of low wages, with 73 percent calling it a very serious problem, compared to 63 percent of African Americans, 34 percent of Asians, and 32 percent of Anglos. Majorities of each group rated the four problems as either very serious or moderately serious.

When considered by region, the tendency we saw earlier for Southern Californians to report higher percentages of serious personal economic problems than their counterparts in other regions appears as well in the way Southern Californians assessed the state’s problems. Although comparable majorities from all parts of the state reported that they consider these economic problems as very serious or moderately serious (not shown), Southern Californians were somewhat more likely than others to rate these economic problems as very serious. For example, 44 percent of respondents from Southern California said that the gap between the rich and poor was a very serious problem, whereas 40 percent Bay Area respondents and 34 percent from the rest of California agreed. Similarly, 53 percent of respondents from Southern California said that low wages posed a very serious problem, compared to 37 percent of those in the Bay Area and 47 percent of those from the rest of the state.

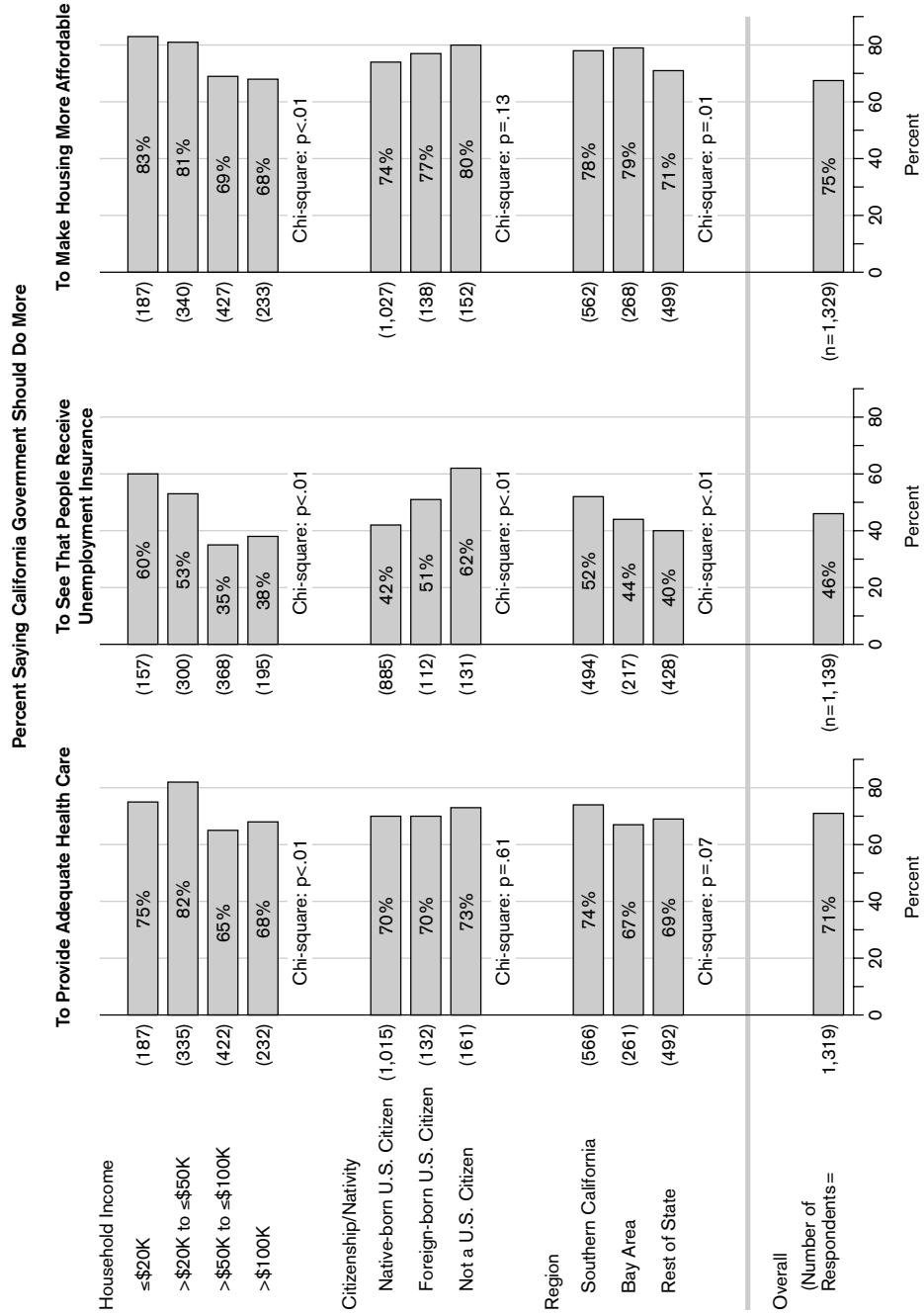
Thus, although most California residents do not personally experience the eco-

conomic problems examined in this survey—with the exception of the challenge of home buying—they do consider them to be serious problems for the state. Personal economic situations do not appear to dictate views about state problems. They do, however, seem to influence the intensity of those views. Those with higher earnings are less likely to view the problems as very serious. The sharpest difference in views appears between those earning above and below the median income. On the economic questions, in particular, the two lowest income categories are more similar to each other than to the higher income categories.

What Should State Government Do?

How do Californians view the state's role in addressing these economic problems? The survey asked respondents whether California was doing enough to address specific problems. The results for two of the questions, related to care giving, appear in a separate section below. This section considers responses to six survey questions related to economic well-being and opportunity. These include questions about providing adequate health care, paying unemployment insurance to all who need it, making housing affordable for low- and moderate-income families, making higher education more affordable, providing job training, and improving the incomes of low-wage workers. As Figures 4.7a and 4.7b show, with one exception, a majority of respondents stated that state government should do more about all these problems. The exception was paying unemployment insurance, about which a slight majority of respondents stated that the government was doing enough (45 percent) or was doing too much (9 percent). On the whole, however, Californians showed strong support for enhancing the state's role in addressing economic problems.

When we examine the responses by household income, several interesting differences emerge. On issues such as health care, higher education, and housing, variations by the income level of respondents are in the range of only 10 to 15 percentage points, with the lowest income categories most supportive of government action. For example, 75 percent of those earning \$20,000 or less and 68 percent of those earning above \$100,000 said that California should do more to provide health care. Similarly, 77 percent of those earning \$20,000 or less believed that California should do more to make higher education affordable, while 66 percent of those earning over \$100,000 agreed. However, on income-related issues, such as paying unemployment insurance, the differences between those earning above and below the median income are sharper. Those with higher incomes tended to be considerably less supportive of government action on these issues. For example, 60 percent of those earning \$20,000 or less wanted the state to do more on unemployment payments, whereas only 38 percent of those earning over \$100,000 wanted the state to do more. The question about job training revealed a similar pattern, with 74 percent of respondents earning \$20,000 or less saying the state should do more, compared to only 55 percent of those earning over \$100,000. This pattern extends to the question



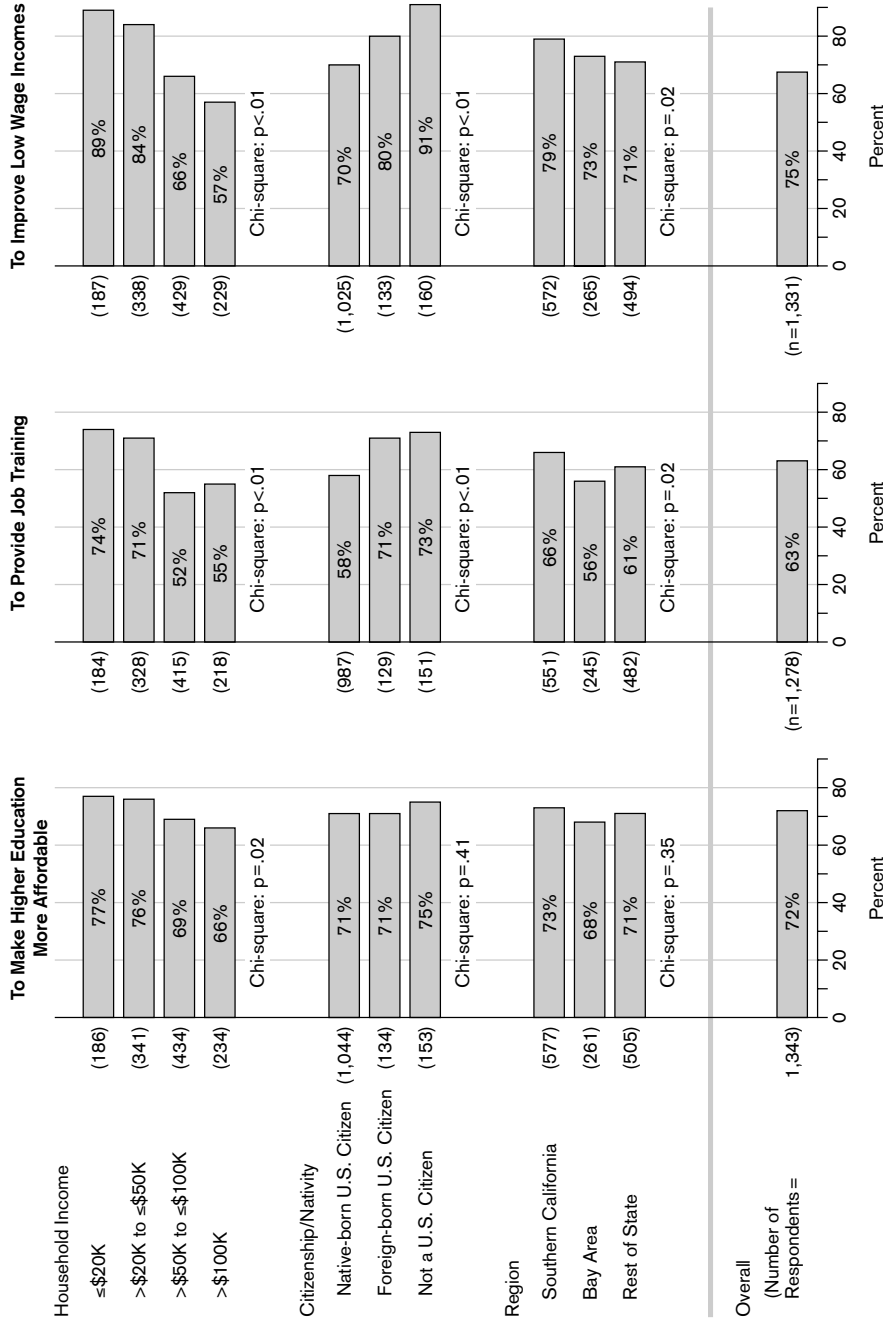


FIGURE 4.7 Respondents Saying California Government “Should Do More” about Economic Problems, by Type of Problem and Selected Characteristics

SURVEY QUESTIONS: “Now let’s talk about what the State of California should be doing about the problems people face. For each of the problems I mention, please tell me whether you think the State government in California is doing enough to help people with these problems, whether it should do more, or whether it is already doing too much?” “How about providing adequate health care for all Californians? Do you think the government in California is doing enough on this, should it do more, or is it already doing too much?” “How about seeing that people who need unemployment insurance payments receive them?” “(How about) making housing more affordable for low and moderate income families?” “(How about) making higher education more affordable?” “(How about) providing training for people seeking to improve their job situation?” “(How about) improving the incomes of low wage workers?”

on improving low-wage incomes, with 89 percent of those earning \$20,000 or less saying that the state should do more but only 57 percent of those earning over \$100,000 in agreement.

On most of these questions, the views of the two lowest income categories again tended to be closer to each other, and likewise for the two highest income categories. These differences in policy views by income groups take on political significance because of the high correlation between voting and income levels in our survey (not shown): 78 percent of those in households earning over \$100,000 a year reported voting in the last election, whereas only 54 percent of those in households earning \$20,000 or less did so. Of those earning over \$20,000 up to \$50,000, 59 percent reported voting, compared with 75 percent of those earning over \$50,000 up to \$100,000. Of course, noncitizens, who are disproportionately represented among the lower income categories, cannot vote.

The survey revealed significant differences in the views of racial and ethnic groups on whether the state should do more to address economic problems (not shown). In line with most opinion polls, African American respondents were especially likely to support government action. Latinos generally followed suit, with Asians and Anglos somewhat less supportive. But despite these differences, majorities of each racial and ethnic group favored a greater government role in addressing these problems, with the exception of unemployment insurance. In this case, only 34 percent of Anglos and 45 percent of Asians said that California should do more, compared with 74 percent of African Americans, and 60 percent of Latinos.

When sorted by gender and region, the survey responses revealed small differences in views about government action. Women were somewhat more likely than men were to say that the state should do more, with differences ranging from 5 to 10 percentage points. The differences across region were also small and consistent. Respondents from Southern California were consistently more likely (by 5 to 10 percentage points) to say that government should do more than were respondents from the Bay Area—on all problems except for housing. Respondents from the rest of California were less supportive of a government role in making housing more affordable, but here too, majorities in all regions responded that the state should do more to address the economic problems.

In sum, the majority of Californians support a greater government role in addressing economic problems, with the exception of unemployment insurance. But within this overall picture, there are some salient distinctions. Those earning above the median income, who are most likely to vote, are less likely to support more government action on the income-related issues that are of most concern to the less well-off.

Setting Priorities for the State

Although reducing taxes is a potent political issue, national opinion polls tend to find that respondents are willing to pay higher taxes for many categories of social

spending.⁷ In our survey a majority of respondents said they would be willing to pay higher taxes for most of the purposes we listed. Only 15 percent said they were not willing to pay for any additional state services.

As Figure 4.8 shows, no single problem stood out among those respondents who said they wanted the state to do more about a problem and who also were willing to pay higher taxes to address the problem. The most frequently cited problem for which these respondents were willing to pay higher taxes was providing adequate health care: 24 percent of these respondents identified this as most important. Next in line were making higher education more affordable, at 16 percent; making housing more affordable for low- and moderate-income families, at 15 percent; and improving the incomes of low-wage workers, at 14 percent.

There were significant differences in these rankings by household income, however. Those earning \$20,000 or less were more likely than others to name improving the wages of low-wage workers as the most important problem. Specifically, 26 percent of those earning \$20,000 or less identified this as the most important problem, compared with 14 in the next highest income category, 10 percent of those earning over \$50,000 up to \$100,000, and only 6 percent of those earning over \$100,000. By contrast, those in the highest income category were much more likely than those in the lowest to say that providing adequate health care for all Californians was the most important issue. Those with less education were more likely than college graduates to say that making higher education more affordable was the most important problem (not shown). In this case college graduates were the outliers. Only 9 percent of college graduates said that making higher education more affordable was the most important problem, whereas 18 percent of those with some college, 14 percent of high school graduates, and 14 percent of those who had not completed high school ranked access to higher education as the most important problem.

The responses based on citizenship status were similar to those based on different income levels, as shown in Figure 4.8. Noncitizens were considerably more likely, than others to identify low wages as the most important problem (29 percent), compared to 20 percent of foreign-born U.S. citizens and 9 percent of U.S.-born citizens. Noncitizens and foreign-born U.S. citizens were more likely than U.S.-born citizens to say that making higher education more affordable was the most important problem. Different priorities are also evident when we look at different racial and ethnic groups (not shown). Latinos were more likely than the other groups to name low wages and affordable higher education as the most important problems.

Two regional differences stand out in Figure 4.8. Respondents from Southern California were twice as likely as those from the Bay Area to identify making higher education more affordable as the most important problem, with respondents from

7. See the discussion of other research on this topic in Gilens (1999: 192–95). As he notes, there are exceptions to the public's general willingness to pay higher taxes for social programs. Surveys show, for example, that only about 28 percent of respondents say they would pay higher taxes to support welfare.

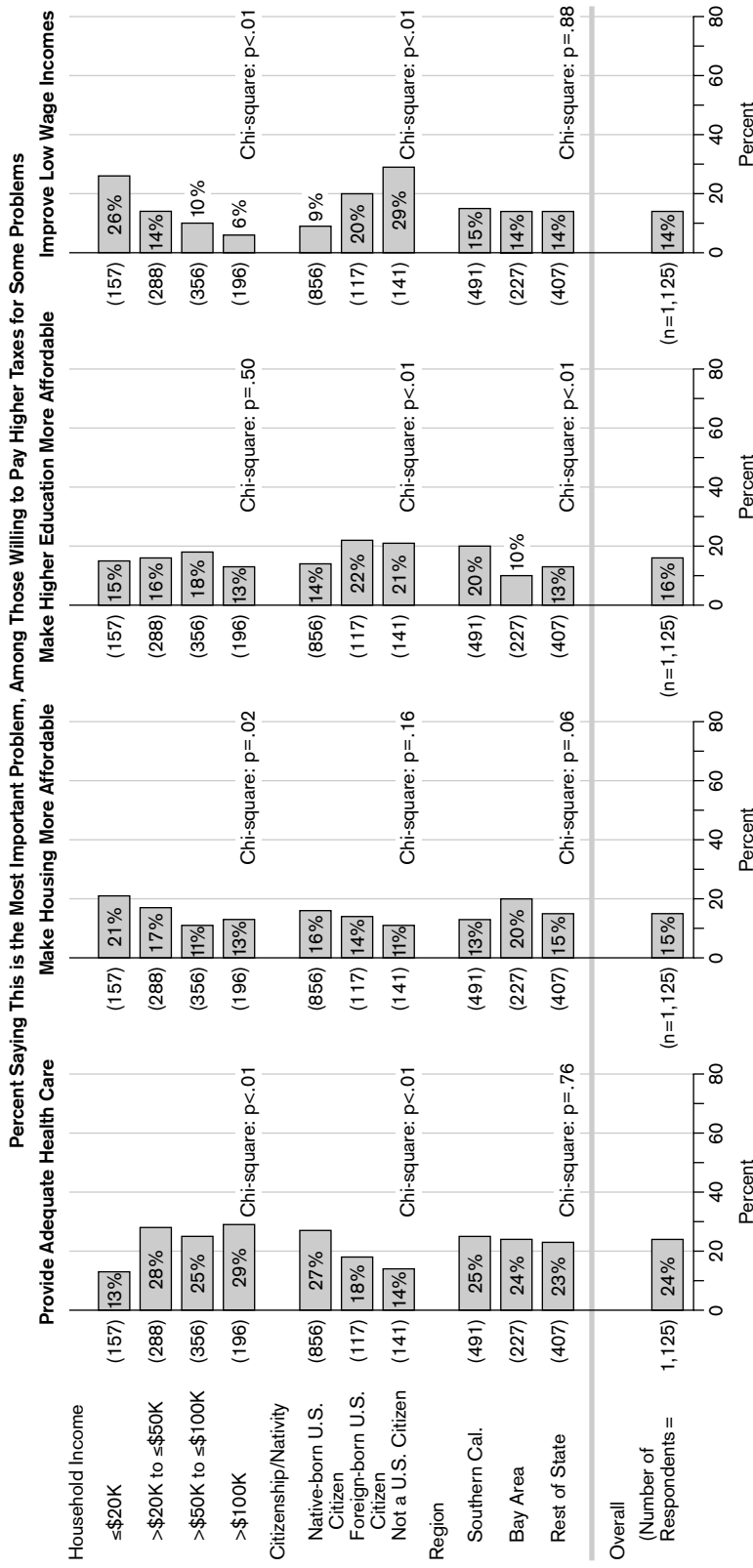


FIGURE 4.8 Problems Identified by Respondents as "Most Important," by Selected Characteristics

SURVEY QUESTIONS: VERSION IF ONLY ONE PROBLEM MENTIONED: "You mentioned that the State of California should do more in one area. Taking into account that this is supported by tax money, we'd like you to indicate whether you would be willing to pay any additional taxes to support that additional service." VERSION IF MORE THAN ONE PROBLEM MENTIONED: "You mentioned that the State of California should do more in some areas. Taking into account that these things are supported by tax money, we'd like you to indicate, for each one you mentioned, whether you would be willing to pay any additional taxes to support those additional services." IF NO PROBLEM MENTIONED, RESPONDENT NOT ASKED THIS QUESTION. "Now I'm going to ask you to choose which of these services you think is the most important problem for the State of California to deal with. You said that you would be willing to pay some additional taxes every year for the following additional services." (READ LIST.) "Which of these do you think is the most important problem for the State of California to deal with?" "How about providing adequate health care for all Californians? Would you be willing to pay some additional taxes every year for that?" "How about making housing more affordable for low and moderate income families?" "How about making higher education more affordable?" "How about improving the incomes of low wage workers?"

elsewhere in California in the middle. And Bay Area respondents were more likely to name housing affordability for low- and moderate-income families than were respondents from other areas of the state.

In sum, the majority of Californians say they want the state to do more to address issues of economic and educational opportunity, and they also say they are willing to pay some additional taxes for those purposes. When it comes to priorities, however, no single issue stands out as the highest priority. And there are some significant differences of opinion between the least advantaged Californians and those who are better off. Those with lower incomes, Latinos, noncitizens, and foreign-born U.S. citizens are much more likely than others to say that improving low wages and housing affordability are the most important problems that California faces. Those with less education place a greater emphasis on improving access to higher education.

STRATEGIES FOR ADDRESSING THE STATE'S ECONOMIC PROBLEMS

Further questions in the survey delved into greater detail about a range of strategies that might help address economic problems in the state.

Raising the Floor: Perspectives on the Minimum Wage

Since the 1930s the minimum wage has been an important tool for improving the incomes of the lowest paid workers. But as many studies have shown, the real value of the federal minimum wage has declined significantly over the years (Bernstein and Chapman 2002). California, like 10 other states, sets its own minimum wage higher than the federal minimum. It too, however, is well below the value of the federal minimum wage at its height in the 1960s. For most of the period of this survey, the federal minimum wage was \$5.15 an hour, and the California minimum wage, \$6.30 an hour.⁸

Opinion surveys routinely indicate very strong public support for raising the minimum wage. For example, in 1996, the last time Congress debated increasing the federal minimum wage, public opinion polls showed levels of support at 84 percent.⁹ Our survey likewise revealed solid majorities in favor of raising the minimum wage. Yet the way people think about the minimum wage is likely to vary. Because salaried workers are less likely to think in terms of hourly wages—and their last experience with a job paid by the hour may have been long ago—the survey asked the question about the minimum wage in two different ways. Interviewers told a random half of

8. California raised its minimum wage to \$6.75 on January 1, 2002. Most of the interviews for this survey took place before that date. To avoid problems of comparability, the interviewers skipped the questions about the minimum wage (reported below) for those respondents (88 cases) interviewed after January 1, 2002.

9. See the discussion in Weir (1998: 294–95).

the respondents that the minimum wage in California was \$6.30 an hour and asked whether the state should increase it or keep it the same. For the second half of the respondents, interviewers asked the same question but told them that the hourly minimum wage translated into \$13,000 a year for someone working full-time. As Figure 4.9 shows, support for the minimum wage was higher among the respondents who were told the yearly equivalent. Among those given only the hourly rate, 70 percent said the state should raise the minimum wage; among those also told the yearly salary equivalent, 78 percent supported an increase.

When asked about how much the minimum wage should be increased, respondents who were told the annual salary equivalent favored a much higher minimum wage (not shown). Of the respondents who supported raising the minimum wage and were given only the hourly amount, 73 percent selected \$8.00 an hour or less as their preferred minimum wage. An \$8.00 minimum wage translates into a \$16,640 annual salary, below the official poverty level for a family of four with two children, which was \$17,960 in 2001 (U.S. Census Bureau 2002). For those who were given the annual wage figures, only 24 percent chose a salary below \$17,000 a year. Indeed, half of the respondents who responded with annual salary figures for a full-time year round minimum wage workers thought that the minimum wage should be increased to \$20,000 or more a year, equivalent to \$9.62 an hour.

As Figure 4.9 shows, support for increasing the minimum wage varied in much the same way as responses to the questions about low wages discussed in the previous section. Those with the lowest incomes or least education, Latinos, African Americans, and noncitizens expressed the strongest support for raising the minimum wage.¹⁰ Among different regions of California, respondents from Southern California expressed the strongest support for increasing the minimum wage, followed by Bay Area respondents, and finally those from the rest of California. But majorities of all groups supported an increase.

The strong support for increasing the minimum wage is not surprising. Americans tend to favor government programs that reward work. With the current minimum wage well below the poverty level for a family of four (for full time year-round work), most Americans believe that the minimum wage is not doing enough to “make work pay.” It is interesting to note that not only does support for raising the current minimum wage increase by 8 percentage points when respondents are told what the minimum wage means in terms of an annual salary, but that support for a much higher wage also emerges. These differences in patterns of support suggest that when respondents better understand the economic circumstances that low-wage workers confront, they are more likely to support policies that help them.

10. It is interesting to note that the two middle educational categories—those with a high school degree and those with some college—were somewhat less likely than the most highly educated group to support an increase when asked the hourly version of the question; but their support exceeded that of the most highly educated group when asked the annual salary version of the question. (These results are not shown in figure 4.9.)

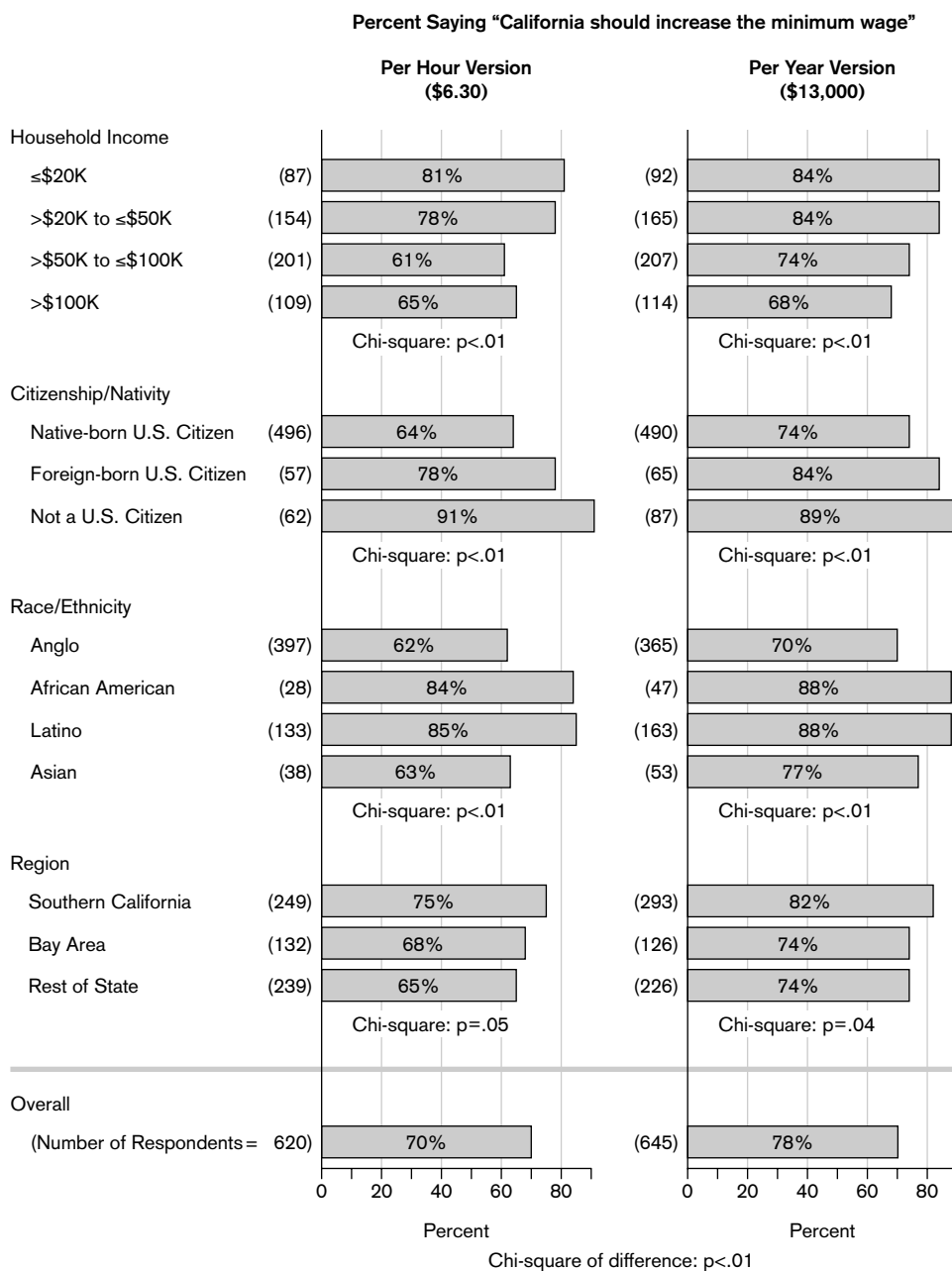


FIGURE 4.9 Respondents Saying California Should Increase the Minimum Wage, by Selected Characteristics

SURVEY QUESTION: “Currently the minimum wage in California is \$6.30 per hour [which means that someone working full-time for a year at the minimum wage would earn about \$13,000]. Do you think California should increase the minimum wage, or should it stay the same?”

Reducing Polarization: Perspectives on Unions

Historically, unions played a central role in making the United States a middle class society. By raising wages and securing benefits for jobs that had been low paying, unions helped set expectations about the level of economic and social security due to all American workers. Declining membership over the past three decades, however, has eroded unions' power to temper the rising economic polarization of the workforce, which is especially pronounced in California. The rate of unionization in California's nonagricultural workforce was 16 percent in 2001 (Hirsch and Macpherson 2002.)

Because unions are such an important institution for combating labor market polarization, the survey was designed to ask a range of questions on how workers think about unions. We asked whether workers want unions, what they think unions will or will not do for them, and what is most important to them among the things that unions do.¹¹

The first question the survey asked was whether union members would vote to keep their union if an election were held today. A solid majority of union members, 83 percent, said they would vote to keep their union; 15 percent said they would vote to get rid of it. When asked to rate their experience with unions, 23 percent of members said that it was highly satisfactory and 50 percent said it was satisfactory.

The survey asked nonunion workers whether they would vote to join a union; 49 percent said that they would, and 51 percent said they would not.¹² These results diverge from those found in earlier nationwide surveys, which typically show that one-third of workers who do not now belong to a union say they would vote for one. However, a 2002 poll conducted for the AFL-CIO by Peter D. Hart Research Associates (2002) found that 50 percent of nonunion employees would vote for a union, a substantially higher percentage than reported in similar surveys conducted in previous years.

A closer look at the demographic characteristics of those who said they would vote to join a union reveals some interesting patterns. Gender differences in support for unions are small in California, with 48 percent of men and 47 percent of women saying they would vote for a union.

11. Although some of our questions are similar to those asked in Freeman and Rogers (1999), there are important differences in who was asked these questions. Their workforce survey focused on employees in private sector establishments of 25 or more employees. They excluded top managers, the self-employed, owners or relatives of owners of firms, public sector workers, and employees in small firms. Our sample included public sector workers and excluded any workers who were employed in a supervisory capacity (who may be ineligible for union representation). Our survey oversampled union members so that we would have a large enough sample to provide statistically significant results for union members. The analyses included a weighting variable to correct for the oversample.
12. This survey asked this question only of the 251 sample members who were nonsupervisory, nonunion workers.

**Percent Saying They Would Vote
for Union Representation,
Among Nonunion, Nonsupervisory Workers**

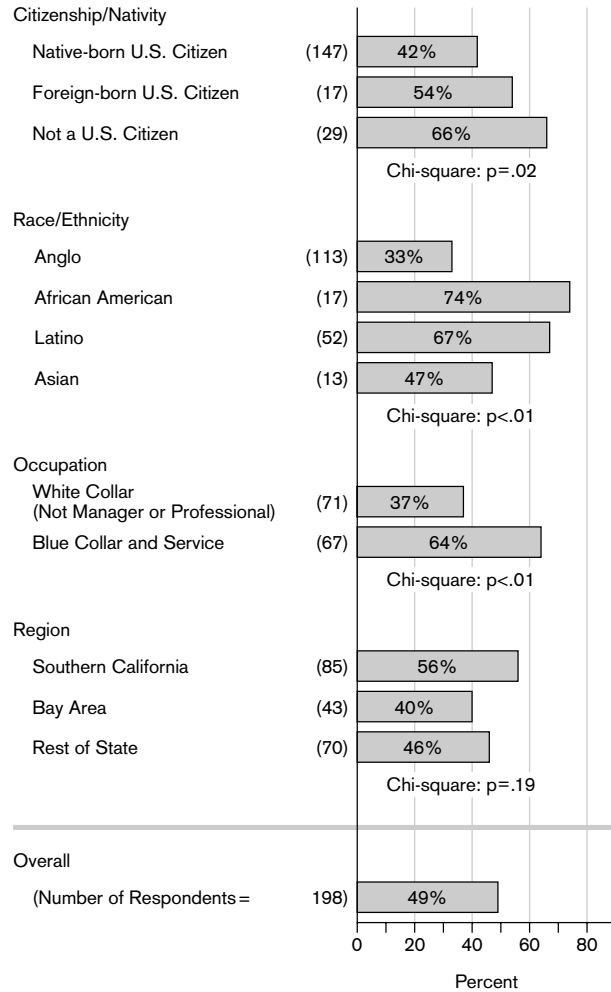


FIGURE 4.10 Respondents Saying They Would Vote for a Union, among Nonunion, Nonsupervisory Respondents, by Selected Characteristics

SURVEY QUESTION: "If an election were held today to decide whether employees like you should be represented by a union, would you vote for the union or against the union?"

Statistics by race and ethnicity, reported in Figure 4.10, are especially revealing. Among Anglos 33 percent of those not now in a union said that they would vote to join a union. African American and Latino workers were much more likely to support unions, with 74 percent and 67 percent expressing support, respectively. Likewise, noncitizens (84 percent of whom were Latino in our survey) were more supportive of unions than were foreign-born U.S. citizens. Native-born U.S. citizens

were the least supportive, but with 42 percent saying they would vote for a union, they still showed substantial union support. Not surprisingly, workers in service and blue-collar occupations were more supportive of unions, at 64 percent, than were nonmanagerial, nonprofessional white-collar workers, at 37 percent. Finally, as Figure 4.10 shows, support for unions was higher in Southern California than elsewhere in the state, a departure from the anti-union stance historically associated with Los Angeles.

The survey also asked what respondents thought unions were most effective in providing for their members: respect and fair treatment on the job, more say in workplace decisions, or better pay and working conditions. On none of these issues did a majority of workers rate unions as “very effective,” the highest of the four categories they could choose. Of the three issues, providing better pay and working conditions received the highest percentage (32 percent) of respondents rating unions as very effective. Yet a solid majority of workers said that unions are somewhat effective in all three areas. Union members were slightly more likely than nonunion members were to rate unions as very effective in securing these outcomes.

As Figure 4.11 shows, when respondents were asked to choose which of these three outcomes unions were most effective in providing, by far the majority, 69 percent, said providing better pay and working conditions. When sorted by citizenship status, the results for native-born and foreign-born U.S. citizens were similar, with 72 percent of both groups ranking unions as most effective in providing better pay and working conditions. Among noncitizens, the figure was lower, with 55 percent stating that unions are best at securing better pay and working conditions. Instead, noncitizens were more likely than the other two groups to say that unions were best at providing respect and fair treatment on the job; the responses were 33 percent of noncitizens versus 20 percent of foreign-born U.S. citizens, and 17 percent of native-born citizens. The higher evaluation of unions’ ability in this regard is also evident in the responses of Latinos and African Americans, who were about twice as likely as Anglos and Asians to say that unions are best at providing respect and fair treatment. A majority of all racial groups, however, believed unions are best at providing better pay and working conditions.

When we asked respondents to rank the importance of each of these three areas to them personally (not shown), three-fourths ranked both respect and fair treatment and better pay and working conditions as “very important” (the most favorable response of a possible four). Only half rated having more say in workplace decisions as very important. Over 90 percent of noncitizens said that respect and fair treatment was very important to them, slightly higher than the 85 percent of noncitizens who said that better pay and working conditions were very important. Noncitizens were more likely to rank each of the three issues as very important than were the other two groups.

The survey thus suggests that the California workforce is unusually open to unionization. The high percentage of Latino noncitizens in the labor force accounts

Percent Saying Unions Are Most Effective at Providing:

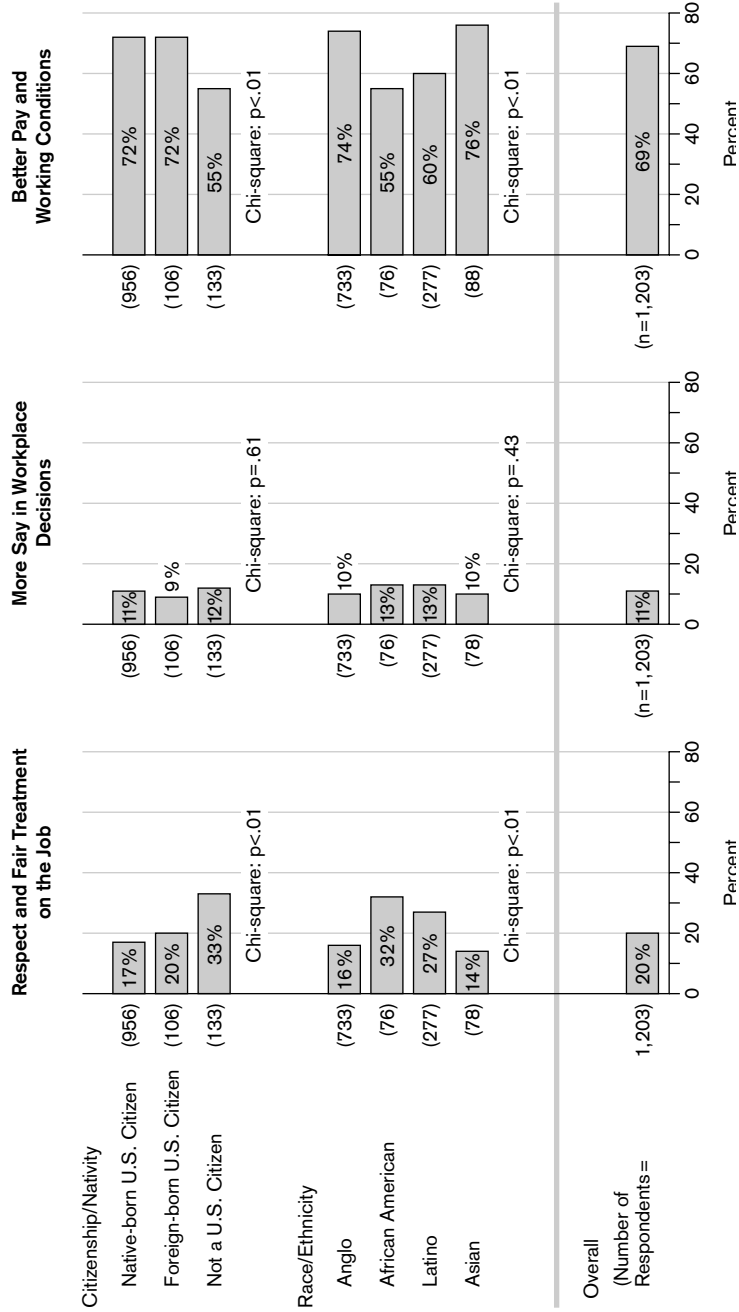


FIGURE 4.11 Workplace Improvements Identified by Respondents as Most Effectively Provided by Unions, by Respondents' Citizenship/Nativity and Race/Ethnicity

SURVEY QUESTION: "Which of these three things I just mentioned, do you think unions are most effective at providing for their members? Would you say more respect and fair treatment on the job, more say in workplace decisions, or better pay and working conditions?"

for an important part of this union support. Nearly half of California workers view unionization as an important tool for addressing low wages, one of the key elements of economic polarization.

Balancing Responsibilities: Perspectives on Work, Care Giving and Family

California's postindustrial society creates not only economic concerns, but also challenges in combining work with responsibilities for care giving on the home front. Once carried out within the family, care giving became more difficult as women entered the workforce in large numbers. Families must now juggle work responsibilities with their need to care for their children and elderly relatives. The CWS sought to assess how big a problem this is for California workers. In considering the available means of easing the problem, the survey paid special attention to family leave policies that allow workers to take time off from the job to care for family members.

When asked about their personal problems, the majority of respondents reported that they did not need to find childcare (69 percent) or eldercare (70 percent) (not shown here). Of those who did need to find such care, solid majorities reported, in each instance, that it was not really a problem at all. For example, among those needing to find childcare, 69 percent reported that finding childcare was not really a problem. Even among those with household income of \$20,000 a year or less, a majority (53 percent) reported that finding childcare was not really a problem. Nevertheless, as Figure 4.12 shows, it is significant that 38 percent of this lowest income group said that finding childcare was a very serious or moderately serious problem. Because women leaving welfare are likely to work in low-wage jobs, difficulties in finding childcare are likely to pose a barrier to a significant minority of this group (Loprest 1999). The question about eldercare showed a similar pattern but revealed that eldercare was an even greater burden on low-income families than was childcare. Fully half of respondents earning \$20,000 or less who needed to find elder care reported that it was a very serious or moderately serious problem, a much higher rate than in any of the other three income groups. Surprisingly, there was little gender difference in the responses to these two questions (not shown).

Despite the fact that only a minority of respondents reported having trouble with care giving responsibilities, large majorities of our respondents believed that the state should do more to make childcare (72 percent) and eldercare (80 percent) more affordable (Figure 4.13). The pattern of responses for these questions was similar to those reported in the previous section about housing and health care: Respondents of all income levels supported the need for more state action, at similar levels. This pattern of comparable support across income levels for state-subsidized services such as medical care, childcare, and eldercare stands in sharp contrast with the pattern of different levels of support for solutions that are directly related to the ability to pay for the services, such as low wages.

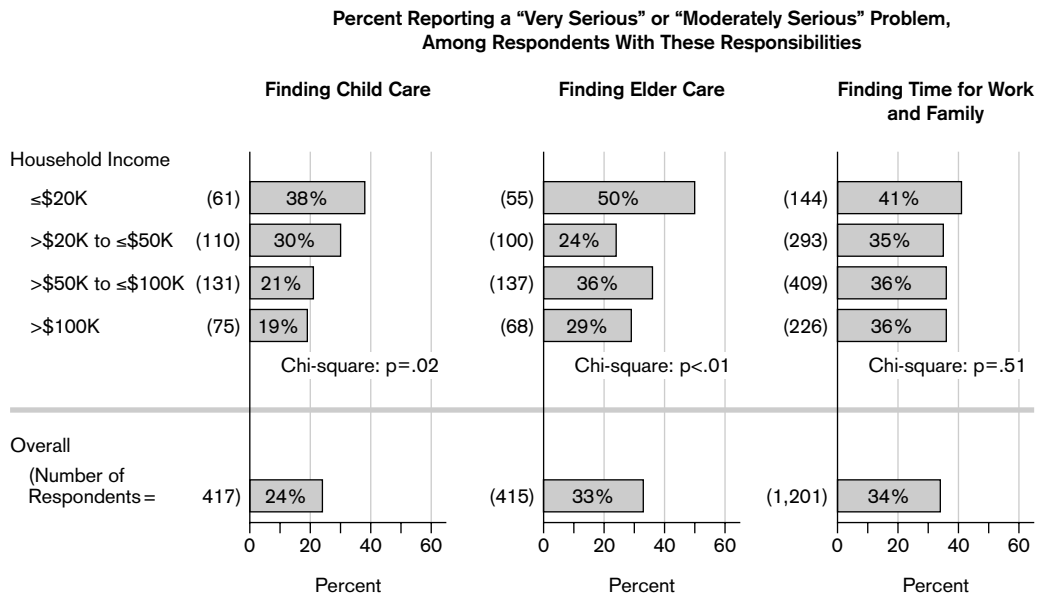


FIGURE 4.12 Respondents with Selected Family Care Problems over the Past Year, by Household Income

SURVEY QUESTIONS: "Now I'm going to read a list of problems some people have had lately. For each one please tell me how serious a problem it's been for you or your family in the past year." "(How about) finding child care? (In the past year has this been a very serious problem, a moderately serious problem, a small problem, not really a problem at all, or didn't you need to find child care?)" "(How about) finding care for an elderly relative?" "(How about) finding time for both work and family responsibilities?"

In addition to asking respondents about these specific problems of care giving, the survey also asked about the more general problem of finding time for work and family. As the last column of the previous Figure, 4.12, shows, among those who said that they had both work and family responsibilities (86 percent of respondents), over a third stated that finding time for both was either a very serious or a moderately serious problem. The differences among subgroups of respondents were small (not shown), including those between men and women. Among different income groups, those in the lowest income category reported the greatest problems, but over a third of respondents in all income categories said that finding time for both family and work was a serious problem.

Making childcare more affordable has long been viewed as a key measure in helping workers to manage their work and family responsibilities. More recently, family leave policies have joined the menu of initiatives designed to ease the difficulties many families face. In 1993 the Family and Medical Leave Act (FMLA) became federal law; California passed its own statute, the California Family Rights Act (CFRA), the same year (Brown 2002). The two measures guarantee 12 weeks of unpaid leave annually for workers to care for a newborn or newly adopted child or to attend to a

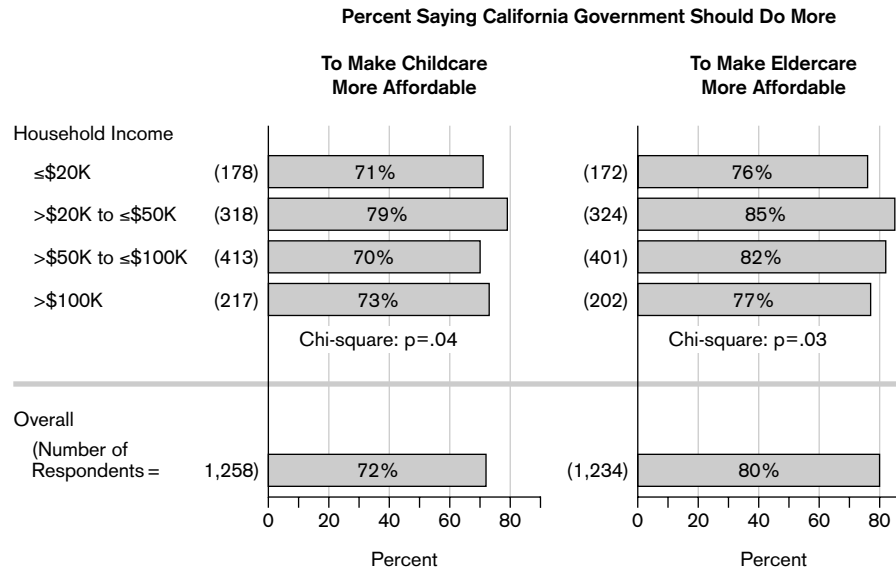


FIGURE 4.13 Respondents Saying California Government “Should Do More” to Make Childcare and Eldercare Affordable, by Household Income

SURVEY QUESTIONS: “Now let’s talk about what the State of California should be doing about the problems people face. For each of the problems I mention, please tell me whether you think the State government in California is doing enough to help people with these problems, whether it should do more, or whether it is already doing too much?” “(How about) making child care more affordable for all California families?” “(How about) making elder care more affordable for all Californians?”

serious health condition of the worker’s child, parent, or spouse, or for the employee’s own serious health condition. The laws apply to workers in firms that have 50 or more employees. A U.S. Department of Labor survey conducted in mid-2000 revealed that 23.8 million workers (approximately 16.5 percent of the workforce) had used the law in the preceding 18-month period (Cantor et al. 2000).

The FMLA was a breakthrough in its effort to address the difficulties that workers face in meeting family responsibilities, but unpaid leave is of limited utility to the many workers who cannot afford to take time off. In the survey, we sought to understand what California workers know about the federal family leave law and whether they have been able to take advantage of it. We also sought their views about proposals to introduce paid family leave in California.

Some eight years after its passage, 46 percent of respondents were not aware of family leave law. As Figure 4.14 shows, whether respondents’ awareness of the law varied sharply by household income, citizenship, and whether the respondent was a union member. Only 36 percent of respondents with income \$20,000 or less had heard of the law, compared to 42 percent of those earning over \$20,000 up to \$50,000, 67 percent of those earning over \$50,000 up to \$100,000, and 71 percent of those earning over \$100,000. In other words, the awareness gap between the high-

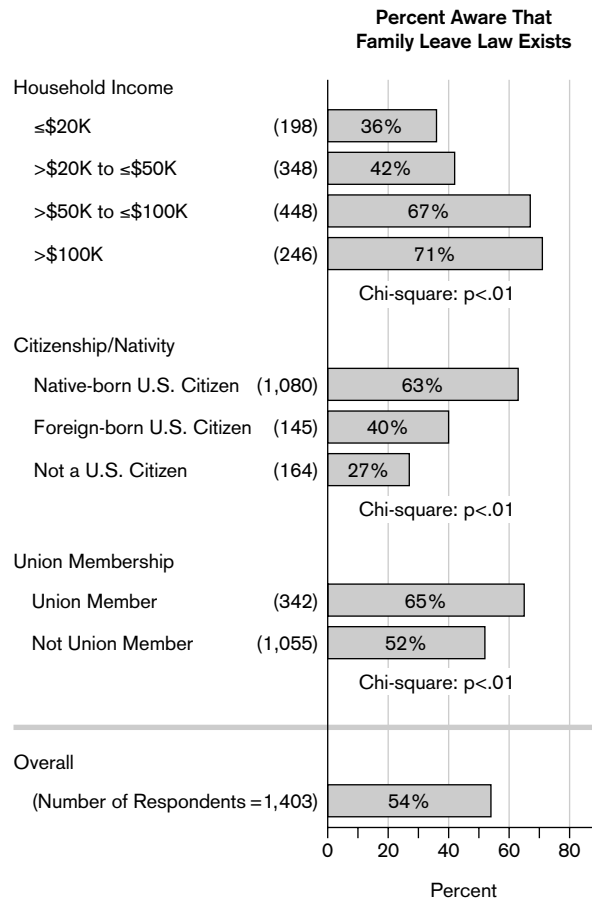


FIGURE 4.14 Respondents’ Awareness of Family Leave Law, by Household Income, Citizenship/Nativity, and Union Membership Status

SURVEY QUESTION: “Under current law, many workers have the right to take up to 12 weeks of unpaid leave per year for the birth or adoption of a child, or to care for a seriously ill child, parent or spouse. Do you know about this law or are you not aware of it?”

est and lowest income groups was 45 percentage points. Similar differences were evident across occupational categories (not shown), although they were somewhat narrower. As shown in the figure, noncitizens and foreign-born U.S. citizens were much less likely than native-born U.S. citizens to have heard of the law. Union members were more likely than nonunion members to have heard of the law.

The survey also inquired whether workers who wanted to take time off from work for the birth or adoption of a child or to care for a seriously ill child, parent, or spouse did so, and if they did not, why they did not (not shown). Of the 35 percent who responded that they ever took or wanted to take time off for these purposes, 77 percent said that they did take time off. Nearly half (45 percent), however, said that

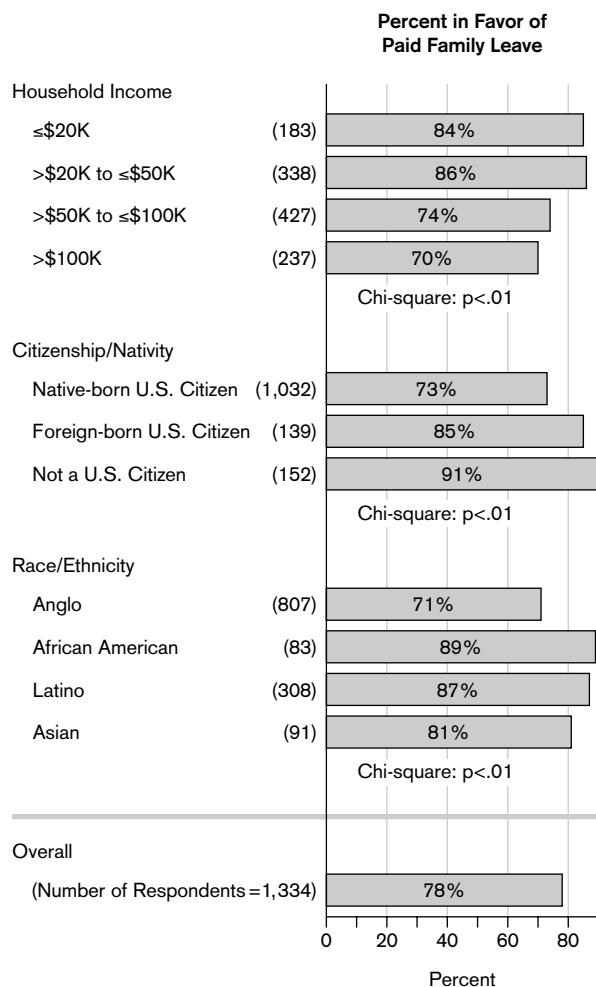


FIGURE 4.15 Respondents’ Support for Paid Family Leave, by Selected Characteristics

SURVEY QUESTION: “Under current law family leave is unpaid. Would you be in favor of paid family leave for new parents or to care for a seriously ill child, parent or spouse?”

they took off less time than they wanted. Of these, 39 percent said that they took off less time or no time because they were not aware of their rights under the family leave law; 74 percent said they took no time off or less time off because they could not afford to take unpaid leave.¹³ Almost a third of respondents stated that they took less or no time off because their employer would not allow it; 28 percent said they limited time off because they were not eligible for family leave.

13. Respondents could give more than one reason for taking less time off, or no time off; hence these responses sum to more than 100 percent.

As Figure 4.15 shows, when asked whether they support making family leave paid for new parents or for caring for a seriously ill child, parent, or spouse, over three-fourths of all respondents favored the idea. Within groups sorted by income, citizenship, and race and ethnicity, those with the lowest income, noncitizens, and African Americans and Latinos supported paid family leave at higher levels (by at least 15 to 20 percentage points) than those with higher incomes, native-born citizens, and Anglos and Asians. It is important to note, however, that large majorities of all these groups supported paid family leave. Women were also somewhat more likely than men to support paid family leave (not shown).

Finally, the survey also advised respondents that there is a proposal in California to provide benefits up to one half of lost wages—similar to unemployment payments—for people who need to take family leave and that, to support this benefit, some additional payroll deductions would be necessary. Respondents then had a choice of monthly deductions \$6, \$4, or \$2. A majority of respondents, 57 percent, said they would be willing to pay \$6 per month to support the program; 5 percent said they would pay \$4 per month; 3 percent said they would pay \$2 per month; and 35 percent said that they would not be willing to pay for a deduction.

In September 2002, as this volume was going to press, Governor Davis signed SB 1661, which will offer partial replacement of income for up to six weeks of family leave, through employee contributions to the state disability insurance fund. Scheduled to go into effect in 2004, the law will be the most comprehensive such law in the United States. Given the strong public support for paid family leave found in our survey, California's implementation of the Act is likely to be the subject of widespread national attention.

CONCLUSION

Even as the economic boom of the late 1990s waned, the majority of Californians were faring well economically. With the exception of home buying, the majority of respondents in our survey believed that the economic problems they confronted were small or not really a problem at all. Yet the wide income polarization in the state means that households with less than the median income experienced much more hardship than those with higher incomes. The differences between households in the lowest and those in the highest income categories are often quite striking, with those with less income reporting substantial hardship and those with the highest income, very few problems. Income differences are strongly linked to educational levels, citizenship status, and racial and ethnic background. Latinos and African Americans, those with less than a high school education in particular, and noncitizens reported experiencing far more hardship than other groups.

Nevertheless, despite the fact that the majority of Californians did not personally experience such problems, large majorities in the survey believed that income polar-

ization and problems accessing basic services such as health care were important problems for the state. By substantial majorities, respondents wanted the state to do more to address these problems. A closer look at their preferences revealed some important differences, however. Higher income respondents were less likely to believe that the state should address problems directly related to income disparities—such as doing something about low wages—than were those who were less well-off. For lower income groups, doing something about low wages was a high priority.

The survey also captures some important trends related to immigration. The high numbers of immigrants with low wages appear to have made Southern California more supportive of government action than the Bay Area, otherwise long famed for its liberalism. The strong support immigrants show for unions has also played a role in Californians as a whole being unusually receptive to unionization, which most respondents view as an effective means to gaining better wages and working conditions.

Despite the differences in policy priorities among the most and the least advantaged Californians, a substantial majority of all respondents believes that income polarization and its consequences pose serious problems for the state. The problems that lower income and less-educated workers face in obtaining further training and in finding childcare and eldercare do not bode well for the state and suggest that opportunities for upward mobility are now facing serious limits. Despite the constrained state budget, measures that reduce inequality and promote opportunity remain urgent priorities for the future of California.

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