



CALIFORNIA BUDGET PROJECT

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Los Angeles' Workers and Families Left Behind

Lagging Job Growth, Lower Wages, Higher Poverty in State's Most Populous County

SACRAMENTO -- For decades, Los Angeles was a beacon of opportunity, promising good jobs and good wages in exchange for hard work. But a new report by the California Budget Project, *Left Behind: Workers and Their Families in a Changing Los Angeles*, shows that the promise of the good life has faded in California's most populous county.

Low-wage jobs have replaced many of the jobs that once provided a decent standard of living for workers and their families. The report also finds that in Los Angeles County:

- Job growth has lagged that of the rest of the state;
- Workers tend to have lower wages, and families tend to have lower incomes than in the rest of the state;
- Residents have a higher rate of poverty than in the rest of the state;
- Workers are increasingly less likely to have job-based health coverage or a pension plan than in the rest of the state; and
- The gap between the wages of workers in Los Angeles and the rest of California has widened.

"For many people in Los Angeles, changes in the economy and workforce of Los Angeles mean it's no longer enough just to work hard," said Jean Ross, executive director of the CBP, a nonpartisan public policy research group.

Alissa Anderson Garcia, a policy analyst with the CBP and author of the report, added, "Given the enormous size of Los Angeles and the large number of workers there, the challenges faced by Los Angeles affect the entire state."

The report also makes these findings:

- **Los Angeles Was at the Center of the Bust and on the Periphery of the Boom.**
Compared to the rest of the state, Los Angeles lost a greater share of jobs during the bust of the early 1990s and gained a substantially smaller share of jobs during the boom of the 1990s. As a result, job growth in Los Angeles has fallen far short of that in the rest of the state.

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- **Los Angeles' Economic Base Has Shifted.** Manufacturing, once the backbone of the Los Angeles economy, has declined considerably, and the service sector has expanded in its place. This has increased the share of jobs in low-wage industries and reduced the availability of well-paying jobs for workers with low levels of educational attainment.
- **The Composition of the Los Angeles Labor Force Has Changed.** While the majority of Los Angeles workers (58.8 percent) were white in 1979, no single ethnic or racial group constituted a majority in 2005.
- **Los Angeles Workforce Characteristics Differ Markedly from Those of the Rest of the State.** In 2005, nearly half of the Los Angeles workforce (45.5 percent) was Latino, compared to approximately one-quarter of the workforce in the rest of the state (28.1 percent). Los Angeles workers were more likely to be born outside of the US, and also tend to have low levels of educational attainment relative to workers in the rest of the state.
- **The Wage Gap Between Los Angeles and the Rest of California Has Widened.** In 2005, the typical Los Angeles worker earned 83.3 cents for every dollar earned by his or her counterpart in the rest of the state, down from 94.3 cents for every dollar in 1979.
- **Ethnic Wage Disparities Have Widened, the Gender Gap Has Narrowed.** The typical Los Angeles Latino worker's wage also has lost purchasing power, widening the gap between Latino and white workers' earnings. Over the same period, the gender gap in Los Angeles narrowed, largely due to the declining purchasing power of male workers' wages.
- **The Share of Workers with Job-Based Benefits Has Declined.** Los Angeles workers are increasingly less likely to have job-based health coverage and a job-based pension plan than those in the rest of California.
- **Incomes Are Lower and Poverty Is More Prevalent in Los Angeles.** The median family income – the income of the family exactly at the middle of the income distribution – was \$50,598 in Los Angeles in 2004, 13.3 percent lower than in California as a whole. In addition, 38.9 percent of Los Angeles residents had incomes below twice the federal poverty level in 2004, compared to 29.9 percent of residents of the rest of the state.

This report is available at www.cbp.org. **An audio press conference on this new CBP report will be held at 10:30 a.m. today for the media only. The call-in number is (800) 290-9461, and the password is LA County.**