Good essay on the gap between rich and poor in california

Sociology, Poverty

Income inequality is a measure of how income is divided among the members of various economic classes, in the state of California; this has been on the sharp increase. This has been established through the analysis of general income distribution in the state among the rich and the poor. This, when compared with the national and regional income presents the clearest picture of glaring income inequalities between the rich and the poor in California.

The income gap between the poor and the rich and among the whites and the blacks has been increasing in California for the last two decades. Although the rates of poverty have increased in many states during the period of Great Recession of 2008-2011, the increase in California has been the highest. When the account of housing prices and other economic indicators is taken into consideration, an increase in poverty, in California is the highest. The income gap between the whites and the Hispanics has been stable in the state of California, but it is a gap between the whites and the blacks that have sharply increased; this is when compared with other states where income gap declined. This sharp increase in the income gap has been associated with sluggish job growth, particularly after the Great Recession. This is not, however, the main factor because even during the beginning of the century when the economic growth of California was very strong, the economic gap still increased (Brown, 1).

Even though the economic growth in California has been growing at a rate of average U. S rate but its rate of job growth has been slow when compared with the other American states. This is because of high corporate taxes and regularity red tapes that place California in the bottom. Whereas the income gap between the white and the black workers in earnings was the same in California just as that of other states in the 1990s, it increased faster in California that in any other state and when compared to that of the country. During the period of the great recession, the earnings of the blacks relative to that of the whites decreased all over the country, but it decreased more in California. Even if the years of the great recession are excluded, the earning gap of the whites and the blacks in California increased relative to that of the other states. There is general income gap widening in California, though this is the same in most of the states in the nation. The income of the poor families, therefore, decreased sharply during the great recession, this hit the state of California generally and the black people in particular very hard. This is in sharp contrast to the rich that had their family incomes grow strongly at the top of the income distribution. This was worsened by the Great Recession that resulted in retrenchment of low class workers (Brown 2).

The inequality gap between the rich and the poor in California is now wider than in any other state, in United States of America. According to a report by the public policy institute, less than half of the people of California live in middle class household. Although the Great recession effectively ended in 2009, many families in California do not have the feeling that it has ended. Families in California saw a sharp decline in their income even up to 2010. Whereas the economic income in households declined across the social classes and in all economic spectrums, the decline among the poor or lower class families was the largest. This is a reflection of the long-term economic trend on how economic income is shared across various social classes in the state of California (Brooks 1).

At the state and national level, the increasing income gap result in the growth in real earnings among those at the top of income range and a decline in income for those at the bottom of the economic ladder. From the early 1990s, income inequalities started expanding in California when compared to other states; this is not because the rich has become richer but because as a group, the poor people have become poorer (Public Institute of California 1). The increase in the gap between the poor and the rich in California has been confirmed by comparing the headlines and the trends with that of other states. The gap between the rich and the poor widened during the period of economic recessions and the recessions of 1970s and 1990s hit the state of California more than that of other states and more than that of the whole nation. This was reflected in the larger income inequality between the poor and the rich. The income inequality between the rich and the poor is very disturbing, especially when it is fueled by a decrease in the income of poor households (Public Policy Institute of California 2).

California is the state with many ultra-wealthy people and a highest rate of poverty, higher to any other American state. This inequality is widening each day and each year. The people at the top in California are very happy because their income is growing at a very fast rate. California topped the list of ultra-wealthy individuals in the year 2013 more than any other state; Florida was the second in the increase of wealthy people. Despite this, California has the highest number of poor people in the entire nation. According to statistics from the United States Census Bureau, one in every four Californians lives in poverty. This is 24 percent of the population, which is higher to the national average of 16 percent.

The gap between the poor and the rich in California is the largest in the United States of America, it is still growing. The most hit racial groups with higher poverty rate are the Latinos, South East Asians and the blacks; this is because they hold low paying jobs. This phenomenon has resulted in the dead of the middle class. The middle class was once a majority in California, but they have since slipped down the economic ladder. This is compared to the rich whose wealth has continued increasing, and they are doing well economically. California has witnessed a decrease in median family income. The economic growth experienced in the country is only concentrated on lowest and highest paying jobs hence the income gap has continued to rise. This widening gap may be due to the cost of health care and housing. Californians spent more of their money on housing than the national average. Most blacks and Latinos do not own or afford homes. With regards to health care, majority of the poor or the working class do not have health insurance.

The widening gap between the rich and the poor is also reflected geographically and in ethnic diversity. This gap has been experienced between Northern and Southern states. Little has been done by the administration of the state to address this increasing gap between the poor and the rich. This is associated to the fact that a majority of the poor population do not vote or take part in the elections (Schrag 1). The economic prosperity in the United States of America has left California behind. The income gap between the poor and the rich has increased very much; average families have been priced out of home ownership and most of the lower class population does not even afford to rent a decent apartment. This has resulted in homelessness. This growing poverty has been a common feature of the state; this is linked to a high number of immigrants who thronged the state of California.

According to an interview with Steve Brown, the increasing gap has been associated with the collapse of the manufacturing sector that provided decent jobs and wages to majority of the middle class workers. The decline of manufacturing jobs caused massive unemployment; this reduced the economic growth by half hence, decrease in household income. Wide disparities in wages among the people in lower jobs and those in professional jobs are also considered as a factor in the increasing income gap between the rich and the poor. The economic inequality witnessed in 1990s formed the foundation of widening gap among the poor and the rich in California.

Works Cited

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