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Research Article

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California and the American Human Development Index

Abstract: Roughly one in every eight Americans calls California home. The state is a vital source of America's food, leads the nation in innovation, and ranks first among the states in terms of economic activity. Viewing California strictly through the lens of money and economics tells only one story. The American Human Development Index tells what is happening in the lives of ordinary people.

Keywords: California economy; California ethnicity; California population

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Roughly one in eight Americans calls California home. The state leads the nation in innovation, as measured by the number of patent application filings, and ranks first in terms of economic activity, as measured by gross state product (nearly $1.9 trillion).[1] A vital provider of America's food, California produces nearly half of all US-grown fruits and vegetables. If California were a country, it would have the world's eighth-largest economy. Yet viewing California strictly through the lens of money and economics tells only one story. The American Human Development Index aims to tell another story: what is happening in the lives of California's people.

California is a state of contrasts, being home to people with vastly differing levels of well-being. In *The Measure of America 2010–2011: Mapping Risks and Resilience*, the latest iteration of the national human development report series, California as a whole ranked 12th of the 50 states and Washington, DC, on the American Human Development Index. This series applies a widely accepted international approach for assessing the well-being of different population groups: the human development approach. The centerpiece of this work is the American Human Development Index, a composite measure made up of health, education and income indicators and expressed as a single number from 0 to 10.

While Californians are already aware that disparities exist within their state, the American Human Development Index provides an easily understood

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1 Bureau of Economic Analysis, "Economic Downturn Widespread among States in 2009."

composite measure of how differing places and groups compare, as well as the size of gaps in health, education and income. In addition, a human development analysis is an attempt to make sense of all these data in the interconnected way that people actually experience social and economic challenges – rather than as separate problems requiring separate solutions.

1 An Introduction to Human Development

For too long, we have looked to the gross domestic product (GDP) and other economic measures as indicators of progress, tacitly equating market growth with human advancement. But consensus is growing that GDP is not a reliable gauge of how ordinary people are doing. As 2009 drew to a close, the USA's GDP began to increase for the first time since the Great Recession took hold in 2007. Yet US home foreclosures were still on the rise, and unemployment was holding steady at nearly 10% – only the second time since the Great Depression that unemployment had reached double digits. The good news of GDP growth was at odds with the bad news people were seeing around them.

Mahbub ul Haq, a World Bank economist who later became finance minister in his native Pakistan, observed this conundrum decades ago when he saw how human lives were "shriveling even as economic production was expanding". He insisted that while money and economic growth are essential means to an end, they are not valuable ends in themselves. For Dr Haq, economic growth only mattered if it translated into concrete achievements for people: healthier children, more literacy, greater political participation, cleaner environments, more widely shared prosperity, and greater freedom.

He founded the human development approach to counter the reliance on GDP and other money metrics as a way of measuring development progress. The approach is dedicated not to how big an economy can swell, but to the opportunities of ordinary people – what they can do and who they can become. Resting on the capabilities approach of Nobel laureate and Harvard professor Amartya Sen, human development encompasses the economic, social, cultural, environmental and political processes that shape the range of options available to us. Central to the human development approach is the idea that our capabilities are expanded or constrained by our own actions as well as by the conditions and institutions around us.

Someone rich in capabilities has a full toolkit for making his or her vision of a "good life" a reality. Someone with few capabilities has fewer options, fewer opportunities; for such a person, many rewarding paths are blocked. For example, the Census Bureau found that parents of about four in ten Latino children do not

let them play outside because of perceived danger in their neighborhoods.[2] While these children would benefit from the exercise for their health, as well the unstructured play for their emotional and cognitive development, their parents will not let them out because they fear for their safety. What these children can be and do – their capabilities – are constrained by the conditions of life around them.

The hallmark of the human development paradigm is the **Human Development Index (HDI)**, a holistic measure of well-being and opportunity. While many factors influence a person's well-being and access to opportunity, from politics to the natural environment to housing to family ties and more, the human development approach is centered on three areas that are the basic building blocks of a freely chosen life of value: good health, access to knowledge, and a decent material standard of living. This comprehensive measure combines these three factors into one easy-to-understand number; when presented as a ranked list, the Index taps into the competitive spirit to spur policymakers and others to prioritize improving people's lives rather than just growing the economy.

The three indicators of health, education and income comprising the HDI are comparable across geographic regions and over time, provide a shared frame of reference for understanding access to opportunity and well-being, and permit apples-to-apples comparisons from place to place as well as year to year. The approach facilitates critical analysis of how and why policies succeed or fail, and helps to focus attention on which groups are moving forward and which are falling behind.

The United Nations Development Programme's (UNDP) first global report based upon HDI rankings was published in 1990, and these now-annual volumes have since become extremely popular and well-known in the developing world. In just over two decades, more than 700 regional, national and subnational reports have been issued around the world. Human development reports have been used as tools of empowerment for citizens to hold elected officials accountable, to depart from assigning dichotomous and overly deterministic "poor" versus "non-poor" labels to people, and to promote reasoned debate about access to opportunity and well-being informed by objective facts.

2 The American Human Development Index

Like the United Nations' Human Development Index upon which it is modeled, the **American Human Development Index** measures human well-being in three

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2 US Census Bureau, "A Child's Day."

areas – health, education and standard of living. The specific indicators used, however, have been modified to make the Index more relevant to the American context. Whereas the UNDP's HDI uses literacy as a proxy for **access to education**, the American HDI uses school enrollment for the population ages 3–24 years and educational degree attainment for the population age 25 years and older. A one-third weight is applied to the enrollment indicator, and a two-thirds weight is applied to the attainment indicator.

A decent standard of living is measured using median personal earnings of all full- and part-time workers age 16 years and older. To allow for assessment of the differences between women and men in earning power and command over resources, the indicator is personal rather than household earnings. Education and earnings data are sourced from the US Census Bureau's American Community Survey database, from 2005–2009. **A long and healthy life** is measured using life expectancy at birth, calculated with mortality data from the California Department of Public Health, and population estimates from the US Census Bureau, 2006–2008. The three dimensions are weighted equally and then combined to make one composite score on the American Human Development Index. Scores fall between 0 and 10, with ten being the highest score possible.

The analysis that follows presents and analyzes the American Human Development Index for California over time by place, by racial and ethnic group, and by gender to understand variation and explore the conditions necessary for everyone in California to lead a long, creative, and productive life.

3 What the Human Development Index Reveals in California

California is a state of extreme contrasts when it comes to well-being and access to opportunity. California's congressional districts have the greatest range of American HDI scores of any state. Five of the country's top ten congressional districts are in California – as is the bottom-ranked Congressional District 20 around Fresno in the Central Valley. Californians enjoy the third-highest life expectancy in the nation, just behind Hawaii and Minnesota, but rank third-from-last in high school graduation, just ahead of Mississippi and Texas.

One key to understanding human development in California today is to look at progress over time. The 20-year trend from 1990 to 2009 reveals a mixed picture (Table 1).

–   **Human development.** Californians enjoy greater levels of well-being and access to opportunity than do people in the nation as a whole. This is

Year	HDI	Life expectancy at birth (years)	Less than high school (%)	At least bachelor degree (%)	Graduate or professional degree (%)	School enrollment (%)	Median 2009 earnings ($)
USA 2009	5.09	78.6	14.7	27.9	10.3	87.9	28,365
California 2009	5.46	80.1	19.4	29.9	10.7	90.3	29,685
California 2005	5.62	79.7	19.9	29.5	10.6	90.2	32,981
California 2000	5.31	78.4	23.2	26.6	9.5	91.1	32,216
California 1990	4.64	76.0	23.8	23.4	8.1	86.4	31,062

Table 1: Historical human development trends in California.

largely because of California's edge in terms of longevity as well as to earnings being slightly higher than the national average.
– **Health**. Over the past two decades, California has made faster progress than the nation as a whole; California gained 4 years, whereas the country gained 3 years.
– **Access to knowledge.** The rate at which young people in California are graduating from high school has improved markedly since 1990, when almost one in four adults did not have a high school diploma or its equivalent; today, that rate has gone down to one in five. However, this progress stalled in the latter half of the 2000s.
– **Standard of living**. Median earnings (the wages and salaries of the typical worker), too, stalled during this two-decade period. By 2009, the latest year for which data are available, earnings had slipped below those of 1990 using comparable, inflation-adjusted dollars.

4 Analysis by Geography: Major Metro Areas

Place matters for a host of reasons. Where people live determines, in large part, not just the rhythms, sights and sounds of their daily life, but also fundamental aspects of their access to opportunity. What are the characteristics of their neighborhoods, and their neighbors? Can they exercise safely outside and access healthy foods? Are jobs nearby, or can residents at least access jobs via convenient public transportation? What is the quality of neighborhood public schools? What sorts of industries dominate the local economy? Do residents have access to broadband? What is the quality of public services, from police to garbage collection? Place can be a fulcrum of opportunity – or it can isolate and disempower. Therefore an analysis of the Index by place yields important information.

California's top five major metropolitan areas are home to nearly three in four Californians; they include Los Angeles, with over one-third of the state's population, San Francisco, San Diego, Sacramento and Riverside–San Bernardino. Metro areas include the central city that typically gives the metropolitan area its name and the surrounding counties that have significant economic and social ties to that city; for example, the San Francisco metro area also includes the following cities: Oakland, Fremont, Hayward, Berkeley, San Mateo, San Leandro, Redwood City, Pleasanton, Walnut Creek, South San Francisco, and San Rafael. The boundaries of these metropolitan areas are defined by the White House Office of Management and Budget.

The three metro areas of Los Angeles, Sacramento, and San Diego have similar scores on the American HDI (about 5.7 out of 10). Top-ranked San Francisco (with an index near 7) scores considerably better than these three, and bottom-ranked Riverside–San Bernardino (4.6) fares considerably worse. Given the population density in each of these five metro areas, an assessment of social progress and access to opportunity requires a deeper look.

In the **Los Angeles** metro area, with 35% of the state's population, a resident of the Newport Beach–Laguna Hills area in Orange County can expect to live 15 years longer, is 15 times more likely to have a bachelor's degree, and earns $33,000 more than a resident of Watts in Los Angeles. This earnings gap is more than the total wages and salary of the typical worker annually in the U.S. today (Map 1).

In **San Diego**, a baby born today in the neighborhoods in and around Torrey Pines and Mission Bay, which includes La Jolla, can expect to outlive a baby in San Diego South by 5.5 years. Adults there are five times more likely to have a bachelor's degree and ten times more likely to have a graduate or professional degree. Earnings are $14,000 more in the Torrey Pines area (Map 2).

The **Riverside–San Bernardino** metro area falls at the bottom of the metro ranking. The life expectancy gap between Rancho Cucamonga and San Bernardino city proper is less than 4 years, college degree attainment in Rancho Cucamonga is just over double what it is in San Bernardino, and typical wages and salaries in the former are about $15,000 more than in San Bernardino.

To some extent, these variations tell us about opportunity and well-being by neighborhood. But the findings of this analysis by geographic area overlap with findings on well-being by race and ethnicity because of the extent to which many neighborhoods are racially segregated. For example, recent Brookings Institution research on segregation by race in metro areas revealed that the Los Angeles metro area, which includes Long Beach and Santa Ana, has the third-highest rate of Latino-white segregation of any metro area in the nation. Only Springfield, Massachusetts, and the New York City metro areas are more segregated. By their calculations, 63% of Latinos would need to move out of Los Angeles (though nobody is suggesting actual relocation; this is the way in which segrega-
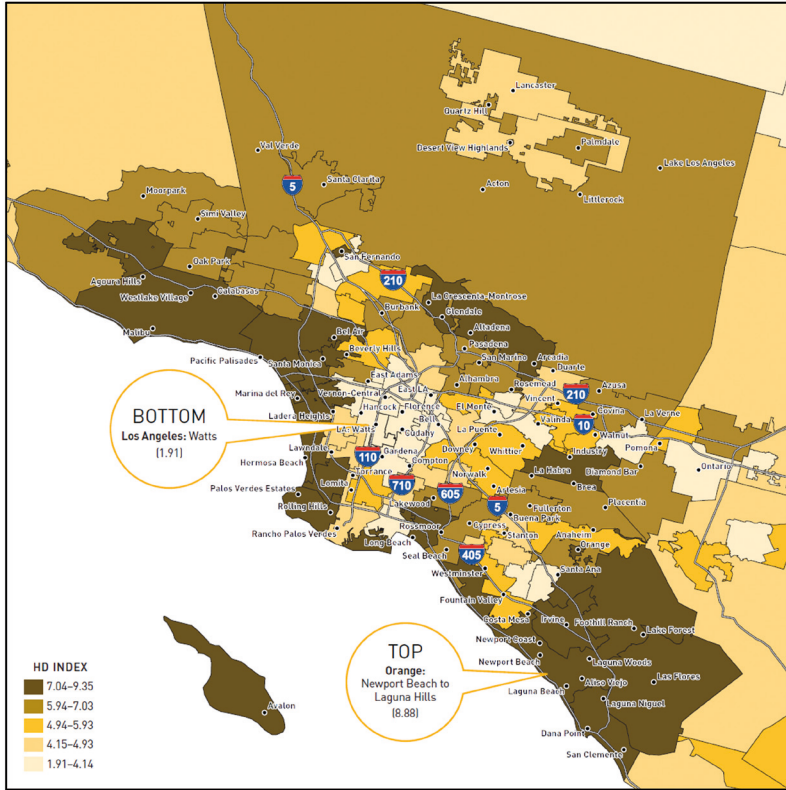
Map 1: Human development in the Los Angeles metro area.

tion is measured) in order for the distribution of Latinos to be the same as it is for Whites.[3] In fact, all five of California's most populous metro areas appear in the top 100 list in terms of Latino–White segregation.

The analysis of race and ethnicity within the state's top-five most populous metro areas yields the following observations.

–   In four of the five metro areas, levels of well-being range from Asian Americans at the top, followed by Whites, African Americans, and Latinos. In San Francisco, Latinos rank slightly above African Americans.

–   Asian Americans in San Francisco today have well-being levels the average American will not reach, if current trends continue, until 2045; on the other

3 Social Science Data Analysis Network, "New Racial Segregation Measures for States and Large Metropolitan Areas."
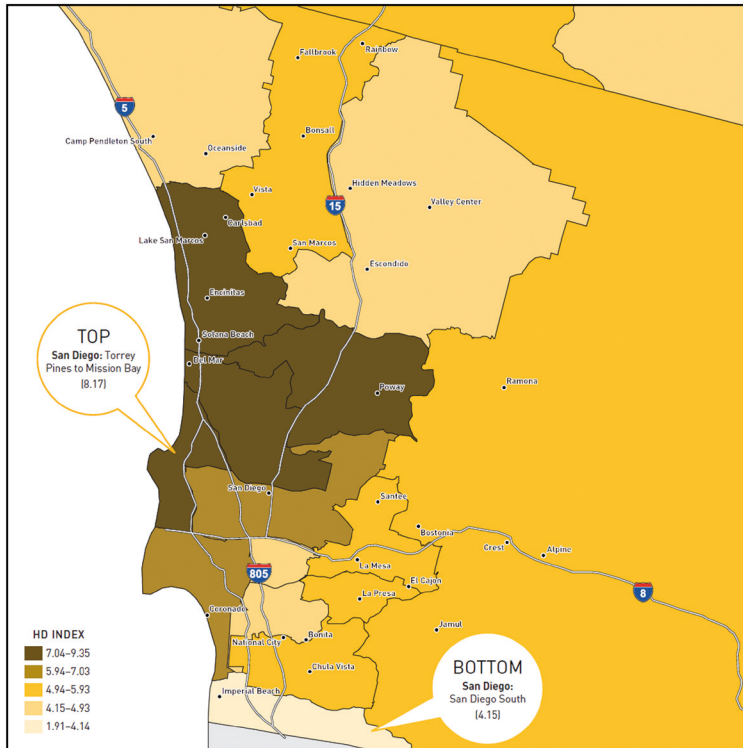
Map 2: Human development in the San Diego metro area.

hand, San Francisco's African Americans are experiencing well-being levels similar to the average American of about a decade ago.

– Riverside–San Bernardino is the only one of these five metro areas in which Asian Americans have earnings comparable to those of Whites. In each of the other four areas, Whites earn from about $2,000 more (in San Diego) to $9,000 more (in San Francisco).

5 Analysis by Geography: Neighborhood and County Groups

The American HDI scores by region and metro areas reveal significant variation in well-being across the state. However, the greatest variations in California, as in

other parts of the country, are within rather than between cities, where the well-heeled and the struggling typically live in close proximity.

The American HDI is presented by neighborhood and county group to look more closely at these variations. California has 233 of these groups. These groups are defined by the US Census Bureau in geographic designations called public use microdata areas (PUMAs). PUMAs typically range in population size from 100,000 to 200,000 people. They are also all of roughly equal size, allowing for apples-to-apples comparisons that would not be possible using counties or zip codes; both counties and zip codes have populations that range from the hundreds to the millions. In these Census Bureau PUMAs, sparsely populated, usually rural, counties that are contiguous are combined into county groups, and densely populated urban counties are split into neighborhood groups. For example, Del Norte, Lassen, Modoc, and Siskiyou counties are combined into one PUMA, whereas populous Los Angeles County is divided into 67 PUMAs. For this reason, we refer to PUMAs as neighborhood and county groups. Presenting the American HDI by neighborhood and county group spotlights the huge variation in well-being and access to opportunity in California (Map 3). Table 2 shows the 20 best- and worst-performing neighborhood and county groups. A resident of the top-ranking neighborhood group, Silicon Valley neighborhoods in and around Los Altos, Palo Alto, and Mountain View in Santa Clara County, lives nearly 14 years longer, on average, than a resident of the bottom-ranking neighborhood group, in Watts. He or she also earns three times more and is 19 times more likely to have completed college. While residents of these Silicon Valley neighborhoods are enjoying well-being levels the nation as a whole will not see until the 2060s, if current trends continue, the inner-city Watts score of 1.91 is on par with that of the nation as a whole in the mid-1960s. A century of human progress separates these two areas.

6 Analysis by Race/Ethnicity and Gender

That significant gaps separate Californians of different racial and ethnic groups is not surprising. However, the size of the gaps is (Table 3). In terms of the relative performance of different ethnic and racial groups within California on the American HDI, Asian Americans have the highest levels of well-being and access to opportunity, scoring 7.61, followed by Whites (6.60), African Americans (4.67), Native Americans (4.34), and Latinos (3.99).

These categories are, of course, extremely broad. The category "Asian American", for example, includes people from countries as different as Pakistan and South Korea, Japan and Laos. It includes newly arrived immigrants as well as Americans with roots in the USA going back a century or more. Because of the
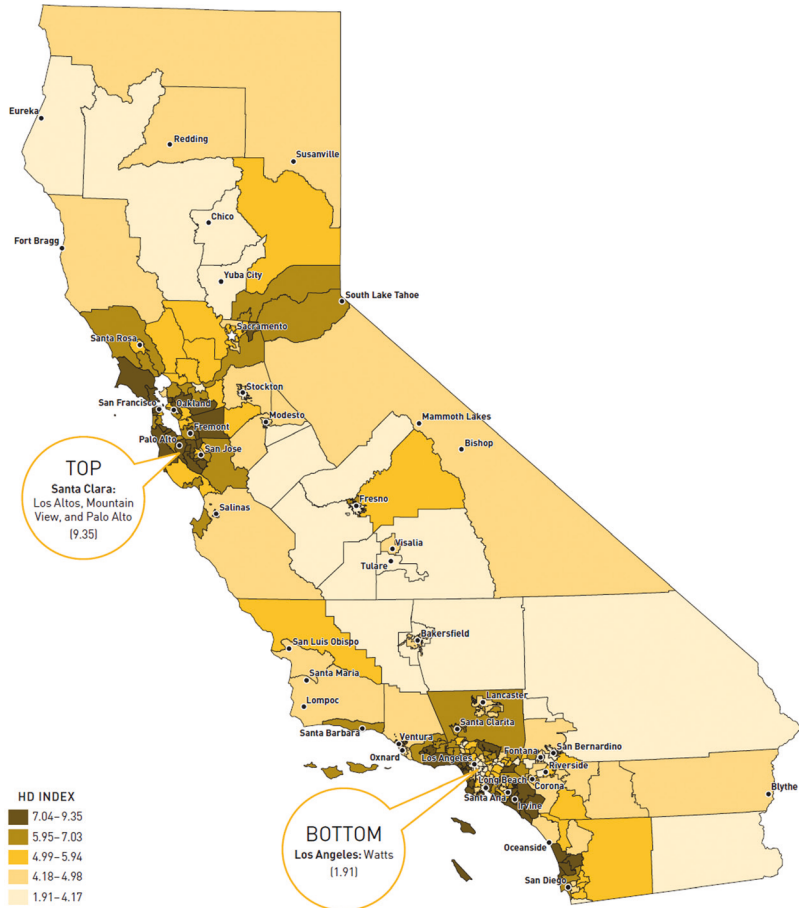
Map 3: American Human Development Index by neighborhood and county group.

ways in which data are collected and made available, we are unable to calculate the Index for racial and ethnic groups other than these. Imperfect though they are, however, the size of the gaps between different groups indicates that these categories are nonetheless a useful lens through which to view well-being and access to opportunity, especially when complemented by additional information.

Among Asian Americans and Whites, men have slightly higher overall well-being scores – largely the result of their significantly higher earnings. The reverse is true among African Americans, Native Americans and Latinos; in these groups, women have higher well-being scores than men largely due to their longer life spans. The biggest difference is greatest between African American women and

Neighborhood and county groups	HDI	Life expectancy at birth (years)	Less than high school (%)	At least bachelor degree (%)	Graduate or professional degree (%)	School enrollment (%)	Median 2009 earnings ($)
Top 20							
Santa Clara: Los Altos, Mountain View, and Palo Alto	9.35	86.7	5.1	69.7	39.8	100.0	55,772
Santa Clara: Cupertino, Saratoga, and Los Gatos	9.12	83.7	2.8	70.8	35.4	100.0	73,026
Orange: Newport Beach to Laguna Hills	8.88	88.1	3.8	55.3	21.2	97.7	51,632
Contra Costa: Moraga and Walnut Creek	8.77	84.3	3.3	64.2	27.7	100.0	53,783
Contra Costa: San Ramon	8.76	83.0	2.6	61.5	23.1	99.7	66,930
LA: Bel Air, Brentwood, and Pacific Palisades	8.75	84.7	3.3	63.7	26.1	100.0	52,587
Orange: Irvine	8.73	85.5	3.7	64.6	27.3	100.0	49,180
LA: Redondo, Manhattan, Hermosa, and El Segundo	8.63	82.6	2.9	62.6	22.5	100.0	58,213
San Francisco: The Marina, Chinatown, and North Beach	8.27	82.8	15.0	60.9	23.0	100.0	53,926
Santa Clara: Sunnyvale	8.25	83.1	9.9	56.0	26.0	100.0	51,500
Alameda: Piedmont	8.24	81.1	6.2	63.1	30.7	100.0	52,056
San Mateo: City and Pacific Coast	8.20	84.2	7.8	51.1	21.3	98.8	50,295
San Diego: Torrey Pines to Mission Bay	8.17	84.5	2.8	68.3	31.3	100.0	38,893
LA: Signal Hill, Palos Verdes and Lomita	8.16	83.4	5.8	54.0	22.7	99.7	49,210
Alameda: Livermore	8.07	84.8	6.9	44.9	15.9	96.0	51,379
Marin: Mill Valley	8.06	84.5	8.0	59.0	26.0	95.0	45,651
San Diego: Encinitas	8.06	85.4	4.9	52.0	20.0	100.0	42,424
San Diego: Poway	8.02	82.3	4.0	52.9	21.1	100.0	49,550
Santa Clara: Almaden	8.02	84.1	8.2	45.6	17.9	97.3	50,719
LA: West Hollywood, Santa Monica, Culver City, and Beverly Hills	7.96	82.1	5.4	57.0	23.8	100.0	47,092
Bottom 20							
LA: Pacoima and Arleta	3.45	79.2	48.5	10.1	1.9	83.5	21,291
LA: Downtown	3.43	80.7	47.4	12.2	4.0	84.9	18,207
San Bernardino: Bloomington and Colton	3.41	76.8	34.4	9.2	2.6	81.6	22,765

Neighborhood and county groups	HDI	Life expectancy at birth (years)	Less than high school (%)	At least bachelor degree (%)	Graduate or professional degree (%)	School enrollment (%)	Median 2009 earnings ($)
Orange: Santa Ana East	3.32	78.6	50.6	12.0	4.0	82.1	21,075
Tulare: Tulare	3.30	75.6	32.9	9.9	3.2	80.4	23,312
San Bernardino: San Bernardino	3.23	74.8	32.5	12.2	3.9	78.8	23,782
LA: Bell Gardens, Bell, Maywood, Cudahy, and Commerce	3.22	79.5	58.1	4.6	1.3	80.7	21,514
LA: Compton	3.18	76.2	41.4	7.6	2.6	83.0	22,087
Alameda: Elmhurst	3.07	74.0	35.6	12.5	3.7	80.3	23,329
San Joaquin: South of Stockton	2.93	73.3	37.5	11.0	3.5	83.2	22,382
LA: East LA	2.91	79.7	55.1	5.1	0.9	79.1	19,020
LA: East Adams and Exposition Park	2.89	77.9	45.7	12.4	3.8	91.4	15,192
Fresno: Fresno	2.86	74.7	34.7	11.5	3.2	82.3	19,770
Fresno: West	2.83	77.0	44.4	8.6	2.2	79.5	19,367
LA: Florence, Firestone, and Huntington Park	2.77	78.6	57.9	5.6	1.7	78.6	19,300
Tulare: Tulare County East to Sequoia National Park	2.67	77.6	44.6	9.0	2.6	80.7	17,057
LA: Hancock	2.60	75.2	40.5	8.8	2.2	79.9	18,926
Kern: West	2.19	75.7	42.9	7.4	1.8	74.8	17,135
LA: Vernon Central	2.19	77.6	63.3	3.5	0.6	79.8	15,675
LA: Watts	1.91	72.8	53.8	3.7	1.1	78.3	18,785

Table 2: Top and bottom 20 neighborhood and county groups by HDI score.

Source: Measure of America calculations using education and earnings data from the American Community Survey 2007–2009 and mortality and population data from the California Department of Public Health and the US Census Bureau, 2006–2008. See Methodological Notes for more details.

Rank	HDI	Life expectancy at birth (years)	Less than high school (%)	At least high school diploma (%)	At least bachelor degree (%)	Graduate or professional degree (%)	School enrollment (%)	Median 2009 earnings ($)
USA	5.09	78.6	14.7	85.3	27.9	10.3	87.9	28,365
California	5.46	80.1	19.4	80.6	29.9	10.7	90.3	29,685
Racial and ethic group								
1. Asian American	7.61	86.1	14.3	85.7	47.8	16.1	100.0	37,501
2. White	6.60	79.3	6.6	93.4	38.9	14.9	96.5	39,126
3. African American	4.67	73.3	12.4	87.6	21.3	7.2	96.6	29,718
4. Native American	4.34	77.5	14.6	85.4	17.4	6.1	88.8	23,748
5. Latino	3.99	83.1	43.3	56.7	9.9	2.8	82.2	20,875
Racial and ethic group and gender								
1. Asian American Men	7.61	83.3	12.0	88.0	49.8	18.9	100.0	42,382
2. Asian American Women	7.47	88.6	16.3	83.7	46.0	13.6	100.0	31,658
3. White Men	6.60	76.9	6.6	93.4	40.9	16.3	91.4	48,015
4. White Women	6.51	81.7	6.6	93.4	36.9	13.5	100.0	31,558
5. African American Women	5.19	76.4	11.3	88.7	22.2	7.7	100.0	28,713
6. Native American Women	4.74	79.9	14.8	85.2	19.2	7.3	98.8	20,387
7. African American Men	4.18	70.2	13.5	86.5	20.3	6.8	90.0	32,744
8. Latina Women	4.12	85.8	42.6	57.4	10.5	3.1	85.1	17,737
9. Native American Men	4.11	75.0	14.4	85.6	15.4	4.8	80.2	29,286
10. Latino Men	3.75	80.3	44.0	56.0	9.3	2.6	79.5	23,471

Table 3: Human Development Index by racial and ethnic group and gender.
Source: Measure of America calculations using education and earnings data from the American Community Survey 2009 and mortality and population data from the California Department of Public Health and the US Census Bureau, 2006–2008. See Methodological Notes for more details.

African American men, a full point on the scale (5.19 as compared with 4.18). When both gender and race/ethnicity are taken into account, Latino men have the lowest well-being levels and Asian American men have the highest.

The top and bottom groups in terms of race and ethnicity are not necessarily performing the best or worst in all three dimensions of the American HDI:

– **Health**. Asian American women are living, on average, to nearly 89 years old, some of the longest lives in the world. Latinos have the second-longest life expectancy, outliving Whites by nearly 4 years.

– **Access to knowledge**. On the education index, Asian Americans do the best, largely on the strength of achievement in higher education. Nearly half (47.8%) of the Asian American adult population in California has completed college, and 16.1% hold graduate degrees. Interestingly, however, roughly similar shares of Asian Americans, African Americans and Native American adults did not complete high school. High school completion was highest among Whites (6.6% did not complete high school) and lowest among Latinos (43.3% did not complete high school).

– **Standard of living**. Although Asian Americans have the highest levels of educational attainment, Whites earn the most, just over $39,000. Latinos have the lowest earnings at about $21,000. Adding gender to the mix increases the earnings gap substantially. The highest-earning group, White men at $48,000, earn two-and-a-half times more than the lowest-earning group, Latina women, who take home less than $18,000 per year.

7 Analysis by Nativity

One in four Californians is foreign-born, compared to one in eight in the country as a whole. This varies by ethnic group; 65% of Asian Americans in California were born outside the USA, and 39% of Latinos are foreign-born. The state is home to about 120,000 foreign-born African American residents who emigrated from countries in Africa and the Caribbean. Among Asian Americans and Latinos, aggregate well-being levels of native-born residents of California are higher than those of foreign-born residents; the reverse is true for Whites and African Americans. An analysis of well-being by nativity yields some surprising conclusions (Table 4).

– **Asian Americans**. Native-born Asian Americans have a slightly higher HDI score than their foreign-born counterparts, chiefly because a higher proportion of US-born Asian American adults has completed high school. However, today's school enrollment rates among Asian Americans are very high for both

Rank	HDI	Life expectancy at birth (years)	Less than high school (%)	At least bachelor degree (%)	Graduate or professional degree (%)	School enrollment (%)	Median 2009 earnings ($)
USA	5.09	78.6	14.7	27.9	10.3	87.9	28,365
California	5.46	80.1	19.4	29.9	10.7	90.3	29,685
Nativity							
Native-born California	5.74	79.0	9.1	32.8	11.8	89.8	32,985
Foreign-born California	5.20	82.9	37.1	24.8	9.0	95.3	24,244
Nativity and racial/ethnic group							
1. Native-born Asian American	7.65	87.4	4.8	55.0	16.7	93.8	34,793
2. Foreign-born Asian American	7.57	86.1	16.3	46.3	15.9	100.0	37,790
3. Foreign-born White	6.87	80.0	11.5	43.4	19.3	100.0	38,983
4. Native-born White	6.50	79.2	5.9	38.3	14.3	95.1	38,584
5. Foreign-born African American	5.79	74.9	9.7	39.6	15.0	100.0	34,453
6. Native-born Latino	4.58	81.8	19.8	15.7	4.5	84.1	23,186
7. Native-born African American	4.55	73.2	12.6	19.7	6.6	95.0	29,549
8. Foreign-born Latino	3.29	84.2	57.5	6.4	1.9	71.4	19,265

Table 4: Human Development Index by nativity.
Source: Measure of America calculations using education and earnings data from the American Community Survey 2009 and mortality and population data from the California Department of Public Health and the US Census Bureau, 2006–2008. See Methodological Notes for more details.

groups, auguring a decline in this gap over time. Interestingly, foreign-born Asian Americans earn about $3,000 more than native-born Asian Americans.

– **Whites**. Health and income indicators for native- and foreign-born whites are very similar; differences stem predominantly from differing levels of education. Foreign-born Whites in California number about 1.4 million people from Europe and the Middle East. Native-born Whites have the smallest proportion of adults in the state who have not completed high school, fewer than 6%. The rate for foreign-born White adults is nearly double. However, foreign-born Whites have better educational outcomes for college and graduate degrees as well as current school enrollment, pushing their overall score above that of the native-born.

– **African Americans**. The variation within this population, as with Latinos, is largely attributable to educational outcomes. Foreign-born African Americans have far higher rates of both college and graduate degree completion. In addition, the typical earnings of foreign-born African Americans today are well above those of the typical Californian, and on a par with native-born Asian Americans. However, health indicators for both groups are lagging.

– **Latinos**. Latinos have the greatest difference in Index scores between foreign- and native-born populations. Foreign-born Latinos outlive their native-born counterparts by about two and a half years. In education, outcomes are switched. While more than half of foreign-born Latino adults never completed high school, the rate for native-born Latinos is nearly the same as California's average.

8 The Five Californias

While Californians traditionally see their state in "North-South" or "coastal-inland" terms, the Five Californias show a different reality. Rural areas in the south share common challenges with northern inner-city neighborhoods; ethnic and racial groups in one part of the state share similar obstacles in terms of access to opportunity with others.

The American Human Development Index ranking provides a quick study of the peaks and troughs in terms of well-being, but another value of the its real value is in showing how groups fare all along a continuum. While the 233 Census-defined neighborhood groups is a fairly unwieldy number, sorting of these groups into distinct profiles according to where they fall on the Index from zero to ten yields some striking conclusions. The 233 neighborhood groups have been grouped into "Five Californias" according to their Index rankings, and subsequently averaged.

The Five Californias

These "Five Californias" represent the wildly divergent realities faced by California residents in terms of well-being.

	HD INDEX	LIFE EXPECTANCY AT BIRTH (years)	LESS THAN HIGH SCHOOL (%)	AT LEAST HIGH SCHOOL DIPLOMA (%)	AT LEAST BACHELOR'S DEGREE (%)	GRADUATE OR PROFESSIONAL DEGREE (%)	SCHOOL ENROLLMENT (%)	MEDIAN EARNINGS (2009 dollars)
Silicon Valley Shangri-La — 1% of CA population, 2 Neighborhood and County Groups. Extremely well-educated, high-tech high-flyers living in Silicon Valley—entrepreneurs and professionals fueling, and accruing the benefits of, innovation, especially in information technology. Highly developed capabilities give these Californians unmatched freedom to pursue the goals that matter to them.	9.35	85.3	4.1	95.9	70.1	38.0	100.0	$63,106
Metro-Coastal Enclave California — 18% of CA population, 46 Neighborhood and County Groups. Affluent, credentialed, and resilient, the knowledge workers living in Metro-Coastal Enclave California enjoy comparative financial comfort and security in upscale urban and suburban neighborhoods. They have extremely high levels of well-being and access to opportunity.	7.92	83.2	7.5	92.5	52.3	20.9	100.0	$46,077
Main Street California — 38% of CA population, 91 Neighborhood and County Groups. High levels of human development overall characterize this majority-minority group of Californians, who enjoy longer lives, higher levels of educational attainment, and higher earnings than the typical American. Yet these suburban and ex-urban Californians have an increasingly tenuous grip on middle-class life.	5.91	80.5	15.4	84.6	31.5	10.7	92.9	$32,686
Struggling California — 38% of CA population, 83 Neighborhood and County Groups. Struggling California can be found across the state, from the suburbs, exurbs, and rural areas of the Central Valley to parts of major metro areas and the Inland Empire to swaths of Northern California. Struggling Californians work hard but find it nearly impossible to gain a foothold on security.	4.17	78.3	28.2	71.8	16.8	5.2	84.3	$24,796
The Forsaken Five Percent — 5% of CA population, 11 Neighborhood and County Groups. Bypassed by the digital economy, left behind in impoverished LA neighborhoods as well as in rural and urban areas in the San Joaquin Valley, these Californians face an extremely constrained range of opportunities and choices.	2.59	76.1	45.6	54.4	8.3	2.2	80.6	$18,343

Figure 1: The Five Californias.

1. SILICON VALLEY SHANGRI–LA
   - Percentage of California's population: 1%
   - Range on American HDI: 9+
   - Silicon Valley Shangri-La on the American HDI 9.35

Extremely well-educated entrepreneurs and professionals in two neighborhood groups located within Silicon Valley, this group is fueling, and accruing the benefits of innovation, especially in information technology. Seven in ten adults in these neighborhoods have completed college, and four in ten adults have a graduate degree. Highly developed capabilities give these Californians unmatched freedom to pursue the goals that matter to them as well as the ability to secure extraordinary advantages and opportunities for their children. Smarts and hard work are integral to their success, but so are public investments in research and development, higher education, infrastructure, the protection of intellectual property, the stability of the financial system, and more.

A full third of Shangri-La's residents are foreign-born (33%); these chiefly Asian immigrants bring with them well-developed capabilities and enter the country on visas that privilege their unique skills. The median household income in this group is about $118,000. Unemployment is 8%, and fewer than 3% of children live in poverty.

2. METRO-COASTAL ENCLAVE CALIFORNIA
   - Percentage of California's population: 18%
   - Range on American HDI: 7–9
   - Metro-Coastal Enclave California on the American HDI 9.35

Affluent, credentialed, and resilient, the knowledge workers living in Metro-Coastal Enclave California enjoy comparative financial comfort and security in upscale urban and suburban neighborhoods. People living here have extremely high levels of well-being and access to opportunity; the range of scores to be found in Enclave California is on par with that of the top 20 congressional districts in the USA.

Metro-Coastal Enclave Californians are not immune from shocks and downturns but, thanks to robust capabilities, they are better able to withstand or recover from them than other Californians. These include educational credentials and access to information, social and professional networks, income and assets, and access to quality services (a result of, for instance, good employer-funded health insurance or residence in neighborhoods with better amenities and services). They benefit from public investment in education, health, and infrastructure as well as from the investments they have made in their capabilities.

They have the financial, social and educational resources to ensure that their children realize their full potential, setting them on a positive life trajectory.

In terms of human development, this group is better off than 80% of Californians and 95% of Americans; they enjoy exceptional effective freedom to pursue the goals that matter to them. Still, even these pockets of comfort are not impervious to times: the unemployment rate is 8.5%, and the poverty rate is 7% overall and 7% for children.

3. MAIN STREET CALIFORNIA
   – Percentage of California's population: 38%
   – Range on American HDI: 5–7
   – Main Street California on the American HDI: 5.91

In many ways, this group comes closest to what in the popular imagination means "middle class": roughly half work in office jobs, especially in sales, administration and management, and a third are in blue-collar occupations; 85% of adults have completed high school, and three in ten have completed college; and most live in safe neighborhoods of major metro areas. Interestingly, this group is majority–minority.

Main Street Californians live about 2 years longer than the average American. Median household income is $64,000, roughly 25% higher than the national median, and the typical Main Street California worker earns $4,000 more than the typical US worker.

Though their scores fall above the center of the well-being scale, these suburban and ex-urban Californians nonetheless have an increasingly tenuous grip on middle-class life. They lack the security traditionally associated with being middle class and face challenges such as high housing costs; declining public schools; skyrocketing costs of higher education; the disappearance of pensions, health insurance, and other job-based benefits; and limited assets. The unemployment rate is 10.6%, and 10.6% are below the poverty line. Unlike those in Enclave California, they are less able to opt out of failing public systems – for instance, by sending their children to private school.

4. STRUGGLING CALIFORNIA
   – Percentage of California's population: 38%
   – Range on American HDI: 3–5
   – Main Street California on the American HDI: 4.17

Struggling California can be found across the state, from the suburbs, exurbs, and rural areas of the Central Valley to parts of major metro areas and the Inland

Empire to swaths of Northern California. Lower levels of educational attainment, fewer jobs, heavier reliance on public services, the housing bust, and, for many, residence in areas relatively cut off from the innovation economy limit people's abilities to build their capabilities or access opportunities.

Blue-collar occupations such as transportation, food service and construction, together employ four in ten workers in Struggling California; two in ten are in office administration or management. The types of jobs that dominate in Struggling California typically have few benefits like insurance, sick leave, or retirement savings and little job security. This is particularly true of the jobs open to the roughly three in ten adults who did not complete high school. Median personal earnings in Struggling California are $5,000 less than in the country as a whole; the median household income is $48,000, an income insufficient to meet even bare-bones family living expenses in 23 California counties.[4]

Highly vulnerable to major economic downturns as well as to comparatively minor reversals like a costly car repair, Struggling Californians work hard but find it nearly impossible to gain a foothold on security. The California budget crisis and resulting cuts in community colleges, job training, and public-sector jobs have weakened historical avenues of advancement while social service cuts have left holes in the safety net. One in four children in Struggling California lives in poverty and unemployment stands at 13%.

5. THE FORSAKEN FIVE PERCENT
    – Percentage of California's population: 5%
    – Range on American HDI: 0–3
    – Main Street California on the American HDI: 2.59

Bypassed by the digital economy, left behind in impoverished Los Angeles neighborhoods as well as in rural and urban areas in the San Joaquin Valley, these Californians face an extremely constrained range of opportunities and choices. These areas register some of the country's lowest levels of well-being. Paradoxically, many Forsaken Five Percent counties in the San Joaquin Valley are some of the nation's most productive agricultural counties. In human development terms, The Forsaken Five Percent's score is on par with the country as a whole in the late 1970s, a generation ago.

Low levels of education – 45% of adults did not complete high school – mean high rates of unemployment and severely limited occupational options. Those who are working tend to hold low-paid jobs with neither security nor

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4 Centers for Disease Control and Prevention, *National Vital Statistics Reports*, Table 8.

benefits, chiefly in areas like construction, maintenance, production, agriculture and transport that require physical labor. This group is most reliant on public services to meet their basic needs for healthcare, shelter, food and income, and therefore is hardest hit when services are cut or inadequate. Thanks to disproportionate exposure to health risks, the stress of chronic economic insecurity and neighborhood crime, and less access to adequate nutrition and facilities for physical activity, the people of The Forsaken Five Percent live the shortest lives in the state. Median personal earnings, around $18,000, are comparable to those that prevailed in the country as a whole in the early 1960s. Nearly 30% of all people in The Forsaken Five Percent, and 40% of children there, live in poverty.

Nearly seven in ten people in The Forsaken Five Percent are Latino, and Latino children disproportionately attend schools that are large, crowded, underfunded and underperforming. Children whose parents did not complete high school start school behind their more privileged peers and require targeted efforts if they are to catch up.

9 Agenda for Action

What follows is 12 priority actions that are key to boosting American HDI scores across the state. The matrix below (Figure 2) shows how they apply to the Five Californias. The Forsaken Five Percent, where people's real-world opportunities to fulfill their potential and live freely chosen lives of value are limited, requires urgent action in all 12 areas. Only one priority action applies to Silicon Valley Shangri-La, where well-being levels are already extraordinarily high.

9.1 A Summary of the 12 Priority Actions

1. MAKE EDUCATIONAL EQUITY A REALITY. The Forsaken Five Percent is predominantly Latino and African American. Latino and African American children are far more likely than White or Asian American children to attend failing, overcrowded and segregated schools; to have unqualified teachers; and to lack access to courses required for college.
2. IMPROVE THE CONDITIONS OF DAILY LIFE. A baby born today in The Forsaken Five Percent can expect to live 9 years fewer than one born today in Silicon Valley Shangri-La. Chronic stress, residential segregation, high crime rates, limited access to healthy food and places to exercise, and other features of concentrated poverty contribute to premature death.

Agenda for Action:
The Five Californias

These twelve priority actions—discussed in detail in the health, education, and income chapters—are key to boosting index scores across the state. The matrix below shows how they apply to the Five Californias. The Forsaken Five Percent, where people's real-world opportunities to fulfill their potential and live freely chosen lives of value are limited, requires urgent action in all twelve areas. Only one priority action applies to Silicon Valley Shangri-La, where well-being levels are already extraordinarily high.
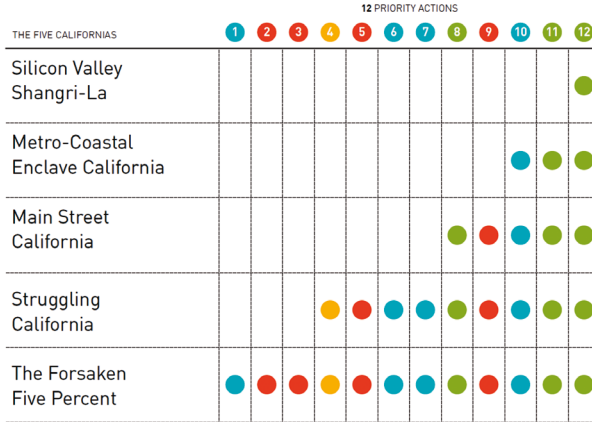
12 PRIORITY ACTIONS

THE FIVE CALIFORNIAS	1	2	3	4	5	6	7	8	9	10	11	12
Silicon Valley Shangri-La												●
Metro-Coastal Enclave California										●	●	●
Main Street California								●	●	●	●	●
Struggling California				●	●	●	●	●	●	●	●	●
The Forsaken Five Percent	●	●	●	●	●	●	●	●	●	●	●	●

Figure 2: Twelve priority actions for the Five Californias.

3. ADDRESS THE AFRICAN AMERICAN HEALTH CRISIS. African Americans in California today have life spans typical of the USA 35 years ago. Reducing premature death requires urgent attention to four conditions – hypertension, human immunodeficiency virus (HIV), diabetes and homicide – from which African Americans die at a higher rate than Whites.

4. REDUCE RESIDENTIAL SEGREGATION. Los Angeles is the third-most-segregated city for Latinos, the 11th for African Americans. Segregated neighborhoods too often mean segregated schools, poor access to mainstream social networks, concentrated poverty, and limited access to public goods like parks, libraries and transport.

5. FACILITATE HEALTHY BEHAVIORS. People in Struggling California live 7 years fewer, on average, than people in Silicon Valley Shangri-La. Public health campaigns that tackle physical inactivity, junk foods, and smoking, as well as school- and work-based exercise and nutrition programs, can help people make healthy choices.

6. SUPPORT HIGH-QUALITY PRESCHOOL EDUCATION. Only 42% of 3- and 4-year-olds attend preschool in Struggling California, compared to nearly

70% in Silicon Valley Shangri-La. A high-quality preschool is the most cost-effective educational intervention, yielding up to $17 worth of benefits for every $1 invested.

7. TARGET HIGH-DROPOUT HIGH SCHOOLS. Struggling California is home to many of the state's struggling schools. Preventing dropouts requires more adults to provide guidance and academic help and effective, experienced teachers in every school, with a focus on those 100 high schools that account for nearly half of the state's dropouts.

8. FOSTER JOB CREATION. Unemployment stands at 10.6% in Main Street California. Two proven ways to create jobs are hiring credits and worker subsidies, such as the state Earned Income Tax Credit, now available in 24 US states. These policies create jobs and improve a state's long-term fiscal health.

9. LEARN FROM LATINO HEALTH ADVANTAGES. Latinos in California outlive Whites by 4 years, and foreign-born Latinos outlive native-born Latinos by about 2.5 years. Understanding the "Latino Paradox" can inform efforts to improve the health of all Californians as well as help the second generation retain their parents' good health practices.

10. INCREASE EDUCATIONAL ATTAINMENT. Half the adults in Metro-Coastal Enclave California have a bachelor's degree, compared to 70% of adults in Silicon Valley Shangri-La. The financial returns to higher education have never been greater, and college graduates are crucial for California's long-term competitiveness and prosperity.

11. STABILIZE HOUSING COSTS. More than one in five renting households in Metro-Coastal Enclave California spend half or more of their income on rent. Rates of homeownership lag behind the national average. Priorities include economic incentives for new multifamily rental housing and targeted assistance in areas with high foreclosure rates.

12. REDUCE THE GENDER GAP IN EARNINGS. Women in Silicon Valley Shangri-La earn 49 cents for every $1 earned by men. Family-friendly workplaces contribute to greater worker productivity and satisfaction, less turnover, and improved child health. Tackling wage discrimination and supporting girls to pursue careers in science, technology, engineering and math are high priorities.

10 Conclusion

California has long drawn people to its fertile farmland, temperate climate, abundant natural resources, and optimistic spirit of reinvention. With the largest population and state economy, California heralds the nation's successes and

challenges – if California does well, so does the nation. As the state with the country's most diverse population, California is also in a unique and unprecedented position to harness the potential of its people to prosper in an increasingly globalized world.

California currently faces many challenges, budgetary and demographic, but the innovative human development approach and Index provide tools that people can use to overcome them. Across the globe, human development reports have already served as a springboard for debate over development priorities: spurring discussion on sensitive development issues, and strengthening the capacity of policymakers and citizens to employ data and analysis to further human progress. In California also, this international gold standard for measuring wellbeing not only accurately describes how ordinary people are doing, but is a tool that can be harnessed to spark discussion and action on how to close the gaps.

11 About the Authors

The Measure of America (MOA), a project of the Social Science Research Council, was created in 2007 by co-directors Sarah Burd-Sharps and Kristen Lewis. The project introduced the human development approach to the USA with the first human development report ever written for an affluent country. The second national human development report, *The Measure of America 2010–2011: Mapping Risks and Resilience,* was released in 2010 in conjunction with an online interactive mapping program: www.measureofamerica.org/maps. In 2011, AHDP released *A Portrait of California: California Human Development Report 2011*, commissioned by a consortium of eight California-based donors. The project has also released state-level reports for Mississippi and Louisiana.

Sarah Burd-Sharps previously worked with the United Nations for over two decades, most recently as Deputy Director of the Human Development Report Office of the United Nations Development Program (UNDP). She has also worked in China and in a number of African countries on gender issues and economic empowerment. Sarah holds an MIA from Columbia University.

Kristen Lewis also comes from an international development policy background, having worked primarily in the areas of gender equality, governance, environment, and water and sanitation. Kristen is co-author, under the leadership of Jeffrey Sachs' Millennium Project, of the 2005 book *Health, Dignity and Development: What Will It Take?* She worked at the United Nations for some ten years and has served as a consultant for many international development organizations. Kristen also holds an MIA from Columbia University.