

## **NORTH BAY**

### **Gap widens between rich and poor**

#### **Study shows big increase in number of working families living in poverty**

- Jim Doyle, Chronicle Staff Writer  
Tuesday, March 1, 2005

The gap between the rich and poor in North Bay counties grew significantly during the economic boom years of the 1990s, according to a new study being released today .

"Two decades of stunning economic growth in the North Bay have left working families in the lurch, unable to find jobs that will sustain them at a minimum level of self-sufficiency," the study says. "The incomes of the richest one-fifth have grown at staggering rates, while those of the middle and the bottom have grown sluggishly, or actually declined."

As a result, the study says, the percentage of North Bay working families and children living in poverty rose substantially despite the 1990s economic growth spurt.

The 81-page report, titled "The Limits of Prosperity: Growth, Inequality and Poverty in the North Bay," examines demographic, employment, income and poverty data since 1979 in Marin, Sonoma, Napa and Mendocino counties.

The study was sponsored by New Economy, Working Solutions -- a nonprofit research and education organization supported by labor, religious and community groups in the North Bay. It was financed by UC Berkeley's Institute for Labor and Employment as well as foundation grants and donations from unions.

"We believe our report is the most comprehensive ever completed about employment patterns, wages and income distribution and self-sufficiency standards in the region," said Martin Bennett, who chairs New Economy.

Economic growth in the North Bay has produced an "hourglass economy," the study says, which is largely split between high- and low-wage occupations, and a shrinking middle class.

The study found that the North Bay economy grew much faster in the 1990s than the overall Bay Area economy or the state economy. Still, the North Bay's growth in jobs is skewed toward the creation of low-wage, low-skill jobs in service industries.

A growing minority underclass composed primarily of Latinos fills the lowest-paid, most insecure jobs such as those for child care workers, janitors, laborers and fast-food employees.

"We find that the proportion of families living in poverty rose by 5 percent in the North Bay during the 1990s despite robust economic growth," wrote UC Berkeley researchers Nari Rhee and Dan Acland. "The growth of poverty- wage jobs that fail to keep working families self-sufficient can force those at the bottom to depend on welfare for survival."

In Marin County, the average income of the top one-fifth of working families increased since 1989 by 38 percent to \$326,000 a year; the income of those in the middle rose 11 percent to \$94,000; and the income of the bottom one-fifth of Marin families decreased by 2 percent to \$28,300.

The North Bay's overall population increased by one-third between 1980 and 2000, with Sonoma

County doubling its population to about 477,400. Marin County's population is about 251,440; Napa County's is about 132,530; and Mendocino County's is about 89,700. The study found that 1 in 6 North Bay families lives in poverty. Eighteen percent of children live in poverty in Marin County; 23 percent in Sonoma County; 31 percent in Napa County; and 51 percent in Mendocino County.

Ten percent of North Bay residents in 2001 did not have health care insurance, the report noted, including about 15,000 people in Marin County and 46,000 in Sonoma County.

These patterns are likely to continue: 30 percent of the projected job growth in the North Bay is in occupations where entry-level jobs are at or just above the minimum wage of \$6.75 per hour.

The study urges public officials to support a higher state minimum wage indexed to inflation, promote and expand tax credits for low-income working families and encourage economic growth that creates jobs that support a family and career ladders that provide economic upward mobility.

It recommends the development of education and training programs for low-wage earners, including immigrant worker centers to provide legal and social services. It encourages the support of initiatives that provide health insurance coverage for children living in poverty as well as housing initiatives that help ensure that low-wage workers can live in the communities where they work.

*E-mail Jim Doyle at [jdoyle@sfgate.com](mailto:jdoyle@sfgate.com).*

Page B - 3

URL: <http://sfgate.com/cgi-bin/article.cgi?file=/c/a/2005/03/01/BAG0GBIBPB1.DTL>

---

[©2005 San Francisco Chronicle](#)