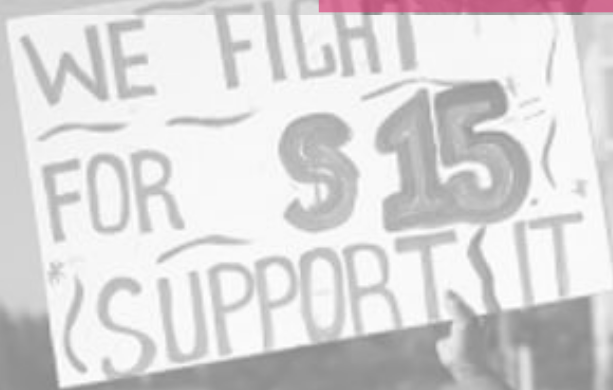


PASADENA'S TALE OF TWO CITIES



**BY PETER DREIER
AND MARK MAIER**

**URBAN & ENVIRONMENTAL POLICY INSTITUTE,
OCCIDENTAL COLLEGE**

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ABOUT THE AUTHORS



Dr. Peter Dreier is E.P. Clapp Distinguished Professor of Politics and founding chair of the Urban & Environmental Policy Department at Occidental College. He is coauthor of “Place Matters: Metropolitica for the 21st Century” and “The Next Los Angeles: The Struggle for a Livable City.”

Dr. Mark Maier is professor of economics at Glendale Community College and is the coauthor of “Introducing Economics” and “The Data Game: Controversies in Social Science Statistics.” Both of them live in Pasadena.

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INTRODUCTION

Pasadena has a well-deserved reputation as a “livable” city. But the question must be asked: Livable for whom?

Pasadena has become one of California’s most unequal cities. It welcomes affluent residents, while poor families and even many middle-class households can barely make ends meet. Many families have been pushed out of Pasadena by the combination of low incomes and rising housing prices. The city is now characterized by a widening income gulf, low wages for many, and high rents. That’s the troublesome reality as documented by the latest U.S. Census figures and other data.

This harsh reality is not simply the result of inevitable economic forces. Decisions made in City Hall — particularly about jobs and housing — contribute to Pasadena’s widening income gap and the hardships encountered by a significant number of families.

Pasadena is one of America’s best-known cities. Its reputation is due in large part to the annual Tournament of Roses parade, the Rose Bowl (including the annual football game as well as other events held in that iconic structure), its arts-and-crafts bungalow houses, its commitment to historic preservation, and its thriving downtown commercial center. It is home to many world-class institutions, including the Art Center College of Design, the Pasadena Playhouse, the Huntington Library, the Norton Simon Museum, and the California Institute of Technology, which has fostered several major engineering and science-oriented corporations. All this gives Pasadena a well-deserved reputation for prosperity.

But there’s a big disconnect between the city’s image and its reality. Pasadena is indeed prosperous, but its prosperity is not widely shared. Less than half a mile from where the Tournament of Roses parade route begins, near Millionaires Row, Pasadena becomes a city of low-wage workers, predominantly Latino and Black. In this city of 140,000 people, tens of thousands of workers and families struggle to meet their basic needs.

As tourists spend their money in Pasadena's hotels, restaurants, stores, and rental car agencies, they probably don't realize that most of the hotel housekeepers, waiters and waitresses, kitchen workers, retail clerks, and janitors don't earn enough to make ends meet. If they don't wander off the parade route or travel to the residential areas not far from the Rose Bowl, they won't see the small homes and apartment buildings that house the other part of Pasadena. We have reported twice before on *Pasadena's Tale of Two Cities*, most recently in 2014. We have written this new report to update the facts that can help inform and guide public discussion and government policy.

Our investigation led to three conclusions:

First, Pasadena remains a city characterized by a wide economic divide. Pasadena ranks second among California's 50 largest cities in terms of the concentration of income among the wealthiest residents and the gap between the richest and poorest households. For example, the average income of the richest five percent of Pasadena households (\$547,864) is more than 45 times greater than the average income of the poorest 20 percent of households (\$12,153).

Second, the economic chasm has widened since we wrote our earlier reports. The percentage of low-income households remains the same, while the percentage of households with incomes over \$200,000 increased. This trend results in a hollowed out middle class. The Pasadena City Council's decision to adopt a municipal minimum wage (currently \$13.25 for employees of businesses with 26 or more employees and \$12 for employees of other businesses) has helped improve the lives of thousands of Pasadena workers and their families, but it still remains far below what is needed to make ends meet. In February this year, the Pasadena City Council will vote whether to freeze the minimum wage at its current level or continue, like Los Angeles and Altadena, on the path to \$15/hour by July 2020 (for businesses with over 25 employees) and by July 2021 (for all other businesses).

Third, Pasadena is becoming more and more expensive to live in. City policies are fueling gentrification, making it harder for low-income and middle-class families to live here. Housing costs – for single-family homes, condominiums, and apartments – have skyrocketed. Pasadena is now one of the most expensive cities in California.

INEQUALITY

Almost a decade ago, the Occupy Wall Street movement popularized the phrase “the 1 percent vs. the 99 percent” to characterize America’s widening economic divide and the growing influence of Wall Street and big business in our political system. Indeed, nation’s super-rich have gained a growing share of the nation’s wealth. Recent studies show that the top 10 percent of households garner over 78 percent of the country’s wealth and that the top 1/1000 of households has over 15 percent of the wealth, a higher percentage than in 1983.¹

In some ways, Pasadena *is* a prosperous city. In 2017 the city’s average household income was \$109,871. Among California’s 50 largest cities, Pasadena ranks tenth that category, as shown in Table 1. That means that, on average, Pasadena residents have more money to spend in local stores, restaurants, and other businesses than their counterparts in most other cities. Because Pasadena is also a major tourist destination, much of the money spent in the local economy comes from people visiting the city.

The *average* household income reveals the size of a city’s overall economic pie, but it doesn’t reveal anything about how that pie is divided.

We have utilized several standard ways to measure inequality in Pasadena.

The first is to look at the concentration of income among the rich — how the economic pie is divided. In 2013-2017, the richest five percent of Pasadena households — those with incomes over \$250,000-- had almost one-quarter (24.93 percent) of the income earned by city residents.

¹ Edward Wolff, *Household Wealth Trends in the United States, 1962 to 2016: Has Middle Class Wealth Recovered?* Cambridge, MA: National Bureau of Economic Research, November 2018.

On this measure, Pasadena ranks second among California's 50 largest cities, behind Los Angeles (27.06 percent) (See Table 2). ²

The richest 20 percent Pasadena households — those with household incomes above \$156,810 -- have over half (53.61 percent) of city residents' total income. On this measure, too, only Los Angeles has a higher concentration of income among the richest twenty percent. (See Table 3)

In contrast, the poorest one-fifth of Pasadena households -- those with incomes below \$26,059 — combined have only 2.22 percent of all residents' income. As Table 3 reveals, in California only in San Francisco and Lancaster do poor households have a smaller share of citywide income. Pasadena is even more unequal than the country and California.

Another standard way to measure inequality is to consider the gap between the rich and poor. To do this, we compared the average income of households at the top (the richest five percent of households) with the average income of those at the bottom (the poorest 20 percent of households).

In Pasadena, the average income of the richest five percent of households (\$547,864) is more than 45 times greater than the average income of the poorest 20 percent of households (\$12,153). Only San Francisco has a wider rich-poor gap (See Table 4).

When we compare the gap between the richest 20 percent and the poorest 20 percent, Pasadena is, once again, nearly the most unequal California city. The average income of the richest 20 percent of Pasadena households (\$294,533) is 24 times greater than the average income of the poorest 20 percent (\$12,153). On this measure, only San Francisco and Lancaster outdo Pasadena as California's capital of inequality (See Table 5).

² In these tables, we use data from the U.S. Census Bureau's American Community Survey 2013-2017 5-year estimates. The data be found on the American FactFinder page of the U.S. Census Bureau website.

MAKING ENDS MEET IN PASADENA

Many Pasadena families do not earn enough to make ends meet. The number of Pasadena households surviving on a low income, less than \$25,000 per year, stayed the same between 2013 and 2017. (The city's minimum wage law began on July 1, 2016). About 10,000 Pasadena households, 19 percent of the total, get by on incomes below \$25,000 (See Table 6). The \$25,000 threshold does not adjust for five percent inflation since 2013, so in actual buying power poor households are doing worse.

The story at the top end is quite different. Over the five-year period between 2013 and 2017, the number of households with incomes over \$200,000 jumped by nearly 1,000, so that they now comprise one in eight Pasadena households. The percentage of these affluent families in Pasadena is almost double the national rate of 6.3 percent.

With the percentage of low-income households staying the same and percentage of affluent households rising, it isn't surprising that the middle-income group shrank. Between 2013 and 2017 those with incomes between \$25,000 and \$100,000 per year fell from 45.9 percent to 42.6 percent of Pasadena households. The next highest group, households with incomes \$100,000 to \$200,000 increased by 1.5 percent of the total.

A recent report by the California Budget and Policy Center examined the economic challenges faced by many Californians by showing the monthly and annual cost of supporting a family or a single individual in different parts of the state. Its analysis presented basic family budgets for each of California's 58 counties for four types of households: a single adult, a single-parent family, a two-parent family with one parent working, and a two-working-parent family. (All

family types except single adult are assumed to have one preschool-aged child and one school-aged child). These family budgets estimate the amount of income that households need to cover basic expenses.

In Los Angeles County, a family with two income earners and two children needs an annual household income of \$74,679 to make ends meet. A family with two parents, one of whom works, and two children, needs to earn \$59,338 a year to make ends meet. A single-parent family with two children needs to earn \$65,865 a year to make ends meet (because child care costs are higher for a single parent than a two-parent family where one parent is not working). A single adult needs to make \$29,217 to make ends meet.³ The report identifies the specific costs of the major items in household budgets – housing and utilities, food, child care, health care, transportation, taxes, and miscellaneous.

Because of high housing costs (discussed below), the cost of living in Pasadena is higher than in most other Los Angeles County cities. For example, the budgets calculated by the California Budget and Policy Center for Los Angeles County assumes that households pay \$1,545 for housing and utilities. Housing costs in Pasadena are considerably higher. As a result, few Pasadena households earn enough to make ends meet based on the California Budget and Policy Center calculations.

³ Sara Kimberlin and Amy Rose, “Making Ends Meet: How Much Does It Cost to Support a Family in California?” California Budget and Policy Center, December 2017.
<https://calbudgetcenter.org/resources/making-ends-meet-much-cost-support-family-california/>

WAGES

One-third of Pasadena workers earn less than \$15 per hour. That percentage is unchanged since our last report five years ago. Because there are more employees in Pasadena, the number of these low wage workers increased slightly to 23,117. (See Table 7) As in the past, most low wage earners, 59 percent, work full time and full year, and another 26 percent work part-time and full year. Thus, the stereotype of a minimum wage worker as a summer employed teenager is entirely misleading.

The new data show that low wage workers are concentrated in a few sectors: food services, accommodations such as motels and hotels, health care, education services (primarily early childhood), retail trade, and construction (See Table 8). Since our last report, the greatest increases in low wage employment have occurred in the construction, retail trade, and food services sectors.

More than half the workers within the hotel, motel, food service and retail trade sectors earn low wages. Health care and education have large numbers of low wage workers, although not surprisingly, in those industries a majority earns more than \$15 per hour.

These official government data underestimate the number of low-wage workers because they omit some workers in the informal economy such as day laborers, home care workers, and gardeners, who are not completely counted in the U.S. Census Bureau surveys.

Pasadena low wage workers are concentrated in sectors that cannot easily leave to avoid higher wages. Unlike clothing factories, for example, hotels, restaurants, retail shops, day care centers, and construction are local businesses that are tied to the Pasadena economy. They cannot easily relocate to Asia, Mexico, or Alabama. In fact, the attractiveness of doing business in Pasadena – and taking advantage of its amenities, the concentration of hotels and restaurants, its shopping districts, and other factors -- means that most local businesses prefer locating in Pasadena over even adjacent cities and suburbs. This makes it easier for Pasadena to maintain its current

minimum wage in line with Los Angeles City and County and for Pasadena businesses to absorb gradual increases in the minimum wage.

In public debate, some restaurant owners have taken the lead in opposing the minimum wage. Around the country, restaurants experience high turnover, but not because they provide high wages, but because of poor management, changing consumer tastes, competition from other eateries, and rising commercial rents. Indeed, nationwide about 60 percent of restaurants fold within three years of openings – more often than other business.⁴ As far as Pasadena finances go, restaurants are not one of the city’s major industry sectors. Restaurants account for about 19 percent of total city sales tax revenue, less than the revenue collected from consumer goods purchases and from automobile related purchases.⁵

⁴ H.G. Para, John T. Self, David Njite, and Tiffany, King, “Why Restaurants Fail,” Cornell Hotel and Restaurant Administration Quarterly, Volume 46, Number 3, August 2005.
<https://daniels.du.edu/assets/research-hg-parsa-part-1-2015.pdf>

⁵ <https://www.cityofpasadena.net/wp-content/uploads/sites/27/Sales-Tax-3rd-Qtr-2016-City-of-Pasadena.pdf>

HOUSING

Pasadena is an expensive place to live, primarily because of skyrocketing housing prices and rents. People who have owned their houses for many years have seen dramatic appreciation in the value of their homes, even those who have done little or nothing to improve the physical condition of the house and yard. The *median* price of a single-family in Pasadena increased from \$680,000 in 2013 to \$960,000 in 2018, an increase of 41.2 percent. During that same period, the *average* price of a single-family home increased from \$919,599 to \$1,239,966, a 34.8 percent increase, according to CoreLogic.

Pasadenans still aspire to own their own homes, but the cost is out of reach for most of them. Among households with incomes below \$35,000, only 22.5 percent own their homes. Among households with incomes between \$35,000 and \$99,999, 35.6 percent own their homes. Among households with incomes of \$100,000 or more, 65.3 percent own their homes. (See Table 14). Many current homeowners who purchased their homes a decade or more ago could not afford to buy the same home today. The median household income of Pasadena renters is \$55,752 compared with \$115,074 for homeowners, as shown in Table 13.

The housing developments approved by the City have exacerbated this situation. Most housing developments approved by the City Council since 2002 are luxury condos and expensive apartments targeted for high-income residents. According to city data, only 18 percent of the 5,311 new housing units are within reach of low-income and moderate-income families. For example, in the new 201-unit Avila apartment complex on Walnut Street, 171 units are market rate. Rents for two-bedroom apartments range from \$3,641 to \$4,111 a month.

It will surprise no one that Pasadena housing costs are on the rise. But the impact disproportionately affects the two Pasadenas.

Renters make up a majority-- over 56 percent-- of Pasadena households, and their plight is particularly insecure. In the past five years, the median rent for a two-bedroom apartment has increased from \$2,200 to \$2,900, according to Zillow. That amounts to a 31.8 percent increase, much, much faster than increases in incomes, especially for the bottom one-third of Pasadena households (See Table 9). A family needs to earn \$115,750 a year to pay a \$2,900 monthly rent without spending over 30 percent of its income – the rule-of-thumb among housing experts. More than half (52 percent) of all Pasadena renters pay over 30 percent of household incomes just to keep a roof over their heads, as shown in Table 10. More than one-third of Pasadena’s renter households have incomes below \$35,000/year. High rents hit these households particularly hard. A whopping 95 percent of those with household incomes under \$35,000 spend more than 30 percent of their incomes on housing (See Table 10).

Among renters who earn less than \$15 per hour, housing is a tremendous burden. An astonishing 31 percent of renters in this group pay over *one-half* of their earnings in rent and 62 percent pay more than the recommended 30 percent level. (See Table 11) Moreover, 20 percent of families with wage-earners earning below \$15/hour live in overcrowded conditions, with six percent living in severely overcrowded situations, defined as more than one and one-half people per room. (See Table 12)

Homeowners feel the squeeze, too. Among homeowners with household incomes under \$35,000, 83.5 percent spend more than 30 percent of their incomes on housing. Among those with household incomes between \$35,000 and \$49,999, 62.7 percent spend more than 30 percent of their incomes on housing (See Table 10).

CONCLUSIONS AND RECOMMENDATIONS

Pasadenans justifiably take pride in Caltech, the Rose Bowl, our museums and theaters, and our other world-class institutions. But some of our business, civic, and political leaders don't seem to prioritize the needs of the city's low-income and working-class residents who are the backbone of the Pasadena economy.

Many of Pasadena's businesses, including its hotels and other parts of the tourism economy, are thriving, but that prosperity is not "trickling down" to the city's low-income and working class residents.

In an astonishing turnaround, cities and states across the country have embraced minimum wages significantly higher than the national \$7.25/hour rate. Pasadena was among the first, following the lead of Los Angeles, and then later Los Angeles County (for unincorporated areas, including Altadena), to adopt local laws raising the minimum wage. All three jurisdictions adopted laws intending to gradually increase the minimum wage to \$15/hour by 2020 for employers with 26 or more employees and by 2021 for all other employers. However, the Pasadena City Council adopted a unique law that calls for a pause in 2019. The City minimum wage will stay stuck at its current \$12/hour (for small businesses) and \$13.25/hour (for others) unless the Pasadena City Council votes in February to stay on the same schedule as Los Angeles City and Los Angeles County.

All signs suggest that the economic recovery since the 2008- 2009 recession has boosted employment and business prospects. Most importantly it has put dollars in the wallets of low-income earners, improving their living standards and adding to consumer spending in Pasadena. The impact is across the region as Pasadena residents gain from the higher minimum wage in neighboring Los Angeles and Altadena. At the same time, residents in those jurisdictions

(especially those who work in Pasadena) spend their higher income in Pasadena.

Thus it is important that Pasadena stay on the same track to \$15/hour as Los Angeles and Altadena. Falling behind our neighbors will not only hurt Pasadena workers but also will lead to confusion if employers have different minimum pay mandates across the Pasadena-LA and Pasadena-Altadena borders.

Equally important is enforcement. Currently Pasadena has a small contract with the Pasadena Community Job Center to inform businesses and employers about their responsibilities and rights regarding the new minimum wage. This outreach effort has revealed widespread ignorance about pay rules, cases of wage theft through unpaid hours of work, and even kickbacks to employers (particularly for vulnerable immigrant workers).

The fact that so many Pasadenans spend so much of their incomes on housing places a burden on many families. But it also hurts the local business community. When families spend so much of their incomes on housing, they have less to spend on food, clothing, dry cleaning, household items, movies, and other goods and services, which hurts local businesses. It also makes it more difficult for local employers to find employees who live in the city. Long commutes into Pasadena exacerbate traffic congestion and pollution.

High housing costs have contributed to the decline in enrollment in Pasadena Unified School District schools, as low-income families have been pushed out of Pasadena. Declining enrollment means that PUSD receives less revenue from the state government, which is based on average daily attendance. To make things worse, PUSD has still not recovered from years of state budget cuts, which means that PUSD has larger class sizes, and more bare-bones arts, music, sports, and other programs, than those who attend public schools in more affluent surrounding districts. The additional sales tax, approved by Pasadena voters in November 2018, will direct some of the new revenue to PUSD. But it will not come close to closing the spending gap between PUSD and more affluent school districts.

Thanks to the city's Inclusionary Zoning law, a few of the new luxury housing projects include a handful of units that are affordable to nurses, school teachers, and firefighters and even some units that secretaries, janitors, security guards, and hotel workers can afford. But these affordable units are insufficient to make much of a dent in the city's housing crisis, as is evident by the long waiting lists for these affordable apartments. Moreover, the city's Inclusionary Zoning law has a huge loophole. Most developers pay the city a small fee in-lieu of creating affordable housing within these developments. City officials then have to figure out how to spend these funds to create housing affordable to low- and moderate-income families — a difficult task in light of the escalating cost of land in Pasadena.

All this new residential development has done little if anything to address Pasadena's worsening housing crisis. These new projects' expensive rents and condo prices don't reduce pressure on existing rents. Contrary to those who argue that simply adding more expensive housing relieves market pressures (a theory called "filtering"), it does nothing to help low- and middle-income families. We cannot build our way out of the housing crisis with more and more luxury housing. We need to dramatically increase the city's housing supply to meet current and projected population growth, primarily by adding new units that are affordable to low-income and middle-income families.

We also need to *preserve* the existing stock of rental housing, which far exceeds the number of new units that can be produced in the next several decades. As city adds more high-end housing, landlords in the existing rental units raise rents to get closer to the rents in the pricy new apartments. Unless the city adopts policies to protect the existing (and shrinking) supply of affordable rental housing, Pasadena's housing crisis will only get worse.

What can the city do on the housing front?

- The city government can help nonprofit developers purchase existing apartment buildings and preserve them as permanently affordable rental or co-operative housing.

- The city government can adopt a “just cause” eviction law that prevents landlords from arbitrarily evicting tenants unless there is a valid reason, such as not paying rent, destruction of property, or exhibiting loud or violent behavior.
- The city government can adopt a version of rent control, which a number of other California cities have done. Rent control does not freeze rents. It allows landlords to raise rents each year based on increases in costs but limits how much they can increase rents. It allows landlords to make a fair profit, but not to take advantage of the housing crisis by gouging tenants. Over half (53 percent) of Pasadena voters supported Proposition 10 – which would have changed state law to allow cities more flexibility in adopting rent control policies -- despite the fact that the real estate industry statewide spent over \$75 million, most of it in misleading media propaganda, to confuse voters.
- The city government can also adopt laws to restrict the conversion of apartments to condominiums. Condo conversions increase the cost of housing without increasing the supply.
- The city government can revise its in-lieu fee policy to require developers to build affordable units within the market-rate developments rather than pay a small fee to avoid having to create mixed-income developments.

The city government can also adopt other policies that require local businesses to be more socially responsible. For example:

- The city government can increase hotel occupancy tax (paid for by tourists) and/or add a small surcharge on Rose Bowl tickets and direct the additional revenues to help subsidize new affordable housing or reduce class size in PUSD schools.
- The city government can follow the lead of many other cities that extract “community benefit agreements” — including guarantees of decent jobs, affordable housing, park

space, and other much-needed priorities — in exchange for public funds and city approvals. One of the biggest new development sites in Pasadena is the campus of the Fuller Theological Seminary, which is gradually moving to Pomona. The city should adopt a “community development agreement” on the entire site so that any developer who wants to purchase and build on that prime real estate site has to incorporate at least one-third of any housing units targeted to teachers, day care workers, secretaries, janitors, cooks and waiters, and other working people.

Until our community starts asking “livable for whom?” and begins addressing the need for affordable housing and good-paying jobs, Pasadena will continue to be a tragic tale of two cities.

TABLE 1

AVERAGE INCOME FOR HOUSEHOLDS

(50 Largest Cities in California)

City	Average Household Income
Sunnyvale	\$151,042
Fremont	\$143,043
San Francisco	\$137,761
Thousand Oaks	\$134,885
Santa Clara	\$129,755
Irvine	\$125,316
San Jose	\$124,356
Huntington Beach	\$115,884
Simi Valley	\$114,788
Pasadena	\$109,871
Santa Clarita	\$109,104
Torrance	\$107,980
Orange	\$107,415
Elk Grove	\$104,270
Rancho Cucamonga	\$100,140
Roseville	\$99,930
San Diego	\$98,632
Fullerton	\$95,697
Concord	\$93,929
Oakland	\$93,849
Hayward	\$92,906
Corona	\$91,095
Chula Vista	\$87,894
Santa Rosa	\$86,806
Los Angeles	\$86,758
Glendale	\$86,639
Anaheim	\$85,960
Oxnard	\$83,206
Oceanside	\$82,243

Fontana	\$80,700
Long Beach	\$80,613
Garden Grove	\$79,981
Vallejo	\$78,413
Bakersfield	\$78,129
Riverside	\$78,001
Escondido	\$77,041
Sacramento	\$74,469
Visalia	\$73,305
Santa Ana	\$73,156
Palmdale	\$72,275
Moreno Valley	\$72,005
Modesto	\$71,393
Ontario	\$69,644
Salinas	\$69,026
Pomona	\$67,948
Stockton	\$67,393
Fresno	\$63,830
Lancaster	\$63,312
Victorville	\$61,558
San Bernardino	\$53,310

Source: U.S. Census, American Community Survey, 2013-2017, Five-year estimates

TABLE 2

CONCENTRATION OF INCOME IN CALIFORNIA CITIES, 2013-2017

THE SHARE OF TOTAL INCOME OF THE RICHEST 5 PERCENT AND POOREST 20 PERCENT

(50 Largest Cities in California)

City	Share of Total Income of Richest 5 Percent of the Population	Share of Total Income of Poorest 20 Percent of the Population	Ratio of Share of Income of Richest 5 Percent/Poorest 20 Percent
San Francisco	23.85	2.03	11.75
Pasadena	24.93	2.22	11.23
Los Angeles	27.06	2.52	10.74
Lancaster	19.10	1.95	9.79
Oakland	23.74	2.51	9.46
Irvine	21.27	2.44	8.72
Glendale	22.85	2.76	8.28
Fresno	22.62	2.98	7.59
Stockton	22.62	3.07	7.37
San Diego	22.16	3.14	7.06
Sacramento	21.49	3.05	7.05
Long Beach	21.56	3.12	6.91
Fullerton	20.44	3.18	6.43
Huntington Beach	22.28	3.53	6.31
Visalia	20.47	3.42	5.99
San Jose	19.08	3.22	5.93
Oceanside	19.59	3.31	5.92
Bakersfield	20.04	3.47	5.78
Sunnyvale	19.14	3.36	5.70
Thousand Oaks	20.03	3.56	5.63
Torrance	19.15	3.44	5.57
Modesto	20.09	3.62	5.55
Palmdale	19.23	3.48	5.53
Anaheim	20.00	3.64	5.49
Chula Vista	19.60	3.58	5.47
San Bernardino	19.39	3.55	5.46
Orange	20.18	3.73	5.41
Vallejo	18.20	3.38	5.38

Escondido	19.35	3.72	5.20
Victorville	17.94	3.54	5.07
Riverside	18.41	3.65	5.04
Santa Rosa	19.54	3.90	5.01
Corona	18.39	3.75	4.90
Roseville	17.59	3.60	4.89
Elk Grove	18.71	3.98	4.70
Pomona	18.26	3.92	4.66
Concord	17.99	3.93	4.58
Santa Clara	16.95	3.70	4.58
Simi Valley	18.64	4.10	4.55
Hayward	17.56	3.91	4.49
Rancho Cucamonga	17.18	3.98	4.32
Oxnard	18.71	4.55	4.11
Ontario	16.85	4.11	4.10
Garden Grove	18.48	3.77	4.09
Fremont	16.79	4.14	4.06
Santa Ana	17.74	4.62	3.84
Santa Clarita	16.47	4.32	3.81
Salinas	17.11	4.50	3.80
Fontana	16.16	4.35	3.71
Moreno Valley	16.41	4.58	3.58

Source: U.S. Census, American Community Survey, 2013-2017, Five-year estimates

TABLE 3

CONCENTRATION OF INCOME IN CALIFORNIA CITIES, 2013-2017

THE SHARE OF TOTAL INCOME OF THE RICHEST 20 PERCENT AND POOREST 20 PERCENT

(50 Largest Cities in California)

City	Share of Total Income of Richest 20 Percent of the Population	Share of Total Income of Poorest 20 Percent of the Population	Ratio of Share of Income of Richest 20 Percent/Poorest 20 Percent
San Francisco	53.60	2.03	26.40
Lancaster	48.49	1.95	24.87
Pasadena	53.61	2.22	24.15
Los Angeles	56.24	2.52	22.32
Oakland	53.93	2.51	21.49
Irvine	49.46	2.44	20.27
Glendale	53.19	2.76	19.27
Fresno	51.92	2.98	17.42
Stockton	51.25	3.07	16.70
Sacramento	50.14	3.05	16.44
Long Beach	50.62	3.12	16.22
San Diego	50.62	3.14	16.12
Fullerton	49.28	3.18	15.50
San Jose	47.84	3.22	14.86
Oceanside	48.27	3.31	14.58
Visalia	49.02	3.42	14.33
Sunnyvale	47.04	3.36	14.00
Huntington Beach	49.28	3.53	13.96
Bakersfield	48.28	3.47	13.91
Vallejo	46.80	3.38	13.85
Torrance	47.40	3.44	13.78
Palmdale	47.71	3.48	13.71
San Bernardino	48.19	3.55	13.57
Thousand Oaks	48.05	3.56	13.50
Modesto	48.09	3.62	13.28
Victorville	46.83	3.54	13.23
Anaheim	48.13	3.64	13.22

Chula Vista	46.90	3.58	13.10
Escondido	47.68	3.72	12.82
Riverside	46.63	3.65	12.78
Orange	47.44	3.73	12.72
Roseville	45.39	3.60	12.61
Garden Grove	46.98	3.77	12.46
Corona	45.81	3.75	12.22
Santa Clara	44.88	3.70	12.13
Santa Rosa	47.24	3.90	12.11
Pomona	46.20	3.92	11.79
Hayward	45.57	3.91	11.65
Concord	45.48	3.93	11.57
Elk Grove	44.92	3.98	11.29
Rancho Cucamonga	44.57	3.98	11.20
Simi Valley	45.65	4.10	11.13
Ontario	44.38	4.11	10.80
Fremont	43.78	4.14	10.57
Santa Clarita	43.93	4.32	10.17
Oxnard	45.92	4.55	10.09
Salinas	45.18	4.50	10.04
Fontana	43.50	4.35	10.00
Santa Ana	45.70	4.62	9.90
Moreno Valley	43.42	4.58	9.48

Source: U.S. Census, American Community Survey, 2013-2017, Five-year estimates

TABLE 4

THE RICH-POOR GAP

INCOME INEQUALITY AMONG CALIFORNIA'S 50 LARGEST CITIES: THE RICHEST 5 PERCENT AND POOREST 20 PERCENT

City	Average Income of Richest 5 Percent	Average Income of Poorest 20 Percent	Ratio of Richest 5 Percent to Poorest 20 Percent
San Francisco	\$657,116	\$14,007	46.91
Pasadena	\$547,864	\$12,153	45.08
Los Angeles	\$469,520	\$10,923	42.98
Lancaster	\$241,837	\$6,164	39.23
Oakland	\$445,610	\$11,778	37.83
Irvine	\$533,009	\$15,260	34.93
Glendale	\$395,892	\$11,962	33.10
Fresno	\$288,823	\$9,511	30.37
Stockton	\$304,864	\$10,343	29.48
San Diego	\$437,061	\$15,455	28.28
Sacramento	\$320,103	\$11,344	28.22
Long Beach	\$347,561	\$12,583	27.62
Fullerton	\$391,301	\$15,205	25.74
Huntington Beach	\$516,459	\$20,469	25.23
Visalia	\$300,146	\$12,535	23.94
Oceanside	\$322,242	\$13,554	23.77
San Jose	\$474,623	\$20,018	23.71
Bakersfield	\$313,166	\$13,544	23.12
Sunnyvale	\$578,178	\$25,353	22.81
Thousand Oaks	\$540,433	\$23,958	22.56
Torrance	\$413,677	\$18,555	22.29
Modesto	\$286,833	\$12,911	22.22
Palmdale	\$278,011	\$12,580	22.10
Anaheim	\$343,768	\$15,650	21.97
Chula Vista	\$344,530	\$15,728	21.91
San Bernardino	\$206,700	\$9,473	21.82
Orange	\$433,647	\$20,012	21.67

Vallejo	\$285,374	\$13,242	21.55
Escondido	\$298,157	\$14,310	20.84
Victorville	\$220,857	\$10,907	20.25
Riverside	\$287,277	\$14,234	20.18
Santa Rosa	\$339,300	\$16,898	20.08
Corona	\$335,137	\$17,062	19.64
Garden Grove	\$295,643	\$15,060	19.63
Roseville	\$351,483	\$17,967	19.56
Elk Grove	\$390,132	\$20,744	18.81
Pomona	\$248,241	\$13,272	18.70
Santa Clara	\$439,870	\$24,000	18.33
Concord	\$337,871	\$18,439	18.32
Simi Valley	\$427,957	\$23,498	18.21
Hayward	\$326,245	\$18,147	17.98
Rancho Cucamonga	\$344,046	\$19,904	17.29
Oxnard	\$311,332	\$18,922	16.45
Ontario	\$234,711	\$14,292	16.42
Fremont	\$480,509	\$29,547	16.26
Santa Ana	\$259,518	\$16,907	15.35
Santa Clarita	\$359,374	\$23,516	15.28
Salinas	\$236,143	\$15,548	15.19
Fontana	\$260,901	\$17,550	14.87
Moreno Valley	\$236,320	\$16,487	14.33

Source: U.S. Census, American Community Survey, 2013-2017, Five-year estimates

TABLE 5

THE RICH-POOR GAP

INCOME INEQUALITY AMONG CALIFORNIA'S 50 LARGEST CITIES: THE RICHEST 20 PERCENT AND
POOREST 20 PERCENT

City	Average Income of Richest 20 Percent	Average Income of Poorest 20 Percent	Ratio of Richest 20 Percent to Poorest 20 Percent
San Francisco	\$369,196	\$14,007	26.36
Lancaster	\$153,518	\$6,164	24.91
Pasadena	\$294,533	\$12,153	24.24
Los Angeles	\$243,982	\$10,923	22.34
Oakland	\$253,076	\$11,778	21.49
Irvine	\$309,883	\$15,260	20.31
Glendale	\$230,426	\$11,962	19.26
Fresno	\$165,718	\$9,511	17.42
Stockton	\$172,705	\$10,343	16.70
Sacramento	\$186,688	\$11,344	16.46
Long Beach	\$204,029	\$12,583	16.21
San Diego	\$249,643	\$15,455	16.15
Fullerton	\$235,815	\$15,205	15.51
San Jose	\$297,432	\$20,018	14.86
Oceanside	\$198,527	\$13,554	14.65
Visalia	\$179,669	\$12,535	14.33
Sunnyvale	\$355,260	\$25,353	14.01
Huntington Beach	\$285,553	\$20,469	13.95
Bakersfield	\$188,613	\$13,544	13.93
Vallejo	\$183,470	\$13,242	13.86
Torrance	\$255,925	\$18,555	13.79
Palmdale	\$172,435	\$12,580	13.71
San Bernardino	\$128,447	\$9,473	13.56
Thousand Oaks	\$324,094	\$23,958	13.53
Modesto	\$171,657	\$12,911	13.30
Anaheim	\$206,886	\$15,650	13.22
Victorville	\$144,150	\$10,907	13.22

Chula Vista	\$206,136	\$15,728	13.11
Escondido	\$183,673	\$14,310	12.84
Riverside	\$181,854	\$14,234	12.78
Orange	\$254,810	\$20,012	12.73
Roseville	\$226,781	\$17,967	12.62
Garden Grove	\$187,877	\$15,060	12.48
Corona	\$208,677	\$17,062	12.23
Santa Clara	\$291,185	\$24,000	12.13
Santa Rosa	\$205,040	\$16,898	12.13
Pomona	\$156,970	\$13,272	11.83
Hayward	\$211,677	\$18,147	11.66
Concord	\$213,598	\$18,439	11.58
Elk Grove	\$234,196	\$20,744	11.29
Rancho Cucamonga	\$223,165	\$19,904	11.21
Simi Valley	\$261,992	\$23,498	11.15
Ontario	\$154,530	\$14,292	10.81
Fremont	\$313,143	\$29,547	10.60
Santa Clarita	\$239,632	\$23,516	10.19
Oxnard	\$191,060	\$18,922	10.10
Salinas	\$155,929	\$15,548	10.03
Fontana	\$175,507	\$17,550	10.00
Santa Ana	\$167,175	\$16,907	9.89
Moreno Valley	\$156,338	\$16,487	9.48

Source: U.S. Census, American Community Survey, 2013-2017, Five-year estimates

TABLE 6

DISTRIBUTION OF PASADENA HOUSEHOLDS BY INCOME GROUP:

2013 AND 2017

	2013 Number of Households	2013 Percent of Total	2017 Number of Households	2017 Percent of Total
Households with incomes below \$25,000	10,582	19.2 percent	10,501	19.3 percent
Households with incomes between \$25,000- \$100,000	25,308	45.9 percent	23,287	42.6 percent
Households with incomes between \$100,000 - \$200,000	13,173	23.9 percent	13,917	25.4 percent
Households with incomes over \$200,000	6,047	11.0 percent	7,029	12.6 percent
Poverty rate		13.2 percent		15.5 percent

Source: U.S. Census, American Community Survey 5-year Estimates

TABLE 7

PASADENA LOW-WAGE WORKFORCE

PASADENA RESIDENTS WITH MORE THAN \$500 IN WAGE AND SALARY INCOME EARNING LESS THAN \$15 PER HOUR WORKING FULL YEAR AND FULL TIME (2016)

Earning less than \$15/hour	Number of workers	Percentage of categorized
Total categorized	19,730	100 percent
Full-time, year-round	11,658	59 percent
Part-time, year-round	5,139	26 percent
Part-time, part-year	2,933	15 percent
Total including not categorized	23,117	

Source: U.S. Census Bureau, American Community Survey Public Use Microdata Sample including only workers with \$500 or more income in the survey year. Los Angeles Economic Roundtable analysis.

TABLE 8

PASADENA LOW-WAGE WORKFORCE BY SECTOR

2016

Sector	Number of workers	Number of workers earning less than \$15/hour	Percentage of workers earning less than \$15/hour
Accommodation and food service	4,931	3,362	68 percent
Other services (except public)	3,525	1,947	55 percent
Retail trade	5,602	2,960	53 percent
Administrative support and waste management	2,598	1,334	51 percent
Construction	3,150	1,342	43 percent
Transportation and warehouse	1,756	658	37 percent
Arts, entertainment and recreation	2,434	876	36 percent
Health care and social assistance	10,260	3,425	33 percent
Educational services	9,569	2,689	28 percent
Manufacturing	4,111	935	23 percent
Public administration	2,875	483	17 percent
Information, finance, real estate, professional, scientific and technical	17,431	2,559	15 percent

Source: U.S. Census Bureau, American Community Survey Public Use Microdata Sample including only workers with \$500 or more income in the survey year. Los Angeles Economic Roundtable analysis.

TABLE 9

MEDIAN RENT FOR A TWO-BEDROOM APARTMENT IN PASADENA

2013-2018

(FOR NOVEMBER)

Year	2013	2014	2015	2016	2017	2018
Rent	\$2200	\$2400	\$2650	\$2590	\$2700	\$2900
Annual Change		9.1 percent	10.4 percent	-2.2 percent	4.2 percent	7.4 percent
Total Change						31.8 percent

Source: Zillow

<https://www.zillow.com/pasadena-ca/home-values/>

TABLE 10

HOUSING COSTS OF PASADENA HOUSEHOLDS BY INCOME AMONG OWNER-OCCUPIED AND RENTER-OCCUPIED UNITS

PERCENT PAYING OVER 30 PERCENT OF HOUSEHOLD INCOME FOR HOUSING

Income	Number of Owner Households Paying Over 30 Percent for Housing	Percentage of Owner Households Paying Over 30 Percent for Housing	Number of Renter Households Paying Over 30 Percent for Housing	Percentage of Renter Households paying Over 30 Percent for Housing
Less than \$20,000	1,532	90.5	5,499	93.3
\$20,000 to \$34,999	919	73.8	3,791	96.2
\$35,000 to \$49,999	767	62.7	2,586	83.5
\$50,000 to \$74,999	1,593	56.5	2,975	52.4
\$75,000 or more	3,337	20.0	1,174	10.7
Total	8,148	34.1	16,025	51.9

Source: Table B25106 Tenure by Housing Costs as a Percentage of Household Income, U.S. Census, American Community Survey, 2013-2017, Five-year estimates

TABLE 11

Rent Burdens for Households with Workers Earning Less than and Over \$15/ hour

2016

	Number of households; wages less than \$15/hour	Percent of households with wages less than \$15/hour
Severe rent burden (above 50 percent of income)	4,928	31 percent
Rent burden 31percent – 50 percent of income	5,034	31 percent
Rent burden 30 percent or less of income	6,047	38 percent

Source: U.S. Census Bureau, American Community Survey Public Use Microdata Sample including only workers with \$500 or more income in the survey year. Los Angeles Economic Roundtable analysis.

TABLE 12

OVERCROWDING FOR LOW-INCOME PASADENA RENTING FAMILY HOUSEHOLDS

	Number of families with wages less than \$15/hour	Percentage of families with wages less than \$15/hour
Not crowded	13,539	80 percent
Overcrowded (1.01 -1.50 people per room)	2,328	14 percent
Severely overcrowded (above 1.51 people per room)	1,012	6 percent

Source: U.S. Census Bureau, American Community Survey Public Use Microdata Sample including only workers with \$500 or more income in the survey year. Economic Roundtable analysis.

TABLE 13

HOUSEHOLD INCOME DISTRIBUTION AMONG OWNER-OCCUPIED HOUSEHOLDS AND RENTER- OCCUPIED HOUSEHOLDS

Household Income	Number of Owner Households	Percentage of Owner Households	Number of Renter Households	Percentage of Renter Households
Less than \$5,000	594	2.4	1,879	6.0
\$5,000 to \$9,999	245	1.0	1,151	3.7
\$10,000 to \$14,999	483	2.0	2,559	8.3
\$15,000 to \$19,999	603	2.5	1,257	4.0
\$20,000 to \$24,999	375	1.6	1,355	4.3
\$25,000 to \$34,999	870	3.6	2,670	8.6
\$35,000 to \$49,999	1,223	5.1	3,156	10.2
\$50,000 to \$74,999	2,816	11.7	5,763	18.7
\$75,000 to \$99,999	2,988	12.5	3,801	12.3
\$100,000 to \$149,999	4,940	20.7	4,038	13.1
\$150,000 or more	8,735	36.6	3,233	10.5
Total	23,872		30,862	
Median household income	\$115,074		\$55,752	

Source: Table B25118 Tenure by Household Income, U.S. Census, American Community Survey, 2013-2017,
Five-year estimates

TABLE 14

PROPORTION OF OWNERS AND RENTERS BY INCOME GROUP

Household Income	Number of Households	Percentage Owner Households in Income Group	Percentage Renter Households in Income Group
Less than \$5,000	2,473	24.0	86.0
\$5,000 to \$9,999	1,396	17.5	82.5
\$10,000 to \$14,999	3,042	15.8	84.2
\$15,000 to \$19,999	1,860	32.4	67.6
\$20,000 to \$24,999	1,730	21.6	78.4
\$25,000 to \$34,999	3,540	24.5	75.5
\$35,000 to \$49,999	4,379	27.9	72.1
\$50,000 to \$74,999	8,579	32.8	67.2
\$75,000 to \$99,999	6,789	44.0	56.0
\$100,000 to \$149,999	8,978	55.0	45.0
\$150,000 or more	11,968	73.0	27.0
Total	54,732	23,872 (43.6 percent)	30,862 (56.4 percent)

Source: Table B25106 Tenure by Housing Costs as a Percentage of Household Income, U.S. Census, American Community Survey, 2013-2017, Five-year estimates