


**CALIFORNIA'S SENATORS LET  
THEIR PUBLIC STARVE SO THAT  
THEY CAN MAKE MILLIONS IN  
GOLDMAN SACHS PROFITS**

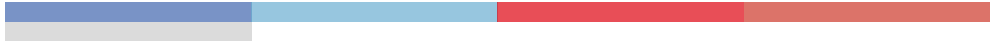
# California's Income Inequality Now Worse Than Mexico's, Poverty Level Highest In America

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Spencer P Morrison News 0

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 income inequality, as measured by the gini coefficient, has reached absurd levels in california



# Were California a Country It'd be the 17th Most Unequal Nation on Earth, Ahead of Mexico & Guatemala

Californians love sermonizing on the plight of America's poor and disenfranchised—if only penny-pinching republicans would shell out for a bigger welfare state then all our problems would be solved. Why not build more homes for the homeless, or invest in better education for our kids? The state can solve the problem of poverty, they argue.

And to be fair, they've put their money where their mouth is: over the last few decades California has built one of America's **most lavish welfare states**. There's just one problem: it's not working.

The sad truth of the matter is that California's poverty rate is the highest in the country, at 20.6 percent. This is based on data from the US Census Bureau, and modified so as to account for differences in the cost of living between states. And if you're a skeptical "progressive" then don't worry, even **Politifact confirms** this finding.

As bad as that sounds, perhaps the more embarrassing statistic is that income inequality in California is at an all time high. This should be obvious to anyone who's actually been to California, and seen the proliferation of tent cities and urban slums:



Inequality can be encapsulated in a number called the Gini Coefficient (GC): “0” is perfect equality, where everyone earns the same income, while “1” is perfect inequality, where one individual earns everything (leaving none for anyone else). Importantly, a higher GC means more inequality.

In **California the GC is 0.488**. This is the second highest of all America’s major states, behind only New York, and it is also far higher than the national average of 0.479—which itself is inflated by absurdly high GCs from large liberal states like California and New York.

But it’s only when looking at the global context do you really get a sense of how bad it is. If California were an independent country, it would be the 17th most unequal country on earth, according to data from the **World Bank**. It would rest comfortably just behind the Honduras (at 0.511), and ahead of Guatemala (0.487) and Mexico (0.482).

Now compare this to the other “social democracies” that California is wont to compare itself with: Canada sits at spot number 111, while Norway is way down the list at number 153 (out of 176 countries).

In terms of inequality, California has more in common with banana republics than the “social democracies” it emulates. Perhaps they should get their own house in order before lecturing the rest of us on the benefits of socialism.