

AMENDED IN ASSEMBLY AUGUST 24, 2004

AMENDED IN ASSEMBLY AUGUST 9, 2004

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

Assembly Concurrent Resolution

No. 254

Introduced by Assembly Member Firebaugh

(Coauthors: Assembly Members Chavez, Correa, Diaz, Montanez, Negrete McLeod, Nunez, Pacheco, Reyes, and ~~Salinas~~ Salinas, Berg, Bermudez, Calderon, Chan, Chu, Cohn, Corbett, Dutra, Dymally, Frommer, Garcia, Goldberg, Hancock, Jerome Horton, Shirley Horton, Jackson, Kehoe, Laird, Leno, Leslie, Levine, Lieber, Liu, Longville, Lowenthal, Matthews, Nakano, Oropeza, Parra, Ridley-Thomas, Simitian, Steinberg, Vargas, Wesson, Wiggins, Wolk, and Yee)

(Coauthors: Senators Alarcon, Cedillo, Florez, Romero, and Soto)

July 28, 2004

Assembly Concurrent Resolution No. 254—Relative to asset acquisition disparity.

LEGISLATIVE COUNSEL'S DIGEST

ACR 254, as amended, Firebaugh. Asset acquisition disparity.

This measure would conclude that research indicates that asset acquisition disparity is largely based on differences in access to education and that targeted research is needed. This measure would resolve that the Milken Institute, the Earned Assets Resource Network, the Latino Legislative Caucus, and the Hispanic Republican Caucus have agreed to jointly engage in the research and to report to the Governor and Legislature by January 15, 2005.

Fiscal committee: no.

1 WHEREAS, The California Research Bureau has published a
2 series of reports on the increasing income, wealth, and other
3 disparities between Latino and non-Latino, and educated and less
4 educated workers in California that suggest the need for a coherent
5 statewide approach to the problems that arise from these
6 disparities; and

7 WHEREAS, The California Research Bureau, in its report titled
8 “Latinos and Economic Development in California (1999),”
9 identifies public infrastructure and the development of a
10 well-trained labor force as two key elements to promote
11 broad-based economic growth in California. The report
12 emphasizes the educational disparity between Latinos and other
13 workers as a serious impediment to California’s economic
14 prosperity. This report also finds that if Latinos in the California
15 workforce were to reach educational parity with non-Latino
16 workers, the state would annually observe a \$28 billion increase
17 in earnings and receive an additional \$1.7 billion in state income
18 tax revenue; and

19 WHEREAS, The California Research Bureau, in its report titled
20 “A Coordinated Approach to Raising the Socio-Economic Status
21 of Latinos in California (2000),” identifies 11 policy areas of help
22 to address the disparities between the Latino and non-Latino
23 workforce. The key areas identified are the following:
24 Pre-Kindergarten Access, K–12 Performance, College and
25 University Performance, the Digital Divide, Business
26 Development, Employment and Training, Community
27 Redevelopment, Pensions and Retirement, Media and Culture,
28 Health Care, and Safe Neighborhoods; and

29 WHEREAS, The California Research Bureau, in its report titled
30 “Less Educated Workers in California: A Statistical Abstract
31 (2000)” finds that one in five adult workers (2.5 million workers)
32 in California are “less educated workers,” defined as workers who
33 are 19 years of age or older without a high school diploma; and

34 WHEREAS, The California Research Bureau, in its report titled
35 “The Distribution of Wealth in California, 2003,” outlines the
36 household wealth disparity between whites and other ethnic
37 groups in California. It analyzes the level of wealth for all
38 Californians, including the state’s children, workers, and elderly,



1 and finds that 60 percent of Latinos and 71 percent of
2 African-Americans have less than \$50,000 in asset wealth
3 compared to 35 percent of Caucasians. To increase the opportunity
4 for low- and moderate-income families to acquire assets, the report
5 recommends the development of policies and programs that
6 support asset building strategies, such as college education and
7 business ownership; and

8 WHEREAS, The Asset Policy Initiative of California, a project
9 of Earned Assets Resource Network (EARN), in its report “Asset
10 Building Framework (2003)” cites the fact that California has one
11 of the highest rates of asset poverty in the country, ranking 47th
12 among all states, and that nearly one-third of all California
13 households have insufficient net worth to subsist at the federal
14 poverty level beyond three months if their income were disrupted;
15 now, therefore, be it

16 *Resolved by the Assembly of the State of California, the Senate*
17 *thereof concurring*, That the Legislature of the State of California
18 has concluded that the findings of the aforementioned body of
19 research indicate that the asset gap in California is largely based
20 on differences in access to education, which provides the
21 numerous and exceedingly complex tools for wealth creation in
22 California; and be it further

23 *Resolved*, That targeted research is needed to more accurately
24 measure the economic impact of asset poverty on California’s
25 economy in order to estimate the financial benefits to the state of
26 sustaining and creating asset building policies targeting low- and
27 moderate-income families, and to make recommendations on
28 policy priorities designed to lead California toward wealth
29 creation for all Californians; and be it further

30 *Resolved*, That the Milken Institute and other research
31 institutions, in partnership with the Earned Assets Resource
32 Network, the Latino Legislative Caucus, and the Hispanic
33 Republican Caucus, have agreed to jointly engage in this research;
34 and be it further

35 *Resolved*, That the Milken Institute, in collaboration with its
36 research partners, is encouraged to report the results of the joint
37 research and resulting recommendations to the Governor and the
38 Legislature by January 15, 2005; and be it further



- 1 *Resolved*, That the Chief Clerk of the Assembly transmit copies
- 2 of this resolution to the author for appropriate distribution.

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