

# Economy: Database reveals bright spots, problem areas

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Recent forecasts for the California economy may be more optimistic than warranted, according to a new report by UC Irvine economists.

In fact, says co-author David Neumark, there are clouds on the horizon. California's [economic output](#) has grown at an average pace over the past 20 years, but the state has experienced slower overall job growth and higher [poverty rates](#) than most others.

These findings and additional economic comparisons are available in a free interactive database at [Compare50.org](#). The project points to key areas in which the Golden State's economic performance comes up short.

"Debate about appropriate economic policies has to be based, first and foremost, on a solid foundation about the comparative economic performance of the state," says Neumark, UC Irvine Chancellor's Professor of economics and Center for Economics & Public Policy director. "The Compare50 database provides policymakers, journalists and others an easy-to-use tool."

Supported by the nonprofit Next 10 foundation, Neumark and economics graduate student Jennifer Muz compiled data on fundamental economic measures—including economic growth, job growth, layoffs and unemployment, earnings, income distribution and poverty—from 1990 to 2011 for all 50 states.

Sources included the U.S. Bureau of Economic Analysis and the U.S. Bureau of Labor Statistics' Quarterly Census of Employment & Wages and Current Population Survey.

"It's important to look at California's status in comparison to other states, rather than in a vacuum, to get an idea of what's happened and where we should focus policy efforts," Neumark says.

Job growth, for example, lags relative to other states, which is worrisome for reducing unemployment in the long term, he said. Gross state product, or income, was a bright spot. California's per capita real growth was slightly higher than the U.S. as a whole and appears to be on the rise.

"The fact that economic growth is outstripping [job growth](#) suggests that the state is successfully adding high-wage [jobs](#), while opportunities for low-skilled workers may be declining," Neumark notes.

"We hope our data will be used to generate new hypotheses or explanations regarding state economic performance and identify problem areas policymakers may want to address, as well as those areas where good [economic performance](#) suggests that policy changes are not needed," he says.

Provided by University of California, Irvine

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