

The California Agenda Public Policy Lecture Series
“Poverty, Inequality, and Justice: A Vanishing Middle Class in Southern California”
Dr. Daniel Flaming, President, Economic Roundtable
March 22, 2006

Past and present economic trends in Southern California were presented, by the president of the Economic Roundtable, Dr. Daniel Flaming, as contributing forces shaping the region’s distribution of poverty, income, and employment. One lesser known result of Southern California’s economic restructuring, described Dr. Flaming, has been the rise of the informal economy. The loss of well-paying blue collar jobs, rise in low-wage service employment, he argued, has shrunk the middle-class and driven many to the informal sector out of economic desperation. To our long-term detriment, growth in the informal sector is actually driving the region’s economy, he continued, resulting in lost tax revenue and predatory working conditions. Because recent immigrants are disproportionately represented within the informal sector, said Dr. Flaming, their children’s economic future remains uncertain. He concluded with several policy recommendations aimed to increase the region’s economic opportunities in an effort to minimize the demand for informal employment.