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The forecast for *average California* is pretty good for post-Great-Recession America. California will probably see faster job growth than the United States. Its output, GDP, growth will also see relatively rapid growth.

As always, though, it's hard to know what a California forecast means. Aggregated growth rates are averages, and just as we almost never see an average rainfall year, almost no one lives in *average California*.

California is a place of extremes. We have the highest and lowest points in the Continental United States, within a 100 miles of each other. Death Valley is said to have recorded the highest temperature on earth. Truckee is often the coldest city in America.

California's extremes are not limited to geography. San Mateo's median home price was \$1,202,000 in February. One hundred miles east of San Mateo, Merced's median home price was only \$177,240. Marin County's April unemployment rate was 3.3 percent. Imperial County's April unemployment rate was 21.2 percent. Thirteen California counties had unemployment rates under 5 percent in April, while 26 had unemployment rates over seven percent. The national unemployment rate was 6.1 percent.

California has abundant wealth, to a degree that was unimaginable to previous generations. It also has the nation's highest poverty rate. With 12 percent of the nation's population, California has 34 percent of America's welfare recipients.

In other words, your economic forecast depends on who you are and where you live. If you are college educated, especially with an advanced STEM degree, live in Coastal California and own your home, your forecast is pretty good.

If you don't have a college degree, don't live in Coastal California and don't own your home, your forecast is not good. You can expect frequent and extended periods of unemployment. When you work, it will be for low wages. Consumption, augmented by various assistance programs, will exceed your wages though. You will probably never own real estate.

If you do not have a college degree in Coastal California, you will probably be able to work most of the time in agriculture, in retail, or in services for the better off. Wages will be low. If you don't make too much, and too much is actually not much, you will receive assistance. Once again, your consumption will exceed your wages. Unless you are extraordinarily disciplined, extraordinarily lucky, willing to share ownership or willing to leave California, you will never own your home.

Things are more complicated for people with a college degree, but who don't own their home. Consider Marin County. Over half the homes in Marin County cost over \$1.2 million. Extraordinarily few families, regardless of degree or specialization, have an expected income stream that would allow for a home and traditional family in Marin County.

In a way, it doesn't matter. There aren't that many jobs, even for college graduates, being created in Marin County. Its low unemployment rate is a result of its unaffordability. You either have or make a lot of money, or you don't live in Marin County.

Imperial County is California's other extreme. The county is creating almost no jobs for college graduates. However, if you have one of those jobs, you can probably afford a home.

In general, no matter where you live in California, a young person with a non-STEM degree will find few job opportunities and expensive housing. Ventura County is an excellent example. The County routinely creates far more college graduates than jobs for college graduates. Even those who are lucky enough to find an appropriate job will find it difficult to afford a home. If you grew up in Ventura, there is almost no possibility of staying to raise your own family, with or without a college degree.

California's legislature, motivated by a transient budget surplus, has turned its attention to California's poverty problem. They are contemplating all sorts of assistance programs. These programs will make no meaningful changes in the lives of most of California's poor and they won't make a dent in California's poverty rate. California's poverty is a result of only two facts: It's hard to create jobs in California, and it's hard to build housing in California. Until those two facts change, California's forecast is for ever more extreme extremes.