

Blue State Blues in California

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Body

Sep 21, 2020(International Liberty: <http://danieljmitchell.wordpress.com/> Delivered by Newstex) If you're a curmudgeonly libertarian[1] like me, you don't like big government because it impinges on individual liberty[2]. Most people, however, get irked with government for the practical reason that it costs so much and fails to provide decent services. California is a good example[3]. Or perhaps we should say bad example[4]. The Tax Foundation recently shared data[5] on the relative cost of living in various metropolitan areas. Looking at the 12-most expensive places to live, 75 percent of them are in California.

<http://freedomandprosperity.org/wp-content/uploads/2020/09/Sep-21-20-Expensive1.jpg> So what do people get in exchange for living in such expensive areas? They get great weather and scenery, but they also get lousy government[6]. Victor Davis Hanson wrote[7] for National Review about his state's decline. Might it also have been smarter not to raise income taxes on top tiers to over 13 percent? After 2017, when high earners could no longer write off their property taxes and state income taxes, the real state-income-tax bite doubled. So still more of the most productive residents left the state. <http://freedomandprosperity.org/wp-content/uploads/2020/09/Sep-21-20-NR-Title.jpg> Yet if the state gets its way, raising rates to over 16 percent and inaugurating a wealth tax, there will be a stampede. It is not just that the upper middle class can no longer afford coastal living at \$1,000 a square foot and \$15,000-\$20,000 a year in 'low' property taxes. The rub is more about what they get in return: terrible roads, crumbling bridges, human-enhanced droughts, power blackouts, dismal schools that rank near the nation's bottom, half the nation's homeless, a third of its welfare recipients, one-fifth of the residents living below the poverty level — and more lectures from the likes of privileged Gavin Newsom on the progressive possibilities of manipulating the chaos. California enshrined the idea that the higher taxes become, the worse state services will be. Even regular journalists have noticed something is wrong. In an article[8] in the San Francisco Chronicle, Heather Kelly, Reed Albergotti, Brady Dennis and Scott Wilson discuss the growing dissatisfaction with California life. California has become a warming, burning, epidemic-challenged and expensive state, with many who live in sophisticated cities, idyllic oceanfront towns and windblown mountain communities thinking hard about the viability of a place many have called home forever. For the first time in a decade, more people left California last year for other states than arrived. for many of California's 40 million residents, the California Dream has become the California Compromise, <http://freedomandprosperity.org/wp-content/uploads/2020/09/Sep-21-20-San-Fran-Title.jpg> increasingly challenging to justify, with a thumb-on-the-scales economy, high taxes California is increasingly a service economy that pays a far larger share of its income in taxes and on housing and food. Three years ago, state lawmakers approved the nation's second-highest gasoline tax, adding more than 47 cents to the price of a gallon. service workers in particular are paying far more as a share of their income on fuel just to stay employed. A poll conducted late last year by the University of California at Berkeley found that more than half of California voters had given 'serious' or 'some' consideration to leaving the state because of the high cost of housing, heavy taxation or its

political culture. Business is booming for Scott Fuller, who runs a real estate relocation business. Called Leaving the Bay Area and Leaving SoCal, the company helps people ready to move away from the state's two largest metro areas sell their homes and find others. Niall Ferguson opines[9] for Bloomberg about the Golden State's outlook. As my Hoover Institution colleague Victor Davis Hanson put it last month, California is 'the progressive model of the future: a once-innovative, rich state that is now a civilization in near ruins.' It's not that California politicians don't know how to spend money. Back in 2007, total state spending was \$146 billion. Last year it was \$215 billion. the tax system is one of the most progressive, with a 13.3% top tax rate on incomes above \$1 million — and that's no longer deductible from the federal tax bill as it used to be. <http://freedomandprosperity.org/wp-content/uploads/2020/09/Sep-21-20-Bloomberg-Title.jpg> And there's worse to come. The latest brilliant ideas in Sacramento are to raise the top income rate up to 16.8% and to levy a wealth tax (0.4% on personal fortunes over \$30 million) that you couldn't even avoid paying if you left the state. (The proposal envisages payment for up to 10 years after departure to a lower-tax state.) It is a strange place that seeks to repel the rich while making itself a magnet for illegal immigrants And the results of all this progressive policy? A poverty boom. California now has 12% of the nation's population, but over 30% of its welfare recipients. according to a new Census Bureau report, which takes housing and other costs into account, the real poverty rate in California is 17.2%, the highest of any state. But that's not all. The state's public schools rank 37th in the country Health care and pension costs are unsustainable. people eventually vote with their feet. From 2007 until 2016, about five million people moved to California but six million moved out to other states. For years before that, the newcomers were poorer than the leavers. This net exodus is surging in 2020. Now we know the true meaning of Calexit. It's not secession. It's exodus. It's not just high taxes and poor services. George Will indicts California's politicians for fomenting racial discord in his Washington Post column[10]. Californiaprogressiveshave placed on November ballots Proposition 16 to repeal the state constitution's provisionforbidding racial preferences in public education, employment and contracting. Repeal, which would repudiate individual rights in favor of group entitlements, is part of a comprehensive California agenda to make everything about race, ethnicity and gender. <http://freedomandprosperity.org/wp-content/uploads/2020/09/Sep-21-20-Will.jpg> Proposition 16 should be seen primarily as an act of ideological aggression, a bold assertion that racial and gender quotas — identity politics translated into a spoils system — should be forthrightly proclaimed and permanently practiced California alreadyrequiresthat by the end of 2021 some publicly traded companies based in the state must have at least three women on their boards of directors And by 2022, boards with nine or more directors must include at least three government-favored minorities. Gov. Gavin Newsom (D)signed legislationrequiring all 430,000 undergraduates in the California State University system to take an 'ethnic studies' course, and there may soon be a similar mandate for all high school students. 'Ethnic studies' is an anodyne description for what surely will be, in the hands of woke 'educators,' grievance studies. Several years ago, I crunched some numbers[11] to show California's gradual decline. <https://danieljmitchell.wordpress.com/2020/01/09/tax-policy-and-migratory-patterns-of-the-golden-geese/> But there was probably no need for those calculations. All we really need to understand[12] is that people are 'voting with their feet'[13] against the Golden State. Simply stated, productive people are paying too much of a burden thanks to excessive spending[14], excessive taxes[15], and excessive regulation[16]. So they're leaving. P.S. Many Californians are moving to the Lone Star State, and if you want data comparing Texas and California, click here[17], here[18], here[19],here[20], andhere[21]. P.P.S. Some folks in California started talking about secession[22] after Trump's election. Now that the state's politicians are seeking a bailout[23], I expect that talk has disappeared. P.P.S. My favorite California-themed jokes can be found here[24], here[25], and here[26]. [1]: <https://danieljmitchell.wordpress.com/2020/08/09/being-libertarian/> [2]: <https://danieljmitchell.wordpress.com/2018/06/24/libertarianism-in-five-pictures/> [3]: <https://danieljmitchell.wordpress.com/2020/07/11/no-bailout-for-california/> [4]: <https://danieljmitchell.wordpress.com/2018/01/03/everything-you-need-to-know-about-california-in-a-single-story/> [5]: <https://taxfoundation.org/most-expensive-us-cities-and-metropolitan-areas-2020/> [6]: <https://danieljmitchell.wordpress.com/2018/02/26/california-has-many-natural-advantages-but-how-long-can-it-survive-big-government/> [7]: <https://www.nationalreview.com/2020/08/california-apocalypso/#slide-1> [8]: <https://www.chron.com/news/article/As-dangers-rise-many-fear-their-California-Dream-15562708.php> [9]: <https://www.bloomberg.com/opinion/articles/2020-09-20/california-burnin-a-warning-against-one-party-rule> [10]: https://www.washingtonpost.com/opinions/progressives-shows-how-unchecked-progressives-inflict-progress/2020/09/15/301211ac-f785-11ea-be57-d00bb9bc632d_story.html [11]: <https://danieljmitchell.wordpress.com/2016/07/15/blue-state-fail-californias-long-term-economic-decline/> [12]:

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<https://danieljmitchell.wordpress.com/2019/06/04/texas-vs-california-3/> [18]:
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