

# How California Has Destroyed Its Middle Class

California's ruling elites have priced out the middle class, replacing opportunity with oppression under the guise of equity and climate justice.

By [Edward Ring](#)

California has declared war on its middle class, and the special interests controlling the state are doing everything they can to impose this punitive economic model on the rest of America. It's a quasi-feudal system, with the entire population divided into aristocrats and serfs. The means to destroy the middle class is to engineer an unaffordable cost of living for households, and a regulatory environment that only huge corporations can afford to navigate. The moral justification for this destruction is to cope with the "climate emergency" and to achieve social "equity."

While the Trump interregnum has slowed the march of neo-feudalism in the rest of America, in California, the plan continues to move relentlessly forward. If you're extremely wealthy, California's abusive cost of living is not a big concern, and you stay for the scenic beauty and abundant sunshine. If you're extremely poor, you stay because California's taxpayer-funded assistance programs—financial aid, food assistance, healthcare, and other support services—offer a lifestyle orders of magnitude better than what you may have previously endured in the barrios of Tegucigalpa or the suburbios of Maputo.

But if you're not rich, and you're not poor, but just work, pay taxes, and pay for everything you need with after-tax earnings and without government assistance, California is a hostile environment. The numbers on out-migration are unequivocal. According to the U.S. Census Bureau, an astonishing [8.5 million people](#) have moved out of California since 2010. In 2023 alone, the last full year for which estimates are available, 690,000 people left. In 2022, 818,000; in 2021, 841,000. No other state has sustained anywhere near this 15 years of unrelenting mass exodus.

These people aren't just leaving. By the millions, they're being driven out. The latest reported cost of a [home in California](#) averages nearly \$788,000 compared to \$361,000 [in the rest of the U.S.](#) The price for a [gallon of gasoline](#) in California is roughly \$5.00 compared to \$3.00 nationwide. With refineries quitting production in California thanks to ridiculous and escalating regulatory harassment by state agencies, the price of gasoline is only going to rise. As for residential [electricity rates](#), consumers in California have to pay around \$0.30 per kilowatt-hour, a rate that is *twice* the national average.

This isn't news. It costs a lot to live in California due to restrictions placed on housing and pretty much any enabling energy or water infrastructure by extreme environmentalists and the special interests that support them. It's simple math. Homes cost twice as much. Gasoline costs nearly 60 percent more. Electricity costs twice as much. Double the cost of real estate and energy, and you double the cost of everything that needs real estate and energy to be produced.

And to ameliorate the problems they caused, California's state legislature has indulged in a spending spree designed to shower benefits onto residents who can't afford the overpriced necessities. It's a

good trick. Deny people the ability to make a living, blame a scapegoat (climate change, greedy corporations, billionaires, racism), and then distribute free stuff from the government in exchange for votes.

But massive government benefits are expensive for the state to maintain, with costs going into hyperdrive in the 21st century. Between [2010](#) and [2020](#), the [per capita](#) state government spending in California, [adjusting for inflation](#), more than doubled. Since then, it's continued to grow, with Newsom's proposed [2025-26 state budget](#) of \$322 billion equating to \$8,173 per resident. Back in 2011, in 2024 dollars, total state spending was only \$4,696 per resident. Did anything get better? Schools? Crime rates? Homelessness? Affordability?

Meanwhile, the middle class pays. Not only via the cost of living, which they pay for in full since they're not poor enough to qualify for free stuff from the government. They also pay higher taxes to support the swollen state. *A lot more taxes.*

Suppose a person works as an independent contractor in California and makes \$100,000 per year in their regular job. They then work nights and weekends to make enough money to support their family. Let's assume that second job doesn't pay enough for their total annual income [to exceed \\$176,100](#), which is the ceiling beyond which workers don't have to contribute any further to Social Security (Medicare withholding has no limit). Here's how bad these taxes get:

The marginal withholding rate for the State of California on income [over \\$141,212 is 9.3 percent](#). Anything over \$111,732 is taxed at 8.0 percent. Then there is [federal tax of 22 percent](#) on any income over \$94,300, with Social Security and Medicare (for which an independent contractor pays the employee and the employer share) adding [another whopping 15.3 percent](#). In all, the government taxes 46.6 percent of those last hard-earned dollars.

That's how the State of California thanks an independent contractor who is working nights and weekends to make some extra money. Sure, the federal government takes most of it, and the federal government wastes trillions instead of merely wasting hundreds of billions. But other states don't have California's punitive cost of living, and in states with low or minimal state income taxes, the hit for federal income tax and Social Security/Medicare would be 37 percent, little more than a third of marginal earnings instead of nearly half.

And it doesn't end there. Let's have a look at sales taxes in Los Angeles County, where 9.7 million people live, 25 percent of the entire state's population. The combined state and local [sales tax rate](#) is 9.75 percent, which means if the household in our example spent \$2,000 per month on retail purchases, they'd be out another \$2,340 annually. The average [home in Los Angeles County](#) costs \$900,000, which means California's supposedly low [property tax rate](#) of 1.0 percent still equates to another \$9,000 per year in property taxes.

Most people in California haven't mustered the degree of hard work and good luck it takes to make a six-figure income. The [average annual salary](#) in California is \$68,917. For people making that amount

of money, owning a home is an impossible dream. Just paying for gasoline and electricity is a hardship.

The betrayal that California's state and local politicians have inflicted on the people living there is unforgivable. The state is run by a coalition of public sector unions, allied with environmentalist billionaires and the nonprofit advocacy groups they fund, and the monopolistic corporations that thrive in over-regulated environments that smaller competitors can't survive. These aligned special interests pour billions into backing politicians who do what they're told. The result is a bloated public sector and "green" industries profiting off of high prices and a captive market. And the established media—increasingly populated with indoctrinated youths straight out of union-controlled universities—marches in lockstep with this corrupt establishment, saying all the right things and controlling the narrative.

It's easy enough to blame California's voters for the predicament they're in. Except that [40 percent of the electorate](#) routinely votes against the one-party Democratic machine candidates. And the rest of them, certainly enough to swing the result away from Democrats, have been thoroughly indoctrinated by what is probably the most powerful political machine in America. They spend literally billions to foment nonstop fear of boiling oceans, burning forests, and genocidal Nazis lurking in every shadow. They hire the best behavioral scientists on earth to foment this paranoia. And it works. Never mind the price of gas; we have to save the planet and end racism.

California is a failed state. The only people of modest income who can possibly afford to live there are people who purchased their homes decades ago or people who inherited those homes from their parents and grandparents. Everyone else just works, all the time, and barely survives, or they give up and get government handouts.

Americans in the rest of the country need to thoroughly recognize the threat coming from California, because it is not obvious. The special interests running the state don't merely deflect accountability by blaming the hardship they've engineered on climate and racism. They've also successfully conned voters into thinking that these special interests fight against each other, when in fact they are united. Public sector unions, billionaire-backed NGOs, and monopolistic corporations are *not* antagonists. These aligned groups share the same agenda, and they work together. To serve each of their varied interests, they intend to destroy the middle class in this country.

In California, they've succeeded in doing exactly that.