

Unemployment and poverty in California's Imperial Valley

Rory Dean
26 June 2009

Residents of the Imperial Valley in southern California face some of the worst social conditions in the US. With a population of around 50,000 people, El Centro, the region's major town, registered an official unemployment rate of 26.9 percent as of April 2009, nearly the highest level in the nation.

Correspondents for the *World Socialist Web Site* visited this agricultural region, located astride California's border with Mexico a two-hours' drive from San Diego, to speak with residents about the area's acute social crisis. Long a major producer of fruits and vegetables, the Imperial Valley and its county seat, El Centro, have been gripped by home foreclosures, unemployment, and hunger.

Even before the onset of the financial crisis in September of 2008, conditions in El Centro were bad. In 2007 the poverty rate in the surrounding county was 21.7 percent, about 9 percent higher than the national average that year. According to the Imperial Valley Food Bank, last year 45,000 people living in area households reported experiencing hunger or food insecurity. These figures are undoubtedly much higher today. Social conditions in El Centro, poor even during times of economic prosperity, are now disastrous.

The housing crisis is a major contributing factor to the devastation that exists in the Imperial Valley. In recent years, many workers have left agricultural employment for higher-paying jobs in housing construction. Now those jobs are gone.

El Centro's housing boom, in turn, resulted from predatory bank lending, which targeted residents with sub-prime and other adjustable rate mortgages. Notices of default, or NODs, have increased by 173 percent in

El Centro since April of 2007. NODs are the beginning of the foreclosure procedure and are sent out three to four months after payments have been missed. If payments cannot be made then banks attempt to auction or sell the home to recuperate their loans. A Notice of Trustee's sale, NOTS, is then made public. The percentage of NOTS in the Imperial Valley has risen by 182 percent over the past year.

The rapid increase in the percentage of defaults and bank resales is due primarily to lenders ramping up mortgage interest rates, which has made it impossible for homeowners in the Imperial Valley to keep up with their payments. In addition, the drastic drop in home values has made refinancing in order to pay consumer bills an impossibility for most.

In sum, workers cannot find work, homeowners cannot pay their mortgages, homes are valued lower than the cost of the mortgages taken out to purchase them, and foreclosures have risen dramatically, leaving large sections of the population out on the street.

While the Imperial Valley has been known for brutal social conditions throughout its history, this was due in large part to the difficulties and unpredictably associated with agricultural production. Founded at the beginning of the 20th Century by the Imperial Land Company and based primarily on agricultural production, the county's population steadily grew and by the 1940s the region became an important producer of fruits and vegetables. The area's economic vitality was from the beginning based on the profitability of its farm economy, with many day labors traditionally crossing the US-Mexican border in order to find seasonal work in the fields—a permanent source of cheap labor power for the region's landowners.

As crucial as farming has been to the county throughout its history, a shift in the orientation of its

economy began in the early 1980s. Over the past 30 years workers in El Centro increasingly found work in the retail, construction and food service sectors. Now much of this newer economy has ground to a halt.

Correspondents from the *World Socialist Web Site* spoke with workers at the El Centro Chrysler dealership, as well as those waiting in line at the city's social services office to discuss the impact the crisis has had both on their lives and the county as a whole.

The consequences of the Obama administration's forced bankruptcy and subsequent restructuring of the auto industry extends well beyond the city of Detroit. Here in El Centro workers at the local Chrysler dealership fear for their jobs.

When asked about the massive loss of jobs in the region, Ernesto, a Chrysler service station worker, responded by saying, "I think we are all going to lose our jobs." He explained, "Since there is not going to be any Chrysler company, they won't be servicing the warranties, so they won't need the workers anymore."

Another service station employee, Joaquín, spoke in more detail about his concerns for the future and the political state of the country. "They have already cut hours. If Chrysler closes there will be a lot less work to do, so I don't know what the managers have planned," he said. "The mechanics are in danger of losing their jobs. If more people lose their jobs the community is going to get worse. People will get desperate, and crime will go up."

Regarding the policies of the Obama administration, Joaquín stated, "From Obama, up to this point, everything is the same. Maybe something will change in the future, but up to this point everything is the same." He continued, "With the money they are giving to the auto industry, it is not fair for them to be firing workers. I understand if the company just goes bankrupt they have to lay off some workers, but if they are getting money they should not be laying people off. What is the money for? It makes you think. We hope Obama will make things better, but the truth is that as of now I see everything the same."

At the city's social services office our correspondents discussed the social conditions with those who could not find employment at all. Able, a 19-year-old college student waiting outside the office while his mother

appealed for food stamps inside, described his own situation.

"I was born and raised here," he said. "I am not working, but I am looking for a job, and I can't find anything. I would take anything I could find right now. My dad works in the field as an irrigator. It is seasonal work. My mother doesn't have a job."

Able said that the main problem with finding employment was the intense competition among the region's unemployed workers for a source of steady income. He said that whenever a position opens up in the area there are massive lines of the chronically unemployed vying for very few positions.

When asked his opinion of the Obama administrations' policy of open-ended taxpayer bailouts for the financial sector, Able responded, "The rich people are helped by the government. They control basically everything.... Neither party can solve the problems in the area."

The WSWS also spoke with a woman at the social service agency who had moved to the area from Kansas following a divorce.

"I have four children. I had some savings, but now I have nothing. I have no money, and I can't find a job," she explained. "I was working as a cleaning lady for a while, but I was only working three days a week at \$15 an hour. Now I don't even have that anymore. I know a lot of people that are looking for work and can't find it," she added.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact