

Oregon: plagued by homelessness, unemployment, cuts in social services

Jon Spencer**20 October 2009**

The downturn in the capitalist economy is not news to the people of Portland, Salem, Medford, and the rural areas of Oregon, which saw high unemployment and underemployment during both the dot.com boom and the alleged Bush “recovery.”

However, the current crisis is hitting Portland, and the rest of Oregon, particularly hard, with state-wide unemployment levels competing with hard-pressed California for fourth place nationally.

Just released September figures show a 0.5 percentage point drop in unemployment from August’s adjusted figure of 12 percent. The decline is attributed to discouraged workers departing the job market. The economy’s continuing weakness was shown with the loss of 10,300 jobs. This crisis of unemployment is exacerbated by cuts in social services, as well as inflated housing prices, despite a glut of housing in the area.

The official Oregon unemployment rate now stands at 11.5 percent, not far below last May’s 12.2 percent, the highest level since statistics were kept in 1947. This statistic does not include either the underemployed (those who previously had full-time jobs last year and currently work part-time) or so-called “discouraged workers” (those workers who, it is claimed, have given up looking for employment).

Despite having the fifth highest rate of economic growth for the period of 2005-2006, a mere four years ago, Oregon is now one of many states with negative growth. Manufacturing employment is at its lowest since statistics have been kept, losing over 27,000 jobs, 14.1 percent, in the last year, while construction, despite a gain of 1,000 jobs last month, has still dropped 13,700 jobs, 14.8 percent, from a year ago.

The high point of manufacturing in Oregon was October of 1997 when nearly 230,000 workers were employed in that field. Currently, the number employed is 165,400, a decline of 28 percent.

While Portland has been hit hard, urban areas outside of Portland have been hit even harder, and their economic situation can be regarded as dismal. For the month of August 2009, the cities of Salem, Eugene, Medford and Bend had unemployment rates equal to or greater than that of Portland-Vancouver metro area. Bend, located in Central Oregon, had an unemployment rate of 15.8 percent.

According to an analysis by the *New York Times* published in July, a broader measure of unemployment reached 23.5 percent in the spring.

Further out, from where the busy interstates of I-5 and I-84 intersect in Portland, these communities have been torn apart earlier, faster, and more severely. Drives through Medford or Salem reveal empty storefronts and foreclosed houses that are difficult to ignore.

The drive to increase the exploitation of workers finds clear and sharp expression in agriculture and construction. At any time during the day in Portland, scores of workers can be seen lining up at day labor hire sites, or even just sitting around in large groups waiting for employers to come by with a truck. A representative of the Oregon Department of Agriculture commented that the recent downturn has “turned a lot of construction workers back into agricultural workers” and remarked sardonically that “there was no shortage of labor in agriculture” this year.

Statistics on day laborers, agricultural workers, and migrant workers is hard to collect due to both the ephemeral and transient nature of such employment, and because many workers in this field are undocumented and subject to constant harassment by the state. Official censuses are performed only once every five years and pressure exists on employers to not divulge their undocumented employees.

Oregon also suffers from a lack of affordable housing, despite massive overbuilding of condos during the recent real estate bubble. Thousands of units, intended for sale as condos, lie empty, particularly near the waterfront and Pearl District sections of Portland, and are now, with the collapse of the housing market, being offered as rental properties. Working class neighborhoods in North Portland, St. John’s, and the Belmont/Hawthorne area are sure to be next in the sights of developers who seek to drive out workers and replace them with higher rent tenants.

Not even rudimentary cots are available for many of the city’s poor, who live in tent cities near the Burnside Bridge and other places along the waterfront and in the vacant lots remnants of Portland’s Chinatown. A recent report shows that about 1,500 homeless are forced to sleep outdoors on any given night. The homeless population in Oregon has exploded in recent years, a shameful fact considering the high number of homeless workers in the years of alleged economic prosperity.

A Housing and Urban Development 2008 analysis released this past summer identifies Oregon as having the highest proportion of homeless in the nation. Homelessness was 0.54 percent in Oregon, followed by Nevada with 0.48 percent.

The official figures of homelessness paint a grim picture: 16,221

homeless individuals on a one-night head count of shelters. This figure is likely only half of the total picture, as according to state statistics, less than half of the state's homeless are sheltered on any given night. While slightly more than half of the homeless are on their own, a significant minority consist of families with children, the overwhelming majority of whom are under age 11.

Further, the curtailment of vast portions of the city's mass transportation system, TriMet, will make it harder for working people. TriMet, which serves not just Portland proper, but several surrounding communities of considerable size (such as Hillsboro which will largely be inaccessible from Portland on weekends), plans to slash service, cutting entire lines, re-routing buses, and reducing the number of buses on the road, making Portland's famously quick and efficient public transportation set to become an overcrowded and unwieldy mess.

Twelve bus lines have been eliminated entirely, weekend or Sunday service was eliminated on an additional twelve, and hours or frequency were cut on no fewer than twenty-nine bus lines. Most telling is the elimination of free access for buses in Portland's famous Fareless Square, a significant area of downtown and certain adjoining areas, where riders have never been required to pay fares. Bus stops along Burnside, one of the main roads that split the city in half between North and South, bear signs reading "Service Temporarily Discontinued," and one wonders for how long.

The cutting of bus lines will heavily impact the poorest workers in the city who cannot afford loans for motorized transportation, nor the extortionist insurance payments which accompany this ownership. Many workers move to Portland precisely because of its mass transit system and rely upon it to get to work. They will be forced to either spend more unpaid time traveling to and from work, or search for new jobs where little are to be found.

In such a climate, demand for social services is rising while the ability of capitalism to cope is dwindling. Oregon, like so many other states, is seeing a decline in tax revenues and a related budget deficit. Oregon is looking at a deficit of between \$850 million and \$1 billion dollars for the current budget.

Democratic Governor Kulongoski went on record in a public statement calling this "sobering news for Oregon" and speaking of "difficult decisions" for the legislature which will "prioritize the core services performed by government" by "putting partisan politics aside." He ended his thinly-veiled plan of attack on Oregon's working class by saying "[t]oday is truly when the hard work begins."

Kulongoski's statement is filled with poorly concealed euphemisms referring to his impending plan to cut social services throughout the state. State Economist Tom Potiowsky indicated more attacks on social services than Kulongoski, telling the *Salem Gazette-Times*, "We're falling, basically, into a pit."

Kulongoski and the legislature responded by closing government agencies for ten days over the two-year budget period, with 26,500 workers forced to stay home. An estimated \$2 to \$2.5 million for each furlough day will be wrung from the pockets of workers who can ill-afford such a cut. The Service Employees International Union spokesman Ed Hershey signaled the union's support for

this attack on public workers, saying, "I think the state wisely negotiated over these. If there have to be furloughs, these seem to be days that would least impact services."

These attacks on the living standards of working people include \$65 million dollars cut from K-12 education, and \$19 million in social services, including day care for the children of low-income workers. While the state has millions of dollars in a reserve fund, Kulongoski has made clear he will veto any attempt by the legislature to tap into that fund.

Food stamp enrollment is up 25 percent (and is 25 percent greater than the national average). Housing foreclosures are the 14th highest in the state, but this statistic is highly misleading, as masses of working people in Oregon choose to rent, due to the relatively lower cost of rentals in the state.

Using the combined metrics of housing foreclosure, unemployment, and food stamp participation, the non-profit Henry J. Kaiser Family Foundation ranked Oregon third on its state economic distress scale, underscoring how deeply Oregon is affected by the sum total of high unemployment, foreclosure rates, and underfunded social services.

However, while the real income of Oregon's lowest 20 percent of population has declined by 17 percent since 1979, that of the wealthiest 1 percent has skyrocketed by 210 percent.

Oregon is one clear example of the inability of capitalism to solve the problems of working people. Condos, built by speculators in hopes of reselling in a Ponzi-like scheme to other speculators, lay empty throughout Portland, while homeless workers huddle in tent cities. The unemployment rate has skyrocketed, even though any attentive person could find dozens of things—in infrastructure repair, social services, and health services to name only the most glaringly obvious—that need doing, and that the workers of Oregon would no doubt be happy to do.

The large urban centers are known to lean heavily Democratic. Salem, the state capital, is dominated by the Democratic Party. The Democratic Party holds all major statewide executive offices (Governor, Secretary of State, Treasurer, Commissioner of Labor and Industries, Superintendent of Public Instruction, and the State Land Board). As well, both houses of the Oregon Legislative Assembly are firmly in the hands of the Democrats. This is the party that leads the current attacks on workers.



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