

Double-digit unemployment fuels growing social crisis in Oregon

Hector Cordon
24 November 2009

Oregon's October unemployment figure, released last week, remained unchanged from September and showed a nearly 1 percent drop from May 2009's high of 12.2 percent. The report, however, was far from good news for workers.

The unemployment level remained in the double digits—a level first reached in February of this year—staying at 11.3 percent. This compares to the US figure of 9.8 percent in September and 10.2 percent in October.

While October's unemployment rate appears to have plateaued, net job losses remain high—1,900 in October, seasonally adjusted, following September's revised loss of 6,000 jobs. Job losses for the previous seven months averaged 5,100 per month.

The drop in the unemployment rate from last May's 12.2 percent and its flattening in October is largely the result not of any improvement in the economy, but rather the abandonment by large numbers of workers of an active search for jobs.

In September, more than 11,000 left the official jobless rolls. State officials attribute the decline of job seekers to many enrolling in school, citing an increase in enrollment of 5,000 just in the state university system. But many more have exhausted all possible employment avenues.

The official jobless figures provide faint encouragement for the just over 210,000 Oregon workers still on the unemployment rolls. In fact, the continuing hemorrhage of manufacturing—which has lost 61,700, or 27.5 percent, of jobs since January 2000—indicates that Oregon will never return to pre-recession job levels. A recent analysis by the state Employment Department forecasts that the “manufacturing industry is the only broad sector

expected to lose jobs between 2008 and 2018.”

Three key sectors of Oregon's economy reported downsizing in October: manufacturing, with 2,400 jobs lost; construction, which lost 1,900 jobs; and leisure and hospitality, which lost 1,500 jobs. Over the past year, manufacturing jobs declined by 26,300 and construction jobs fell by 13,300.

According to the Oregon Labor Market Information System (OLMIS), more than 100,000 workers have lost their jobs in the past year. “Seasonally adjusted employment has fallen by 104,400 jobs over the past year, and employment is now 124,300 lower than at its peak in December 2007,” the agency reports.

Oregon has the sixth highest unemployment level in the nation, following Michigan, Nevada, Rhode Island, California and South Carolina. According to a Families USA report, Oregon had the largest increase in unemployment in 2008-2009—5.2 percent, followed by Michigan's 5.1 percent increase.

In the wake of the large job losses, Oregon leads the nation with the biggest increase in uninsured working-age adults, going from 22.0 percent to 25.1 percent.

Those who remain employed are earning lower wages due to shortened hours and furloughs. An OLMIS report states that “average weekly hours have dropped substantially and continuously for Oregon manufacturers throughout the past year...from 40.7 in December, 2007 to 35.4 in March, 2009.” This represents a startling 13 percent decline in work hours and a roughly corresponding drop in earnings.

In a comparison by OLMIS of first-quarter wages in 2000 to first-quarter wages in 2009, adjusting for inflation, average wages dropped by 1.4 percent. Manufacturing workers saw a decline of 5.1 percent, construction workers earned 3.3 percent less, and the

low-wage leisure and hospitality sector lost 6.1 percent in wages over the decade.

In 2008, Oregon was one of eight states to sustain an increase in its poverty level in the first year of the recession. The Census Bureau reports that 13.6 percent of Oregon residents—more than 506,000 people—lived in poverty in 2008. The poverty level is set at the absurdly low cutoff of \$22,050 for a family of four.

Oregon's historically high level of unemployment is at the core of the high percentage of its population who experience hunger, homelessness and poverty. A 2007 study by OLMIS shows that in 25 of the previous 32 years—since 1975—Oregon has sustained unemployment above the national average.

The Oregon Food Bank reported in September that in the previous fiscal year it had distributed a record-high 897,000 emergency food boxes. This represents a 14 percent increase over a year ago. Food bank CEO Rachel Bristol stated, "This is unprecedented. It is by far the largest number of emergency food boxes the OFB Network has ever distributed in a single fiscal year."

The rate of "food insecurity" has remained relatively stable since 2003-2005, at 13.1 percent, or one in eight households, which is not dissimilar from the national level. However, the number of people experiencing "very low food security" increased 6.6 percent. This affects 1 in 15 households and represents a significant increase from the 2003-2005 rate of 3.9 percent. Of the 50 states and the District of Columbia, Oregon and Mississippi had the largest increases in their rates of very low food security.

The November 17 issue of *Oregon Public Broadcasting* news quotes Oregon State University sociology professor Mark Edwards, who states, "Even ten years ago, we found that Oregon had high hunger rates, even among people who were working—and had full-time, year-round jobs. So there's something else going on in Oregon that I suspect has to do with the cost of housing compared to the income people are bringing in."

Oregon has the ignominious distinction of having had the highest homeless population in the US in 2008. Housing and Urban Development says that Oregon's per capita rate is 0.54 percent and that Oregon's homeless population has increased by 35 percent over last year.

A one-night statewide homeless count conducted in January found more than 17,000 individuals and nearly 2,400 households composed of one or two parents with children living on the street, in homeless shelters or in other "transitional housing." Recent estimates by homeless service providers are that 30 percent of the homeless in Portland are children.

The Department of Human Services released figures in September showing that food stamp use is soaring. Since the recession began, the number of food stamp recipients has increased by nearly 32 percent. August of this year saw more than 635,000 persons, or one out of every six Oregon residents, receiving food stamps.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact