

Social crisis in California deepens for millions

Richard Vargas, Alfonso Santana
23 July 2010

The seven-week delay by the US Senate in passing an extension of unemployment benefits has considerably deepened the social crisis in California, the most populous state. Over 400,000 workers were affected by the delay, and the passage of the watered-down bill will do little to alleviate the hardships of many unemployed workers.

The bill for extending unemployment benefits was stripped of a provision that would have made federal funds available to assist in the increased demand throughout all states for Medicaid; this will result in a deepening of the budget crisis in many states and ultimately increased layoffs of state and local workers as well as cuts to basic social services. (See “US Senate advances stripped-down jobless benefits bill”)

Even with the decision to grant extensions, over 150,000 workers in California have reached the 99-week limit in unemployment benefits and will not receive further assistance.

Official unemployment in California for June remains in the double digits at 12.3 percent. Unemployment in some California counties, however, is much higher: in Imperial County the unemployment rate is 27.6 percent; in Sutter, 19.8 percent; Yuba, 18.8 percent; and in Merced 18.1 percent. Nearly 20 counties in the state have an official unemployment rate over 15 percent.

In June 2010, 618,000 Californians filed first-time or extension claims, which is a 162 percent increase from the same month in 2008. Loree Levy, spokeswoman for the state Employment Development Department, told the *Sacramento Bee* that the demand for unemployment benefits in California was “unprecedented.”

In order to alleviate the state’s \$19.1 billion budget deficit, Governor Arnold Schwarzenegger and state lawmakers have proposed slashing vital social services and education, including the removal of millions from Medi-Cal, Healthy Families and In-home Supportive Services, along with the complete removal of

CalWorks, the state’s welfare to work program. (See “California proposes to eliminate CalWORKS welfare program”)

State lawmakers have thus far failed to agree on this year’s budget and the fiscal year has already started. Because of this, Schwarzenegger has called for over 200,000 state workers’ pay to be reduced to the federal minimum wage of \$7.25. A judge has temporarily halted this action from being carried out, but will issue a final ruling later in the summer.

Like all workers, those in California have not seen any of the benefits from the so-called “recovery.” CalJOBS, a state government career website, reported that from July 2009 to March 2010 the number of people looking for work totaled 1,693,499, with only 415,453 job openings. Further, the US Census Bureau placed 13.3 percent of California’s population below the poverty threshold for 2008, and the federal Department of Housing and Urban Development reported that 1 out of every 230 people in California were homeless during 2008.

These conditions are the expression of wretched inequality. Ten percent of the world’s billionaires reside in California, and the richest resident billionaire controls a personal wealth greater than the state’s deficit.

World Socialist Web Site reporters recently spoke with workers at career centers in Santa Cruz and San Diego about the dire economic situation they face.

Nadine, a job-seeker at the Workforce Career Center in Santa Cruz, told the WSWs that she had “been laid off for about a year now,” and was not receiving unemployment benefits. “My company that I worked for didn’t put in for it.” She felt individuals in her situation currently have little, if any, support from the state. When asked about Congress’ seven-week delay on passing the unemployment benefits extension,

Nadine stated that “California desperately needs the funds.”

Sara, who had also visited the career center, said she is currently holding two jobs. “I work at Orchard [Supply and Hardware] and for [California] in-home support.” As a California State employee, Sara could be subject to a reduction of pay down to minimum wage should the courts allow it to go through. “They are trying to cut our wages for in-home support to federal minimum wage. Why doesn’t he [Governor Schwarzenegger] get minimum wage?”

When asked about her thoughts on the handling of the economic crisis by both the Democrats and Republicans, Sara stated, “I think they like to line their pockets with money, so they don’t really care about us. They both have their priorities wrong.”

John, a former part-time employee of a janitorial company that was subcontracted through the United Parcel Service (UPS), was laid off this February. His employer’s contract expired earlier this year, just prior to receiving a full-time position with the company, and was not renewed by UPS. The result was mass layoffs.

“I was just getting ready to start full-time; everything would have been good.” Leaving Santa Cruz to find work, John explained that he had “moved to Nevada about two weeks ago thinking the work situation would be better. It turned out not to be. The police told me I couldn’t be living in my vehicle—they more or less told me to get out of Nevada.”

With currently about \$1,000 dollars left in unemployment insurance, John spoke of being “directly affected” by Congress’s decision to not extend unemployment benefits last week before leaving for an extended July 4 recess.

When asked about House Speaker Nancy Pelosi’s recent pledge to see through a \$33 billion bill to continue funding the war in Afghanistan, John quickly responded, “Like we need that. I think it’s absurd, wasting money over there, especially when it can be put to use here—a lot better use.” Sighing, he added, “It’s a waste.”

John expressed shock that unemployment could still be in the double digits in today’s day and age. “It’s 2010. Everybody can be clothed, fed, and housed. It can be done.”

Outside of a San Diego career center, Heather and Elena told WSWs reporters of their difficulties finding

work in San Diego. “It’s impossible for me to find work here. The only positions available are for bilingual speakers, and I’m not bilingual,” said Heather, who had been unemployed for six months and is trying to make ends meet with Elena, her daughter.

Elena has a bachelor’s degree and told the WSWs she came to California to look for work. “I used to work in cosmetology. I’m really frustrated right now. If I want a job I need to rent my own booth, which requires money. You need money to make money, but my funds are all tapped out.” When asked what she thought of Obama she responded, “What has changed? The rich get richer, and the poor get poorer. That’s how it goes in the USA. You have to come from a dirt poor nation to think that this is the American dream.”

Nichaeles Villanueva, a music performance major, has been unemployed since Jan 2009. “I want to work in construction, where I used to make good money. I’m not sure what I will do once my benefits run out. I don’t want to be working at McDonald’s when I’m 70, but that’s what I see happening.” When asked about the political situation he responded, “Politics ruins everything: music, culture, and my life.”



To contact the WSWs and the
Socialist Equality Party visit:

wsws.org/contact