

# Workers speak on California unemployment crisis

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Prior to the onset of the financial crisis in 2008, California's unemployment rate was 6.4 percent. By official measures, unemployment has stagnated for most of 2012 at around 11 percent, well over the national rate of 8.2 percent.

Many counties in the state have double-digit unemployment, like Colusa County with 22.6 percent and Imperial County near San Diego with 26.8 percent joblessness. The Central Valley, home to the state's most impoverished farmworkers, contains many counties that are also struggling with near 20 percent unemployment, like Yuba (17.1 percent), Merced (18.8 percent), and Sutter (19.8 percent) counties.

The richest state, in the richest country in the world, is also one of the most unequal on the planet. California has \$1.9 trillion in GDP, comparable to countries like Italy or Spain. The state is home to at least 80 billionaires, whose wealth could easily wipe out the state deficit overnight.

*World Socialist Web Site* reporters spoke to workers at a Worksource Career Center operated by the Employment Development Department (EDD) in Los Angeles. The center serves more than 50,000 job seekers annually. The facility provides computers to conduct searches and check email, as well as supportive services like bus passes, clothing and gas cards. To gain access to the supportive services, job searchers must apply and qualify first—proof of income is required.

Michael, an EDD employee, explained that it has gotten increasingly difficult for searchers to find a job. Before 2008, it took approximately one month for people to find jobs through the center. Now it takes at least six months. Furthermore, prior to 2008, jobs that paid \$15 per hour for full time work are now paying \$8-\$9 per hour and only part-time.

The EDD will be among the agencies that will have

their funding cut next year, just when a record number of people need their services more than ever. Every day Michael comes to work, he worries it will be his last.

Kenneth, a college graduate, is in his 50s and currently homeless. He has been looking for steady work as a data manager or automotive technical writer for four years.

Kenneth was sitting with a group of men in one of the computer pods searching the want ads for data manager jobs and technical writing jobs. All of the men at the table knew each other from having spent so many months coming to the work source center to look for jobs.

He said he is often told that he is over-qualified for the jobs to which he is applying. His last steady job was in 2001 in San Jose where he worked for a subsidiary company of the Simon and Schuster publishing company. When the company was sold, they laid everyone off because the new company had wanted the brand, but not the operations.

Kenneth collected unemployment for three and a half years. When his benefits ran out, he couldn't pay the rent and ended up on the streets.

When asked how he thought Obama was doing as president, he said he felt that Obama inherited all the problems from Bush and is doing "the best he can." WSWs reporters pointed out that the Democrats hold the majority in the Senate and that, in cooperation with the Republicans, they are continuing to cut unemployment and welfare benefits at a time when more and more Americans need them—and need them for longer than in the past. Many of the austerity measures enacted at the federal level that have so squeezed state and local budgets have been initiated directly by the White House.

Kenneth agreed, but said that he is trying to remain

optimistic. He explained that he doesn't want benefits. He wants a job where he can use the skills he learned in college. He said he was homeless twice in the past and got out of trouble by getting a good job.

Several other men in the group chimed in that they, too, would rather be employed than on welfare. One of the men commented that he is good with his hands and would like to find steady work in construction, but there's nothing and so he is still on the streets. He was glad to have a clean bed at a homeless shelter, he said, but wished he could be in his own apartment.

Kenneth said he took up President Obama's suggestion to get job retraining, but he found the experience disappointing. The Downey Adult School where he studied offered little in terms of computer IT skills, he explained.

Official unemployment figures understate the scope of joblessness, including hundreds of thousands of workers who have stopped looking for work or are working only part-time.

The Bureau of Labor Statistics measures unemployment by 6 categories: U1, which includes persons unemployed for 15 weeks as a percentage of the total civilian labor force, to U6, the total number of unemployed plus all "marginally attached" workers, and part time workers. By the U6 measure, California's real jobless rate is actually 20.8 percent (1 in 5 workers), second only to Nevada, with 22.3 percent U6 unemployment. Los Angeles County has a U6 unemployment rate of 22.7 percent.

These devastating numbers are set to be exacerbated by the termination of unemployment benefits to thousands of workers, based on the lie that the economy is recovering. After May 12, California no longer qualified for FED-ED extensions (the last of five federal extensions for unemployment benefits) due to the state's stable unemployment rate, which was cited as a sign that the state's economy was improving over the last three years of recession. The Employment Development Department estimated that at least 93,000 people would be cut off as a result.

All of this is a deliberate result of President Obama's economic policies to gut federal welfare services at a time when millions of people are struggling to get by.

Democrat Governor Jerry Brown has taken it upon himself to further slash public services by implementing a 5 percent reduction of public

employees, in addition to a possible 4-day/38-hour work week for state workers, which will make it even harder for families to meet their daily and monthly expenses.

The direct effect of this can be seen in the ongoing real estate crisis in California, which has some of the highest foreclosure rates in the nation, second (again) only to Nevada. Riverside County, east of Los Angeles, is especially hard hit, with the highest foreclosure rates in the state. According to RealtyTrac, 1 in 208 households throughout the county is in some stage of foreclosure.



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