California jobs report underscores deepening inequality

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California's employment agency issued its latest jobs report on December 21, which reported a decline in the overall number of jobs in the state.

Though the unemployment rate fell from 10.1 to 9.8 percent, California in fact shed some 3,800 jobs in November, driven by close to 20,000 job losses in the manufacturing, education and health fields. The retail sector was responsible for the largest number of new jobs, at nearly 16,000 positions.

With private business hiring largely stagnant and public sector positions continuing to disappear, more workers are turning to different types of self-employment—driving down the number considered officially unemployed, despite the actual decrease in available jobs.

California's unemployment rate remains the third highest in the country, well above the national average of 7.7 percent. The December report shows a continuation of the anemic job growth since the official start of the state's economic "recovery" in February 2010, with only two of every five jobs lost during the economic slump regained. At the current pace of job creation, even absent a renewed economic downturn, a return to pre-2008 employment levels is still years away.

The latest jobs figures also demonstrate the glaring inequities plaguing California, with pockets of wealth existing alongside large swathes of the state mired in rising poverty and crime, high unemployment and declining incomes.

Thirty-five of California's 58 counties were afflicted with double-digit unemployment in November. In the Central Valley, home to 6.5 million residents and much of the state's multibillion-dollar agricultural industry, joblessness averages 13.4 percent. In Imperial County, an impoverished, predominately agricultural region on the US-Mexico border, unemployment is highest, at 26.6 percent.

Along the coast, overall unemployment is lower, but most major cities still have unemployment well above the national average of 7.7 percent. Los Angeles, the second largest city in the US, has an unemployment rate of 11.2 percent, and Oakland 13.1 percent.

Richer counties like Santa Clara, Marin, and San Mateo in the more affluent San Francisco Bay Area saw a decline in unemployment, to levels at or significantly below the national 7.7 percent rate, while Central Valley counties of Fresno, Tulare and others actually saw marked increases in their jobless numbers in November.

Unemployment in Stockton, currently in the midst of a municipal bankruptcy, stood at 17.1 percent last month.

California now has among the highest levels of inequality in the United States, with a GINI coefficient of 0.471 as of 2010. This puts inequality in the state on par with countries such the Dominican Republic, Gambia, and the Republic of the Congo.

San Francisco and San Jose metropolitan areas were recently ranked as two of the wealthiest cities in America. San Diego, along the affluent southern coast, follows not far behind. Even in the wealthier counties, however, inequality is stark. More billionaires called California home than any other state in 2012, most of them residing in the Bay Area's pockets of great wealth: small cities like Atherton, Mountain View and Palo Alto.

At the other extreme lies California's pervasive poverty, largely dismissed or ignored by the state's overwhelmingly Democratic political elite. According to a recent Census estimate based on the Supplemental Poverty Measure, nearly one in four California residents are poor—the highest rate of any US state. The new measure, which factors in cost of living, transportation, and child care costs, demonstrates that even in cities with low unemployment, the higher prices leave many mired in poverty.

The Central Valley's Fresno, Modesto and Bakersfield-Delano metropolitan areas account for three of the five poorest large cities in the country, with child poverty reaching as high as 38 percent in Fresno county.