

Los Angeles, a city of poverty and unemployment

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On Wednesday, the second part of the Los Angeles 2020 Commission report was published. The report, taken together with its December 2013 predecessor, lifts the lid on the brutal, crushing conditions facing workers in the second largest city in the US.

In its introduction, the first report, “A Time for Truth,” declares that “Los Angeles is barely treading water” and is “becoming a City in decline.” This is an understatement. The report reveals that 40 percent of families either make poverty wages or are unemployed. In the author’s own words, four out of every ten residents live “in what only can be called misery.”

For a family of four, the federal poverty line is set at \$23,850. This is a grossly inadequate income. In Los Angeles, rents and living costs are especially high. An inexpensive two-bedroom apartment in a working class area can easily cost \$15,000 to \$20,000 a year. Therefore, the assertion that 40 percent of the area’s population live in misery, as extraordinary as it is, sharply underestimates the proportion of city residents struggling to make ends meet.

Los Angeles, the report notes, has suffered greatly in the past few years. The percentage of people living below the derisory official poverty line in Los Angeles County has climbed to 19.1 percent. According to the report, “the poverty rate in Los Angeles is higher than any other major American city, and the number is rising.”

Meanwhile, the official unemployment rate is above 10 percent. No doubt the real level of joblessness, which would take into account those who have given up looking for work and no longer file for unemployment insurance, is far higher.

Not only is the unemployment rate high, remarkably, the absolute number of jobs in the city has declined since 1990. The report states that “ten percent fewer

people are employed in Los Angeles than two decades ago.” Also, it notes that Los Angeles is the only city, of the seven largest American cities, that has seen an absolute decline in jobs in the past 24 years.

Los Angeles added a million residents between 1980 and 2010; however, during that same time, the city lost 165,000 jobs. In 1980, Los Angeles had 12 Fortune 500 companies headquartered within its city limits—now it has 4.

Jobs, when available, are often part-time, low-paying service work. The report points out that 28 percent of the population are working but receive such low wages they fall at or below the poverty line. Many Los Angeles residents “live at or near poverty levels and survive only by working multiple jobs and drawing on the support of families.”

The only sectors that have grown since 1993 are low-wage areas such as “Accommodation and Lodging,” “Food Service” and health care. The older, better-paying industries such as film, oil, aerospace and other kinds of manufacturing have declined in either relative or absolute terms.

The public education system in Los Angeles is in shambles. Fewer than two thirds of all K-12 students graduate from school. By the time students reach fourth grade, 75 percent of them are not proficient in reading. According to the National Assessment Test, less than half of high school graduates in the Los Angeles Unified School District are proficient in English. The report does not mention that the budgets of the K-12 school system have been slashed by billions of dollars over the past few years.

Although the report opens with references to a deteriorating economy and mass poverty, it goes on, in typical fashion, to worry about budget deficits, the absence of a “business friendly” environment and

problems in economic coordination.

According to the Los Angeles City Administrative Officer, the city's budget deficit will likely increase to \$267 million dollars in fiscal year 2014-2015. The report states that the general city worker fund, which excludes firefighters, police officers and Department of Water and Power employees, has unfunded liabilities of \$5 billion.

Meanwhile "almost every major department has reduced its staffing and, as a consequence, service levels." Firefighters and paramedics are supposed to be able to respond to a call within five minutes, 90 percent of the time, according to national standards. However, in Los Angeles, this happens only 59 percent of the time. The report adds that this has "significantly [deteriorated] over the past decade."

According to its own report, the Los Angeles Bureau of Street Services rated 40 percent of Los Angeles roads at D or below. A Morgan Stanley report on Los Angeles commented that "infrastructure investment has not kept up...much needed renewal and maintenance continues to be delayed."

Budget cuts have decimated various city services. Tree trimming has been reduced by more than 75 percent in the past five years. The efficiency of debris collection services has been reduced by 50 percent. In the past three years, library-staffing levels have been cut by 30 percent and libraries are open only five days a week.

The report notes that traffic is also a "crushing burden" on the city's population. Los Angeles is ranked as having the worst traffic in the United States. Four of the 10 worst traffic corridors are in the area. During rush hour in Los Angeles, it can often take an hour to travel 10 miles. Many workers in the area live more than 20, or even 30 miles away from their place of work.

In the midst of the poverty and destitution confronting the majority of the population, Los Angeles County's billionaires, a total of 28 people, had a net worth of \$81.6 billion in 2012.



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