

# “It seems like every year it gets worse”: Inflation devastates California workers and their families

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The corporate media has depicted California as being in a state of economic recovery since the official end of most pandemic-related health measures, and amid crippling inflation and soaring gas prices. The reality is that many workers and their families are experiencing a slide into poverty as they struggle to keep their homes and livelihoods intact.

Gas prices in more than a dozen US states surpassed an average of \$5 per gallon earlier this month, while in California the average price per gallon is around \$6.40.

One worker, Jose, who lives in Southern California, told the *World Socialist Web Site*, “I’m working construction and I can barely make ends meet. I’m only putting in 4 gallons of gas right now, it’s just impossible.” He added, “I remember 10 years ago I used to travel to Los Angeles and meet with my friends and have big gatherings but there’s barely enough to make ends meet. I’ve had to ask friends to lend me money because my boss cut my hours, it seems like every year it gets worse.”

In addition to the rising gas costs, rent continues to outpace worker’s wages with the median price of a single-family home reaching a record \$884,890 in April, according to the California Association of Realtors. This despite the fact that sales dropped 8.5 percent on an annualized basis.

The average rent for a vacant apartment in Los Angeles County rose nearly 13 percent in the first quarter of 2022 compared to a year ago, averaging a record \$2,332 per month. This comes to an additional \$265 a month for the first three months of 2021, and a \$856 a month increase since 2010.

Rising rents are not only driving many into homelessness, but forcing millions more to seek

alternate accommodations, further impacting their livelihoods, while forcing children to change schools with the consequent impact on their opportunities for higher education.

During the first stages of the pandemic rents fell but started rising again with the elimination of all mitigation efforts and the reopening of work places. The average L.A. County asking rent increased 6.7 percent from last summer, 10.2 percent last fall and 12.8 percent from this last winter. The situation would have been far worse without the pandemic-related pause of rent increases and evictions, which have now been allowed to expire.

Unemployment in California fell to 4.6 percent in April, a woeful underestimate of the real rate, but nonetheless the lowest recorded rate since the pandemic and a slight drop from the previous month’s rate of 4.8 percent. California accounted for more than a quarter of the nation’s ongoing unemployment claims, despite 1.28 million unfilled job openings in the state.

While the state did see an increase in the number of jobs added (41,400 jobs), it was still lower than other, less populous states, like Florida (58,600) and Texas (62,800).

Nonetheless, the state’s unemployment figures led Democratic Governor Gavin Newsom to declare, “California continues to lead the nation’s economic recovery, getting more people back to work and off the unemployment rolls than the rest of the country,” before adding cynically, “But we know more work is needed to bolster the economy and help offset higher costs that families are dealing with right now.”

As part of the state’s ostensible plans to help workers and their families deal with crippling inflation,

Newsom recently proposed an \$18.1 billion program including tax refunds of \$400 for eligible vehicle owners, rental assistance for low-income tenants, and bonuses for hospital and skilled nursing facility workers.

The governor's office boasted it would provide \$1,500 to those "delivering care to the most acute patients during the COVID-19 pandemic and saved thousands of lives." Newsom also announced the state's minimum wage would increase to \$15.50 per hour starting January 1, 2023, an increase mandated by law when inflation is over 7 percent.

These proposals, if passed, would amount to just a band aid. Inflation in the prices of basic goods and exorbitant gas prices have erased whatever little gains were made in the form of wage increases and limited government assistance during the last two years of the pandemic.

Gilbert, a worker in Southern California, explained, "I live off my pension, but I can't tell you how hard it is. I used to work for a giant company that would clean clothing for hospitals here in San Diego, but they moved out to Los Angeles. I live in a special housing unit that charges me rent based on my pension. To make it every month we seldom eat meat at the house, we can't afford it."

"We don't go out, there's no extra money for entertainment, it's just enough to survive, and that's where I'm at right now."

During the first year of the pandemic, the state's poverty rate fell from 16.2 percent in 2019 to 12.3 percent in 2020, largely as the result of government aid in the form of unemployment insurance and stimulus checks. With the end of the federal child tax credit, for example, 1.7 million children will fall back into poverty according to the California Budget and Policy Center.

The center also reported how more than half of the state's residents with incomes below \$50,000 were struggling to pay for food, housing, and medical costs in March and April. Black, Latino, and other minorities were among the most likely to be suffering, according to the center, although the rising cost of living has affected all sections of the working class.

Henry, a worker filling up at a gas station, stopped to speak to our reporters about the impact of inflation on his life. "It's been really tough. Unfortunately, I'm old

fashioned, and I do what young people call networking face to face. I buy and sell used classic cars and I have to get as creative as I can to make ends meet. I used to work construction but I'm too old for a job like that."

When asked how his life has changed with rising prices he responded, "Well I don't eat during the day. I wait until night time to have a meal. I used to be able to help my friends with money and I can't do that. My mother is elderly, and she and her husband live on fixed incomes. I wanted to buy her a new bed, but I don't have the money for it. What it comes down to it, it's the gas and the food, that's where I'm really feeling it."



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