

Job losses mount among California government workers



Mark Boster / Los Angeles Times

Most Los Angeles County Superior Court operations, including those at the courthouse in Long Beach, above, were shut down Wednesday as a once-a-month unpaid furlough program took effect.

Unemployment in the state holds steady at 11.6% in June, but the outlook worsens in the public sector. The state loses 6,700 government jobs in June and continues to furlough workers and cut services.

By Marc Lifsher and Alana Semuels
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California shed 66,500 jobs in June, and more losses loom as double-digit unemployment spreads to state and local governments, once reliable bastions of employment security.

June's 11.6% unemployment rate is a post-World War II record. Professional services, construction and trade continue to top the state's jobless categories.

But in a troubling sign, governments -- a stable part of the state's economy for a decade -- have been laying off thousands of workers in recent months. And far more losses are ahead.

California lost 6,700 government jobs in June after dropping 14,200 in May. Facing huge deficits, the state continues to furlough employees, eliminate jobs and cut services. Most offices were closed Friday.

Layoff notices are piling up at thousands of public schools, where an estimated 17,500 teachers statewide have been told not to return to classrooms in the fall, when they will officially join the ranks of the unemployed.

"I see more government job losses," said Ross DeVol, director of regional economics for the Milken Institute in Santa Monica. "There's no way around it."

The effect of axing public sector workers should be felt more strongly in the July unemployment numbers to be released next month, said Howard Roth, chief economist at the state Department of Finance. The continuing weak economy "tells me it's going to take more layoffs than we thought" to put the state's budget in balance.

Deanna Ragle, 46, a parole clerk in Bakersfield with the state Department of Corrections and Rehabilitation, got a formal layoff notice in May, and she expects to be let go in September. Six months ago, her husband lost his job.

"I can imagine how hard it's going to be," she said. "I'm hoping the layoffs just don't happen."

Firing Ragle and thousands of other public workers means "we're going to have fewer government jobs -- but also diminished services," said Stephen Levy, director of the Center for the Continuing Study of the California Economy in Palo Alto. "That's why people are going to find the DMV offices closed."

Many children could be studying in classrooms packed with more students and fewer teachers when school starts in late August and early September, Levy predicted.

It wasn't supposed to be this way for government workers. Historically, the public sector has tried to prime the economic pump during tough times by putting more people to work. Think of the Works Progress Administration and the Civilian Conservation Corps during the New Deal in the 1930s.

But this time around, government employment is shrinking and not creating jobs, and it has become "a drag on the economy," said Christopher Thornberg, an analyst at Beacon Economics, a Los Angeles consulting firm.

No one needs to explain this to Tamara Eccleston, 31, and her fiance, Gregg Weinstein, 37. Both new teachers were fired from their Los Angeles Unified School District posts.

"Teaching was supposed to be one of the most secure jobs, and we're finding out we're out of work," said Eccleston, who was at Weemes Elementary School in Venice.

The two are heading to Las Vegas to restart their careers. "We're not going to sit here and wait for the scraps to fall off LAUSD's table," said Weinstein, who taught at Gompers Middle School.

Nevada may not be the best choice, given that the neighboring state has 12% unemployment, a rate even higher than California's. Michigan, with 15.2%, has the nation's bleakest job picture, followed by Rhode Island with 12.4%, Oregon with 12.2% and South Carolina with 12.1%.

And the employment outlook for California is not expected to turn around this year. A consensus of economists forecast that the hiring won't start to pick up until some time in the first half of 2010. Joblessness has swept through most of the Golden State's economy since the start of the so-called Great Recession.

The hemorrhaging began in construction and spread to financial services, retailing, trade, tourism and now government. In all, California lost 766,300 jobs in the last year and 904,300 since the recession officially began in December 2007.

June's 11.6% unemployment rate stayed level from a revised May figure. The job-loss totals and unemployment rates are not always in sync, with one sometimes moving faster or slower than the other. That's because they are based on separate surveys. Job losses are based on a survey of businesses, and the unemployment rate is derived from a federal survey of 5,500 California households.

Southern California continues to suffer disproportionately, though Los Angeles County's official job figures seemed to brighten a bit in June, with unemployment dropping to 11.3% from 11.6% in May.

Economists cautioned that the drop was probably caused by disheartened job seekers leaving the labor market, rather than by more people going back to work.

Elsewhere in the region, unemployment rose, jumping in June to 13.7% in Riverside and San Bernardino counties from a revised 13.2% in May. Orange County unemployment increased to 9.2% in June from a revised 8.8% the previous month.

Those grim numbers, if they spawn deep cuts in services across the state, could do long-term damage to California's economy, economists warned.

Take the case of the Fremont Adult School in Sacramento, which for decades has been teaching English to immigrants from dozens of countries.

"There were probably 10 people teaching part time, and now they're all gone," said Christine Hodgins, who was just fired after 20 years there.

"The immigrant community isn't shrinking. Our classes are fuller than they've been in a long time," she said. "The demand is there; the need is there, but the money isn't there to run the programs anymore."

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