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From the Los Angeles Times

California unemployment rate jumps to 9.3% in December

The jobless rate, up from 8.4% in November, is the highest in 15 years, highlighting the severity of the economic slowdown. The rate in Los Angeles County is 9.9%.

By Marc Lifsher and Nathan Olivarez-Giles

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Reporting from Los Angeles and Sacramento — Unemployment in California rose sharply in December to 9.3%, its highest level in 15 years, as the state's jobless rolls swelled to 1.7 million.

More than 78,000 people lost their jobs in December, and thousands more have received pink slips so far this month. Economists said layoffs were likely to remain heavy during the first half of 2009 and could reach as high as 11%. Improvement could come later in the year, they noted, if the federal government starts pumping billions of dollars into the Golden State for public works and social programs.

On Friday, the state Employment Development Department reported that the jobless number jumped almost a full percentage point from 8.4% in November. It stood at 5.9% a year earlier.

The rate for Los Angeles County, which like the state number is seasonally adjusted, was 9.9% for December, up from a revised 8.9% for November. Joblessness topped 10% in the Inland Empire, as it did in 31 of California's 58 counties.

Alarming as they are, the state's numbers tell only half the story. They don't include the discouraged -- who have given up looking for a job -- the self-employed or people who work for cash, whose wages are not reported.

Although the U.S. Department of Labor won't release state-by-state data until early next week, an informal survey ranked California as having the nation's third-worst unemployment, behind Michigan at 10.6% and Rhode Island at 10%.

"We're going from bad to worse and then ugly," said Esmael Adibi, an economist with Chapman University in Orange. "It's going to be really nasty the next couple of quarters. But if [federal] tax cuts kick in and there's a little infrastructure spending, hopefully the third and fourth quarters won't be as bad."

Adibi stressed that a federal bailout couldn't come soon enough for a California economy that's been racked by lackluster holiday sales, continued drops in home values, waves of real estate foreclosures and a heightened tempo of layoffs at companies across all sectors of the economy.

"The original weakness in construction and financial services is spilling over everywhere," Adibi said.

The widespread layoffs are turning job hunts into a desperate business for people such as Adrean Arreola, 27, of Boyle Heights.

"You've got to stay positive, but the economy is falling," he said while looking for postings at a job center in north Los Angeles. "So, it can be hard."

Two months ago, Arreola lost his job at a computer disposal warehouse. He said he's had to put his two children into foster homes until he can find a new job. "I'll take anything," he said.

The chances of Arreola finding a job are getting slimmer. The pace of job losses has been accelerating from an average of 6,600 a month during the first half of 2008 to 36,400 a month in the second half of last year, said Howard Roth, chief economist for the state Department of Finance.

"This thing is still getting worse," Roth said, adding that the unemployment rate could hit 11% in 2009. The last time unemployment went that high was in February 1983, when the state was pulling out of a severe recession.

Job cutbacks keep on coming. In the first 10 days of this year, large and medium-size employers notified the California Employment Development Department that they planned to fire about 19,000 workers.

The layoffs are affecting industries of all kinds, large and small.

Boeing Co. announced satellite-related job cuts in El Segundo. Circuit City consumer electronic stores are being closed all across California, as are organic juice plants in Azusa and Glendora. Other major national employers that have sacked workers include American Airlines, AT&T Inc., DHL Express Inc., JPMorgan Chase & Co., Adobe Systems Inc., Yahoo Inc. and Target Corp.

In December, California hemorrhaged jobs in 10 of 11 industry categories tracked by the Employment Development Department: natural resources and mining; construction; manufacturing; trade, transportation and utilities; information; financial activities; professional and business services; leisure and hospitality; government; and other services. Even the area of education and healthcare, the single category that added jobs, gained only 2,300 jobs statewide for the month.

Health workers in Orange County have been particularly hard hit. Among employers filing layoff notices with the state for January is the Irvine Regional Hospital and Medical Center, which reported that it planned to let 510 workers go this month.

"At the moment, there's only one leg to stand on," hospitals and education, said Sung Won Sohn, an economist with Cal State Channel Islands. "And pretty soon there will be no leg."

Such widespread economic weakness puts California and the administration of Gov. Arnold Schwarzenegger in a tough spot,

Sohn said. Only the federal government has the ability to borrow enough money to provide California with a short-term economic stimulus that can put tens of thousands of people back to work quickly, he said.

Boosting spending on construction, which lost 11% of its jobs in the last year, is one of the fastest ways to get new money flowing through the economy, said Michael Bernick, a job-training specialist and former director of the state Employment Development Department.

Christopher Thornberg, principal of Los Angeles consulting firm Beacon Economics said the Obama administration had "aggressive plans," and "if they get in place early, they could actually get us moving again by the fourth quarter of 2009."

That sort of turnaround would offer a bit of hope to Martin Talamantes, 40, of Los Angeles, who was trained to install solar panels but hasn't been able to find a job for two months.

"I'm ready to get a job, but no one is hiring," he said.

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