

# California Unemployment Highest in 70 Years

for the Week of September 20, 2009

Published: September 20, 2009

By CJJ Staff

Although payroll job losses slowed significantly, the state unemployment rate continued to climb in August, rising three-tenths to 12.2 percent, its highest level since 1940's record 14.7 percent. From a survey of 5500 households, the state [Employment Development Dept](#) reported that 14 California counties now have jobless rates of 15 percent or more, and nearly 30 percent of the state's unemployed workers have been jobless for over six months. However, EDD's employer payroll survey showed substantial improvement, with 12,300 jobs lost in August, compared to 38,900 in July and an average of 73,700 for the previous six months. California's trade, transportation & utilities sector and the construction industry suffered the biggest declines last month, down 7100 and 7000 jobs respectively, followed by manufacturing (-2800). Educational and health services added 6000 positions, along with information (3400) and government (2000).

The [Business Forecasting Center](#) at the University of the Pacific predicts that California's unemployment rate will remain above 12 percent for all of 2010, peaking at 12.6 percent next spring. A return to the state's pre-recession unemployment levels (under 6 percent) may not happen before 2013. [UCLA's Anderson Forecast](#) is slightly more optimistic, projecting a peak of 12.2 percent and double-digit unemployment until sometime in 2011.

## The Recession's Uncounted Casualties

They're not a factor in the unemployment rate, but they are either out of work or stymied by the recession into working fewer hours than they'd like, often at reduced wages. The [Bureau of Labor Statistics](#) reports that California's underemployment rate – a broader index which includes unemployed people as well as people forced to take part-time or odd jobs, and those who have quit job hunting out of discouragement – is currently at 18.5 percent, up from 11.7 percent one year ago. An estimated 1.7 million Californians are working part time because full-time positions aren't available, and about 34,000 would-be workers have grown too discouraged to continue job hunting. Jean Ross, director of the [California Budget Project](#) in Sacramento, said that the state's underemployed workforce of 4.3 million people is indicative of a weak labor market that will be slow to rebound.

## New Tools Help Broaden Job Search

With the job market showing little sign of improvement anytime soon, 71 percent of workers laid off from full-time jobs and still unemployed are considering new career tracks. [CareerBuilder.com](#) has introduced new features to help ease the process. Jobs by Salary and the Job Discovery Wizard both work to identify new job possibilities outside a jobseeker's current field. Jobs by Salary starts with the desired salary range, then works with the Job Discovery Wizard's analysis of the candidate's skills and knowledge base to generate a wide list of opportunities that match those criteria, as well as information on what additional skills and training may be required. Jobseekers get information about new career possibilities, as well as necessary steps to transfer into the new industry or profession.

## On the Job Front

STATEWIDE – A budget cut is forcing the [Dept of Corrections and Rehabilitation](#) to slash academic and substance abuse programs for inmates, sentencing 600 to 900 workers with layoffs. Termination notices will also be sent to prison subcontractors providing substance-abuse services.

BERKELEY – Quick work by East Bay elected officials has saved 1400 jobs at the [Bayer HealthCare](#) plant. In June, German pharmaceutical giant Bayer AG informed the city that it was considering outsourcing future production instead of retooling the Berkeley plant. Officials from Oakland, Emeryville and Berkeley responded within weeks, enlisting assistance from Gov Schwarzenegger and [PG&E](#), cutting red tape and crafting a \$10-million incentive package, including creation of an enterprise zone where the plant resides. . . In December, [UC Berkeley](#) will centralize administration, personnel and grant management into its [Research Enterprise Services \(RES\)](#) unit. Sixty employees currently scattered in other departments will compete for 40 job openings in RES, with hiring "based strictly on merit," according to university officials.

LATHROP – 45 employees will lose their jobs in mid-Nov when [Chrysler LLC](#) closes its parts center here, consolidating parts-handling with centers in Los Angeles and Portland, OR.

MANTECA – San Joaquin County plans to build a South County satellite center here for the county govt, including offices for community development, public health, human services, the sheriff's office, district attorney, and public defender, as well as a possible Superior Court building. The complex is expected to bring 400 new jobs to the city.

MENLO PARK – The [Bohannon Development Company](#) and [Job Train](#) announced the development of a combined hotel, fitness club, office and open-space project, which will create about 4400 jobs. The Menlo Gateway will be located east of Highway 101, and is expected to create

about 1900 construction jobs, 2300 permanent positions and 200 hospitality jobs at the [Renaissance ClubSport](#) facility.

SACRAMENTO – The [Palo Alto Medical Foundation](#), an affiliate of Sacramento-based [Sutter Health](#), is transferring 200 jobs here. The patient-accounting and managed-care claims jobs, currently based in Sunnyvale, Santa Cruz and Mountain View, will be transitioned to Sutter Connect, an admin services unit serving Sutter medical facilities across the region. The transfers will take place in phases over the next year and a half, beginning January 1. Affected employees will be offered comparable positions in the merged organization. The move is expected to save PAMF nearly \$100 million over the next decade.

SAN FRANCISCO – Spanish solar power company [Fotowatio](#) has established its North American HQ here, after the recent purchase of [MMA Renewable Ventures](#), thus preserving 50 green jobs, with hopes that more will follow. So far, the firm has developed enough solar capacity in the US and Europe to power nearly 100,000 homes. . . In October, social gaming company [Playdom](#), Inc will be moving to offices here to accommodate its growing staff, which has expanded from 60 to 110 in the past two months. The Mountain View-based company publishes [Mobsters](#), MySpace's most-popular social game.

SAN JOSE – Due to cutbacks in the region's defense industry, Iowa-based aerospace firm [Rockwell Collins](#) announced the closing of its plant here, laying off 600 workers as remaining work is shifted to Oregon and Iowa.

STOCKTON – [Chase Bank](#) is moving its back-office operations out of the area, closing out 214 jobs. Another 355 workers were laid off in December, leaving Chase with about 180 staffers in ten retail banking locations in San Joaquin County after the move is completed in spring 2010.

## New Clothes for Low-Income Jobseekers

Men and women trying to get a job can get a wardrobe facelift thanks to a San Francisco nonprofit founded by business and fashion professional Kathy Miner. 'A [Miner Miracle](#)' began in 1994, when Miner contacted a local charity about an idea she had to help outfit women for jobs. [The Salvation Army](#) enlisted a half-dozen women to help, and today the "little service project" has grown into a 9000-sq-ft Sutter Street store which provides 800 clients a year with free professional clothing and image consulting.

<http://www.jobjournal.com/thisweek.asp?artid=2762>