



CALIFORNIA BUDGET PROJECT

EMBARGOED FOR RELEASE
12:01 a.m. August 31, 2008

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LABOR DAY 2008: LITTLE TO CELEBRATE

New Report Shows Deepening Downturn After a Too-Little, Too-Late Recovery

SACRAMENTO – Labor Day 2008 brings California's workers and their families little to celebrate, according to a new analysis by the California Budget Project (CBP), a nonpartisan public policy research group. *Labor Day 2008: Little To Celebrate* reviews the latest employment, wage, and income data, and finds that the state has slipped deeper into a downturn. Unlike past downturns, this one comes after only a brief period of good economic times.

"The recovery from the recession of 2001 was a case of too-little, too-late for California's workers," said Alissa Anderson, CBP deputy director and author of the report. "It took four years for the job market to rebound, but those gains have started to come undone as the state's unemployment rate hit 7.3 percent in July, its highest level in 12 years."

The findings of the report include the following:

- Many workers aren't working as much as they want. As of July of this year, more than 800,000 California workers were employed part-time, but reported wanting to work more hours, up by 30.1 percent from 12 months earlier.
- The slowdown has disproportionately affected the state's Latino workers. The unemployment rate for California's Latino workers rose sharply, from 5.9 percent in July 2007 to 8.0 percent in July 2008.
- California's women workers have lost ground. The most recent data show that 54.2 percent of the state's women were employed in 2007, 0.8 of a percentage point lower than in 1989.
- Recent good times have not been so good for low-wage workers. The purchasing power of the hourly earnings of California's low-wage workers declined by 5.2 percent between 2004 and 2007.
- Income gains have not been broadly shared. The wealthiest 1 percent of California taxpayers have increased their share of income since the 2001 recession, while middle-income taxpayers' share has been relatively flat.

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- As the job market weakens, more Californians are relying on the state's income support and related programs, from CalWORKs and food stamps to Healthy Families.

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The California Budget Project (CBP) engages in independent fiscal and policy analysis and public education with the goal of improving public policies affecting the economic and social well-being of low- and middle-income Californians. Support for the CBP comes from foundation grants, publications, and individual contributions. Please visit the CBP's website at www.cbp.org.