

CITY JOBS DISAPPEARING WITH BUDGET CUTS



Local governments across the United States are struggling economically, just like the federal government and other businesses, to the point where they cannot pay some of their employees. Local governments are cutting city jobs, to the point where the payroll losses will continue well into the next calendar year. The job cuts by city and county governments has helped to offset very modest employment gains in the private-sector. "They'll continue to be a drag on the overall (employment) numbers and the economy," says Wells Fargo economist Mark Vitner. Since the beginning of 2008, municipalities have cut 535,000 jobs in an effort to close massive budget deficits caused by sharp declines in tax receipts. The number of jobs cut since 2008 exceeds the 413,000 local government jobs cut between 1980 and 1983, which was the only other major job reduction in the country's city and county governments per records that date back to 1955. The research director for the National League of Cities, Christopher Hoene, estimates that another 265,000 jobs will be cut before the year 2012 is over. The cuts that have already happened came after the recession ended in 2009, but the numbers still do not come close to those made in the manufacturing and construction industries during and after the recession. Since January of 2010, states have laid off 51,000 people, which is less than 1 percent of their total workforce of 5.1 million employees. Municipalities have cut 406,000 jobs, which is 3 percent of the payrolls that used to total 14.5 million employees. Counties and cities across the country rely largely on property tax revenue to make money, but those numbers have declined steadily as the value of homes has declined. Below are some of the localities that are planning on cutting jobs:

- Chicago Mayor Rahm Emanuel proposed 517 layoffs and the elimination of 2,000 vacant positions to close a \$636 million deficit.
 - In New York, Nassau County Executive Edward Mangano is proposing to lay off 700 workers in 2012 after leaving 300 jobs unfilled this year to wipe out a \$310 million budget gap.
 - The city of Venice, Fla., is laying off its fire marshal, deputy fire chief and fire inspector as part of a plan to cut 23 jobs next year, or about 9% of its workforce. The fire chief will conduct inspections, says spokeswoman Pam Johnson.
 - The city of San Jose, which cut 588 jobs in the current fiscal year, will have to cut up to 800 more positions next year and shut down all libraries and community center programs unless it caps soaring pension costs, says spokeswoman Michelle McGurk.
- The value of homes is typically delayed and the same can be said for the value of the home's property taxes, which can sometimes offset the statistics that are being presented by the localities and the counties. Appraisals of homes are typically done over a couple of years in order for officials to grasp a correct hold on numbers.