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## A challenging year

### Many North Coast residents hit by fiscal, political realities, but others find hope

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THE PRESS DEMOCRAT

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Sonoma County's slumping economy continued to steal people's homes and jobs in 2009, while once-jubilant Barack Obama backers were soured by the contrast between his stirring campaign and the realpolitik of his first year in the White House.

It was a bit of grim year of letdowns and dislocations for the pocketbooks and politics of many residents, with no immediate relief seen on either front.

"I am one of the fortunate ones," said Sandy Clark of Petaluma, 65, enrolled in a loan modification program that cut her monthly mortgage payments by 44 percent.

But foreclosures cost 1,484 families their homes in the first nine months of the year, bringing the loss for the last two years to more than 4,300 homes.

"I am for change. The change that was promised, and that we're still waiting for," said Therese Mughannam-Walrath of Santa Rosa, 62, a mother and business co-owner.

She was one of the 168,888 county residents who cast ballots for Obama last year, a whopping 73.5 percent of the vote — 20 points higher than his national tally. At least 200 area residents, young and old, attended Obama's inauguration on the Capitol steps Jan. 20, a freezing morning that opened the year with jolt of euphoria.

But several irritants — a heavily amended health care plan, big business bailouts and the Afghanistan war escalation — have dimmed the local left's enthusiasm during Obama's first year in office.

Meanwhile, the economy, crippled in 2008, continued limping in 2009, pushing unemployment into double digits and swelling caseloads at homeless shelters and social service agencies.

Officials at Catholic Charities in Santa Rosa reported a "new demographic" of homeless: educated, experienced workers, young and old, who were bounced out of comfortable lifestyles by layoffs or loss of unemployment benefits.

"They're lost, they're confused," said Jennielynn Holmes, employment counselor at Catholic Charities, describing people in their 50s and 60s who are using food stamps for the first time.

"Their emotions are skyrocketing because it's something they've never had to manage before," she said.

Beds, meals doubled



Kent Porter/The Press Democrat

After months of worry, Sandy Clark of Petaluma staved off foreclosure by obtaining a mortgage modification that cut her payments by more than 40 percent.

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Catholic Charities' Family Support Center provided 3,309 beds and 5,294 meals to families who showed up through Nov. 9 this year, roughly doubling the 1,822 beds and 2,275 meals for the same period last year.

Home foreclosures reached nearly 1,500 in the first three quarters of the year, well below 2008's record-breaking level but still dwarfing the annual average of 169 foreclosures from 1992-2006.

Clark, who works in sales support for a Petaluma shoe distributor, faced a \$3,200-a-month mortgage payment — more than her paycheck — brought about by a divorce and rising interest rates.

Catholic Charities provided help in securing a loan modification lowering her payment to \$1,800 a month.

"I could have been a victim," Clark said, referring to the mortgage meltdown that trapped thousands and helped trigger the recession.

The economic slump — deemed the worst since the Great Depression — struck last year, cutting deeply into Sonoma County's key industries: tourism, wine, technology, retail sales and home construction.

But much of the recession's bite came this year, as many companies shed jobs after giving up hope of an imminent turnaround, said Ben Stone, executive director of the Sonoma County Economic Development Department.

"The ripple effect began to take hold in 2009," he said.

The county's unemployment rate edged up to 7.3 percent last December, then leapt to 8.7 percent in January and never looked back, breaking 10 percent in June and staying in double digits through November.

The county had 26,400 officially unemployed people in November, twice as many as at the beginning of 2008. Jobless figures do not include people who are no longer looking for work, nor those who are underemployed, working fewer hours or in lower-paying jobs than before.

Job-seekers with advanced degrees and management experience are advised to "tone down their resume," Catholic Charities' Holmes said, because employers are leery of hiring overqualified applicants.

### Signs of recovery

Federal officials have said the recession is "very likely over," and there are promising signs in the county, Stone said.

Sonoma County business executives' ratings of economic confidence and performance both rebounded this summer from multiyear lows but remained in negative territory, according to an Economic Development Board report.

And 15 of Catholic Charities' clients, most of them living in homeless shelters, found jobs in December, another ray of hope, officials said.

But unemployment is expected to increase in the first half of next year, and a genuine economic recovery is not expected until 2011, Stone said.

Obama backers may have to wait longer than that for satisfaction.

"Of course I'm disappointed," said Geneva Folsom, an 87-year-old Sebastopol grandmother. "I thought he was going to save the world."

Folsom, who shed tears of joy over Obama's election, considers the health care plan shaping up in Congress — with the president's approval — a huge disappointment.

"We should have gone straight to a single-payer system," she said, referring to the progressives' hope for a government-run insurance program.

Mughannam-Walrath, a Palestinian-American who also labels herself a progressive, said the president has failed to deliver on campaign promises to pressure the Israel for a freeze on new settlement construction in occupied territory. "It makes the Muslim world furious," she said.

Halting that construction is a prerequisite for negotiating a two-state solution to the Israeli-Palestinian conflict, which dates to the partition of Palestine in 1947, the year Mughannam-Walrath was born in Jerusalem.

Obama's decision to send 30,000 more troops to Afghanistan is a colossal mistake, she said, leading to more death on both sides, with no likelihood of a military solution.

"It just breaks my heart," she said. "You know more of our kids are going to be killed."

Unhappy with bailouts

Mughannam-Walrath also faults Obama for the multibillion-dollar bailouts of banks and big corporations, while friends of hers in Sonoma County have lost their homes and jobs.

"I thought he was going to be a new kind of leader," she said. "That gave me great hope."

But progressives, who also yearned for prosecution of Bush administration officials, were bound to be dismayed this year, said David McCuan, a Sonoma State University political scientist.

Obama's campaign speeches may have excited the left, but as president he is a "liberal pragmatist," McCuan said, noting the president's staff is sprinkled with old pros from the Clinton administration.

Obama's people have "an eight-year plan" for their administration, taking mostly slow, incremental steps towards policy change. The health care bill, for example, is "clearly an accomplishment" and will be the foundation for future changes, he said.

Obama's approval rating averaged 50 percent in 14 polls this month, down from a 64 percent average in 15 polls in February.

Almost half (48 percent) of people surveyed said Obama had fallen short of their expectations as president in a CNN poll this month. He met expectations for 39 percent and exceeded them for 11 percent.

But considering unemployment is still around 10 percent, McCuan said a 50 percent presidential approval rating is impressive.

And looking ahead to 2012, Geneva Folsom said that irate progressives should be wary of bashing or abandoning the incumbent.

"If we lose Barack Obama," she said, "then we'll have Sarah Palin."

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