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10,300 jobs gone in June

By George Avalos
Contra Costa Times

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The Bay Area lost more than 10,000 jobs in June, crushing hopes that the private sector could spur a quick recovery for the region's wobbly economy, a state labor report showed.

The loss of 10,300 payroll jobs in the Bay Area marked the nine-county region's worst one-month performance since September, according to the report by the state's Employment Development Department.

Every part of the Bay Area shed jobs during June, according to the Employment Development Department. The worst losses battered the East Bay.

Statewide, employers jettisoned 26,700 jobs.

The employment setbacks in California and the Bay Area appeared to be largely due to a lack of hiring in the private sector and the disappearance of temporary census jobs.

"The private sector is flat," said Jeffrey Michael, director of the Stockton-based Business Forecasting Center. "We have yet to see the private sector pick up. That's disappointing."

Statewide, private employers added 1,000 jobs in June, analysts estimated.

"That's terrible," Michael said. "We need 30,000 jobs a month from the private sector to start to get us out of this recession."

A few industries statewide tended to add jobs. Construction, retail and the leisure and hospitality sectors were among the gainers.

"June was another month where private-sector job levels remained stuck in neutral and were disappointing," said Steve Levy, director of the Palo Alto-based Center for Continuing

Study of the California Economy.

The state jobless rate improved slightly in June to 12.3 percent. In May, it was at 12.4 percent. Both those numbers are below the post-Depression high of 12.6 percent.

Yet even that easing of the jobless rate appeared to occur for ominous reasons.

About 24,000 people left the labor force in June, possibly because they gave up looking for work in a bleak economy.

"You have people who dropped out of the labor force who stopped looking because they have gotten discouraged when they couldn't find work," said Michael Bernick, a San Francisco-based research fellow with the Milken Institute. "But you also have people who are going back to school full time."

People who stop actively seeking employment are no longer considered part of the work force — and are no longer counted as unemployed.

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according to the Employment Development Department. The worst losses battered the East Bay. The numbers were adjusted for seasonal changes.

- The East Bay lost 3,800 jobs.
- The San Francisco-San Mateo-Marín region shed 3,500 jobs.
- The South Bay lost 700 jobs.
- Solano County lost 300 jobs.
- A bright spot in Northern California: San Joaquin County, which added 100 jobs."The East Bay is sinking," Michael said. Perhaps the worst single blow came in April, when the shutdown of the NUMMI in Fremont eliminated 4,700 jobs at the auto plant. Another 2,000 jobs in the East Bay and Central Valley were lost when NUMMI suppliers downsized."The East Bay has been through the wringer," Michael said. "But with NUMMI behind us, maybe the worst is over." Since employment peaked in March 2007, the East Bay has lost 112,000 payroll jobs. Over the same period, the Bay Area lost 237,000 jobs. Still, some months in 2010 have produced job gains in the Bay Area. Three months, including June, brought job losses. In 2010, the Bay Area lost 2,600 payroll jobs, adjusted for seasonal changes. This sporadic pattern could signal that the state and regional economies have hit bottom, said Brad Kemp, director of regional research with Beacon Economics. "There are areas of recovery, but the improvement is not being felt in all sectors," Kemp said. Particularly weak: construction and miscellaneous services such as repair, laundry and personal services. Areas of strength: manufacturing, retail, and leisure and hospitality."We are at the bottom," Kemp said, "and may be at the turning point." Contact George Avalos at 925-977-8477.

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