

East Bay leads Bay Area in job losses

By George Avalos
Staff Writer

Article Launched: 08/15/2008 04:57:41 PM PDT

The East Bay lost 2,700 jobs during July, a fresh setback for a struggling economy that has suffered a string of employment losses that now stretches to seven-straight months, according to a state labor report released Friday.

Adjusted for seasonal changes, the East Bay has lost nearly 19,000 jobs so far in 2008, the Employment Development Department reported.

The jobless rate in the East Bay was 6.7 percent in July, compared with 5.2 percent a year ago. California's jobless rate was 7.3 percent in July, worse than the 5.4 percent rate the year before.

The job trends in the Bay Area were mixed for July, the EDD reported:

San Joaquin County gained 700 jobs, seasonally adjusted, in July. It gained 800 jobs during the year. The jobless rate was 10.6 percent, up from 8.4 percent a year ago.

Solano County lost 2,100 jobs during the year that ended in July. Monthly seasonally adjusted figures aren't available. The jobless rate was 7.3 percent, compared with 5.7 percent last year.

The San Mateo-San Francisco-Marin area lost 800 jobs, adjusted for seasonal changes, in July. The region gained 7,600 jobs over the year. The jobless rate was 5.4 percent, up from 4.3 percent in July 2007.

Even worse, economists believe the employment slump won't abate soon. Jon Haveman, an economist with Beacon Economics, was asked if the East Bay is near the bottom of the downturn.

"I would try hard to find a way to say yes, but the answer is no," Haveman said. "Everything keeps going down."

The East Bay last gained jobs in December 2007. It's been downhill since.

"We probably have another nine months to a year of slow growth," said Stephen Levy, director of the Palo Alto-based Center for Continuing Study of the California Economy. "Consumers will probably cut back. You have rising energy prices, falling home prices, and sluggish job trends."

Job losses in the East Bay were more pronounced those that battered California.

During the last year, payroll jobs declined by 1.9 percent in the East Bay and by 0.5 percent in California.

In July, the East Bay accounted for 18 percent of all the 14,900 jobs lost in the state.

Over the year, the region was the source of 26 percent of the 75,900 jobs eliminated in California, according to the EDD.

The job losses were wide spread. Over the most recent 12 months, of the 25 industries that make up the private sector in the East Bay, 13 lost jobs, six had no change in employment, and six gained jobs, an analysis by this newspaper of EDD data shows.

The biggest job losses came in industries linked to the fallen housing market, but economic woes have begun to spread to other sectors.

Advertisement

ContraCostaTimes

.com

(800) 598-4637

Subscribe today!

www.contracostatimes.com/subscriberservices



Print Powered By  FormatDynamics™

East Bay construction companies eliminated 6,500 jobs and the finance and insurance industry lost 3,900.

Retailers shed 3,400 positions and manufacturers lost 3,400 jobs.

Yet even some employers in weak industries are anxious to hire. San Francisco-based Wells Fargo intends to add 250 new jobs in the Bay Area during 2008, said Lisa Stevens, Bay Area Regional President for the bank.

"We have immediate sales and service positions open at many experience levels," Stevens said.

For those who have lost a job, the hunt to find new employment could be getting more difficult, according to a local staffing services expert.

"It's taking a little longer for people to find jobs," said Mary Lynn Bartholomew, regional director of Spherion.

The East Bay's woes stem from the dreadful residential sector, analysts said.

"The housing downturn hit the East Bay much harder and earlier than other parts of the Bay Area," Haveman said.

The ailments have intensified, here and statewide.

"If anything, the jobs recession that we have been talking about at Beacon is accelerating," Haveman said.

Still, the East Bay remains poised to rebound.

"I don't think lasting damage has been done to the East Bay," Levy said. "This is a cyclical downturn. The area remains fundamentally strong. The East Bay

will not be lagging permanently."

George Avalos covers jobs, economic development, commercial real estate, finance and oil companies. Reach him at 925-977-8477 or gavalos@bayareanewsgroup.com

Advertisement

ContraCostaTimes

.com

(800) 598-4637

Subscribe today!

www.contracostatimes.com/subscriberservices



Print Powered By  FormatDynamics™