



East Bay loses 6,800 jobs in June

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The East Bay plunged in June to its worst month of job losses in seven years, and California also suffered employment losses, prompting two economists to declare on Friday that both regions have lurched into a recession.

Employers jettisoned 6,800 jobs in the East Bay in June, state labor officials reported Friday. The East Bay has lost 18,500 jobs in 2008. More than 10,000 of those jobs vanished in the past two months. The numbers were adjusted for seasonal changes.

"The East Bay is being pummelled," said Christopher Thornberg, a partner with Beacon Economics. "The whole state is in recession and so is the East Bay."

The job losses in the East Bay were so severe that they accounted for more than half of all jobs lost in California last month. Statewide, 12,800 jobs were lost in June, the state's Employment Development Department reported. The state jobless rate rose to 6.9 percent, up from 5.3 percent a year ago, and 6.8 percent in May.

"California is in a recession," said Stephen Levy, an economist at the Center for the Continuing Study of the California Economy. "The duration of the job losses and the increase in the unemployment rate make it a recession."

Economists believe the housing and mortgage meltdown, coupled with increasing struggles in the

retail sector, have fueled the job losses in the East Bay and California.

During the 12 months that ended in June, the East Bay's weakest industries were construction, finance and insurance, retail, manufacturing, and food services and drinking places. The East Bay lost 6,000 construction jobs during the year.

Which were the most robust East Bay industries during the year? Architectural and engineering services, social assistance, educational services, hotels, motels and inns, and computer services.

"Employers have become more cautious and are taking a longer time to make decisions about hiring," said Colleen Craig, regional vice president with Ajilon Professional Staffing in Walnut Creek.

Even worse, the employment slump in California and the East Bay might not end soon, some analysts said.

"The job market continues to decelerate," said Howard Roth, chief economist with the state Finance Department. "There are no signs that it's going to get better soon."

"We are still on the way down," Thornberg said. "You are only starting to see the declines in payroll employment."

Other parts of the Bay Area also reported sluggish employment trends. Adjusted for seasonal changes, San Joaquin County lost 600 jobs and the San Mateo-San Francisco-Marin region had no change in job totals, the EDD reported.

"It's difficult to find work, very much so," said Shuandra Plute, a Pleasanton resident who has considerable experience in the mortgage industry.

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Plute loved the years she spent in the mortgage business. But she sees few prospects for landing a steady job amid the collapse of the housing and home finance sectors.

"The pay was fantastic, but there is nothing left here," Plute said. "I know more friends who are unemployed in the mortgage business than are employed. The industry is not hiring. It's pretty much find a job wherever I can now."

Some East Bay residents are finding work in the real estate industry, but partly because of the misfortunes that have devastated the housing market. Concord resident Kristina Markovic sought work for a month before she landed a job with a real estate appraiser in Walnut Creek.

"There are so many foreclosures that there is a lot of business for appraisers," said Markovic, who starts her new job next week.

High-tech still appears to have plenty of strength. Andrew Mardesich of Oakland lost his software job but is getting plenty of interest from employers as he seeks work in Web development.

"I'm very surprised at how hot the I.T. (information technology) market is, considering the overall economy," Mardesich said. "I don't have years and years of experience, but I get calls from recruiters regularly."

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