

## East Bay jobless rate soars to highest level since 1990

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Contra Costa Times

Posted: 06/19/2009 11:11:03 AM PDT

Updated: 06/19/2009 04:02:42 PM PDT

The jobless rates in the East Bay and California soared to their worst levels on record, climbing to double-digit rates during May, grim reminders that the recession continues to ravage the statewide economy.

"I've never seen a job market this bad," said Mary Robles, a Hayward resident who is seeking work as a benefits administrator. "It's very difficult to find work. I've been looking for 11 months, and I haven't gotten a legitimate nibble." Robles isn't picky and will take just about any full-time job.

California's unemployment rate jumped to 11.5 percent while the East Bay jobless rate rose to 10.4 percent in May, the state's Employment Development Department reported Friday.

"That is the highest unemployment rate for the East Bay since comparable records began in 1990," said Justin Wehner, an EDD labor market consultant. The California jobless rate was also the highest in modern record-keeping.

Adjusted for seasonal changes, the East Bay lost 3,400 jobs during May. So far in 2009, the East Bay has shed 17,600 jobs. The Alameda County-Contra Costa County region has lost jobs for 18 consecutive months.

California lost nearly 69,000 jobs in May.

"This is not a normal recession," said Dan Hamilton, director of economics with the Thousand Oaks-based Center for Economic Research. "It is a recession that is accompanied by a financial meltdown. Unfortunately, those kinds of recessions last much longer than usual."

The Bay Area lost 15,600 jobs during May, according to a combination of reports provided by the EDD and Beacon Economics, which tracks regional economies.

"The recession is not over," said Jon Haveman, a partner with Beacon Economics. "It's going to get worse, both in the East Bay and California." Haveman predicted the California jobless rate will surpass the 13 percent level.

Despite the East Bay's loss of 3,400 jobs in May, two other metro centers in the Bay Area were hit even harder during that month, the EDD and Beacon figures show. Adjusted for seasonal changes, here are the results from other local regions:

The San Mateo-San Francisco-Marín area lost 6,000 jobs.

Santa Clara County lost 4,000 jobs.

San Joaquin County lost 1,700 jobs.

Solano County lost 600 jobs.

Hamilton predicted that the stimulus programs that were fashioned by President Barack Obama's administration will fail to cure, or even soothe, the economic malaise that grips the nation.

"The best stimulus programs are those that lower the cost of doing business so that companies can hire more people and create jobs," Hamilton said. "We don't see the various government programs as

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helping."

Hamilton also predicted lousy results for the federal government's programs to bail out homeowners. Hamilton said homeowners who obtain a restructured mortgage will likely default about a year after the modification if their income can't support the loan payments anyway.

"I'm going through the temporary employment agencies, but they even say it's difficult," said Stephanie Vargas, a Concord resident who hopes to find an office, administrative or vehicle-dispatching job. "They have people with bachelor's degrees looking for entry-level positions."

Of 30 East Bay industries, 25 cut jobs during the 12 months that ended in May. Three sectors added jobs.

Among the worst: In the past 12 months, construction lost 9,900 jobs, retail lost 5,600 jobs, manufacturing shed 5,400 jobs, finance and insurance dropped 3,900 jobs, and employment services lost 3,400 jobs.

The strongest East Bay industry was health care, which added 800 jobs. Utilities and software also added jobs over the year.

"All through college, I was working, but this is the first time I've been out of work," said Jacob Howard, an Oakland resident and recent university graduate.

Even industries with hot reputations, such as solar, may have cooled. Sukhtej Shergill, a Hayward resident who lost his job several months ago with OptiSolar, gets minimal interest from employers. He wants a job as a maintenance technician.

"It's hard to find jobs in solar energy," Shergill said. "The economy is falling for everything."

The big problem for the economy: Consumers can no longer use big gains in stock prices or housing values as a sort of piggy bank for spending, Haveman said. Those bulwarks of consumerism have toppled.

"There is no ATM left for the consumer to tap," Haveman said.

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