

Job losses bigger than thought

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Posted: 03/05/2009 02:05:25 PM PST

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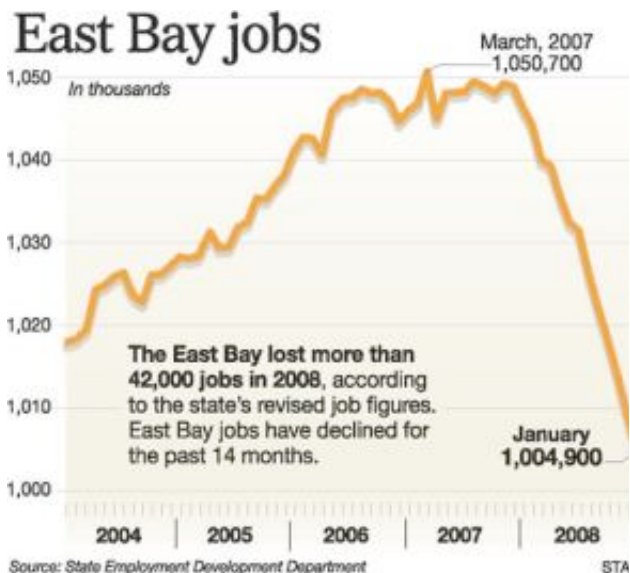
The East Bay job market plunged to deeper depths in 2008 than analysts initially thought, according to an ominous new report released Thursday that paints a picture of a feeble regional economy.

During 2008, the East Bay lost more than 42,000 jobs, the EDD said Thursday. But in January, the labor agency said the East Bay lost 32,000 jobs during 2008.

The Bay Area wound up losing 94,800 jobs during 2008. That was 36,600 jobs more than the initial estimates. And the deeper weakness was found in every section of the Bay Area.

"This thing is still getting worse and it is worse than most people thought it would ever get to," said Howard Roth, chief economist with the state's Department of Finance.

And employment in the East Bay has continued to erode in 2009. The East Bay shed 4,100 jobs, adjusted for seasonal changes, in January, the state's Employment Development Department reported.



But the worst part of the report appears to be in the annual revision by state officials of job trends throughout California. The latest EDD report shows an employment sector that is far more feeble than what government experts reported only a month ago.

The East Bay lost 10,400 more jobs than first thought.

The San Francisco-San Mateo-Marin area lost 10,000 more jobs.

Solano County fell by 2,200 additional jobs.

The South Bay lost 6,400 more jobs.

Sonoma County lost 7,100 additional jobs.

Napa County lost 500 more jobs.

During January, San Joaquin County lost 100 jobs

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and the San Mateo-San Francisco-Marín area lost 6,300 jobs, adjusted for seasonal changes.

"The numbers really hit you in the face," said Jeffrey Michael, director of the Stockton-based Business Forecasting Center at University of the Pacific.

Here's another measure of the nose-dive in the local economy: The East Bay has lost jobs for 14 straight months, on a seasonally adjusted basis. November 2007 was the last month when the East Bay added jobs. The employment declines during that dismal stretch of more than a year totaled 44,400.

"The weakest job markets in California are the East Bay and the Inland Empire," said Christopher Thornberg, an economist and partner with Beacon Economics.

In the East Bay, the biggest job losses over the 12 months that ended in January were in industries that reflected the nationwide and statewide downturn.

Construction lost 8,900 jobs during the year ending in January. Retail lost 8,700 jobs. Administrative and support services, manufacturing, and finance and insurance each lost slightly more than 4,000 jobs.

By far the strongest industry was health care, but the EDD data for the one-year stretch from January 2008 to January 2009 also showed some strength in tech services.

Health care gained 1,600 jobs during the one-year period. Computer-related services added 700 jobs.

Don't look for a recovery any time soon in the East Bay, analysts warned.

"The initial shocks in the East Bay and Inland Empire

were so hard that the secondary shocks also were severe," Thornberg said. "From that perspective, the economy in those areas will feel the pinch a little longer."

Michael also believes the current downturn will be steeper than previously forecast.

"The depth of the bottom is getting lower all the time," Michael said. "That means you have a longer way to climb back out of it."

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