



Survey shows Placer County job growth in a lull

Majority of businesses projecting sales increase

By Gloria Young Journal Staff Writer

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Projected job growth in Placer County is the slowest it has been in 14 years, according to an annual Placer County Business Climate Survey released in late January by a Roseville accounting firm.

The survey, commissioned by Gallina LLP, found only 30 percent of county employers planning to add jobs in the first half of 2008, according to a press release.

It is the weakest job outlook since the survey started in 1993, according to Paul McIntyre of McIntyre Marketing Communications, which handled the analysis for Gallina.

The survey goes to 45 of the top employers in the county and represents a spectrum of large and midsize businesses. This year, 17 of the 45 surveys were returned, or about 38 percent — a number also lower than usual, McIntyre said.

“Normally the response is closer to 50 or 60 percent,” McIntyre said.

For Gallina partner Bruce Stephenson, this year’s smaller response is telling.

“Over the years we have had very good participation,” he said. “Also, most every year in the 14-year period people have been very positive and upbeat, although some years have been better than others. Most people say, ‘Next year will be better than last year. We’re looking to grow.’ But this year was the worst of any we’ve done.”

Despite the smaller level of participation, it is an accurate reflection of what is going on in local business, according to McIntyre.

“We feel pretty confident we’re getting good information,” he said.

In addition to hiring projections, the seven-question survey covers sales, what’s hurting or helping business and what is the most appealing aspect of working in Placer County.

According to the survey, 55 percent of businesses reported sales increases for the past six months, down from 67 percent for the same period in 2006. Sixty-four percent of employers projected sales increases for the first half of 2008, compared to 78 percent that projected the same for last year, according to a press release.

McIntyre attributes the credit crunch and increased home foreclosures to the lower numbers.

Seventy-three percent of those responding to the survey said that the housing market was negatively impacting their business, as compared to 56 percent a year ago, he said in the press release.

The hardest hit areas are real estate and mortgage lenders.

"We certainly understand that job growth has slowed. It's mostly because of weak housing market," Placer County Supervisor Jim Holmes said by phone Friday.

The sector grew substantially during the past five years, with 11,200 people employed in that part of the market, he said. "But mortgage companies are downsizing and some are consolidating and some are, in fact, closing," he said.

However, some sectors are maintaining momentum.

"Construction is down. We're seeing some job losses in specialty trades "" civil engineering, building construction," he said. "But we're pleased that commercial construction has held up. ... We've got several projects under construction in North Auburn "" Auburn Plaza, Home Depot and Walgreen's; and Rock Creek Plaza is undergoing modernization. We'll have some job growth in those areas. Another bright spot is we're adding jobs in arts and entertainment and recreation, particularly in the Sierra Nevada resorts, so we have some growth there."

He also emphasized that Placer County isn't facing the brunt of hard times.

"We've always been fortunate in this area, even in the downturn, we always seem to survive, and it is never as gloomy as it looks in other areas of the country and state," Holmes said.

Rebekah E. Donaldson, CEO of Business Communications Group based in Davis, handles marketing for numerous tech companies in the region including in Placer County and has monitored the tech industry for the past eight years. The "green" sector is where Donaldson really expects growth.

"The statistics are showing that in terms of investment capital, the renewable technologies are taking off. That industry has hit a tipping point and there's tremendous demand," she said.

High-tech companies also have been less affected by the downturn. One company that has been adding personnel is SOS, a client of Donaldson. SOS sells Internet Protocol Communications services and products.

SOS brought on eight new hires in late summer-early fall. In fact, with a full-time staff of 40, the company outgrew its Rocklin headquarters and recently moved to a larger space in Loomis, Donaldson reported in a press release.

ioSafe, an Auburn start-up company that produces disaster-proof hardware for computer data storage, plans to add 18 employees this year, CEO Robb Moore told the Journal in early January.

Cindy Burris, who coordinates Business Advantage Network projects for the Placer County Office of Economic Development, said the number of job seekers has grown. The difference was apparent at a late January job fair the University of Phoenix hosted in Roseville.

"We had twice as many job seekers attend as the year before and we had 55 businesses "" about the same as last year," she said.

But although the choices may have narrowed somewhat, there are companies seeking workers.

"There are lots of senior care (positions)," Burris said. "A staffing agency is hiring for a company for soldering technicians, warehouse clerks and inside sales. "¡ These jobs may not be the perfect job for somebody who left a position, but there are jobs. If you can do security, you can get a job today."

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