



The Job Outlook Shows Some Improvement throughout the Year

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Want to know more about job growth in the months ahead? Gary Moss, who researches labor market trends, offers this perspective. – Rebecca Smith, Vice President, San Diego Workforce Partnership

The most recent job growth forecast released by USATODAY (April 7) reveals improving job growth through the rest of 2010, and that's good news. The nationwide forecast shows overall job growth at 0.4%, which compares to the -0.1% jobs projection of January 28. The forecast compares anticipated job growth from the end of 2009 to the end of 2010. The forecast is developed by USATODAY in conjunction with Moody's Economy.com and provides data for the 50 states, 384 metro areas, and the District of Columbia, with estimates for fourteen industry sectors.



Mark Cafferty, President and CEO San Diego Workforce Partnership. Photo by Kirby Yau

Photography.

National Job Growth Outlook:

The outlook for job growth in all fourteen sectors for the twelve-month period through the end of 2010 is 0.4% up from the -0.1% of the January 28 forecast. Texas is projected to have the best job growth during that time at 2.0% – lead by the Brownsville metro area forecast of a 3.5% job growth. Other states anticipated to experience job growth above one percent include Colorado – 1.3%; Idaho and New Mexico – 1.1%; and the Washington DC area – 1.4%. There are an additional 32 states that are projected to show positive job growth of up to one percent.

Nevada is the lone state forecast to continue experiencing sever job declines, with losses anticipated at -2.5%; while 13 other states are in the -0.1% to -1.0% job-loss range headed by Wisconsin and West Virginia each at -0.7%.

Metro areas throughout the nation forecast to have job growth above 5.0% include Reno – 5.9%; Cedar Rapids and Des Moines – 5.7%; Sioux City – 5.6%; Yuma – 5.5%; Iowa City – 5.4%; Palm Coast, Dubuque, and Gulfport – 5.3%; and Huntsville – 5.1%.

Evaluating job growth within the sectors, leisure and hospitality leads in projected job growth with a 1.8% growth rate and is forecast for steady job growth through the long term. Education and health services is next with a 1.6% job-growth rate for the short term and steadily increasing job growth through 2013. Professional and business services is forecast to have a job growth of 1.3% followed by the “other services” category at 1.0%, financial activities at 0.4%, wholesale trade at 0.3%, and retail trade at 0.1%.

Nationally, manufacturing employment is forecast to continue to decline by -0.8% (though this is an improvement from the -3.8% projected-decline of the January forecast) followed by a -0.5% contraction of employment in construction.

State Job Growth Outlook:

California’s outlook for job growth has turned positive, projected at 0.2% compared to the January forecast of -0.1%. Education and health services, and the leisure and hospitality sectors are forecast to lead in job growth, each with a 1.7% growth rate; followed by projected growth rate of 0.8% in retail trade, 0.4% growth each in “other services”, and wholesale trade; 0.3% job growth in each of transportation & warehousing, information, and financial activities.

Job losses will continue, though at a slower rate than the previous forecast, in natural resources at -4.5%, followed by the construction industry at -3.2%, government at -1.7%, and utilities at -0.5%.

Manufacturing is seen as stabilizing with no additional job losses through the end of the year.

For the metro areas in Southern California, Imperial County is projected to experience the highest job growth rate at 1.7% followed by San Diego at 0.7%, Santa Anna area at 0.3%; while the Riverside/San Bernardino area is expected to see jobs decline by -0.1% and Los Angeles by -0.4%.

Metro areas in the Central Valley are projected to experience positive job growth from Bakersfield — 1.3%, through Visalia — 2.5% (the highest job growth rate in the state), Hanford — 1.4%, Fresno — 0.3%, Merced — 1.8%, Stockton — 1.6%, to Sacramento at 1.0%.

Some coastal metro areas will experience job growth also led by a projected job-growth rate of 2.4% in San Luis Obispo, 1.1% growth in San Jose, and 0.3% in San Francisco. The exception to positive job growth among coastal areas is Santa Cruz, which is forecast to show a -0.7% decline, the highest rate in the state.

San Diego County Job Growth Outlook:

As previously indicated, the job growth outlook for the San Diego metro area (San Diego County) is positive at 0.7%, a slight increase from the prior forecast. Additionally, the forecast has new jobs being created during the current quarter though continuing with slow growth through the rest of the year.

The forecast shows the highest percentage job growth to occur in natural resources & mining at a whopping 47%; however, that's a mere 160 job-increase from 340 to 500, which is a return for the area to the historic level of jobs in that sector. Other categories to provide more substantial jobs based on job-growth rates include education and health services — 1.9%; leisure and hospitality — 0.9%; professional and business services — 1.4%; utilities — 1.3%; financial activities — 1.2%; and information — 1.0%.

Several other categories forecast to grow but at less than one percent include transportation and warehousing — 0.9%; retail trade, and wholesale trade — 0.7%; construction, (finally projected to show some positive job growth) — 0.5%; and “other services” — 0.4%.

Job declines are predicted for the manufacturing category at -0.4% and in the government category at -1.8%.

While the job-growth forecast for the area may be slight, it is positive nonetheless and has twelve of the fourteen local sectors exhibiting some job growth. Following the general theory, jobs are usually created last when coming out of a recession and there is no exception for the area based on the latest forecast. The longer term forecast bodes better for the region when greater job growth is anticipated for the second quarter of 2011 and beyond.

Notes: National, state, and metro data from the end 2009 are averages of monthly data from the Bureau of Labor Statistics' current Employment Statistics (CES) survey. The CES survey tracks the number of people employed full and part time by industry. It excludes proprietors, self-employed persons, unpaid family members or volunteer workers, farm workers, and domestic workers.

Government employment covers only civilian workers. Employees are counted where they work, not where they live.

Moody's Economy.com forecasts the data from the end of 2009 through the end of 2013. This analysis focused on the statistics provided for the twelvemonth period from the end of 2009 through the end of 2010. Demographic trends such as population growth, migration patterns, age composition of populations, cost of living and business costs, and the global orientation of regional economies are key factors in its forecast.

The forecasting model reflects the industry makeup of regions and the growth outlook for those industries. For example, the Industrial Midwest takes into account the problems in the auto industry, and the relative success of the technology industry is reflected in forecasts for California's Bay Area and Boston.

Moody's Economy.com model also takes into account policy decisions made by the Federal Reserve and the specifics of the fiscal stimulus package and the bank bailout legislation as details become available.

Read more on the [USATODAY-Economy.com forecast](#).

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