

Job cuts loom; some light on horizon

Employment

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By **KAREN A. DAVIS**

SENTINEL STAFF WRITER

SANTA CRUZ — Job cuts likely will overshadow work force additions in the Santa Cruz area during the third quarter of 2003, according to a quarterly employment outlook survey released this week by Manpower staffing services.

But the forecast should improve during the fourth quarter, thanks to holiday hiring and a possible upswing in the economy, said Jackie Mahoney, Manpower spokeswoman.

While most companies surveyed here expect to maintain staffing levels between July and September, a 10 percent decrease

in the number of jobs here is forecast for the coming quarter.

A poll of local employers showed that 17 percent intend to reduce their rolls as summer ends, while 7 percent plan to hire extra help.

Employers were more upbeat about hiring a year ago, according to Mahoney. Thirty-three percent thought job increases were likely then and only 7 percent intended to cut back.

Last quarter, 25 percent of employees surveyed said they would add workers; 7 percent anticipated reductions.

Still, Mahoney is optimistic that employment soon will be on the upswing. During two previous recessions in the 1980s, job increases in the temporary hiring sector

were the first indicator that an economic recovery was on the horizon, she said.

"When companies begin to see an increase in orders, they first hire temps until they can determine whether they are coming out of the downturn," she said. "We are seeing a lot more companies call for administrative temps and some production workers these days."

As summer ends, cuts are expected here in the wholesale and retail trade and education sectors, according to the survey. With a county economy driven by agriculture and tourism, seasonal hires are common and the county typically sees job increases between March or April and August, according to the state Employment Development

Department.

Retail jobs are expected to rebound during the October-to-December period, as general merchandisers hire for the holiday season. However, state budget cuts are expected to cause the loss of some teaching and school administrative positions.

A "mixed bag" of job losses and gains is forecast in the durable goods manufacturing sector, which includes computer and electronic product manufacturing, said Mahoney. Still, all indicators show that fourth-quarter numbers will rise when it comes to hiring, she said.

Contact Karen A. Davis at kdavis@santa-cruz.com.