

CALIFORNIA RECOVERY CONTINUES TO STAY SLUGGISH



Those living in the California area should not expect the economy to drastically improve at any point in the near future, according to a forecast that came from the Business Forecasting Center. At this current point in time, the recovery for the California area has been quite slow and it is not expected to pick up its speed within the next year. The recovery process is going to continue to stay sluggish for the state of California throughout the rest of 2012 and during 2013 as well. The director for the Business Forecasting Center, Jeff Michael, has said, "The gain from gradual improvements in housing is being offset by a slowdown in exports and reduced government support for the recovery." Job growth in the Stockton area has been reduced during 2012 from a total of 4 percent to an actual total of 3 percent. Several other areas, including Merced and Modesto, have had revisions that show a slight percentage of job growth that has taken place throughout 2012. It is expected that job growth will continue to pick up, especially since the Amazon distribution center will be opening its doors in the Patterson area. There will also be some construction projects taking place towards the end of 2013. Even in the Sacramento area, the economy is recovery but job growth is still expected to stay stagnant. The private sector has managed to see some gains within the healthcare sector but in the meantime, closures have offset those job gains, including the close of the Campbell Soup Plant. For the state of California, the number of payroll jobs has increased but they continue to do so at such a slow pace. Although the pace at which the jobs are growing is quite slow, the growth of these jobs has been steady. It is also believed that non-farm employment will reach pre-recession levels within the next three years, by the time 2015 is coming to an end. It is also believed that single-family housing will start to rebound by next year. There is also some good news for the construction sector, as thousands of construction jobs are expected to be added within the span of the next four years. This will help to put many people back at work, especially those working within the construction sector or looking to get into that sector. The health service sector has also continued to experience job growth, even while the Great Recession was taking place. Employment within that sector will continue to increase over the span of the next few years.