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Stanislaus County hits bottom of list

Think tank: Stanislaus' realty, jobs status worst

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The economy of the Northern San Joaquin Valley is in awful shape.

That comes as no surprise. The region has been among the worst in the nation in most economic categories for some time.

But just in case you don't believe those numbers or the experts who analyze them, or you've been living in cave, a Washington, D.C., think tank rolled out some new figures today confirming the region's plight.

Stanislaus County is dead last — 100th — in employment and real estate rankings, according to the Brookings Institution. The county's 17.2 percent jobless rate in June was the worst among the nation's 100 largest metropolitan areas.

The county also ranked 100th — again at the bottom of the list — with its 59.6 percent drop in home prices from the peak of the market nearly five years ago.

The job and housing numbers are closely related, Brookings economist Howard Wial said Tuesday, because the housing boom put many people to work.

"You're still experiencing the aftereffects of the housing bust," he said. "That ripples all the way through because housing was such a big part of the economy before the bust."

San Joaquin County ranked 99th for employment and housing prices. Merced and Tuolumne counties are too small to be in the report, but they have had a rough ride, too.

The report comes on the same day as a forecast by UCLA economists that the statewide recovery will continue to be slow.

Bill Bassitt, chief executive officer of the Stanislaus Economic Development & Workforce Alliance, said the county has been hit hard by layoffs, business closures and home-price declines.

"I think most of our businesses are fully cognizant of the fact that this area of the country is going to lag considerably behind the recovery the rest of the country experiences," he said.

The Brookings report, from the group's Metropolitan Policy Program, echoed other national studies finding that the Northern San Joaquin Valley has suffered mightily from recession, foreclosures and other woes.

"People lost a lot of wealth," said Kelvin Jasek-Rysdahl, an economics professor at California State University, Stanislaus. "Certainly, that affected their spending."

He said the north valley has long-term employment problems that are magnified by recessions. The solution lies in residents increasing their job skills, he said.

Still, the report showed a few bright spots. Stanislaus County had a 0.5 percent gain in gross metropolitan product — the value of all goods and services — in the second quarter of this year, compared with the first. This was just shy of the 0.6 percent national average.

The county's home prices have declined recently at a slower rate than the nation overall, Wial said.

"(The improvements) are very small and very fragile," he said. "It's hard to read much into one quarter."

Bassitt said the outlook remains uncertain, but surviving businesses are increasing their market share and taking advantage of reduced labor and rental costs.

Brookings found that the Omaha, Neb., area had the best employment picture, with a jobless rate of just 5.5 percent in June.

California's inland metro areas dominated the bottom of the employment list: Sacramento was 91st, Riverside 95th, Bakersfield 97th and Fresno 98th.

The quarterly UCLA Anderson Forecast said statewide unemployment won't fall to less than 10 percent until late 2012.

Despite the bleak outlook, UCLA senior economist Jerry Nickelsburg dismissed speculation that the economy is heading into a double-dip recession.

"California's growing, but it's growing slowly," he said. "It doesn't follow that slow growth means you turn in a different direction."

The Sacramento Bee contributed to this report.

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