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Survey finds more employers considering layoffs

Tom Abate, Chronicle Staff Writer

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A workforce survey conducted before and after the recent Wall Street meltdown suggests that more Bay Area employers are considering layoffs and fewer will boost hiring, but most are still sticking with their plans, including increasing pay in 2009.

"It's a decidedly more pessimistic outlook," said Shari Dunn, founder of **CompAnalysis**.

Her Oakland firm surveyed 154 Bay Area businesses about their workforce plans in July and resurveyed the group in October, getting 75 firms to reconsider their hiring plans.

Dunn said the before-and-after surveys, though insufficient in size or selection to be considered statistically valid, captured a good cross section of employers with payrolls between 100 and 1,000.

The two snapshots suggest more caution and less optimism after the upheaval on Wall Street, she said.

In July, for instance, only 6 percent of the employers said they were considering layoffs in the second half of 2008. But in October, when half of the original group answered the question again, nearly 1 in 4 said they were considering layoffs averaging 10 percent.

On the flip side, nearly 4 in 10 employers surveyed in July had planned to add jobs by year end. Just under 2 in 10 of those who responded in October planned to add workers, with an average increase of 8 percent.

Even before the Wall Street meltdown, employers were more likely to freeze or cut pay than they had been when surveyed the prior year. In July 2008, roughly 1 in 4 fell into the cut-or-freeze category versus 1 in 10 in 2007.

But three-quarters of the employers surveyed in July did plan 2009 pay increases ranging from 3 to 3.5 percent. When the group was resurveyed in October, employers seemed to stick with those plans to make increases averaging 3.3 percent.

The Wall Street mess seemed to undermine the confidence of employers about the prospects for their own businesses. Although a strong majority remained optimistic about their fortunes, pessimism grew. In July just 16 percent thought their prospects looked bleaker in 2009. By October that figure had risen to 31 percent.

E-mail Tom Abate at tabate@sfchronicle.com

| This article appeared on page C - 1 of the *San Francisco Chronicle* |