

LAEDC calls for 1.2 percent IE job growth in 2011

04:24 PM PST on Wednesday, February 23, 2011

By JACK KATZANEK
The Press-Enterprise

Inland Southern **California** will finally put the worst of the Great **Recession** in the rearview mirror this year, but one of the region's most quoted economic groups says the final destination is still a long drive away.

The **Los Angeles** County Economic Development Corp. is predicting better conditions, or at least no further deterioration, in most key economic areas in Riverside and **San Bernardino** counties this year. But the recovery's steps will be small, the agency wrote in its annual forecast.

The Inland area will have a robust and, probably, full economic recovery. But that is unlikely to happen this year or next, said Nancy D. Sidhu, the LAEDC's chief economist.

For 2011, Sidhu expects the Inland area's **unemployment** rate, estimated at 13.9 percent in December and at an average 14.5 percent over all 12 months of 2010, to decline to 13.4 percent. The two counties will continue to see job growth tied to the renewed activity at the ports, and small gains in health care, accommodations and a few other sectors.

"It's a conservative forecast," Sidhu said in an interview. "The Inland Empire has a way to go yet."

The Inland region's recovery will lag behind the rest of Southern **California's** because there will be few reasons to hire construction workers. The LAEDC expects to see more residential building permits issued in the two counties but not enough to justify new jobs.

There were more than 52,000 building permits for housing units issued in 2004, the peak year for home building. In 2010, it's estimated only 6,269 were issued.

However, the fact that it is expected to go up in 2010 -- and that it could rise to more than 11,000 in 2012 -- is a positive indicator for the Inland area. Sidhu said the region could eventually resume a lot of the strong growth population growth seen in the 10 years before the **recession**.

"A lot of the natural migration got stopped by the subprime mortgage crisis and then foreclosure crisis. That was followed by the collapse of the construction industry," Sidhu said. "Without those drivers, the IE stopped growing."

Actually there was still growth but it slowed to a comparative trickle. Southern Californians will still look for affordable homes in the future and they'll look to the east, much like they did from 1996 through 2006.

San Bernardino and Riverside counties added 131,000 residents in 2004 but only an estimated 54,000 last year, according to LAEDC's estimates.

But if the influx of people returns, it will mean not only new construction jobs but more positions in retail, service and government sectors, among others, to serve larger populations.

"If would be a resumption of what had been going on," Sidhu said.

Reach Jack Katzanek at 951-368-9553 or at jkatzanek@PE.com

Forecast: Better

Most economic indicators for the Inland are in 2011 are a little better.

Unemployment: declines to 14.1 percent*

Job growth: mostly unchanged

Personal income: up 5.5 percent

Taxable retail sales: up 4.5 percent

Residential building permits: up 10.1 percent

Commercial building permits: up 7.2 percent

* Based on average of 12 months

Source: [Los Angeles](#) County Economic Development Corp

-