

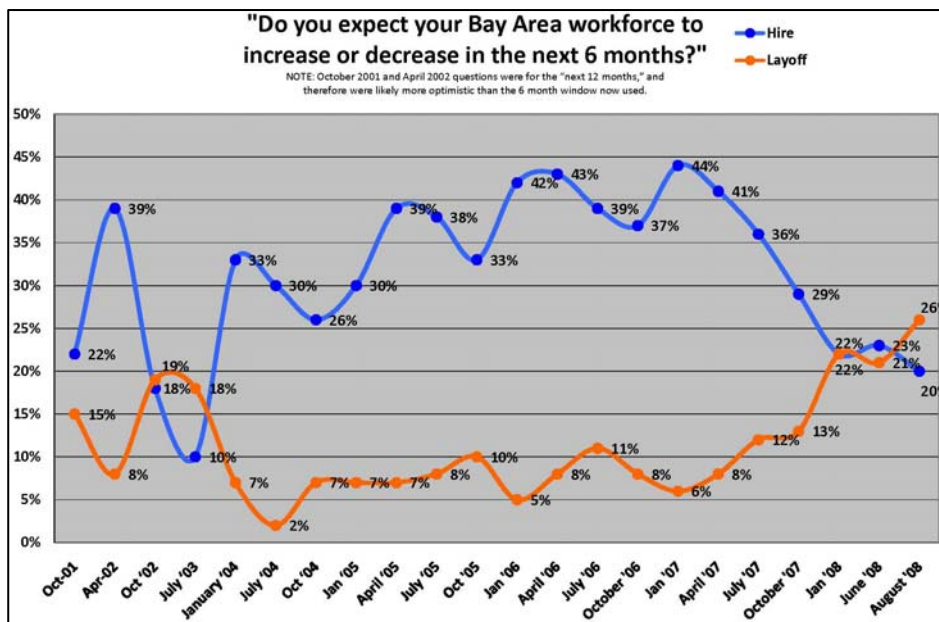
## Layoffs Coming – Economic Recovery 12 Months Away

Marking a significant turn in the economy, for the first time in five years, more CEO's are planning Bay Area layoffs than those planning workforce increases, according to our quarterly *Business Confidence Survey*. Indeed, 26 percent are planning layoffs in the next six months – the highest percentage ever recorded by the *Survey*, which began capturing data in 2001. Twenty percent of executives are planning to increase their workforce, while 51 percent plan to hold steady. Overall business confidence of the 505 surveyed executives was near the bottom recorded to date. The business confidence index – the number that distills the survey findings – registered at 39 out of 100, down two points from the last evaluation. A reading over 50 signals positive economic times and below 50 is negative.

Prospects for recovery appear far over the horizon. The averaged survey respondent's prediction for the beginning of California economic recovery is slightly more than 12 months. Layoffs are predominant throughout the Bay Area, with the exception of Silicon Valley. Silicon Valley, represented in the

survey by Santa Clara County respondents, is the only place in the Bay Area planning more hires than layoffs. Indeed, 35 percent of Santa Clara executives are planning to increase their workforce, 23 percent plan layoffs.

[Click here to read our press release](#) or contact [Melanie Paulos](#) for a copy of the survey findings. Read coverage by the [San Francisco Chronicle](#), [San Jose Mercury News](#) and [KCBS](#) here.



### Articles of the week

Water issues refuse to go away, with [Senator Feinstein chastising inaction](#) on her proposal with the Governor, and [Delta residents mobilizing](#) to defeat any new peripheral canal.

### Quote of the Week

“If the ballot deadline passes [this weekend] with no deal on reform, it will lead to a ‘total meltdown’ in negotiations.” – [Governor’s spokesperson](#) on the budget negotiations.

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