

California economy improves except for hiring

By Dale Kasler, Sacramento Bee

Still not convinced the economy is improving? Talk to Elk Grove factory owner Michael Megna, who's ramping up production to keep pace with higher sales.

Just don't ask him for a job.

Business is better this year at Megna's company, Backscratchers Salon Systems Inc., which makes nail-care and other beauty products. But Megna isn't ready to rehire any of the workers he laid off during the recession.

"I'm just adding back hours right now," Megna said. "I'm not planning on bringing back any people."

And that, in a nutshell, is the state of California's economy, three years after the recession began and 18 months after it officially ended.

The economy is advancing slowly. Business conditions are getting better. But some regions, including Sacramento, are still shedding jobs.

California's unemployment rate remains a recession-like 12.4 percent and has actually gotten worse since the recovery officially began in June 2009. Most experts say 2011 will be only marginally better than 2010.

But make no mistake: A recovery is under way, even if it doesn't always feel that way.

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