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San Diego Biotechs Seem Poised to Start Hiring, But Chemists Will Face a Tough Time

January 31, 2010

By Denise Gellene, Xconomy

Indications are that employment in San Diego's life sciences industry appears to be stabilizing, good news after a tumultuous year in which hundreds of experienced scientists and business professionals lost their jobs.

Recruiter Meredith Dow says layoffs appear to have slowed and some startups, for the first time in months, are beginning to talk about hiring. "There is increased optimism about getting funding during the first half of this year that will allow these startups to hire additional people," says Dow, a senior partner at the staff recruitment firm Proven Inc. in San Diego.

A recent report from BayBio, the industry group in the San Francisco area, found that the life sciences industry in California, including San Diego, came through the worst of the recession in relatively good shape. Life sciences employment was flat, according to the report, quite an accomplishment in a state that experienced massive job losses overall.

New jobless data for December is expected any day. In November, overall unemployment was at 12.3 percent in California and at 10.3 percent in San Diego County. The BayBio report didn't analyze employment by sector or break out the numbers for San Diego.

The tight job market meant startups with positions to fill had a remarkable number of qualified candidates to choose from. "The economic situation is difficult and it is terrible if you are out of work, but from the other side of it, we are seeing a very rich pool of candidates that might not be available otherwise," Rich Noffsinger, CEO of Anvita Health, a San Diego-based health care analytics company, told me last month.

Dow says it is clear some industry sectors in San Diego weathered last year's funding drought better than others. For example, she says, the past year was hard on early-stage drug research. Cash-starved biotechs slashed drug discovery operations in order to finance clinical trials of their most advanced drug candidates. Large numbers of veteran scientists were let go, resulting in one of the worst employment markets Dow has ever witnessed for medicinal chemists.

“In normal times, chemists never sat on the market for more than a week or two,” she tells me. “Now, some really great analytic chemists and organic chemists have been out for work for six or seven months. That is going to be the norm, unfortunately.”

Mary Canady, a marketing consultant with Compendia and founder of the San Diego Biotechnology Network, says the research scientists she networks with haven't seen signs of job recovery. “I see people who are really struggling,” she says. “I can't say things are getting better.”

The intense focus on drug development is benefiting other types of workers, however. People with experience in clinical development, regulatory affairs and quality assurance are in demand, says Dow, who in some cases has had to look outside San Diego to fill positions.

Hiring in the medical device sector “seems really strong right now,” Dow tells me. The regulatory path to market tends to be shorter for medical devices than for drugs.

Dow expects at best slight gains in life sciences employment in San Diego this year. Although the worst may be over, she says it will be a while before lost research jobs come back.