

THE BEACON EMPLOYMENT REPORT



SEASONAL SURPRISES: CONSTRUCTION INDUSTRY GAINS, RETAIL LOSES

CALIFORNIA UNEMPLOYMENT RATE UNCHANGED

- **Unemployment Rate Remains Unchanged:** California's unemployment rate remained constant at a seasonally adjusted 12.4% between October and November of 2010, despite a small decrease in the number of employed (-1,800). According to the EDD's Residential Survey, the number of unemployed Californians increased as many previously discouraged workers who had dropped out of the labor force - and were no longer being counted among the unemployed - returned, expanding the size of the labor force.
- **Construction Industry Surprises:** California's industry employment (measured by the Industry Survey) showed gains between October and November with Construction leading the pack. Construction, the sector that was hardest hit by the recession, posted a gain of 7,800 jobs. This is the second consecutive month of employment growth for the Construction sector, but only the fourth month of gains in 2010. Also adding positions were Information (5,200), Professional and Business Services (3,000), Government (3,000), and Education and Health Services (2,900). Many of these gains were offset by losses in sectors such as Retail and Leisure and Hospitality. Overall, California gained 3,500 jobs in farm employment and 1,600 jobs in nonfarm employment.
- **Despite the Season Retail Employment Loses As Employers Remain Cautious:** California's Retail industry suffered a significant employment opportunity loss despite the lead up to the holiday season. In non-seasonally adjusted terms, Retail added 26,000 jobs between October and November - a much smaller increase than the average rise at this time of year (looking out over the past 20 years). When seasonally adjusting the data the increase shrinks further, showing a clear loss of job opportunity. These results are surprising because taxable sales have increased considerably and most observers are predicting higher sales this holiday season. Moreover, both Wholesale Trade and Durable Goods Manufacturing added jobs, indicating an increased demand for goods. Retailers have likely increased their efficiency (doing more with less) as they continue to exercise caution in this questionable economy.

[Click here to go to *The Beacon Employment Report* web page with regional and industry breakdowns in all 50 states.](#)

Contact Beacon Economics' Experts for Comment:

<u>Christopher Thornberg</u>	310.739.3286
<u>Jon Haveman</u>	415.336.5705
<u>Brad Kemp</u>	310.592.3276

**VICTORIA PIKE BOND
DIRECTOR OF COMMUNICATIONS
415-457-6030 (OFFICE)
415-488-7195 (MOBILE)
WWW.BEACONECON.COM**
