



## Beacon Economics Employment Report

March 2011

*A partnership of the EVC and Beacon Economics*

### Are California's Recent Employment Numbers Really A Reflection Of Job Gains? Or A Data Fluke?

#### Unbelievable Good News?

February's job numbers for California present an interesting philosophical question: Which is worse, believable bad news or unbelievable good news? The latter may be applicable to the numbers released by the state today. According to the release, California added close to 100,000 jobs in February, an 8.6% annualized rate of growth. This would be stunning in a strong economy. In a weak economy, we have to conclude it represents a fluke in the data. Indeed, household employment grew by only 13,000 jobs - a much more believable 1% annualized pace of growth. It is possible that the survey has been undercounting jobs in the past few months. Employment in California was functionally flat for the previous three months even as employment grew nationally. This may be a case where jobs, missed by the survey in recent months, have been adding up and are just appearing now.

#### Industry Blow-By-Blow:

According to the EDD release, Professional and Business Services sector posted the largest employment increases, adding 39,700 jobs and accounting for 41.1% of the state's employment gain. Administrative & Support & Waste Service (which includes Temporary Employment Services) was up by 20,700 positions. Both the Information and, more interestingly, the Construction sectors, posted gains of 15,500 jobs over the month. Only two sectors reported contractions: Retail Trade and Government each lost 1,200 jobs.

#### Unemployment Falls:

In line with employment gains, California's unemployment rate dropped for the second month in a row after rising consistently since October 2006. While two months of evidence is not enough to call this reversal a trend, Beacon Economics is forecasting that the rate will fall, albeit slowly, for the rest of the year.

## Los Angeles Leads in Job Gains:

According to the EDD release, Los Angeles experienced by far the greatest month-over employment increase, adding 20,400 jobs. Most of the job gains in Los Angeles were in the Professional and Business Services sector (+17,300). Other regions of the state posted more moderate gains including San Francisco (+2,900), Oakland (+2,300), San Diego (+2,000), Orange County (+1,300), and Stockton (+1,300).

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

---

*Beacon Economics' interactive monthly employment report processes data from the Bureau of Labor Statistics and data generated and released by the California Employment Development Department (EDD) on the third Friday of every month. Beacon Economics reproduces EDDs data by major MSA in California on a seasonally adjusted basis to facilitate month-to-month comparisons.*

---

## Contact Beacon's Experts

**Christopher Thornberg, PhD**  
Founding Principal  
(310) 739-3286 OFC  
(415) 457-6004 FAX  
[Chris@BeaconEcon.com](mailto:Chris@BeaconEcon.com)  
[Read Bio](#)



**Jordan Levine**  
Director of Economic Research  
(310) 592-7462 OFC  
(415) 457-6004 FAX  
[Jordan@BeaconEcon.com](mailto:Jordan@BeaconEcon.com)  
[Read Bio](#)

**Brad Kemp**  
Director of Regional Research  
(310) 592-3276 OFC  
(415) 457-6004 FAX  
[Brad@BeaconEcon.com](mailto:Brad@BeaconEcon.com)  
[Read Bio](#)

Economic Vitality Corporation 735 Tank Farm Road, Suite 264, San Luis Obispo, CA 93401 | (805) 788-2012 | [www.sloevc.org](http://www.sloevc.org) | [info@sloevc.org](mailto:info@sloevc.org)

For questions or feedback, please email [info@sloevc.org](mailto:info@sloevc.org) or call (805) 788-2012