



Beacon Economics Employment Report

April 2011

A partnership of the EVC and Beacon Economics

California Job Numbers Back In Line With Trend Of Slow Recovery

Reversal of Fortune:

After seeing a sharp gain in jobs in February, California gave some jobs back last month. The total number of nonfarm payroll jobs fell by 11,600 in March following an 84,600 job gain in February. To some extent, Beacon Economics sees this as related to the inherent statistical variability in the data (last month's gains were too large to be credible). March's small drop brings California back in line with the long-term trend of slow recovery in the labor markets. The biggest reversals were seen in Administrative Services, Retail, Construction, and the ever-mysterious 'Other' sector.

Unwelcome Surprise: State Labor Force Contracts Again:

Following five consecutive months of industry employment gains, something that should be encouraging discouraged workers to re-enter the job market, California's labor force shrunk last month as 38,400 people dropped out of the job seeking process. This is likely due to the unbalanced nature of the employment recovery. The contraction in the labor force led to a dip in the state's unemployment rate (from 12.1% to 12.0%) but only because fewer people are being counted among the officially unemployed. The number of employed residents fell by 14,200. While most sectors are moving forward, those that are of particular importance to lower-skilled workers such as Construction and Retail, have not yet come close to adding back the massive losses experienced during the downturn.

San Diego and SF Bay Area Leading Job Recovery:

Some regions in the state have not broken step and continue to add jobs. San Diego, which added 4,700 positions over the month, and the San Francisco and San Jose MSAs, which added 3,600 and 1,400 jobs respectively, are leading the way. Los Angeles posted by far the largest job loss, losing 17,900 jobs. Still, despite the drop, Los Angeles County's overall trend remained relatively flat. The Oakland area lost 5,200

jobs (this is a region that has slowly shed jobs in recent months), and Orange County sputtered, losing 3,500 jobs.

Word From The Editor:

Each month's employment release from the California EDD is based on two surveys - one asking residents about their employment status, and the other asking employers how many people they have on staff. Each survey, as a representative sample, may capture an anomaly on any given month. Beacon Economics always looks at long-term trends over any single month's findings and overall we see employment in the state moving in a positive direction.

[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.

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