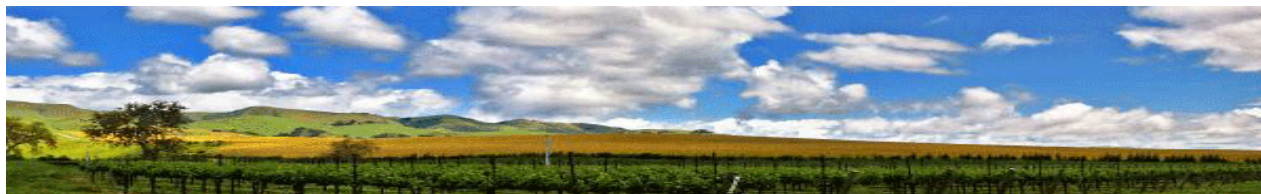




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## Beacon Economics Employment Report

November 2011

*A partnership of the EVC and Beacon Economics*

### California Makes Strong Showing In New Jobs Numbers; Unemployment Continues To Tick Downward

#### Golden State Labor Markets On The Mend:

From September to October, the California economy added 25,700 nonfarm jobs, and the unemployment rate dropped from 11.9% to 11.7%. Additionally, the California EDD revised its September number upward by 27,400, meaning that the state has gained more than 53,000 jobs since August. This is a strong showing, and is largely a continuation of trends that have been in place for the past year: California's labor market hit bottom in September 2010, and since then has added almost 304,000 new positions, for an annual average growth rate of 2%. Over the year, the unemployment rate has also dropped significantly from its high of 12.5%, another sign that the labor market is clearly on the mend.

#### Fact Vs. Fiction:

Over the past several months, a pattern of upward revisions by the state's Employment Development Department (EDD) to their top line jobs estimate indicates that California's economy is actually healthier than popular or pundit opinion would suggest. This trend of revisions occurs when an economy is coming out of a recession because the EDD must refine its estimation techniques to match the changing landscape. And considering that employment is a lagging indicator of overall health, it is clear that California is solidly in a new growth phase and, as Beacon Economics has been saying for more than a year, a "double dip" recession is not - and never was - in the cards. Beacon Economics' outlook continues to be that the California economy is getting better and will continue to do so.

#### White Collar Sectors Leading The Way:

In another sustained trend, the Professional and Business Services sector continues to lead the state in job growth. As business activity has increased, the Administrative Support industry has grown by 14,400 and

the Professional, Scientific, and Technical sector has added 4,000 jobs. These industries have consistently lead the recovery, and since the trough have combined to add more than 97,000 jobs - almost one-third of the state's total growth.

### Urban Areas Lead, But Rural Jobs Also See Jump:

Over the past month, the largest gains on a percentage basis were seen in the less-densely populated areas of the state. This was primarily due to a big jump in agricultural employment. However, during this still-new recovery, California's major metropolitan areas have been the most prolific job creators, both in terms of rates and sheer numbers. This, again speaks to the snap-back in business activity that the state has experienced. The Southern California region added the largest number of new jobs in October with 14,600, while the San Francisco Bay Area remained flat. Of course, since the state's labor market bottomed out last year, both the Bay Area and Southern California have improved markedly.

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

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*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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## 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) 562-7462 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

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Economic Vitality Corporation | 735 Tank Farm Road, Suite 264 | San Luis Obispo | CA | 93401