



Beacon Economics Employment Report

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A partnership of the EVC and Beacon Economics

California Job Numbers Continue to Show Promise; Private Sector Employment On The Rise Despite Public Sector Losses

Not Quite Golden, But Improving:

September job numbers show a California economy on the mend. The employment situation improved as the state added a total of 11,800 jobs over August, despite a loss of 7000 jobs in the public sector. This means California added nearly 19,000 private sector jobs while the unemployment rate dropped from 12.1% to 11.9%. And this is on top of the 21,100 total jobs that were gained in August (revised up by the EDD from a previous estimate of a loss of 8,400), leading to a two-month increase of 32,900 jobs, with 23,600 new private sector jobs (equivalent to an 1.2% annual growth rate). The good news is largely a continuation of major trends Beacon Economics has noted since the start of the year, with total nonfarm employment up by 139,800, and the unemployment rate down from 12.4% in January.

The Return Of The Job Seeker:

The decline in the state's unemployment rate is being driven by employment growth, and occurred despite an increase in the number of job seekers. A total of 61,900 people entered California's labor force since August, indicating a renewed confidence in the state's job market. Additionally, the number of unemployed individuals fell by 23,400, leading to a genuine drop in this key measure of the labor market.

Gains in Some Sectors, Losses In Others:

The Professional and Business Services sector showed the largest gain in September, posting an additional 13,800 jobs over the month. The business climate in the state has shown signs of improvement, prompting increased business investment and hiring. Retail trade also grew substantially, adding 5,900 positions. Consumers have come back fiercely since the depths of the recession, and as incomes have grown they have shown a renewed willingness to spend. Retail owners, in turn, have responded by adding workers. Local

government payrolls continued to be a drag on the top-line jobs number, as municipalities shed 8,400 workers. This was expected, however, considering substantial pressure on government budgets.

Los Angeles Making Strides... Finally:

In a reversal of recent trends, the overwhelming majority of new jobs in the state occurred in Los Angeles and Orange Counties - a combined gain of 26,900 positions. Much of Southern California has seen little-to-no growth over the past few months. A surge in pent-up demand has led employers to grow their payrolls substantially. On the other hand, the unemployment rate in the Los Angeles MSA declined by only 0.1 points, settling at 12.4% in Los Angeles County and 8.6% in Orange County, but it is important to note that this was affected by a large number of new job seekers coming into the market, and that there was a decline of 1,800 in the number of unemployed individuals. San Francisco County and the San Jose MSA, which have been leading the state's job charge, showed essentially no change, (gains of 300 and 200 jobs, respectively) in spite of recent growth trends.

[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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