

## Update: Los Angeles Jobless Rate Falls Slightly

By HOWARD FINE - 5/22/2009

Los Angeles Business Journal Staff

In a sign that the L.A. economy may be nearing bottom, the county's unemployment rate fell slightly in April to 11 percent from 11.3 percent in March, according to state figures released Friday.

However, the pace of job losses continued to accelerate as the county shed nearly 17,000 jobs between March and April. The county has now lost 168,000 payroll jobs over the past 12 months, with the losses heaviest in manufacturing, construction and retail.

The unemployment rate can lower even as job losses accelerate, since the rate is derived from a survey of Los Angeles County households and includes informal workers and residents who may work outside the county.

Nonetheless, local economists took the lower unemployment rate as a sign that the free-fall in the local job market may be easing.

"It has been very scary out there in the labor markets over the last seven or eight months," said Christopher Thornberg, principal at Beacon Economics, a local economic consulting firm. "But now, things are starting to settle out. We're seeing some signs of a stabilization."

The state Employment Development Department reported that 37,000 more L.A. County residents reported they had jobs in April, while 24,000 fewer residents were on unemployment rolls. Some residents may be finding jobs in the informal workforce, either starting their own businesses or working in the underground economy, said economist Jack Kyser, of the Los Angeles County Economic Development Corp.

These factors helped drive the unemployment rate down to 11 percent, matching the statewide figure, though far above the national unemployment rate of 8.6 percent.

The unemployment rate also is much higher than last year's 6.7 percent figure and is higher than any previous economic downturn since World War II. Jobless rates in cities such as Commerce, Lynwood, Paramount and Huntington Park remain well above 15 percent.

The city of Los Angeles saw its unemployment rate drop to 11.9 percent in April from 12.5 percent in March. Long Beach was right behind at 11.8 percent.

Manufacturing was the hardest hit sector, losing 37,900 jobs over the last 12 months. The construction industry shed 22,200 jobs, while retail trade lost 20,700 jobs.

But there was a glimmer of hope in the construction industry, which led the region into this recession. Between March and April, the construction sector eked out a gain of 300 jobs, the first time in nearly a year that the industry has shown month-to-month improvement. Whether that's a normal seasonal variation or marks the start of a recovery remains to be seen.

Private education and health care continued to be among the strongest performing sectors, gaining 6,800 jobs and 4,000 jobs respectively over the past year. "These are really the only consistently bright spots in our local economy," Kyser said.