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State unemployment rises to 11.9 percent

Tom Abate, Chronicle Staff Writer

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Nearly 2.2 million Californians were jobless in July as the statewide unemployment rate rose to a record 11.9 percent, far outpacing last month's national average of 9.4 percent.

A report issued Friday by the state Employment Development Department shows that California continues to suffer disproportionately from a recession caused largely by the housing bust.

"The downturn in California is deeper and more sustained than in the nation," said Jon Haveman with forecasting firm Beacon Economics in San Rafael. "We're getting closer to the bottom but I don't think we're there yet."

One mild positive in the statewide numbers was a slowdown in the rate of job losses.

Employers cut 35,800 jobs statewide in July, fewer than the average of 63,000 positions they eliminated in each of the four prior months.

"At least the layoffs have slowed somewhat," said San Francisco attorney Michael Bernick, a former director of the employment department.

Highest since 1976

The state rate, up from 11.6 percent in June, is the highest since modern records began in 1976.

California had the nation's fourth-highest jobless rate in July.

Michigan had the highest rate at 15 percent, followed by Rhode Island at 12.7 percent and Nevada at 12.5 percent. Oregon tied California at 11.9 percent.

Unemployment rates in the Bay Area were generally lower than the statewide averages, as the region's high-tech economy showed a greater measure of resilience to the downturn.

In the San Francisco metropolitan area, which includes Marin and San Mateo counties, the July unemployment rate was 9.3 percent.

"The Bay Area continues to look like it will lead the state out of the recession," said Stephen Levy of the Center for the Continuing Study of the California Economy in Palo Alto.

The steepest job losses statewide have been in the construction industry, which has lost 144,500 jobs, or 18.6 percent of its total workforce, in the past 12 months.

Frustrating search

Andrew Mixer, 60, lost his job as a construction project manager in January and has faced a frustrating search ever since.

"There were 421 applicants for one job I went after," said Mixer, who is taking a course in project management to upgrade his skills. He said seven of the 10 people in that class are laid-off professionals.

"These are people with families, they're not just numbers," said Mixer, whose wife works as a cook to help support their two daughters.

Jobless trends reflect differences in race and ethnicity.

State figures show that 14.2 percent of blacks were unemployed in July. For Hispanics the rate was 12.7 percent, while 9.5 percent of whites were jobless.

Since 1990, the state has tracked the duration of unemployment. Long-term unemployment is anything over 27 weeks. A record 504,000 people fell into that category in July.

In an otherwise bleak report, Haveman said, the state's professional and business services industry posted a slim job gain in July. That sector includes temporary agencies that generally show the first evidence of an employment turnaround, he said.

Holiday help

Quentin Marais, regional director for the Spherion staffing agency in Northern California, said his offices are getting more calls from retailers, light manufacturers and customer service centers seeking temporary help for the holiday season.

"It's very encouraging," Marais said. "We've started taking orders for next month and the month after that."

Levy said the recent Wall Street rally has helped buoy confidence in the venture capital sector, which could lead to a gradual expansion of job-creating startups. "It's looking better for the Bay

Area six months to a year from now, but just not today," he said.

On the front lines of the job hunt, Mixer said he senses that the long slide has ended and that construction is bottoming out.

"It's a dire situation, but I perceive that things are improving," he said.

July unemployment

County	Rate
Alameda	11.5%
Contra Costa	11.0
Marin	8.2
Napa	8.8
San Francisco	9.9
San Mateo	9.0
Santa Clara	11.7
Solano	11.5
Sonoma	10.3
California	11.9
United States	9.4

Source: Employment Development Department. State and federal figures are seasonally adjusted, county figures are not

E-mail Tom Abate at tabate@sfgate.com.

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