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State jobless rate fell 0.2% in April

But other data point to long road to recovery

By [Dean Calbreath](#), Union-Tribune Staff Writer

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For the first time in nearly three years, the jobless rate in California decreased slightly last month, according to data released yesterday by the state Employment Development Department.

But the unemployment rate, which slipped from 11.2 percent in March to 11.0 percent in April, is still at its highest levels since the Great Depression. And economists say that other data in yesterday's report – including a loss of 63,700 payroll jobs – show little sign that the outlook is improving.

“While it is encouraging to see California's unemployment rate level off this month, we're still experiencing job loss and have a long way to go on the road to economic recovery,” said Gov. Arnold Schwarzenegger.

Stephen Levy, director of the Center for the Continuing Study of the California Economy in Palo Alto, said that while there are “glimmers of hope” for an economic recovery later this year, the drop in April's unemployment rate is a “false signal” that the recovery is already under way.

On the other hand, Christopher Thornberg of Beacon Economics in Los Angeles said the downward “blip” in unemployment could suggest that the job market is “moving into the realm of stabilization,” since the rate is no longer galloping upward.

Only four other states have higher unemployment rates: Michigan, suffering from the collapse of the auto industry, at 12.9 percent; Oregon, 12 percent; South Carolina, 11.5 percent; and Rhode Island, 11.1 percent. Three other states – Nevada, North Carolina and Ohio – are above 10 percent.

Nationally, the jobless rate rose from 8.5 percent in March to 8.9 percent in April. Many analysts forecast it will hit 10 percent by summer.

The California jobless rate, which is based on a telephone survey of 5,500 households throughout the state, contrasts with the larger and more reliable monthly survey of 42,000 California businesses,

which the Employment Development Department uses to calculate employment growth.

The business survey showed that California payrolls shed 63,700 jobs between March and April and 706,700 jobs between April 2008 and April 2009. The April job loss compares with a revised loss of 61,700 jobs in March, meaning that the job market is still weakening.

The worst losses came in retail, transportation and utilities, which lost 18,900 jobs last month; manufacturing, 14,100; and construction, 9,800. Construction has suffered the worst job losses since the real-estate-driven recession began. Much of the downturn in retail is tied to the downfall in housing as well, with some of the biggest losses occurring in home-improvement and furniture stores.

San Diego County also showed a decline in the unemployment rate, dropping from a revised 9.5 percent in March to 9.1 percent in April. At the same time, however, county payrolls fell by 800 jobs, for a total loss of 45,300 over the past year. The April losses would have been deeper except for spring break hiring at tourist spots, hotels and restaurants.

Throughout the county, retailers shed 1,300 jobs; construction, 600; and manufacturing, 300. Those job losses were alleviated by 800 new hospitality jobs – mostly in hotels, bars and restaurants – and 700 government jobs, which may be partly related to seasonal fluctuations in education.

Kelly Cunningham, economist at the National University System's Institute for Policy Research, estimated that if the seasonal fluctuations were taken out, the county's unemployment rate would be 9.6 percent. Beacon Economics pegged it at 9.7 percent. Cunningham expects it to hit 10 percent by July.

“Hopefully, July will be the peak,” Cunningham he said. “Right now, people are trying to find something positive, something that would indicate that we're actually coming to a bottom. But job losses are still mounting and unemployment is on an upward trend.”

Despite the local job losses, there are still a number of companies in hiring mode throughout San Diego County.

A study last month by Yahoo! HotJobs, which tracks online help-wanted advertising, counted 1,200 county-based want ads last month, mostly in health care, technology, sales, engineering and customer service.

The companies with the most listings were Bloomingdales, Kaiser Permanente, LabCorp, Macy's and Palomar Pomerado Health.


“April's numbers mean the job market remains very competitive, so job seekers should expect a challenging process that requires discipline,” said Tom Musbach, senior managing editor at HotJobs. “Finding work today means doing a lot of work – including research, networking, dealing with rejection and keeping a positive attitude.”

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