



January Jobs Report

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California's Employment Development Department has published revised job estimates for prior years while releasing January 2014 estimates for the first time. The revisions show that job growth was ***much stronger*** than previously estimated.

Last month EDD estimated that the state added 245,700 jobs between December 2012 and December 2013, for an increase of 1.6 percent, which matched the national average. ***The revisions show that the actual increase was 391,700 jobs — a gain of 2.6 percent, compared with the revised national increase of 1.7 percent.*** Some of the largest upward revisions were in construction (+24,300 jobs), professional and business services (+46,000), government (+24,900), and information services (+21,100).

The Bay Area growth was much stronger than the already strong growth that had been reported. The region added almost 117,000 jobs led by gains in the San Jose and San Francisco tech centers. The prior estimate was a gain of nearly 70,000 jobs.

The other upward revision story was that growth spread to areas previously left behind. For these comparisons I use the revised January 2013 and January 2014 estimates. Some key metro area results are:

Los Angeles +91,100 jobs, or 2.3 percent growth
Orange County +38,700, or 2.7 percent
Riverside-San Bernardino +37,400, or 3.1 percent

So the Southern California economy stormed back in 2013, and the hard-hit Inland Empire posted the largest regional job growth. In the San Joaquin Valley there was a resurgence of growth led by the large metro areas:

Fresno +12,200 jobs, or 4.1 percent growth
Bakersfield +6,400, or 2.6 percent
Modesto +4,700, or 3.1 percent
Stockton +6,600, or 3.4 percent

And the Bay Area remains the job growth leader, with upward revisions to growth in the San

Jose and San Francisco metro areas and the reemergence of growth in the East Bay. Key metro area results:

San Jose +41,100 jobs, or 4.4 percent growth

San Francisco +37,100, or 3.6 percent

Oakland (East Bay) +20,700, or 2.0 percent

These upward revisions explain why unemployment rates are falling throughout the state, although outside of the Bay Area they remain above the national average in most counties. Disregard the jump in county unemployment rates in January as they are not seasonally adjusted and always rise in January following holiday layoffs. The state seasonally adjusted rate continued to decline in January to 8.1 percent.

The outlook is for continued above-average job growth as the leading sectors — tech, tourism/entertainment and trade — continue to grow, and there is now spillover to growth in construction and government (the leading causes of the deep California recession) as well as gains in retail trade, health care, and other services.

The strong growth in 2013 should put to rest continued debate about whether job growth and competitiveness in California is below average and also confirm the positive effect of recent budget policies, including the temporary tax increase adopted in November 2012 after which the state added more than 400,000 jobs.