



November Jobs Report

By Stephen Levy

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First, I wish everyone a happy holiday season and peace and good health for the new year.

November was another month when the jobs report and the unemployment report went in different directions. As a result it is better to look at the full-year trends, which are more in line. I would not read too much into the November report except that the unemployment rate continues to decline modestly while the labor force is now growing.

The headline number is the drop in unemployment to 9.8% (the first month under 10% and the lowest rate since January 2009). The number of unemployed Californians also dropped, to 1.8 million (also the lowest since January 2009).

Over the past year the payroll data showed an increase of 268,800 jobs (+1.9%) while the household survey showed an increase of 223,600 employed residents (+1.4%).

The month-to-month industry job estimates have been volatile, and I do not read much into month-to-month changes and expect major revisions when the data is revised next March. I expect the revisions to show more job growth than is currently reported across the state.

Future growth will be determined by forces in the national and world economy. I expect California will outpace the national average in job growth based on (1) the continuing surge in tech employment and new leases and building by tech companies in the Bay Area, (2) an expected surge in residential building as the housing market heals, foreclosures decline, and supply remains very tight, and(3) strength in tourism, agriculture, and exports.

The Bay Area remains the state's job growth leader with 94,800 additional jobs during the past 12 months for a strong gain of 3.0%. Since December 2009 the Bay Area has added 165,300 jobs, with most of the gains from the San Francisco and San Jose metro areas, *BUT* in the last year the East Bay joined the recovery with 20,200 new jobs.

Southern California has joined the recovery, too, with 102,900 new jobs (+1.5%) led by gains in Los Angeles County (+69,900 jobs) and the Inland Empire and Orange County adding jobs as well.

San Diego County has been another growth leader with 24,500 new obs (+1.9%) over the past year. The Central Valley jobs picture is slowly recovering with a gain of 16,800 jobs (+1.6%) over the past year. The capitol region is lagging still with a small gain of 5,300 jobs (+0.6%) for the Sacramento region.