

California unemployment rate falls, but is the state's economy slowing?

California's unemployment rate fell to a near-record low of 4.8 percent last month, but experts cautioned that the Golden State's economy might be slowing down.

April's jobless rate was the lowest in 16 years and only a tenth of a percentage point higher than the all-time low from records dating to 1976, according to statistics released Friday by the state Employment Development Department.

Officials said the all-time low statewide jobless rate was 4.7 percent in November-December 2000. In March the state's unemployment rate was 4.9 percent, and in April 2016 it was 5.5 percent.

EDD said the state has gained nearly 2.5 million jobs since economic expansion began in February 2010.

EDD noted that non-farm payroll employment statewide totaled 16,681,200 in April, which actually represented a net loss of 16,300 jobs from March. The state said that was due to a revised gain of 22,800 jobs in March.

Michael Bernick, a labor lawyer in San Francisco and a former EDD director, characterized Friday's data as a continuation of a remarkable run.

"Since early 2010, we've had 85 months of employment expansion. This is one of the longest employment expansions in the post-World War II period. ... Only the employment expansions in the early 1990s (92 months), early 1980s (91 months), and much of the 1960s (113 months) were longer than our current expansion."

However, Bernick zeroed in on the jobs lost between March and April as a possible sign of a slowing economy.

"Whether it is a monthly blip in continued growth or indicates an employment shift remains to be determined.

We'll have a better idea over the next two months."

Sung Won Sohn, a professor of economics at California State University, Channel Islands, also noted the prolonged period of job growth but warned that it was not wise to "put so much attention on the jobless rate alone."

The nationally known economist explained that job growth in and around Silicon Valley has been slowing of late, and that region has helped boost statewide numbers for more than a year.

"Job expansion is happening at a slower rate there," he said. "I guess what I'm saying is it's important to look at the overall picture rather than focus on a specific (jobless) number."

Four of California's 11 industry sectors added a total of 21,600 jobs in April. Leisure and hospitality posted the largest jobs increase with a gain of 7,400, followed by construction with an increase of 7,200 jobs. Other sectors adding jobs over the month were mining and logging, and educational and health services.

Three job sectors combined for a loss of 21,800 jobs year over year, led by a decline of 11,400 jobs in manufacturing.

Sacramento County's preliminary, nonseasonally-adjusted unemployment rate was 4.6 percent in April, with 31,400 unemployed, according to EDD.

Other counties had astonishingly low jobless rates. For example, EDD said San Francisco County's unemployment rate in April was only 2.7 percent, with 543,900 holding jobs in a reported workforce of 559,100.

Region	April 2016	March 2017	April 2017	Percentage Point Change	
				1 month	12 months
San José MSA	3.8%	3.5%	3.2%	- 0.3	- 0.6
San Francisco MD	3.1%	2.9%	2.6%	- 0.3	- 0.5
California	5.4%	5.1%	4.5%	- 0.6	- 0.9
United States	4.7%	4.6%	4.1%	- 0.5	- 0.6

Sector—April 2017	San Jose MSA	San Francisco MD	Combined Region	Percentage Change (Combined Region)	
				1 month	12 months
Total Nonfarm	1,078,900	1,110,700	2,189,600	+ 0.2	+ 1.8
Construction	47,200	40,700	87,900	- 1.5	+ 3.5
Manufacturing	164,100	37,600	201,700	+ 0.3	+ 0.5
Retail Trade	84,900	80,800	165,700	+ 0.4	+ 0.0
Information	76,200	70,400	146,600	+ 0.7	+ 3.9
Professional & Business Services	226,300	270,800	497,100	- 0.4	+ 0.7
Educational Services	44,900	29,500	74,400	- 0.9	- 0.8
Health Care & Social Services	120,900	108,100	229,000	+ 0.9	+ 3.4
Hospitality & Leisure	102,800	145,100	247,900	+ 2.4	+ 4.2
Government	96,700	130,500	227,200	- 0.1	+ 1.7

NOTE: San José MSA (San José-Sunnyvale-Santa Clara Metropolitan Statistical Area) = Santa Clara and San Benito Counties
San Francisco MD (San Francisco-Redwood City-South San Francisco Metropolitan Division) = San Mateo and San Francisco Counties

Source: California Employment Development Department, LMID

9-County San Francisco Bay Area	Labor Force			Employed			Unemployment		
	April 2016	April 2017	Change	April 2016	April 2017	Change	April 2016	April 2017	Change
California	19,030,000	19,084,500	+ 0.3%	18,010,900	18,222,000	+ 1.2%	5.4%	4.5%	- 0.9
Alameda County	832,400	834,400	+ 0.2%	797,700	805,600	+ 1.0%	4.2%	3.5%	- 0.7
Contra Costa County	553,000	553,700	+ 0.1%	528,700	533,700	+ 0.9%	4.4%	3.6%	- 0.8
Marin County	139,900	139,700	- 0.1%	135,400	135,900	+ 0.4%	3.2%	2.7%	- 0.5
Napa County	73,600	73,800	+ 0.3%	70,600	71,300	+ 1.0%	4.1%	3.4%	- 0.7
San Francisco County	554,600	559,100	+ 0.8%	536,900	543,900	+ 1.3%	3.2%	2.7%	- 0.5
San Mateo County	444,400	447,900	+ 0.8%	431,400	436,800	+ 1.3%	2.9%	2.5%	- 0.4
Santa Clara County	1,017,800	1,016,800	- 0.1%	979,800	985,400	+ 0.6%	3.7%	3.1%	- 0.6
Solano County	206,800	205,900	- 0.4%	195,600	196,300	+ 0.4%	5.4%	4.7%	- 0.7
Sonoma County	259,300	256,500	- 1.1%	249,300	248,300	- 0.4%	3.9%	3.2%	- 0.7
SF Bay Area (sum)	4,081,800	4,087,800	+ 0.1%	3,925,400	3,957,200	+ 0.8%	3.8%	3.2%	- 0.6

NOTE: Totals may not add correctly due to rounding

Source: California Employment Development Department, LMID

April 2017 Events	Company	Location	# Affected	WARN SUMMARY	
				Events YTD †	Individuals Affected YTD :
	Fitbit, Inc.	San Mateo	2	89	
	Google	Mountain View	104	5,861	
	Hitachi Data Systems	Cupertino	118		
	L-3 Communications	San Carlos	69	5,940	
	Mosys	Santa Clara	35		
	OncoMed	Redwood City	62		
	Shutterfly, Inc.	Multiple cities	121		
	Storm8	Redwood City	131		
	SunEdison, Inc.	Redwood City	1		
	Texas Instruments, Inc.	Santa Clara	68		
	Total		711		

WARN SUMMARY

Events YTD †: 89
Individuals Affected YTD : 5,861
Individuals Previous YTD ‡: 5,940

* **WARN: Worker Adjustment and Retraining Notification** (notice of mass layoff or closure)

† **YTD: Year to Date** (Program year: July 1–June 30)

‡ **Previous YTD:** No data available for San Mateo County, FY2014/15

NOTE: Layoff data are preliminary and should be considered an estimate of monthly regional activity

Source: NOVA's internal Rapid Response database