

California's jobless rate dips slightly in May

By Gregory J. Wilcox Staff Writer

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California's jobless rate dipped from April to May as employers added jobs for the fifth consecutive month, the state said Friday.

The state unemployment rate was 12.4 percent last month, compared with 12.5 percent in April and 11.3 percent a year earlier, said the California Employment Development Department.

But in Los Angeles County, the jobless rate inched up from 12.2 percent in April to 12.3 percent in May. A year earlier, unemployment stood at 11.4 percent.

Although the state and county rates have been stuck above 12 percent since August, economists see some encouraging signs of an economic recovery.

California hemorrhaged nearly a half-million jobs during the first five months of 2009, a trend that continued through year's end, the EDD said.

During the first five months of this year, however, a net 95,900 jobs were added to California payrolls.

"We're talking about a polarity change," said Brad

Kemp, director of regional economics at Beacon Economics. "It is a relatively flat (job) market, but it's a huge positive in terms of a shift from months of job losses."

The EDD said that California had a net gain of 28,300 jobs from April to May while the county gained 6,500. Temporary census workers accounted for most of the job growth.

"We've got it down to a nice idle and it's running very smoothly," Kemp said of the local economy. "It's on the road to recovery but it's a very long road."

However, Stephen Levy, director and senior economist at the Center for Continuing Study of the California Economy, called the report "another month of disappointingly small progress toward recovery."

And at this point in the economic cycle, monthly unemployment numbers are creating more fog than clarity.

"What's keeping the unemployment rate high is both the low level of job growth and the fact that more people are coming back into the work force," Levy said.

The EDD said jobs were added in six categories - manufacturing, information, professional and business services, leisure and hospitality, government and other services.

Four categories - construction, financial activities, education and health services - lost jobs.

Levy said the best economic news remains outside the monthly jobs reports. For example, trade and tourism are picking up in Southern California, and

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film production increased in the first quarter.

The Bay Area is seeing growth in the technology and alternative energy sectors, and Tesla and Toyota have announced plans to produce electric cars in Fremont.

"Much of this job creation is in the future," Levy said. "Not now."

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