

State jobless rate dips, but payrolls shrink

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(05-22) 11:31 PDT SAN FRANCISCO -- California's unemployment rate fell slightly to 11 percent in April, but the state lost 63,700 payroll jobs, in a pair of mixed signals that suggest the labor market continues to weaken but at a slower pace.

Friday's report from the state Employment Development Department said California's jobless rate improved slightly from 11.2 percent in March despite the huge drop in the number of people collecting paychecks.

"What this means is that things are worsening but not at the same rate," said Chris Thornberg with Beacon Economics.

The U.S. unemployment rate for April was 8.9 percent. California has had a higher jobless rate than the nation during this recession because of greater exposure to the housing bubble, economists say.

Unemployment rates also dropped slightly in the Bay Area's three metropolitan regions in April.

In the San Francisco metropolitan area, which includes San Mateo and Marin counties, the unemployment rate fell to 8.3 percent in April from 8.6 percent in March.

Metropolitan San Francisco, which has one of the state's strongest labor markets, also added jobs in April.

But elsewhere around the Bay Area, Friday's report offered mixed signals.

In the Oakland metropolitan area, made up of Alameda and Contra Costa counties, the jobless rate fell to 10.1 percent in April from 10.3 percent in March. But the two counties lost payroll jobs, EDD said.

Greater San Jose, which includes Santa Clara and San Benito counties, continued to have the Bay Area's weakest labor market, losing payroll jobs even as unemployment edged down to 10.9 percent in April from 11.1 percent in March, according to EDD.

The unemployment rate and the payroll job counts are based on two different surveys, and most economists think the payroll numbers offer a better snapshot of the labor market because they are derived from a larger sample.



"Monthly unemployment rates are volatile," said Stephen Levy, with the Center for the Continuing Study of the California Economy, adding that "the drop in the unemployment rate is a misleading signal about California's economy in April."

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