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County's jobless rate put at 4.8%

## Highest in three years, worse than nationwide

**By Dean Calbreath**

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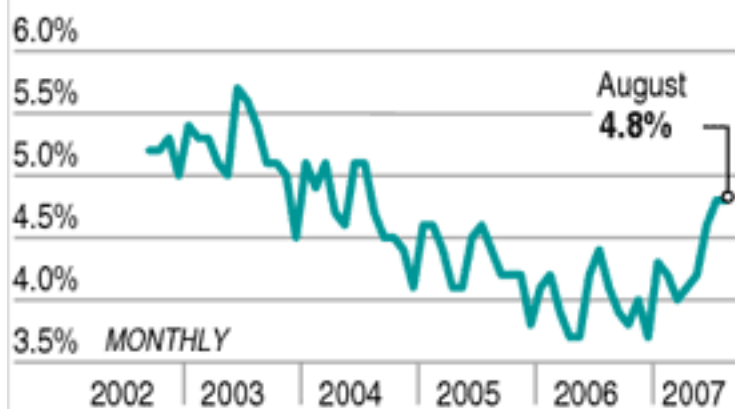
**September 22, 2007**

Despite a spurt of summertime hiring, San Diego County's unemployment rate in August stayed at its highest point in three years, outstripping the national average for the first time this decade, according to data released by the state Employment Development Department yesterday.

The county's monthly unemployment rate hit 4.8 percent in August, compared with the national rate, which was 4.6 percent without adjusting for seasonal fluctuations. Both were far better than for California, which had a 5.4 percent unadjusted jobless rate.

“It's the same old story, as it's been lately: a weakening economy with rising unemployment,” said Christopher Thornberg, an economist with Beacon Economics in Los Angeles. “Last fall, San Diego's unemployment rate was below 4 percent. That's a pretty steep increase.”

### COUNTY UNEMPLOYMENT RATE



SOURCE: California Employment Development Department

AARON STECKELBERG / Union-Tribune

On a seasonally adjusted basis, which weeds out periodic fluctuations in such sectors as tourism and education, California had a 5.5 percent jobless rate, compared with 4.6 for the nation.

The state employment department does not make seasonal adjustments for counties. But Thornberg calculated that San Diego County's adjusted unemployment rate would be 4.7 percent.

The county added 2,000 jobs last month, but most of the hiring involved summertime work at hotels, restaurants, retail shops and amusement parks, as well as seasonal hiring at schools that were ramping up for the fall semester. Professional and business services added 200 jobs, mostly at law offices and architectural or engineering firms.

In contrast, construction firms – which are usually strong during the summer months – shed 200 workers. Manufacturing continued its long-running decline, losing 400 jobs. Real estate operations cut 100 jobs.

“If it weren't for the declines in construction and real estate, San Diego(County) would be looking OK,” Thornberg said. “But those areas are getting pummeled.”

Murtaza Baxamusa, director of policy research at San Diego's Center for Policy Initiatives, noted that August was the eighth month in a row that employment growth was dominated by hiring in the tourist industry.

“The highest rates of growth are in small, low-paying restaurants and food places, but we're losing higher paying jobs in finance pretty steeply,” Baxamusa said.

Since August 2006, the county has added 9,200 jobs at a 0.7 percent growth rate, matching the growth of the labor force.

The 4.8 percent unemployment rate did not change between July and August – maintaining its highest point since July 2004.

Barbara Ruehl, who tracks San Diego and Imperial counties for the state employment department, said unemployment typically falls between the two months, mostly because of schools hiring back workers.

Since the recessionary year of 1992, there has been only one other time when the county's August unemployment rate failed to improve: 2001, when the economy was still reeling from the crash of the dot-com investment bubble on Wall Street.

A report this week by the online employment agency Monster.com suggests that hiring may be picking up slightly.

Online help-wanted ads for companies in San Diego inched up by 1 percentage point in August, led by management, health care and custodial jobs, according to Monster.com's local

employment index. On the other hand, ads for construction jobs fell for the sixth month in a row.

The tightening job market is beginning to have an impact on consumer confidence. In San Diego County, consumer confidence dipped to its lowest point in four years, dragged down by the number of people who have negative views of what the economy will look like in six months, according to a poll this month by *The San Diego Union-Tribune*.

Statewide, California added 21,000 jobs last month on the heels of a 14,000 job loss in July, according to the employment department's seasonally adjusted figures. The strongest hiring came from trade, hospitality, professional services and leisure activities. Construction posted the biggest decline, shedding 6,600 jobs.

Economists noted that government hiring was responsible for more than half the state's job growth during the month.

“If you take government out of the mix, the job report doesn't look all that good,” Stephen Levy, senior economist of the Center for Continuing Study of the California Economy, told the Associated Press.


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