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Jun. 23, 2013

California's unemployment rate fell below 9 percent for the first time in nearly five years last month, signaling the economic recovery is finally gaining traction.

The state's jobless rate dropped to 8.6 percent in May from 9 percent the previous month and 10.7 percent a year earlier, the state Employment Development Department reported.

May's reading pushed the state's unemployment rate to its lowest level since November 2008. Employers added 10,800 jobs last month, bringing the total gain to 767,200 jobs added since the recovery began in February 2010.

"I think we have great news on the overall front, and this is very good news for the Southern California region of the state," said Robert Kleinhenz, chief economist for the Kyser Center for Economic Research. "The labor market statewide is improving a lot faster than many expected."

Los Angeles County and the Inland Empire also posted declines in their unemployment rates last month. Both regions suffered job losses for the month, but year-over-year figures reveal that employment growth is continuing.

Los Angeles County's unemployment rate dropped to 9.6 percent in May from a revised 9.9 percent the prior month and 11.1 percent a year ago, the EDD reported. The county lost 15,500 jobs over the month but gained 44,100 during the year — a 1.1 percent increase.

L.A. County's biggest annual employment gain of 21,800 jobs came in professional and business services — home to such services as accounting, tax preparation,

computer systems design and scientific research and development.

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lost 3,100 jobs.

“We continue to see fairly rapid improvement in the labor market in Los Angeles County, however, at 9.6 percent we're still not near the more normal rate of 7.5 percent,” Kleinhenz said. “It could be late 2014 or early 2015 before we hit that target.”

The Inland Empire's jobless rate fell to 9.2 percent in May, down from 9.6 percent in April and 11.9 percent a year earlier. The two-county region lost 1,200 jobs over the month but added 11,700 during the year.

The biggest annual gains came in trade, transportation and utilities, which added 6,100 jobs. More jobs were added in leisure and hospitality (up 5,700), educational and health services (up 3,300), financial activities (up 2,000) and professional and business services (up 1,500).

Losses were seen in the government sector (3,500 jobs), construction (3,100), manufacturing (1,800) and information (100).

Thirty-two states have added construction jobs over the past 12 months and California ranked second behind Texas with the addition of 38,500 added over the year — a 6.6 percent increase, according to an analysis by the Associated General Contractors of America

But roughly 1.6 million Californians are still unemployed, and the state's jobless rate of 8.6 percent is still trending above the national average of 7.6 percent. That doesn't surprise El Monte Councilman Juventino “J” Gomez, who coordinated a job fair that was held Friday at the city's community center.

“We keep reading about numbers from the state and county that show things are getting better but I don't see it,” Gomez said. “Just look around here at the turnout we

have today. People are so much in need.”

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the California Economy in Palo Alto, said the nation’s steadily recovering housing market is helping to bolster the economy.

“The gains in home prices have a ‘triple bottom line’ in the sense that they show a strengthening demand for housing, they bring more households out of negative equity so that they can sell their homes without losing money, and they allow more homeowners to refinance on the basis of higher equity, which translates into an increase in spending power as their mortgage costs drop,” Levy said in an e-mail.

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