



ECONOMY: Unemployment edges higher as governments and schools shed jobs

Inland Empire rate hits highest level since 1990

By PAT MAIO - pmaio@nctimes.com | Posted: Friday, August 20, 2010 9:33 pm

Unemployment rose in July in San Diego County and the Inland Empire as local governments and schools shed thousands of seasonal jobs, forcing the unemployment rate to its highest level in 20 years for the two-county Riverside-San Bernardino region.

Some economists characterized the unemployment rise as a "blip" that may vanish by the time September rolls around, and local school districts have rehired their seasonal workers.

U.S. census workers fueled a rise in joblessness in June, and now with the July figures, the unemployment rates have jumped for a second consecutive month in the region, the economists said.

Chris Thornberg, an economist at forecasting firm Beacon Economics, wasn't getting heartburn over the figures, because most of the losses came from the government realm while the private sector was adding jobs here and there, albeit slowly.

"My feeling is that we are going to see continued slow advancement of the labor market, and the fears of a double-dip recession are not credible," said Thornberg of concerns expressed by some that economic data on growth, unemployment and housing may point to another recession ---- or "double-dip," as it has been labeled.

Unemployment was unchanged across the state and nation; California stood at 12.3 percent and the U.S. at 9.5 percent.

In the Inland Empire region, the unemployment rate rose to 15.1 percent in July, up from a revised 14.4 percent in June and above the year-ago estimate of 14.3 percent, the California Employment Development Department reported Friday. The jobless rate is the highest ever for the month of July since the EDD began compiling the data in 1990, said EDD spokeswoman Frances Gines.

Riverside County's preliminary unemployment rate hit 15.3 percent, while San Bernardino County's reached 14.8 percent.

San Diego County's unemployment rate also rose; to 10.8 percent in July from 10.5 percent in June and 10.3 percent in July 2009, the department said. It's slightly off the 11.1 percent mark hit in January, the county's highest since 1990.

In San Diego County, total nonfarm employment declined by 13,100 over the month to 1.21 million jobs. Compared with July 2009, 3,100 jobs were lost. Agricultural jobs decreased by 400 in July from June and 300 from the year-ago period.

Alan Gin, an associate professor of economics at University of San Diego, said there's a silver lining to the July unemployment numbers. He said the year-over-year decline of 3,400 total jobs was the best number since April 2008, the low mark of the recession. The biggest yearly decline in jobs occurred in July 2009, when 83,300 jobs were lost.

"Things are stabilizing in the sense that we aren't losing more jobs, but we aren't growing very rapidly, if at all," Gin said. "We may have hit bottom, but we are not coming up very rapidly."

He said the lion's share of the job losses in July were education-related, such as bus drivers, janitors, lunchroom workers and secretaries in public school systems. Some of these seasonal workers may be rehired. He pointed to the Poway Unified School District, which considered eliminating its bus service. The district considered raising prices on bus routes for transporting kids to and from school, and enough parents supported the efforts to save the routes from the budget chopping block.

"Right now, as we gear up for the school year, they'll hire many of these people back," said Gin of the regional plans of school districts.

In the Inland Empire, total nonfarm employment declined by 22,200 over the month to 1.08 million jobs. Over the last year, employment declined 22,900.

Construction recorded the only monthly gain, adding 300 jobs in the Inland Empire. Government reported the greatest declines over the last month, losing 17,200 jobs. Local government accounted for more than 79 percent of the job loss in this sector, mostly due to a "seasonal downturn" in "local government education," where 13,300 jobs were shed, state analysts said in a statement. State and federal governments saw 1,800 jobs shed.

A similar trend was reported in San Diego County, where the government sector lost 12,600 jobs, or roughly two-thirds from local government. About 8,600 of the job losses came from the seasonal downturn in education. State and federal governments lost a combined 4,100 jobs.

California showed few signs of economic recovery last month as the state's unemployment rate remained stagnant at 12.3 percent. The EDD said that the jobless rate in July was unchanged from the previous month.

The jobless figure was a half-percentage point higher than the unemployment rate for July 2009.

For the second month in a row, California reported a net loss in jobs, with a decrease of 9,400 nonfarm positions. Most of those were temporary jobs with the U.S. Census Bureau.

The national unemployment rate also remained unchanged from June to July, hovering at 9.5 percent.

Call staff writer Pat Maio at 760-740-3527.