

■ **CALIFORNIA'S UNEMPLOYMENT RATE WAS 10.5% IN FEBRUARY 2009.**

The unemployment rate in California rose from a low of 4.8% in November 2006 to 10.5% in February 2009. Most of this increase came in the 12 months since February 2008, when unemployment was 6.2%. Unemployment—the percent of the labor force that is unemployed—is above the 9.9% peak of the 1992 recession and approaching the 11.0% peak of the 1982 recession.

■ **UNEMPLOYMENT IS MORE THAN 15% IN MANY INLAND AND NORTHERN COUNTIES.**

The statewide average masks large differences across California. The San Joaquin Valley and much of the state north of Sacramento have unemployment rates above 15%; unemployment is highest in Colusa County, at 27%, followed by Imperial County at 25%. Urban California is doing much better, with unemployment at 8.3% in San Francisco, 7.8% in Orange County, and 7.6% in San Mateo County. Los Angeles County is closer to the statewide average, at 11.0%.

■ **CALIFORNIA'S UNEMPLOYMENT RATE IS RISING FASTER THAN THE U.S. RATE.**

California's 10.5% rate in February was much higher than the U.S. rate of 8.1%. A year earlier, U.S. unemployment stood at 4.8%, so the U.S. rate rose 3.3 points, compared to California's increase of 4.3 points. During the past 30 years, the California unemployment rate has been consistently above the national average even when the state economy was strong, as it was in the late 1990s, but the gap between California and the country as a whole has rarely been as large as it is now.

■ **DESPITE HIGHER UNEMPLOYMENT, CALIFORNIA IS LOSING JOBS AT THE SAME RATE AS THE U.S.**

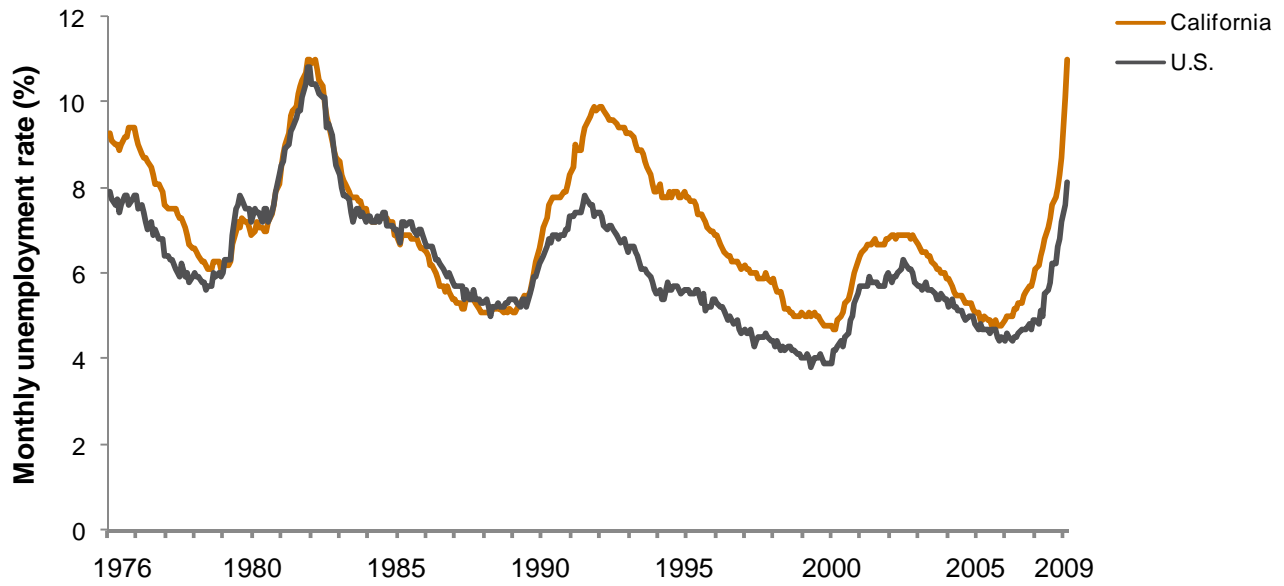
Although the unemployment rate is higher in California and rising faster than it is nationally, employment has been falling at a slightly lower rate. Employment fell 2.9% in California between February 2008 and February 2009, compared to a 3.0% drop for the U.S. overall, according to household surveys. This difference stems from faster labor force growth in California in 2008: up 1.8% against only a slight increase of 0.05% nationally—meaning that California's job growth isn't keeping up with the growth of its labor force. An alternative survey of businesses showed employment falling 4.0% in California and 3.0% in the U.S. over the same time period.

■ **ON THE BROADEST MEASURE OF EMPLOYMENT, THE TREND IN CALIFORNIA MIRRORS THE U.S.**

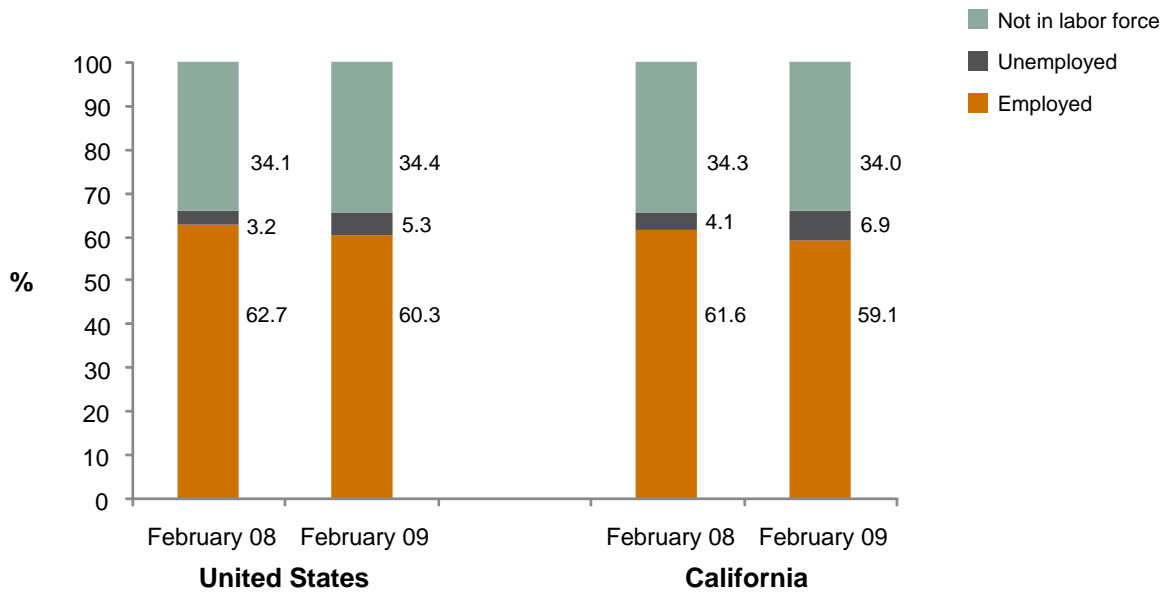
The unemployment rate excludes people who are defined as not in the labor force—retirees, students, and others who aren't looking for work, by choice or because they are discouraged. However, the line between being unemployed and not being in the labor force is a fine one. Another way of looking at it is by the share of the entire civilian non-institutionalized adult population—including those not in the labor force—that is employed. This employment share in California fell from 61.6% in February 2008 to 59.1% in February 2009, a 2.5 point drop, very similar to the U.S. overall (62.7% to 60.3%). The share of the adult population not in the labor force grew in the U.S. overall and fell in California.



## U.S. and California Unemployment Rates



## Employment and the Labor Force



**Sources:** California Employment Development Department. U.S. Bureau of Labor Statistics.

**Contact:** Jed Kolko