

Bay Area job growth speeds up as unemployment rates fall to lowest level in five years

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The Bay Area created more jobs in May than during the entire first four months of the year, pushing down unemployment rates in the region and statewide to their lowest levels in nearly five years, state labor officials reported Friday.

The 8,600 jobs added to the Bay Area economy eased fears that the region's strong job growth was petering out. California added 10,800 jobs in May, which means the Bay Area accounted for 80 percent of new jobs statewide, an analysis of figures released by the state Employment Development Department showed.

"The Bay Area definitely carried the day in May," said Jordan Levine, an economist and director of research with Beacon Economics. "It is again the leader in California."

The South Bay led the region's job creation last month, adding 3,700 jobs, a welcome bounce-back from a loss of 400 jobs for Santa Clara County during April, the state's Employment Development Department reported. The East Bay gained 1,400 jobs in May, while the San Francisco-San Mateo-Marin region gained 3,000.

"These are dramatic gains," said Michael Bernick, a research fellow with the Milken Institute and a former director of the EDD.

Unemployment rates fell in the Bay Area and throughout California in May compared with April, according to seasonally adjusted figures that Beacon Economics derived from the EDD data.

California posted a jobless rate of 8.6 percent, the lowest since October 2008. The East Bay jobless rate was 6.9 percent, the South Bay's was 6.5 percent and the San Francisco-San Mateo-Marin region's was 5.2 percent. All of those rates were the lowest posted in nearly five years.

Much of the improvement in the jobless rates appeared to result from entrepreneurs launching fledgling businesses, said Scott Anderson, chief economist with Bank of the West.

"There are periods of time, when the economy is picking up, that you don't pick up the job growth right away from startup companies that are being formed and are hiring people," Anderson said.

The upswing raised hopes that the region's job market has emerged from its recent soft patch. "The slowdown in the Bay Area we have been seeing should no longer be a concern," Levine said.

The 8,600 jobs Bay Area employers added in May exceeded the total 7,400 jobs created in the first four months of this year. Average monthly job gains in the January-April period was 1,850.

An array of industries contributed to the gains, Beacon Economics reported.

"The Internet commerce and social media economy continues to power the region's growth, though the

job gains are spread among sectors," Bernick said.

The South Bay's strongest sectors in May were health care, which added 1,500 jobs; administrative and support services, up 1,000 jobs; hotels and restaurants, up 900; and construction, which added 400.

In a sign the tech rebound is spreading beyond the South Bay, the East Bay added 900 jobs in professional, scientific and technical services, along with 700 hotel and restaurant jobs.

The San Francisco-San Mateo-Marín region gained 1,500 professional, scientific and technical jobs, 800 retail jobs; and 800 finance and real estate jobs.

"You can never say for sure that you're back on track, but this looks like it," said Stephen Levy, director of the Palo Alto-based Center for Continuing Study of the California Economy. "The Bay Area is going to continue to lead the state, at least for a while."

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