

Retail payroll cuts fuel Fresno Co. unemployment rise -- but outlook still better than 2013

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By Tim Sheehan

The Fresno Bee

March 7, 2014

A decline in payrolls and a growing number of people looking for work combined to drive [Fresno County's](#) unemployment rate up by 1.5 percentage points between December and January.

But rates in Fresno County and neighboring Valley counties are still lower than they were a year earlier -- continuing a long-range trend of year-over-year employment growth in a region struggling to shake off the lingering effects of recession.

The [latest jobless figures](#) released Friday by the state Employment Development Department revealed that the unemployment rate lurched to 13.6% in January, up from 12.1% in December in the wake of job losses in retail and other industries following the holiday shopping season.

Click [here for an interactive Google map of Fresno County community's unemployment rates](#)

Similar increases were reported in neighboring central San Joaquin Valley counties, from a 1.2-point jump in Madera County to more than 2 points in Kings County.

Despite the sharp month-over-month increase, it compares favorably to January 2013, when the unemployment rate in Fresno County was 15.5% This was the 28th consecutive month in which the monthly unemployment rate was lower than the same month in the previous year.

Steven Gutierrez, a labor market analyst for the EDD in Fresno, pointed to substantial year-over-year gains in several industry sectors including trade/transportation/utilities, business/professional services and leisure/hospitality.

"That's important for those sectors because it means that consumers may have more discretionary income to play with," he said. "It's a good start for the year."

Overall, Fresno County employers reported that payrolls were reduced by about 4,400 positions between December and January, with the largest loss of 2,300 positions in the

trade/transportation/utilities sector, including retail stores. The only sectors in which payrolls grew during the month were farming and education/health services, each with a gain of 300 positions.

At the same time, the number of people counted in Fresno County's civilian labor force rose by almost 7,000, to a total of 446,800. The EDD counted 60,800 people as unemployed, up from 53,200 in December. A year earlier, in January 2013, there were almost 70,000 counted as unemployed in the county.

Unemployment counts and rates, however, don't include "discouraged" workers, people who gave up on their search for work and dropped out of the job market.

Gutierrez said he couldn't specify exact reasons for the surge in the labor force. Analysts typically see labor force numbers rise in the summer when students who are out of school and some retirees begin looking for jobs to make ends meet.

Gutierrez said some of this increase may be related to a recalculating of people who work in in-home support services -- a sector that was not previously included in the statistics but who are now counted in the education/health services sector. The inclusion of those workers was part of an annual "benchmarking" process at the state and federal levels to recalibrate the statistical analysis.

The increase also coincides with the end of extended benefits for people who have been out of work for more than six months. Those benefits were shut off at the end of December after Congress failed to pass an extension of emergency benefits that began during the teeth of the economic recession.

"There are a lot of different dynamics that can make that labor force number go up and down," Gutierrez said. "You just can't point to any one thing."

Across Fresno, Kings, Madera, Merced and Tulare counties, almost 127,000 people were counted as unemployed in January according to a household survey by federal labor officials. That's up from 110,600 in December, but well below the 144,500 unemployed in January 2013.

California's statewide unemployment rate was reported at 8.1% in January, down from 8.3% in December and 9.5% in January 2013. The EDD reported that about 1.5 million Californians were out of work in January.

The U.S. unemployment rate was almost unchanged, standing at 6.6% in January, according to the U.S. Bureau of Labor Statistics. The federal government on Friday released its February unemployment figures which showed that month's unemployment rate at 6.7%. The BLS reported that the nation added 175,000 jobs during the month, compared to 129,000 jobs in January.

More than a quarter-million people nationwide started looking for a job last month, and most of them didn't find one. Their influx caused the unemployment rate to rise. But it's still considered

an encouraging sign because more job hunters suggest that people grew more optimistic about their prospects.

The February unemployment rates for California and its counties won't be available until March 21.

Challenger Gray & Christmas, a Chicago-based outplacement consulting firm, reported this week that the nationwide pace of downsizing among U.S. companies slowed in February, as employers announced 41,835 job cuts. That was the lowest February total since 2000.

Over the first two months of the year, the retail industry has suffered the most layoffs after the holiday shopping season wrapped up. The Challenger Gray & Christmas analysis indicated that retailers had cut 15,242 jobs in January and February, compared to 8,955 layoffs in the first two months of 2013.

"It's not that Americans are buying fewer consumer electronics, clothes and household goods," CEO John A. Challenger said. "What has changed is how and where they buy these products."

"Pretty much every brick-and-mortar retailer these days, whether it is selling clothes, books, TVs or refrigerators, has to have an Amazon.com strategy, which boils down to fewer stores, smaller sales staff, lower prices and heavier focus on Internet sales," Challenger added.

The Associated Press contributed to this report. The reporter can be reached at (559) 441-6319, tsheehan@fresnobee.com or @tsheehan on Twitter.