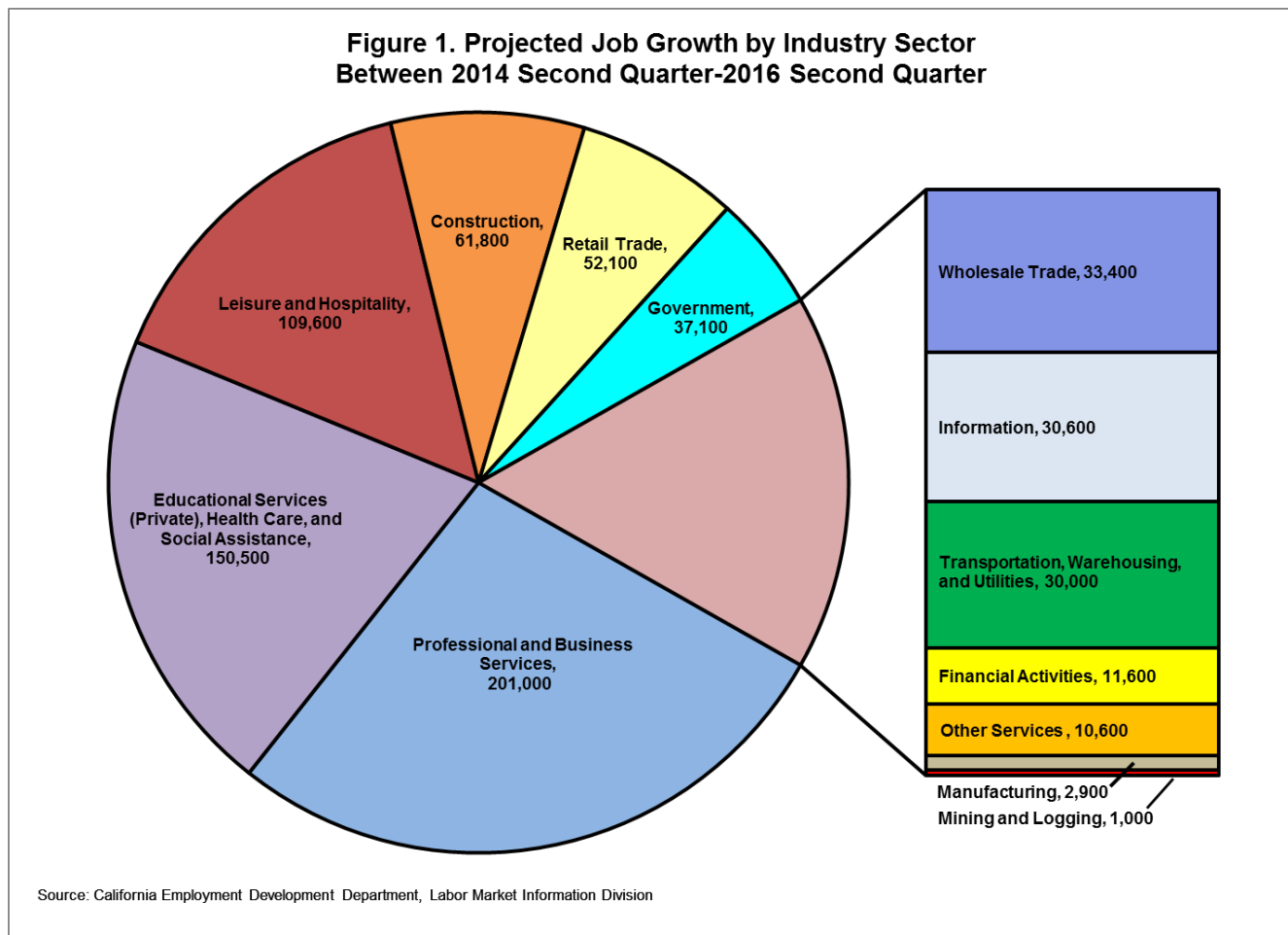


California Industry Employment Projections Between 2014 Second Quarter–2016 Second Quarter

Total industry employment in California, which includes self-employment, unpaid family workers, private household workers, farm employment, and nonfarm wage and salary employment, is expected to reach 17,886,600 in the second quarter of 2016, an increase of 4.5 percent over the two-year projection period. Total nonfarm employment is projected to add 732,300 jobs over the same period. A breakout of employment growth by industry is seen in Figure 1.

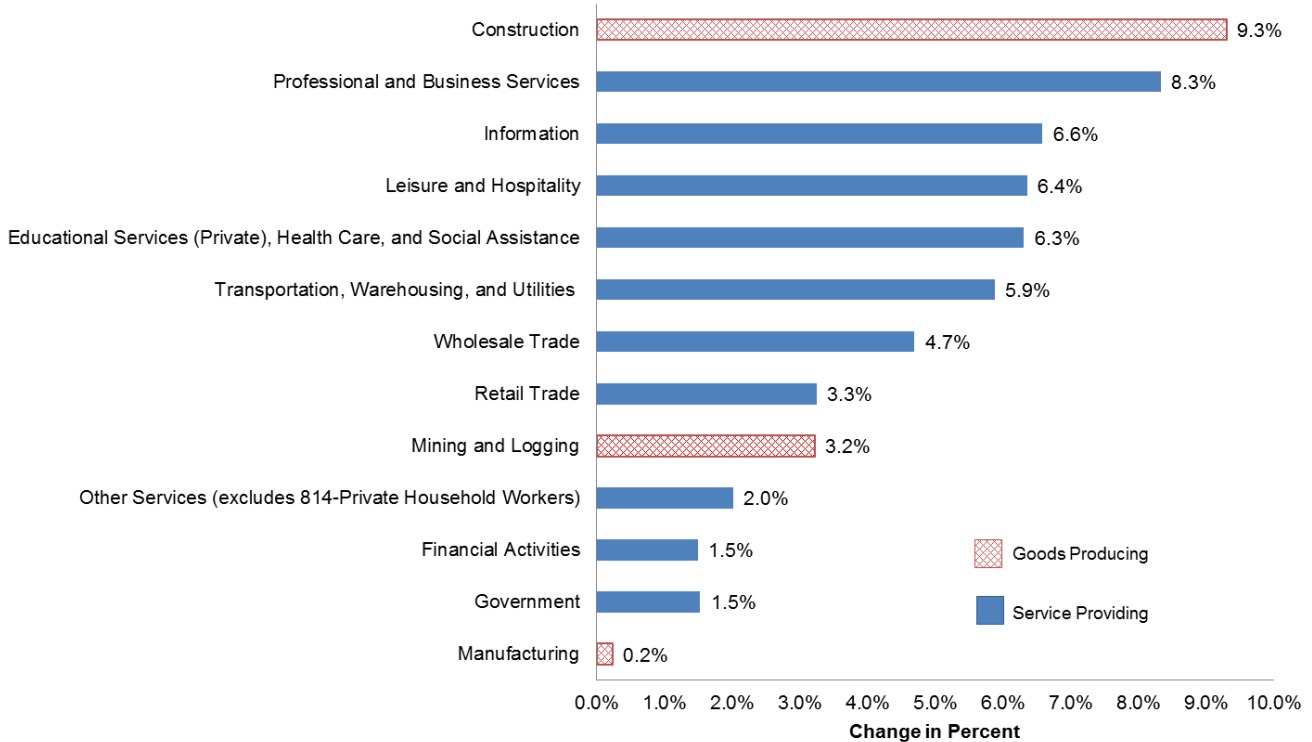


Total goods producing employment, which includes mining and logging, construction, and manufacturing, is expected to reach 2,005,000 in the second quarter of 2016, an increase of 3.4 percent over the two-year projection period.

The increase in employment is primarily led by the growth in the construction sector. Employment is expected to grow 9.3 percent over the projection period which is the fastest growth rate among the major industry sectors, as seen in Figure 2. Specialty trade contractors accounts for 69 percent of the job gain in construction (61,800 jobs). Within this sector, the greatest concentration of job gain is

projected to occur in foundation, structure, and building exterior contractors (14,300 jobs), building equipment contractors (13,500 jobs) and Building Finishing Contractors (10,100 jobs).

Figure 2. Projected Employment Percent Change by Major Industry Sectors Between 2014 Second Quarter-2016 Second Quarter



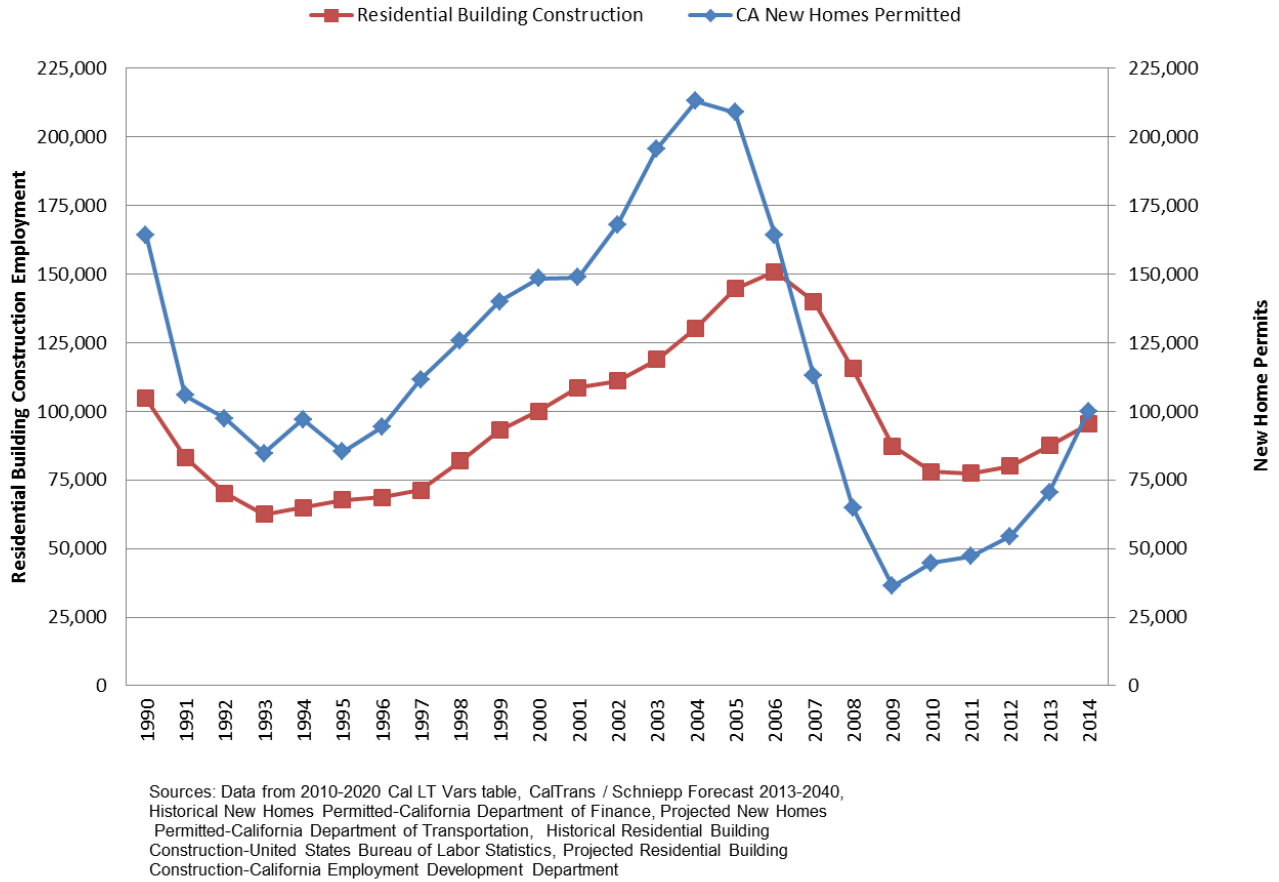
Source: California Employment Development Department, Labor Market Information Division

Historically home building permits are one of the leading indicators that determine growth of residential building construction employment. From 2012 to 2014 home building permits increased by 84 percent (45,700 permits) while residential building construction employment increased by 19 percent (15,200 jobs) as seen in Figure 3.

The manufacturing sector is expected to gain 2,900 jobs through the projection period. The growth is attributed to a projected gain of 9,700 jobs in the durable goods subsector. Nondurable goods manufacturing is expected to lose 6,800 jobs during the projection period.

The mining and logging sector has the smallest increase in employment of 1,000 jobs through the projection period, led by an employment increase of 400 jobs in both support activities for mining and oil and gas extraction.

Figure 3. New Home Permits and Residential Building Construction Employment Between 1990-2014



Private service providing sectors are projected to add 629,400 jobs, accounting for 86 percent of all nonfarm growth. Seventy-three percent of growth in private service providing sectors (and 63 percent of growth in nonfarm jobs) is forecasted to occur in professional and business services (201,000 jobs); educational services (private), health care, and social assistance (150,500 jobs); and leisure and hospitality (109,600 jobs).

The professional and business services sector is projected to have an annual growth rate of 4.2 percent. Within this sector, employment services is projected to add 59,600 jobs while growing at a 7.0 percent annual rate. Management, scientific, and technical consulting services (31,600 jobs) and computer systems design and related services (19,600 jobs) are also expected to have sizeable job gains.

An annual growth rate of 3.2 percent is projected for the leisure and hospitality sector. Within this sector, full-service restaurants is forecast to grow at a 3.4 percent annual rate while adding 41,100 jobs. Limited-service eating places will show similar growth, adding 38,700 jobs while growing at a 3.5 percent annual rate.

In the educational services (private), health care, and social assistance sector, individual and family services is projected to lead job gains by adding 73,300 jobs while growing at an annual rate of 6.8 percent.

Government employment is expected to grow by 37,100 jobs, for a growth rate of 1.5 percent over the projection period. The most growth will be at the local level, which is projected to gain 28,000 jobs for an annual growth rate of 0.8 percent. Local government represents 69 percent of the 2.4 million public sector employment in California as of the second quarter of 2014.

The Employment Development Department's Labor Market Information Division (LMID) developed these employment projections for the second quarter of 2014 to the second quarter of 2016. Because the second quarter (April-June) is used to develop California's employment projections, seasonal industries, such as farming, may be slightly higher or lower than annual average employment estimates for the same industries published elsewhere.

The complete [2014-2016 California industry and occupational projections](#) are available online.

Produced by: Employment Development Department
Labor Market Information Division
www.labormarketinfo.edd.ca.gov/LMID/ContactUs.html