

December 2019 California Employment Highlights

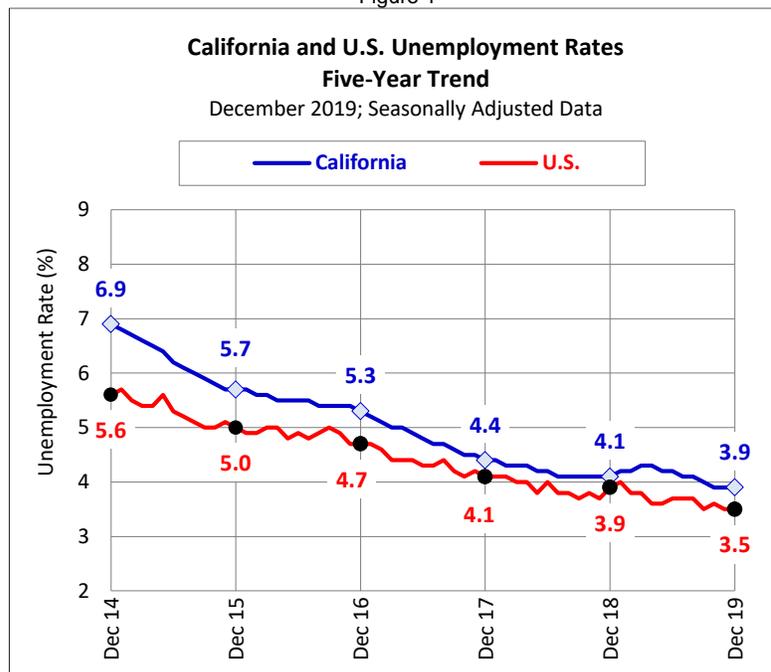
OVERVIEW

- California's seasonally adjusted unemployment rate was 3.9 percent for the third consecutive month in December 2019, remaining at a record low. Civilian unemployment fell to its lowest level since August 1989.
- California's employment expansion turned 118 months old in December 2019. California gained a total of 3,422,900 nonfarm jobs from February 2010 through December 2019.
- Six of California's 11 major industry sectors added jobs in December and five lost jobs. Professional and business services (6,500) had the largest job gain of any sector, followed by educational and health services (5,200), other services (4,200), and government (3,400). Construction (900) and mining and logging (200) also added jobs.

EMPLOYMENT AND UNEMPLOYMENT

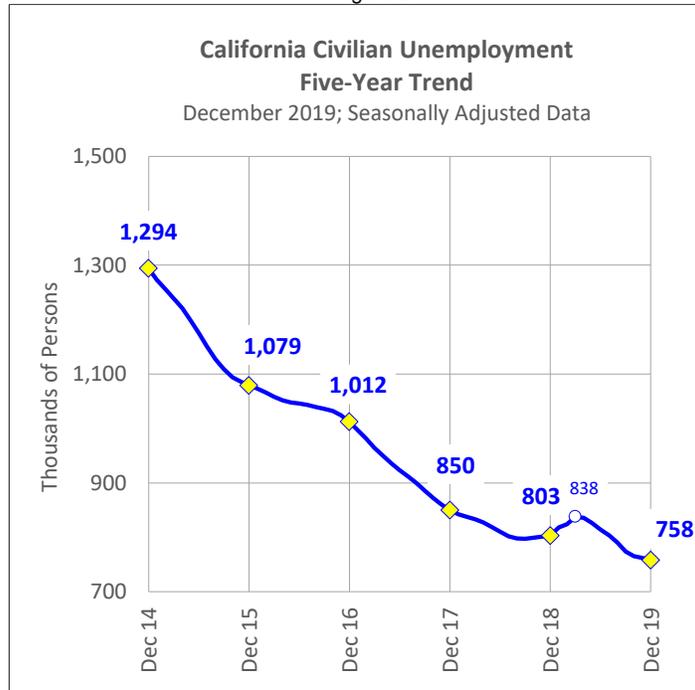
- California's seasonally adjusted unemployment rate held steady at 3.9 percent in December 2019, remaining at the record low in the official data series that extends back to the beginning of 1976. The US unemployment rate held steady at 3.5 percent in December, matching the lowest unemployment rate the nation has had since December 1969.

Figure 1



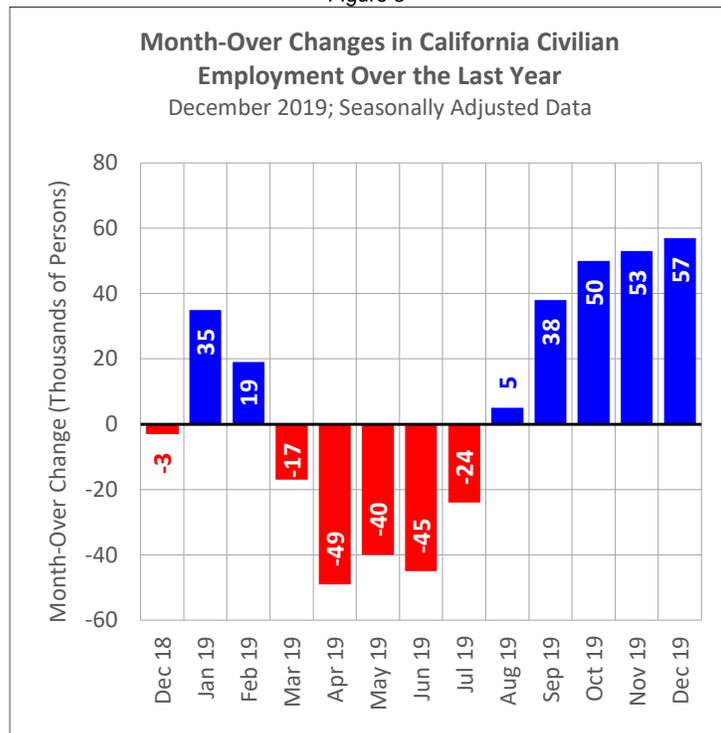
- The number of unemployed Californians fell by 4,000 persons to 758,000 in December 2019. This was California's ninth consecutive unemployment decrease, with the number of unemployed falling by 80,000 persons over the period. Year-over, civilian unemployment fell by 45,000 persons (5.6 percent) in December.

Figure 2



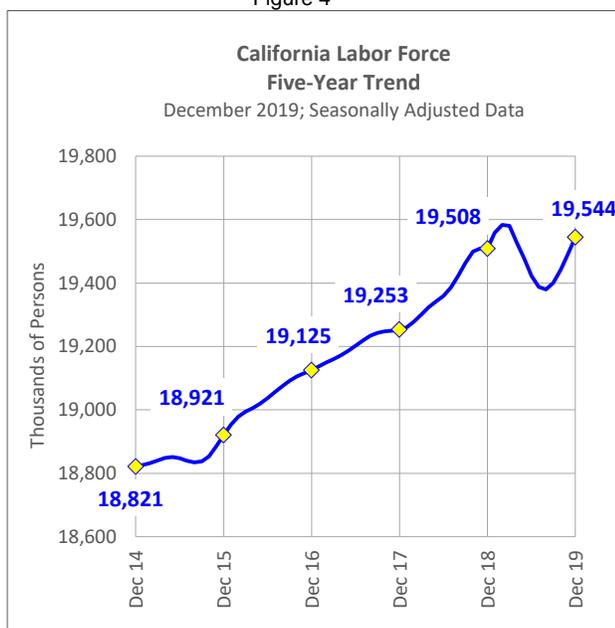
- The number of employed Californians rose by 57,000 persons to 18,787,000 in December 2019. This was the state’s fifth consecutive civilian employment increase, with the increase totaling 203,000 persons over the period. This gain more than offset the 175,000-person employment loss the state experienced in the months of March through July 2019.

Figure 3



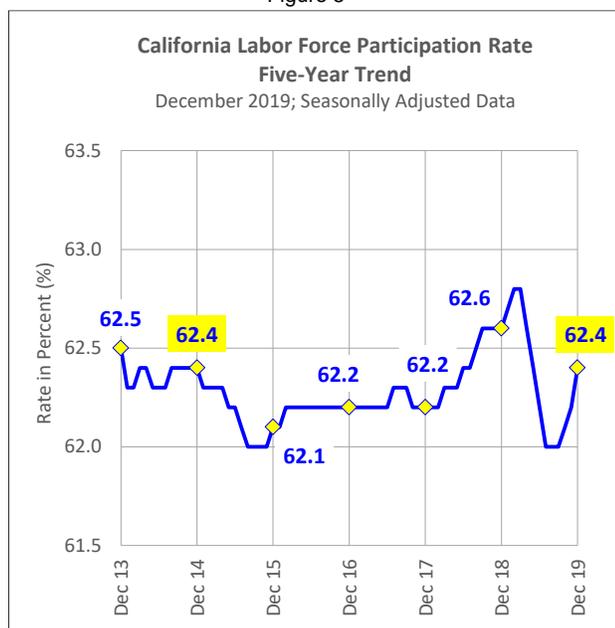
- California's labor force grew by 52,000 persons to 19,544,000 in December 2019 and by a total of 164,000 persons over the last four months. However, this large increase did not fully offset the 203,000-person loss that occurred in the months of March through August 2019.

Figure 4



- California's labor force participation rate (LFPR) rose for the third consecutive month in December 2019, increasing 0.2 percentage points to 62.4 percent. The December 2019 LFPR was 0.2 percentage points lower than in December 2018, but 0.2 percentage points higher than it was in both December 2016 and December 2017. It was unchanged from December 2014.

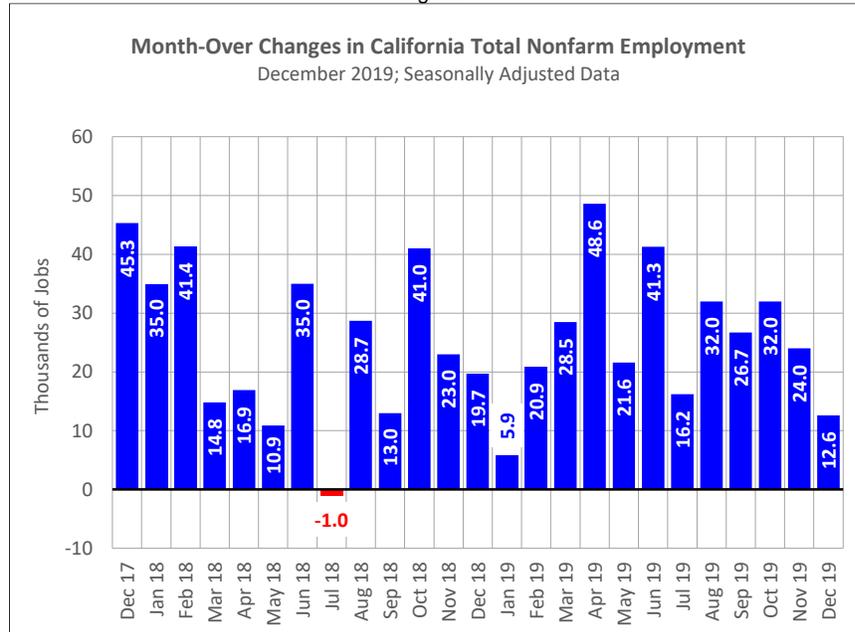
Figure 5



NONFARM PAYROLL EMPLOYMENT

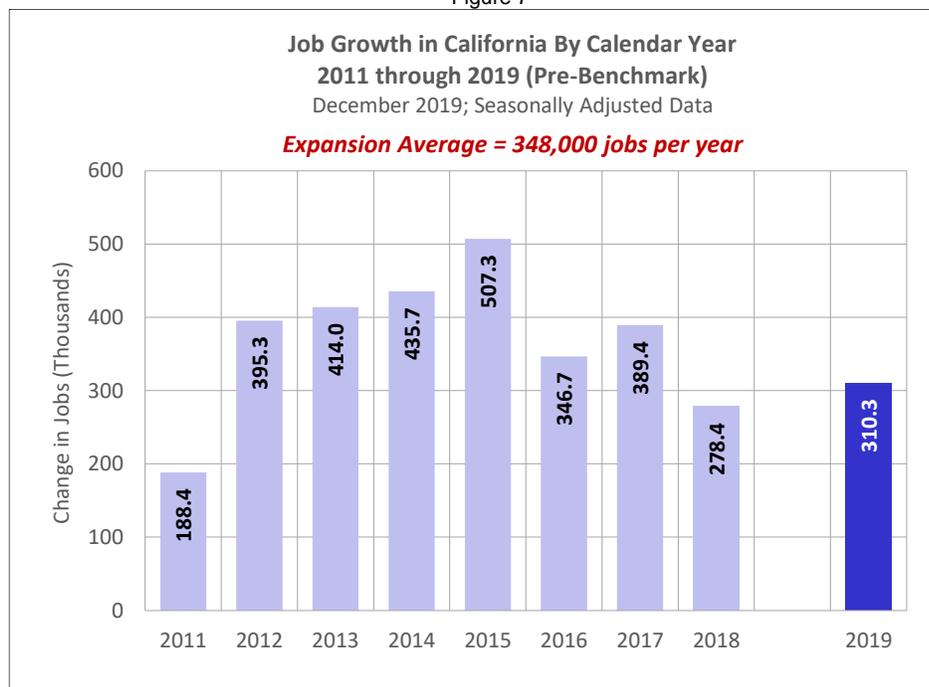
- California gained 12,600 nonfarm jobs in December 2019. This followed a downwardly revised gain of 24,000 jobs in November. Although the December job increase was California's 17th consecutive job gain, it was its smallest monthly increase since January 2019.

Figure 6



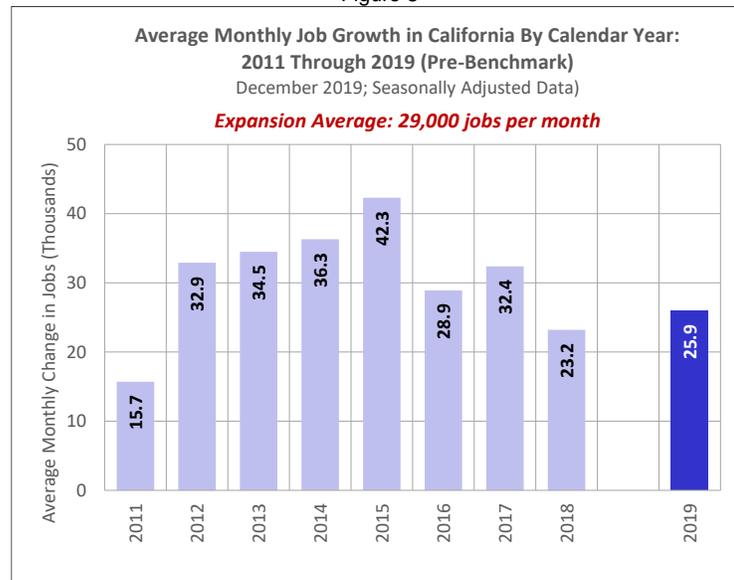
- California added 310,300 nonfarm jobs over the year in December 2019, which was an increase of 1.8 percent. This was a stronger pace of year-over job growth than in December 2018, but slower growth than prior years of the employment expansion.

Figure 7



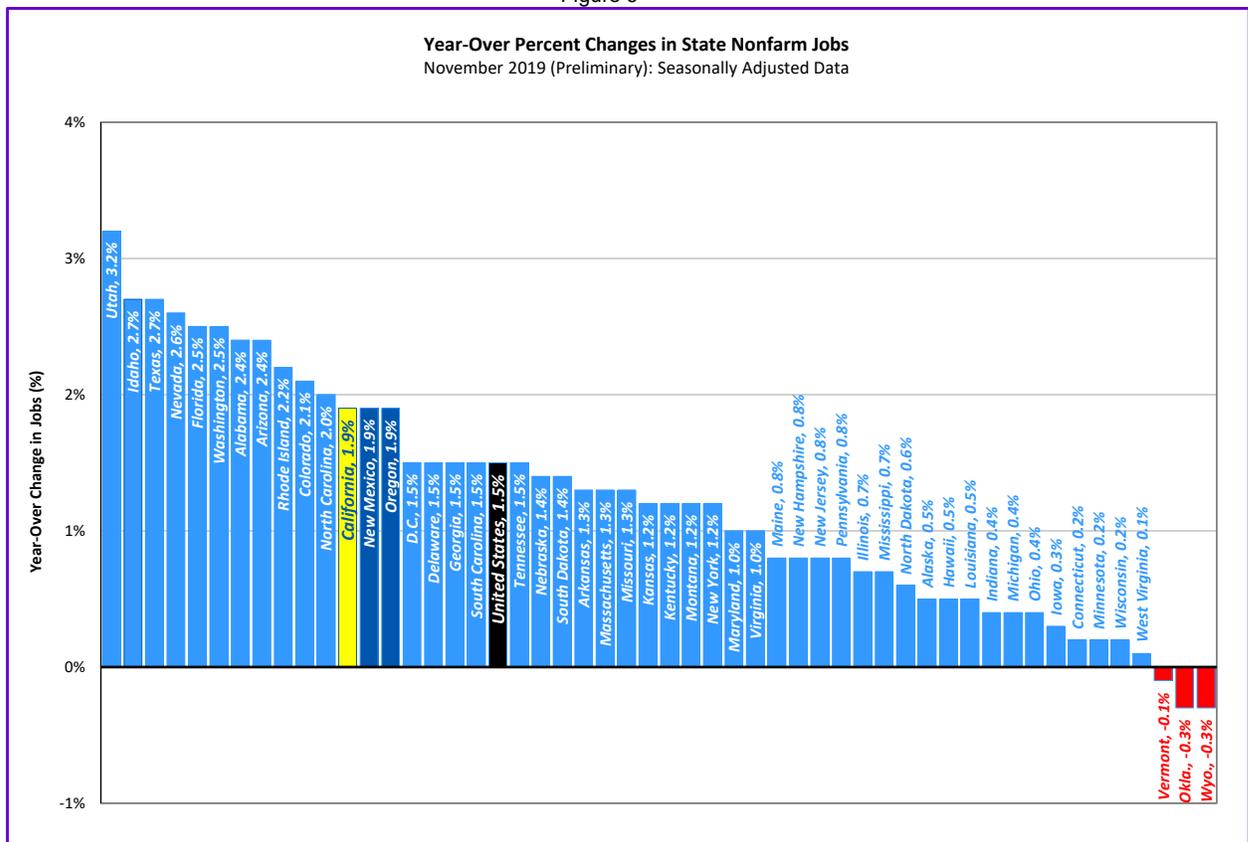
- California gained an average of 25,900 nonfarm jobs a month in 2019. This was 3,100 jobs per month less than the expansionary average. Expressed differently, California's pace of job growth even after such a long employment expansion was 89.3 percent of the expansion's average.

Figure 8



- California's 1.9 percent pace of job growth in November 2019 (Preliminary) ranked 12th highest among states. In number, its gain was slightly below that of Texas.

Figure 9



CALIFORNIA INDUSTRY TREND HIGHLIGHTS

- California's professional and business services sector added the most jobs of any of the eleven industry sectors in December with a month-over gain of 6,500 jobs. Year-to-date for 2019, this sector added 71,500 jobs. Both the professional, scientific, and technical services; and administrative and support and waste services subsectors added 3,300 jobs this month. Over the past 12 months, both of the subsectors added over 30,000 jobs. This month, the management of companies subsector lost 100 jobs.
- The educational and health services sector added 5,200 jobs this month. Between January and December of 2019, this sector added 98,100 jobs; the largest collective gain this year among the state's 11 major industry sectors. The educational services subsector added 3,200 jobs this month and extended its streak of consecutive month-over gains to seven months. The month-over gains over this period ranged from 1,000 (June 2019) to 5,700 (August 2019) jobs.
- The State's other services sector added 4,200 jobs in December 2019 and collectively added 2,900 jobs over the past 12 months. Gains were hampered by five months out of the year in which the sector lost over 1,000 jobs. Year-to-date gains were lower in 2019 (2,900) than 2018's collective total (5,300) over the 12-month period.
- California's government sector added 3,400 jobs this month and 40,300 jobs between January and December of 2019. The collective gains were 21,600 jobs higher than the gains from 2018 (18,700). This month, the local government subsector was the only subsector to add jobs; 3,700. In addition, the year-to-date gains for the government sector in 2019 were largely driven by the local government subsector that added 26,200 jobs. This month, both the federal government (100) and state government (200) recorded month-over losses.
- The construction sector added 900 jobs this month, pushing collective gains over the past year to 31,300 jobs. Gains for this sector topped 10,000 jobs in the months of March (13,100), May (12,400), and June (12,200). This year's 12-month collective gain was comparable to those seen in 2018 (33,900).
- California's mining and logging sector added 200 jobs this month and 100 jobs over the past 12 months. In 2019, month-over gains for the sector ranged from 100 to 200 jobs. Collective gains were off the pace of last year's total (800), but remained positive despite six months this year in which the sector either lost jobs or had its job total remain unchanged.
- Among the 11 major industry sectors analyzed, the information sector lost the most jobs this month; 3,900 jobs. On a brighter note, the sector experienced month-over gains in excess of 2,000 jobs in five months out of the year. The collective gain of 11,600 jobs this year exceeded the total for 2018 (9,300) by 2,300 jobs.
- The state's leisure and hospitality sector lost 2,400 jobs this month. However, the sector added 28,000 jobs over the past 12. The sector experienced a month-over loss in only three months out of the year in 2019. The accommodation and food services subsector lost 2,400 jobs this month, but registered a collective 12-month gain of 22,000 jobs. The subsector recently experienced back-to-back month-over job losses, but had month-over gains in 8 out of the 12 months this year. The arts, entertainment, and recreation

subsector's job total remained unchanged in December and over the past year, the sector had collectively added 6,000 jobs to the state economy.

- California's financial activities sector lost 700 jobs this month and added 13,000 jobs over the past year. The collective gains over the past year are shared nearly evenly amongst the two subsectors: finance and insurance (6,600 jobs); and real estate and rental and leasing (6,400 jobs). During the month of December, the finance and insurance subsector added 400 jobs and experienced its largest month-over gain of the year in July 2019; 4,000 jobs. The real estate and rental and leasing subsector lost 1,100 jobs, but gains in excess of 1,000 jobs in 4 out of the 12 months pushed year-to-date gains in excess of 6,000 jobs.
- In December 2019, the State's manufacturing sector lost 600 jobs, but due to the collective gains of its durable goods subsector, the sector on the whole ended the year with a 12-month gain of 11,400 jobs. This month, the durable goods subsector added 1,500 jobs and extended its streak of consecutive month-over gains to seven months. Over the past year, month-over gains have ranged from a low of 200 jobs (October 2019) to a high of 4,800 jobs (November 2019). In 2019, the subsector added 17,800 jobs, a total comparable to what it added over 12 months in 2018 (17,000). The nondurable goods subsector lost 2,100 jobs and has lost jobs for back-to-back months. For the year, the subsector had a collective loss of 6,400 jobs with the heaviest month-over losses coming in November (3,300) and February (3,900) of this year.
- The trade, transportation, and utilities (TTU) sector lost 200 jobs in December 2019 and this loss followed a month-over loss in November (3,100 jobs). Year-to-date for 2019, the TTU sector added 2,100 jobs, 13,200 jobs fewer than it added in 2018 (15,300). Two out of the three TTU subsectors had collective jobs losses over the past 12 months: retail trade (5,400) and wholesale trade (2,800). For the month, the transportation, warehousing, and utilities subsector experienced no change in its jobs total, retail trade added 700 jobs, and the wholesale trade subsector lost 900 jobs. All of the TTU sector's gains derived from the transportation, warehousing, and utilities subsector gains for the year which totaled 10,300 jobs.