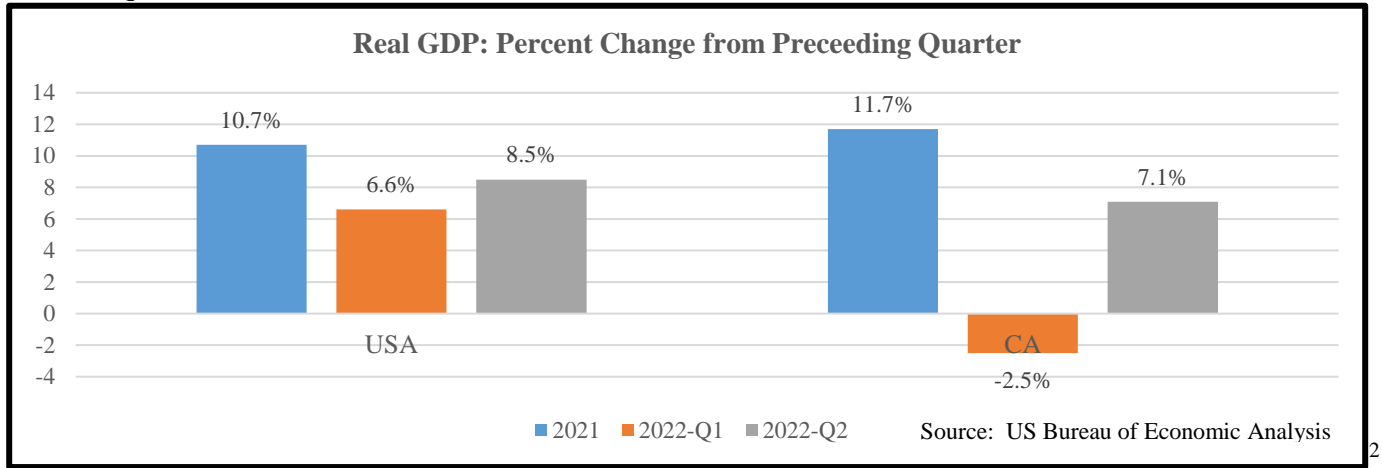


# Fast Facts on the California Economy

Compiled by: Assembly Committee on Jobs, Economic Development, and the Economy  
Assemblymember Sabrina Cervantes, Chair

## California Gross Domestic Product (GDP)

- California had a \$3.3 trillion economy in 2021, representing 14.5% of US GDP. Real GDP increased in all 50 states and DC in 2021. Compared to GDP of nations, California's 2019 GDP of \$3.1 trillion ranks as 5<sup>th</sup> largest in the world.<sup>1</sup> The chart below show percent change of California real GDP from 2020 through second quarter 2022.



## Businesses, Employment, and Income

- 2018 Data by Establishments:** There were 3,453,769 establishments in California that had no employees in 2018, representing 78.3% of all establishments in California (4,408,401 in total). Nonemployer businesses received \$189.3 billion in revenues. There were 954,632 establishments that employed 15,223,664 workers and paid over \$1 billion for payroll in 2018.<sup>3</sup> In 2020, there were 981,369 employer establishments.<sup>4</sup> The most current combined nonemployer and employer data is 2018.
- 2018 Data by Firm (one firm may have multiple establishments)** – is the most recent data available by state and size of business by employment. Of the 779,825 employer firms (including 954,632 total establishments), 62.2% had less than 5 employees, 88.7% had less than 20 employees, 97.4% had less than 100 employees, and 99.1% had less than 500 employees (federal small business definition). Approximately 6,439 firms in California had 500 employees or more.<sup>5</sup>
- There were 19.3 million workers in the California labor force in August 2022 with 18.5 million individuals employed, a month-over decrease of 3,000 (0.0%). This represents an increase of over 856,000 jobs (4.8%) over the prior 12-month period.<sup>6</sup>
- Nonfarm payroll increased in all 11 industry sectors between August 2021 and August 2022. Year-over percent increases are as follows: 9.0% increase for the leisure and hospitality sector; 6.5% increase for the other services sector; 5.1% increase for the professional and business services sector; 4.6% increase for the construction sector; 4.0% increase for the trade, transportation, and utilities; 3.6% increase for the education and health services sector; 2.9% increase for the manufacturing sector; 2.6% mining and logging; 1.6% increase for the information sector; 1.2% increase for the government sector; and 0.7% for the financial activities sector. Year over data shows employment in mining and logging was unchanged.<sup>7</sup>
- California exported \$175.1 billion in goods in 2021 to over 220 foreign markets, representing 12.3% of total US exports (\$1.7 trillion).<sup>8</sup> California's largest export market in 2021 was Mexico (\$27.2 billion), followed by China and Hong Kong (\$23.4 billion), and Canada (\$17.8 billion).<sup>9</sup> California imported \$470.7 billion in products from other countries, accounting for 16.6% of total US imports (\$2.8 trillion) in 2021. China (\$145.9 billion) and Mexico (\$57.6 billion) are the state's largest import markets.<sup>10</sup>

- Over 39.5 million people live in California, according to the 2020 Census. California’s median household income was \$78,672 for all households (\$64,994 for US) and \$50,894 for nonfamily households. Twelve percent (12.6%) of Californians (12.8% in the US) lived on incomes at or below the federal poverty designation in 2020.<sup>11</sup> Using the federal Supplemental Poverty Measure, which accounts for the cost of living using a range of family needs and resources, 15.4% of Californians (11.2% for US) had income insufficient to meet their basic housing needs in 2020.<sup>12</sup> An estimated 161,548 individuals experienced homelessness in 2020 and 57,468 in 2021. Due to COVID-19, 2021 data only includes individuals in shelters and transitional housing.<sup>13</sup>

### **August 2022 Unemployment** *(most recent data)*

- In August 2022, the California seasonally adjusted unemployment rate was 4.1%, essentially the same as the adjusted rate from the prior month. This unemployment rate represents approximately 791,000 unemployed people.<sup>14</sup> Over the same period, the comparable national unemployment rate was 3.7%.<sup>15</sup>
- The unemployment rate increased in all 58 California counties between August 2021 and August 2022. The county with the highest non-seasonally adjusted unemployment was Imperial (16.2%). The lowest unemployment rates in California in August 2022 were Marin (2.4%), San Francisco (2.3%), and Santa Clara (2.3%). The comparable state (not seasonally adjusted) overall unemployment rate for August 2022 was 4.1%.<sup>16</sup>
- The highest non-seasonally adjusted 12-month moving average unemployment rates in August 2022 by race and ethnicity were among individuals identified as black (7.8%), Hispanic (5.0%), and white (4.5%). The comparable state unemployment rate (not seasonally adjusted 12-month moving average) was 4.6%.<sup>17</sup>
- The majority (82.6%) of employed individuals in August 2022 (12-month moving average) reported working full time. There were 703,000 (3.8%) employees in California who worked part time involuntarily during the survey week, which is down -21.5% from August 2021.<sup>18</sup> The Labor Force Participation Rate was 62.5%. Individuals not in the labor force but wanting a job decreased by -21,000 (-2.2%) from the prior month and decreased by -143,000 (-13.5%) to 914,000 individuals since August 2022.<sup>19</sup>
- By age group, the highest unemployment group (not seasonally adjusted 12-month moving average) in August 2022 were workers 16 to 19 years of age (11.8%), followed by 20 to 24 year old workers (3.3%).<sup>20</sup> The largest group of unemployed persons when sorted by duration were those unemployed less than 5 weeks, which comprised 261,000 individuals (29.3% of all unemployed). Labor force re-entrants accounted for 267,000 (30.0%) of unemployed individuals.<sup>21</sup>

Prepared by: Toni Symonds with the California State Assembly Committee on Jobs, Economic Development, and the Economy.

<sup>1</sup> DOF, “Economic Output by State” & “Comparison to Other Major Countries” <https://dof.ca.gov/forecasting/Economics/economic-indicators/gross-state-product/> accessed July 18, 2022

<sup>2</sup> US Bureau of Economic Analysis, <https://www.bea.gov/sites/default/files/2022-09/stgdppi2q22-a2021.pdf>, accessed 10-3-22

<sup>3</sup> US Census Bureau, “2018 CBP and NES Combined Report,” <https://www.census.gov/data/tables/2018/econ/nonemployer-statistics/2018-combined-report.html>, accessed November 2021

<sup>4</sup> US Census Bureau, 2020 Economic Surveys Business Patterns <https://data.census.gov/cedsci/table?g=0400000US06&tid=CBP2020.CB2000CBP> accesses 7-18-22

<sup>5</sup> US Census Bureau, “2018 County Business Patterns,” <https://www.census.gov/data/datasets/2018/econ/cbp/2018-cbp.html>, accessed November 2021

<sup>6</sup> EDD, “Labor Market Review,” August 2022, <https://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed Oct 3, 2022

<sup>7</sup> EDD, “Labor Market Review,” August 2022, <https://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed Oct 3, 2022

<sup>8</sup> ITA, “2021 Exports of NAICS Total All Merchandise” & “2021 NAICS Total All Merchandise Exports from California,” <https://www.trade.gov/tradestats-express-national-and-state-trade-data>, accessed March 4, 2022

<sup>9</sup> ITA, “2021 NAICS Total All Merchandise Exports from California,” <https://www.trade.gov/tradestats-express-national-and-state-trade-data>, accessed 3-4-2022

<sup>10</sup> ITA, “2021 NAICS Total All Merchandise Imports from California,” and “2021 Imports of NAICS Total All Merchandise,” <https://www.trade.gov/tradestats-express-national-and-state-trade-data>, accessed March 4, 2022

<sup>11</sup> US Census, “Household Income: 2020 ACS 5-year estimates,” <https://data.census.gov/cedsci/profile?g=0400000US06>, accessed July 18, 2022.

<sup>12</sup> US Census, “Supplemental Poverty Rate 2020” based on 3-year ACS, <https://www.census.gov/library/publications/2021/demo/p60-275.html> accessed 7-18-22

<sup>13</sup> US HUD, [https://files.hudexchange.info/reports/published/CoC\\_PopSub\\_State\\_CA\\_2020.pdf](https://files.hudexchange.info/reports/published/CoC_PopSub_State_CA_2020.pdf) & [https://files.hudexchange.info/reports/published/CoC\\_PopSub\\_State\\_CA\\_2021.pdf](https://files.hudexchange.info/reports/published/CoC_PopSub_State_CA_2021.pdf), accessed -7-18-22

<sup>14</sup> EDD, “Labor Market Review,” August 2022, <https://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed Oct 3, 2022

<sup>15</sup> EDD, “Labor Market Review,” August 2022, <https://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed Oct 3, 2022

<sup>16</sup> EDD, “Labor Market Review,” August 2022, <https://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed Oct 3, 2022

<sup>17</sup> EDD, “Labor Market Review,” August 2022, <https://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed Oct 3, 2022

<sup>18</sup> EDD, “Labor Market Review,” August 2022, <https://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed Oct 3, 2022

<sup>19</sup> EDD, “Labor Market Review,” August 2022, <https://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed Oct 3, 2022

<sup>20</sup> EDD, CA Demographic Labor Force Summary, [https://www.labormarketinfo.edd.ca.gov/specialreports/CA\\_Employment\\_Summary\\_Table.pdf](https://www.labormarketinfo.edd.ca.gov/specialreports/CA_Employment_Summary_Table.pdf), accessed 7-26-22

<sup>21</sup> EDD, “Labor Market Review,” August 2022, <https://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed Oct 3, 2022