

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 \$3.1 trillion economy in 2019. Compared to GDP of nations, this ranks California's 2019 GDP as 5th largest in the world.¹
- Real GDP decreased in all 50 states (-31.4%) in the second quarter of 2020. California real GDP in the second quarter was -31.5%.²
- New business applications, considered a leading indicator, were up 53.6% at the end of January 2021, as compared to the same time period in 2020.³

Firms, Employment, and Wages

- 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). These 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 2018.⁴
- 2017 is the most recent data available by state and size of business by employment. Of the 763,803 employer firms (including 941,377 total establishments), 62% had 1 to 4 employees, 88.6% had less than 20 employees, 97.3% had less than 100 employees, and 99.1% had less than 500 employees (federal small business definition). Approximately 6,345 firms in California had 500 employees or more.⁵
- There were 19 million workers in the California labor force in December 2020 with 17.3 million individuals employed, a month-over decrease of 92,000 jobs (-0.5%). This represents a decrease of 1.5 million jobs (-7.8%) over the prior 12-month period.⁶
- Nonfarm employment decreased in all 11 industry sectors between December 2019 and December 2020. Year-over decreases based on number of jobs are as follows: leisure and hospitality employment fell by 610,900 jobs (-29.8%); trade, transportation, and utilities fell by 138,600 (-4.5%); professional and business services fell by 68,900 jobs (-2.5%); education and health services fell by 135,200 jobs (-4.8%); government fell by 199,800 jobs (-7.6%); other services fell by 118,100 jobs (-20.3%); manufacturing fell by 99,900 jobs (-7.6%); information fell by 44,400 jobs (-7.7%); construction increased by 2,900 jobs (0.3%); financial activities increased by 4,400 jobs (0.5%); and mining and logging fell by 1,500 jobs (-0.5%).⁷
- California exported \$156.1 billion in goods in 2020 to over 225 foreign markets, representing 11.2% (\$1.4 trillion) of total US exports.⁸ This is 897 million than 2019⁹. California's largest export market in 2020 was Mexico (\$24.1 billion), followed by China and Hong Kong (\$21.4 billion) and Canada (\$15.9 billion).¹⁰ California imported \$396 billion in products from other countries, accounting for 16.9% of total US imports in 2020. China (\$130.3 billion) and Mexico (\$47.9 billion) are the state's largest import markets.¹¹
- California's 2019 median household income was \$80,444 for all households (\$68,703 for US) and \$51,676 for nonfamily households.¹² 11.8% of Californians' households (12.3% in the US) lived on incomes at or below the federal poverty designation in 2019.¹³ Using the federal Supplemental Poverty Measure, which accounts for the cost of living using a range of family needs and resources, 17.2% of Californians (12.5% for US) had income insufficient to meet their basic housing needs.¹⁴ An estimated 151,278 individuals experienced homelessness in 2019, based on the single-night survey method.¹⁵

Future California Job Market

- The Employment Development Department estimates that between 2016 and 2026 total civilian employment (including self-employment, farm employment, and private household workers) will reach 19.7 million, an increase of 1.9 million jobs (10.7%) over the 10-year projected period of 2016-2026. The chart on the next page displays details of this estimate.¹⁶

Projected Job Growth in Employment 2016-2026 (ranked by number of jobs and including new and replacement jobs)

	Industry Sector	Percent Change	Increase in Jobs		Industry Sector	Percent Change	Increase in Jobs
1	Educational Services, Health Care, and Social Assistance	23.9%	607,400	7	Information	14.6%	76,600
2	Professional and Business Services	11.1%	280,200	8	Other Services (excludes private household services)	10.1%	55,900
3	Leisure and Hospitality	13.3%	252,300	9	Financial Activities	5.2%	42,600
4	Trade, Transportation, and Utilities	6.7%	200,000	10	Total Farm	3.5%	15,000
5	Construction	20.5%	158,600	11	Manufacturing	0.1%	1,300
6	Government	4.6%	116,100	12	Mining	-8.0%	-1,800

December 2020 Unemployment

- In December 2020, the California seasonally adjusted unemployment rate was 9.0%, up from 0.9% in the prior month. This unemployment rate represents approximately 1.7 million unemployed workers with a labor force participation rate of 60.6%.¹⁷ Over the same period, the comparable national unemployment rate was 6.7%.¹⁸
- The unemployment rate in 57 of the 58 counties increased in December 2020. The counties with the highest non-seasonally adjusted unemployment were Imperial (17.7%) and Colusa (15.5%). The lowest unemployment rates in California in December 2020 were Santa Clara County (5.9%), San Mateo County (5.8%), and Marin (5.5%). The comparable non-seasonally adjusted state unemployment rate for December 2020 was 8.8%.¹⁹
- The highest unemployment rates in December 2020 by race and ethnicity were among individuals identified as black (12.2%), Hispanic (11.7%), and white (9.9%). The comparable state non-seasonally adjusted 12-month moving average unemployment rate was 10.2%.²⁰
- The majority (83.1%) of employed individuals in December 2020 reported working full time. There were 1,077,000 persons in California who worked part time involuntarily, comprising 6.3% of all employed workers during the survey week.²¹ California’s labor participation rate was 60.6% in December 2020, representing 19 million people. Individuals not in the labor force but want a job has increased by 1,009,000 from December 2019.²²
- By age group, the highest unemployment group in December 2020 were workers 16 to 19 years of age (23.6%).²³ The largest group of unemployed persons, when sorted by duration, were individuals unemployed for 5 to 14 weeks, which represented 682,000 individuals (35.4% of all unemployed).²⁴

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² US Bureau of Economic Analysis, <https://www.bea.gov/news/2020/gross-domestic-product-third-estimate-corporate-profits-revised-and-gdp-industry-annual>, accessed October 3, 2020
³ US Census, Data- Geographical Visualization “Business Applications”- <https://www.census.gov/econ/bfs/index.html>- accessed December 23, 2020
⁴ 2018 U.S. and State Industry Totals Data, Statistics of U.S. Businesses, U.S. Census- <https://www.census.gov/data/tables/2018/econ/nonemployer-statistics/2018-combined-report.html>- accessed October 3, 2020
⁵ US Census Bureau; 2017 data- <https://www.census.gov/data/tables/2017/econ/susb/2017-susb-annual.html>- October 3, 2020
⁶ EDD, Labor Market Review, December 2020, <https://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed January 22, 2021
⁷ EDD, Labor Market Review, December 2020, <https://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed January 22, 2021
⁸ US Census Bureau, 2020 Exports of NAICS Total All Merchandise from California <http://tse.export.gov/TSE/TSEHome.aspx> accessed February 5, 2021
⁹ International Trade Administration, 2020 NAICS Total All Merchandise Exports from California, <http://tse.export.gov/TSE/MapDisplay.aspx>, accessed February 19, 2021
¹⁰ International Trade Administration, 2020 NAICS Total All Merchandise Exports from California <http://tse.export.gov/TSE/MapDisplay.aspx>- accessed February 5, 2021
¹¹ US Census, 2020 NAICS Total All Merchandise Imports from California, <http://tse.export.gov/stateimports/TSIRreports.aspx?DATA>, accessed February 5, 2021
¹² US Census “Household Income: 2019 ACS one-year average”- <https://www.census.gov/acs/www/data/data-tables-and-tools/>- accessed Oct 6, 2020.
¹³ US Census “Poverty Rate 2019” based on 1-year ACS-<https://www.census.gov/acs/www/data/data-tables-and-tools/>- accessed Oct 6, 2020
¹⁴ US Census, “Supplemental Poverty Rate 2019” based on 3-year ACS, <https://www.census.gov/content/dam/Census/library/publications/2020/demo/p60-272.pdf>, accessed Oct 6, 2020
¹⁵ US Department HUD, Annual Homelessness Assessment Report to Congress, https://www.hud.gov/press/press_releases_media_advisories/HUD_No_20_003, accessed Jan 7, 2020
¹⁶ EDD, Industry Projections 2016-2026, <https://www.labormarketinfo.edd.ca.gov/data/employment-projections.html>, accessed March 8, 2020
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¹⁸ EDD, Labor Market Review, December 2020, <https://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed February 11, 2021
¹⁹ EDD, Labor Market Review, December 2020, <https://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed February 11, 2021
²⁰ EDD, Labor Market Review, December 2020, <https://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed February 11, 2021
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²² EDD, Labor Market Review, December 2020, <https://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed February 11, 2021
²³ EDD, Labor Market Review, December 2020, <https://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed February 11, 2021
²⁴ EDD, Labor Market Review, December 2020, <https://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed February 11, 2021