

# **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 5<sup>th</sup> largest in the world.<sup>1</sup>
- Real GDP decreased in all 50 states (-31.4%) in the second quarter of 2020. California real GDP in the second quarter was down -31.5%.<sup>2</sup>
- New business applications, considered a leading indicator, were up 44.3% at the end of September 2020, as compared to the same time period in 2019.<sup>3</sup>

## **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.<sup>4</sup>
- 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.<sup>5</sup>
- There were 18.6 million workers in the California labor force in September 2020 with 16.6 million individuals employed, a month-over increase of 291,000 jobs (0.3%). This represents a decrease of over 2 million jobs (-11.1%) over the prior 12-month period.<sup>6</sup>
- Nonfarm employment decreased in all 11 industry sectors between September 2019 and September 2020. Year-over decreases based on number of jobs are as follows: leisure and hospitality employment fell by 579,300 jobs (-28.5%); trade, transportation, and utilities fell by 174,100 jobs (-5.7%); professional and business services fell by 144,400 jobs (-5.3%); education and health services fell by 138,600 jobs (-4.9%); government fell by 132,500 jobs (-5.1%); other services fell by 114,200 jobs (-19.8%); manufacturing fell by 97,100 jobs (-7.4%); information fell by 51,500 jobs (-9.1%); construction fell by 50,100 jobs (-5.6%); financial activities fell by 6,000 jobs (0.7%); and mining and logging fell by 1,100 jobs (-4.9%).<sup>7</sup>
- California exported \$173.3 billion in goods in 2019 to over 225 foreign markets, representing 10.5% (\$1.6 trillion) of total US exports.<sup>8 9 10</sup> California's largest export market in 2019 was Mexico (\$27.8 billion), followed by China and Hong Kong (\$24.2 billion) and Canada (\$16.6 billion).<sup>11</sup> California imported \$408.1 billion in products from other countries, accounting for 16.3% of total US imports in 2019. China (\$129.3 billion) and Mexico (\$46.7 billion) are the state's largest import markets.<sup>12</sup>
- California's 2019 median household income was \$80,444 for all households (\$68,703 for US) and \$51,676 for nonfamily households.<sup>13</sup> 11.8% of Californians' households (12.3% in the US) lived on incomes at or below the federal poverty designation in 2019.<sup>14</sup> 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.<sup>15</sup> An estimated 151,278 individuals experienced homelessness in 2019, based on the single-night survey method.<sup>16</sup>

## **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.<sup>17</sup>

**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

**September 2020 Unemployment**

- In September 2020, the California seasonally adjusted unemployment rate was 11.0%, down from 11.4% in the prior month. This unemployment rate represents approximately 2.0 million unemployed workers with a labor force participation rate of 59.8%.<sup>18</sup> Over the same period, the comparable national unemployment rate was 7.9%.<sup>19</sup>
- The unemployment rate in 41 of the 58 counties decreased in September 2020. The counties with the highest non-seasonally adjusted unemployment were Imperial (21.5%) and Los Angeles (15.1%). The lowest unemployment rates in California in August 2020 were Lassen County (6.3%), Marin (6.5%), and Modoc (6.5%). The comparable non-seasonally adjusted state unemployment rate for September 2020 was 10.8%.<sup>20</sup>
- The highest unemployment rates in September 2020 by race and ethnicity were among individuals identified as black (10.9%), Hispanic (10.0%), and white (8.7%). The comparable state non-seasonally adjusted 12-month moving average unemployment rate was 8.9%.<sup>21</sup>
- The majority (83.1%) of employed individuals in September 2020 reported working full time. There were 980,000 persons in California who worked part time involuntarily, comprising 5.6% of all employed workers during the survey week.<sup>22</sup> California’s labor participation rate was 59.8% in September 2020, representing 12.1 million people. Individuals not in the labor force but want a job has increased by 908,000 from September 2019.<sup>23</sup>
- By age group, the highest unemployment group in September 2020 were workers 16 to 19 years of age (22.1%).<sup>24</sup> The largest group of unemployed persons, when sorted by duration, were individuals unemployed for 5 to 14 weeks, which represented 669,000 individuals (39.2% of all unemployed).<sup>25</sup>

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<sup>1</sup> Department of Finance, CA World Ranking 2019, [http://www.dof.ca.gov/Forecasting/Economics/Indicators/Gross\\_State\\_Product/](http://www.dof.ca.gov/Forecasting/Economics/Indicators/Gross_State_Product/), accessed October 3, 2020

<sup>2</sup> 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

<sup>3</sup> US Census; <https://www.census.gov/econ/bfs/index.html>? Accessed October 3, 2020

<sup>4</sup> 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

<sup>5</sup> US Census Bureau; 2017 data <https://www.census.gov/data/tables/2017/econ/subs/2017-susb-annual.html> October 3, 2020

<sup>6</sup> EDD, Labor Market Review, September 2020, <https://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf> accessed October 28, 2020

<sup>7</sup> EDD, Labor Market Review, September 2020, <https://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf> accessed October 28, 2020

<sup>8</sup> <http://tse.export.gov/TSE/TSEHome.aspx> United States Census Bureau, “State Exports via California,” accessed March 11, 2020 and the CIA Fact Book, accessed March 8, 2020.

<sup>9</sup> CalChamber, <https://advocacy.calchamber.com/international/trade/trade-statistics/>, accessed March 11, 2020

<sup>11</sup> <http://tse.export.gov/TSE/MapDisplay.aspx>; International Trade Admin: “2019 NAICS Total All Merchandise Exports from California,” accessed Mary 26, 2020

<sup>12</sup> US Census “State Imports California 2019”, <http://tse.export.gov/stateimports/TSIReports.aspx?DATA=>, accessed 3/11/2020

<sup>13</sup> US Census “Household Income: 2019 ACS one-year average” <https://www.census.gov/acs/www/data/data-tables-and-tools/> accessed Oct 6, 2020.

<sup>14</sup> 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

<sup>15</sup> 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

<sup>16</sup> US Dpt Housing and Urban Development, Annual report to Congress on homelessness, [https://www.hud.gov/press/press\\_releases\\_media\\_advisories/HUD\\_No\\_19\\_177](https://www.hud.gov/press/press_releases_media_advisories/HUD_No_19_177) accessed 1.3.2020

<sup>17</sup> EDD, Industry Projections 2016-2026, <https://www.labormarketinfo.edd.ca.gov/data/employment-projections.html> accessed March 8, 2020

<sup>18</sup> EDD, Labor Market Review, September 2020, <https://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf> accessed October 28, 2020

<sup>19</sup> EDD, Labor Market Review, September 2020, <https://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf> accessed October 28, 2020

<sup>20</sup> EDD, Labor Market Review, September 2020, <https://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf> accessed October 28, 2020

<sup>21</sup> EDD, Labor Market Review, September 2020, <https://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf> accessed October 28, 2020

<sup>22</sup> EDD, Labor Market Review, September 2020, <https://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf> accessed October 28, 2020

<sup>23</sup> EDD, Labor Market Review, September 2020, <https://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf> accessed October 28, 2020

<sup>24</sup> EDD, Labor Market Review September 2020, <https://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf> accessed October 28, 2020

<sup>25</sup> EDD, Labor Market Review, September 2020, <https://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf> accessed October 28, 2020