

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 increased in all 50 states (6.4%) in the first quarter of 2021. California real GDP in the first quarter of 2021 was 6.3%.²
- New business applications, considered a leading indicator, were down 14.5% at the end of August 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 August 2021 with 17.5 million individuals employed, a month-over increase of 57,000 (0.3%). This represents an increase of 1.2 million jobs (7.2%) over the prior 12-month period.⁶
- Nonfarm employment increased in 10 of 11 industry sectors between August 2020 and August 2021. Year-over changes based on number of jobs are as follows: leisure and hospitality employment increased by 360,200 jobs (27.7%); trade, transportation, and utilities increased by 108,100 (3.8%); professional and business services increased by 158,300 jobs (6.2%); education and health services increased by 71,500 jobs (2.6%); government increased 8,300 jobs (0.3%); other services increased by 74,300 jobs (17.4%); manufacturing increased by 13,300 jobs (1.1%); information increased by 38,900 jobs (7.7%); construction increased by 35,900 jobs (4.3%); financial activities increased by 5,600 jobs (0.7%); and mining and logging decreased by 100 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 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).⁹ 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.¹⁰
- California's 2019 median household income was \$80,440 for all households (\$65,712 for US) and \$39,871 for nonfamily households.¹¹ 11.8% of Californians' households (12.3% in the US) lived on incomes at or below the federal poverty designation in 2019.¹² 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 (11.7% for US) had income insufficient to meet their basic housing needs.¹³ An estimated 161,548 individuals experienced homelessness in 2020, based on the single-night survey method.¹⁴

Future California Job Market

- The Employment Development Department estimates that between 2018 and 2028 total civilian employment (including self-employment, farm employment, and private household workers) will reach 20.4 million, an increase of 1.6 million jobs (8.4%) over the 10-year projected period of 2018-2028 in California. The chart on the next page displays details of this estimate.¹⁵

Projected Job Growth in Employment 2018-2028 (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	19.3%	524,600	7	Information	15.6%	85,000
2	Professional and Business Services	10.1%	270,400	8	Other Services (excludes private household services)	5.2%	29,800
3	Leisure and Hospitality	13.0%	258,200	9	Financial Activities	3.0%	25,300
4	Trade, Transportation, and Utilities	5.2%	158,400	10	Total Farm	2.3%	9,600
5	Construction	9.8%	84,400	11	Manufacturing	-1.7%	-22,000
6	Government	3.0%	78,500	12	Mining	-5.9%	-1,300

August 2021 Unemployment

- In August 2021, the California seasonally adjusted unemployment rate was 7.5%, unchanged from the prior month. This unemployment rate represents approximately 1.4 million unemployed workers with a labor force participation rate of 61.0%.¹⁶ Over the same period, the comparable national unemployment rate was 5.2%.¹⁷
- The unemployment rate in 55 of the 58 counties decreased in August 2021. The counties with the highest non-seasonally adjusted unemployment were Imperial (19.4%) and Tulare (10.5%). The lowest unemployment rates in California in August 2021 were Marin County (4.4%), San Mateo County (4.6%), and Santa Clara (4.8%). The comparable state overall unemployment rate for August 2021 was 7.5%.¹⁸
- The non-seasonally adjusted 12-month moving average unemployment rates in August 2021 by race and ethnicity were among individuals identified as black (12.6%), Hispanic (9.7%), and white (8.2%). The comparable state 12-month moving average unemployment rate was 8.5%.¹⁹
- The majority (82.5%) of employed individuals in August 2021 (12-month moving average) reported working full time. There were 896,000 persons in California who worked part time involuntarily, comprising 5.2% of all employed workers during the survey week.²⁰ California’s labor participation rate was 61.0% in August 2021, representing 19 million people. Individuals not in the labor force but want a job has increased by 4,000 from July to August 2021.²¹
- By age group, the highest unemployment group (12-month moving average) in August 2021 were workers 16 to 19 years of age (17.7%).²² The largest group of unemployed persons when sorted by duration, were individuals unemployed for 27 to 51 weeks, 361,000 individuals (22.5% of all unemployed).²³

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