

# 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's economy in 2017 ranks as the fifth largest in the world – larger than the UK, India, France, Brazil, Italy, Canada, Korea, and Russia.<sup>1</sup>
- California's largest private industry sectors in 2017 were: finance, insurance, real estate, rental, and leasing (21.6% of state GDP); trade, transportation, and utilities (14.5%); professional and business services (12.8%); manufacturing (10.9%); information (8.7%); tourism and arts (4.2%); and construction (3.9%).<sup>3</sup>

Comparison of 2017 GDPs			
Country	GDP	Country	GDP
United States	\$19.39 trillion	Brazil	\$2.06 trillion
China	\$12.02 trillion	Italy	\$1.94 trillion
Japan	\$4.87 trillion	Canada	\$1.65 trillion
Germany	\$3.69 trillion	Korea	\$1.54 trillion
California*	\$2.75 trillion	Russia	\$1.53 trillion
United Kingdom	\$2.63 trillion	Australia	\$1.38 trillion
India	\$2.61 trillion	Spain	\$1.31 trillion
France	\$2.58 trillion		

Source: Department of Finance<sup>2</sup>

## Firms, Employment, and Wages

- There were 3,206,958 firms in California that had no employees in 2015, representing 82% of all firms in California (3,906,497 in total). Of firms which have employees (699,539 in total), 49.9% had 1 to 4 employees, 78.0% had less than 20 employees, 87.0% had less than 100 employees, and 89.0% had less than 500 employees (federal small business definition). Approximately 6,115 firms in California had 500 employees or more.<sup>4</sup>
- There were 19.5 million workers in the California labor force in December 2018 with 18.7 million individuals employed, a month-over increase of 68,000 jobs. This represents a 259,000 (1.4%) increase in jobs over the prior 12-month period.<sup>5</sup>
- Nonfarm employment rose in ten sectors in 2018, including: professional and business services (3.2%); leisure and hospitality (2.8%); construction (2.6%); education and health services (2.5%); information (1.5%); government (1.2%); mining and logging (0.9%); financial activities (0.5%); manufacturing (0.4%); and trade, transportation, and utilities (0.4%). The only sector that lost jobs in 2018 was business in the other services sector (0.7%).<sup>6</sup>
- California exported \$171.9 billion in products in 2017 to over 220 foreign countries. Mexico (\$26.7 billion) and Canada (\$16.8 billion) are the state's largest export markets.<sup>7</sup> California imported \$440.7 billion in products from other countries, accounting for 18.8% of total U.S. imports in 2017. China (\$159.2 billion) and Mexico (\$46.4 billion) are the state's largest import markets.<sup>8</sup>
- California median household income was \$71,805 (\$60,336 for U.S.)<sup>9</sup> with 13.3% of individuals in the state (13.4% for U.S.) living on incomes at or below the federal poverty designation.<sup>10</sup> Using the federal Supplemental Poverty Measure, which accounts for geographic differences, transfer payments, and out-of-pocket expenses, 19% of California residents live in poverty, as compared to 14.1% nationally using a three-year average of 2015 through 2017.<sup>11</sup>

## Future California Job Market

- The Employment Development Department is responsible for assessing future employment needs based on regional industry clusters. By 2026, it is estimated that 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 projected growth in civilian employment for 2014-2024, including new and replacement jobs.<sup>12</sup>

**Projected Job Growth in Employment from 2016-2026 (ranked by number of jobs)**

	Industry Sector	Percent Change	Increase in Jobs		Industry Sector	Percent Change	Increase in Jobs
12	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 2018 Unemployment**

- In December 2018, the California seasonally adjusted unemployment rate was 4.2%, which represents a 0.1% increase from the prior month. This unemployment rate represents approximately 814,000 unemployed workers reflecting a labor force participation rate of 62.5%.<sup>13</sup> Over the same period, the comparable national unemployment rate was 3.9%.<sup>14</sup>
- For December 2018, the counties with the highest not seasonally adjusted unemployment were Imperial (17.3%), Colusa (15.7%) and Tulare (9.6%). Eight out of 58 counties had unemployment rates below 3%, including: San Mateo (2.0%), Marin (2.2%), San Francisco (2.2%), Santa Clara (2.4%), Sonoma (2.6%), Alameda (2.8), Orange (2.8%), and San Luis Obispo (2.8). The comparable non-seasonally adjusted state unemployment rate was 4.2%.<sup>15</sup>
- The highest not seasonally adjusted unemployment rates by race and ethnicity were among blacks (6.5%), Hispanics (5.1%), and whites (4.1%) in December 2018. The comparable state non-seasonally adjusted 12-month moving average unemployment rate was 4.2%.<sup>16</sup>
- Most Californians, 82%, generally worked full time. There were 725,000 persons in California who worked part time involuntarily in December 2018, comprising 3.9% of all employed workers during the survey week and down 7.2% from the prior 12-month period.<sup>17</sup> California’s labor participation rate was 62.5% in December 2018, representing over 11.7 million people not participating in the labor force.<sup>18</sup>
- By age group, the highest unemployment group in December 2018 was among workers 16 to 19 years of age (16.2%).<sup>19</sup> The largest group of unemployed persons, when sorted by duration, were individual unemployed for less than five weeks, which represented 263,000 persons or 29.6% of those unemployed. These are not seasonally adjusted rates.<sup>20</sup>

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<sup>1</sup> Department of Finance, CA World Ranking 2017, [http://www.dof.ca.gov/Forecasting/Economics/Indicators/Gross\\_State\\_Product/](http://www.dof.ca.gov/Forecasting/Economics/Indicators/Gross_State_Product/), accessed September 16, 2018

<sup>2</sup> Department of Finance, CA World Ranking 2017, [http://www.dof.ca.gov/Forecasting/Economics/Indicators/Gross\\_State\\_Product/](http://www.dof.ca.gov/Forecasting/Economics/Indicators/Gross_State_Product/), accessed September 16, 2018

<sup>3</sup> Bureau of Economic Analysis, “Regional Data: GDP by State” <https://bea.gov/iTable/iTable.cfm?reqid=70&step=1&isuri=1&acrdn=2#reqid=70&step=10&isuri=1&7003=200&7035=1&7004=naics&7005=1&7006=06000&7036=1&7001=1200&7002=1&7090=70&7007=2016&7093=levels>, accessed November 10, 2018

<sup>4</sup> 2015 U.S. and State Industry Totals Data, Statistics of U.S. Businesses, U.S. Census [https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=NES\\_2015\\_00A1&prodType=table](https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=NES_2015_00A1&prodType=table) and [https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ASE\\_2015\\_00CSA04&prodType=table](https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ASE_2015_00CSA04&prodType=table), accessed April 5, 2018

<sup>5</sup> EDD, Labor Market Review, December 2018, <http://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed January 26, 2019

<sup>6</sup> EDD, Labor Market Review, December 2018, <http://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed January 26, 2019

<sup>7</sup> “Global Patterns of a State’s Exports,” TradeStats Express, International Trade Administration <http://tse.export.gov/tse/MapDisplay.aspx>, accessed January 26, 2019

<sup>8</sup> U.S. Census “State Imports California 2017”, <http://www.census.gov/foreign-trade/statistics/state/data/imports/ca.html>, accessed April 5, 2018

<sup>9</sup> U.S. Census “Household Income: 2017” <https://www.census.gov/library/publications/2018/acs/acsbr17-01.html>, accessed January 26, 2019.

<sup>10</sup> U.S. Census “Poverty: 2016&2017”, ACS Brief September 2018 <https://www.census.gov/library/publications/2018/acs/acsbr17-02.html> accessed January 26, 2019

<sup>11</sup> U.S. Census “Supplemental Poverty Measure: 2017”, ACS Briefing September 2018 <https://www.census.gov/library/publications/2018/demo/p60-265.html> accessed November 14, 2018

<sup>12</sup> EDD, Industry Projections 2016-2026, <https://www.labormarketinfo.edd.ca.gov/data/employment-projections.html> accessed January 27, 2019

<sup>13</sup> EDD, Labor Market Review, December 2018, <http://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed February 19, 2019

<sup>14</sup> EDD, Labor Market Review, December 2018, <http://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed January 26, 2019

<sup>15</sup> EDD, Labor Market Review, December 2018, <http://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed January 26, 2019

<sup>16</sup> EDD, Labor Market Review, December 2018, <http://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed February 19, 2019

<sup>17</sup> EDD, Labor Market Review, December 2018, <http://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed February 19, 2019

<sup>18</sup> EDD, Labor Market Review, December 2018, <http://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed January 26, 2019

<sup>19</sup> EDD, Labor Market Review, December 2018, <http://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed January 26, 2019

<sup>20</sup> EDD, Labor Market Review, December 2018, <http://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed January 26, 2019