

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 of 2018 ranks as the fifth largest in the world – larger than the UK, India, France, Brazil, Italy, Canada, Korea, and Russia.²
- Value added to 2018 GDP by private sector: finance, insurance, real estate, rental, and leasing (20.7% of state GDP); trade, transportation, and utilities (16.3%); professional and business services (12.6%); manufacturing (11.4%); educational and health services (8.7%); information (5.5%); tourism and arts (4.1%); construction (4.1%); mining, agriculture, and forestry (2.4%); and other services (2.1%).³

Country	GDP	Country	GDP
United States	\$20.4 trillion	Italy	\$2.0 trillion
China	\$13.4 trillion	Brazil	\$1.8 trillion
Japan	\$4.9 trillion	Canada	\$1.7 trillion
Germany	\$4.0 trillion	Russia	\$1.6 trillion
California*	\$2.9 trillion	Korea	\$1.6 trillion
United Kingdom	\$2.8 trillion	Spain	\$1.4 trillion
France	\$2.7 trillion	Australia	\$1.4 trillion
India	\$2.7 trillion		

Source: Department of Finance¹

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.⁴
- There were 19.5 million workers in the California labor force in December 2019 with 18.7 million individuals employed, a month-over increase of 267,000 jobs (0.2%). This represents a 1,978,000 (1.3%) increase in employment over the prior 12-month period.⁵
- Nonfarm employment rose in five (5) industry sectors between November 2019 and December 2019. The largest month-over increase occurred in the professional and business services (6,500 additional jobs) followed by education and health services (5,200); other services (4,200); government (3,400); construction (900); and mining and logging (200). Sectors which experienced month-over job losses include information (3,900); leisure and hospitality (2,400); financial activities (700); manufacturing (600); and trade, transportation, and utilities (200).⁶
- California exported \$173.3 billion in goods in 2019 to over 225 foreign markets, representing 10.5% (\$1.6 trillion) of total U.S. exports and rendering the state the 28th largest exporter in the world.^{7 8 9} 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).¹⁰ California imported \$441.0 billion in products from other countries, accounting for 17.3% of total U.S. imports in 2018. China (\$161.2 billion) and Mexico (\$44.0 billion) are the state's largest import markets.¹¹
- California's 2018 median household income was \$75,277 (\$61,937 for U.S.).¹² 16.5% of California households (19.6% in the U.S.) lived on incomes at or below the federal poverty designation in 2018.¹³ Using the federal Supplemental Poverty Measure, which accounts for the cost of living using a range of family needs and resources, 18.1% of Californians (13.1% for U.S.) had income insufficient to meet their basic housing needs.¹⁴ An estimated 151,278 individuals experienced homelessness on a single night in 2019.¹⁵

Future California Job Market

- The Employment Development Department regularly assesses future employment needs. Between 2016 and 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 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 2019 Unemployment

- In December 2019, the California seasonally adjusted unemployment rate was 3.9%, which represents an increase of 57,000 jobs from the prior month. This unemployment rate represents approximately 758,000 unemployed workers with a labor force participation rate of 62.4%.¹⁷ Over the same period, the comparable national unemployment rate was 3.5%.¹⁸
- For December 2019, the counties with the highest not seasonally adjusted unemployment rates were Imperial (19.4%) and Colusa (14.2%). Eleven of California’s 58 counties had unemployment rates below 3%, including: San Mateo (1.8%), San Francisco (1.9%), Marin (1.9%), and Santa Clara (2.2%). The comparable not seasonally adjusted state unemployment rate was 3.7%.¹⁹
- The highest unemployment rates in December 2019 by race and ethnicity were among individuals identified as black (5.4%), Hispanic (4.8%), and white (4.0%). The comparable state non-seasonally adjusted 12-month moving average unemployment rate was 4.1%.²⁰
- Most Californians, 82.3%, generally worked full time in December 2019. There were 668,000 persons in California who worked part time involuntarily, comprising 3.6% of all employed workers during the survey week.²¹ California’s labor participation rate was 62.2% in December 2019, meaning over 11.8 million people were not participating in the labor force. Individuals not in the labor force have decreased by 27,000 from December 2018.²²
- By age group, the highest unemployment group in November 2019 were workers 16 to 19 years of age (14.5%).²³ The largest group of unemployed persons, when sorted by duration, were individuals unemployed for less than five weeks, which represented 254,000 individuals or 32% of all unemployed.²⁴

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¹ Department of Finance, CA World Ranking 2018, http://www.dof.ca.gov/Forecasting/Economics/Indicators/Gross_State_Product/, accessed July 10, 2019

² Department of Finance, CA World Ranking 2018, http://www.dof.ca.gov/Forecasting/Economics/Indicators/Gross_State_Product/, accessed July 10, 2019

³ Bureau of Economic Analysis, “GDP by State” <https://www.bea.gov/data/gdp/gdp-state>, accessed September 16, 2019

⁴ 2018 U.S. and State Industry Totals Data, Statistics of U.S. Businesses, U.S. Census <http://tse.export.gov/stateimports/MapDisplay.aspx> and <http://tse.export.gov/stateimports/TSIOptions.aspx?ReportID=100&Referrer=TSIReports.aspx&DataSource=SED>, accessed August 1, 2019

⁵ EDD, Labor Market Review, December 2019, <http://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed 3.8.2020

⁶ EDD, Labor Market Review, December 2019, <http://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed 3.8.2020

⁷ <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.

⁸ CalChamber, <https://advocacy.calchamber.com/international/trade/trade-statistics/>, accessed March 11, 2020

⁹ <https://www.cia.gov/library/publications/resources/the-world-factbook/fields/239rank.html#AF> CIA Factbook, accessed March 19, 2019

¹⁰ <http://tse.export.gov/TSE/MapDisplay.aspx>; International Trade Admin: “2018 NAICS Total All Merchandise Exports from California,” accessed March 19, 2019

¹¹ U.S. Census “State Imports California 2018”, <http://tse.export.gov/stateimports/TSIReports.aspx?DATA=>, accessed 3/11/2020

¹² U.S. Census “Household Income: 2018 ACS one-year average” <https://www.census.gov/search-results.html?q=Median+Income%2C+California&page=1&stateGeo=none&searchtype=web&cssp=SERP& charset=utf-8> accessed 3/11/2020.

¹³ U.S. Census “Income and Poverty 2018” – based on one-year ACS, <https://www.census.gov/library/publications/2019/demo/p60-266.html>, accessed 1.3.2020

¹⁴ U.S. Census, “Supplemental Poverty Rate 2018” based on 3-year ACS <https://www.census.gov/content/dam/Census/library/publications/2019/demo/p60-268.pdf> accessed 1.3.2020

¹⁵ U.S. Department of Housing and Urban Development, Annual report to Congress on homelessness, https://www.hud.gov/press/press_releases_media_advisories/HUD_No_19_177 accessed 1.3.2020

¹⁶ EDD, Industry Projections 2016-2026, <https://www.labormarketinfo.edd.ca.gov/data/employment-projections.html> accessed March 8, 2020

¹⁷ EDD, Labor Market Review, December 2019, <http://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed 3.8.2020

¹⁸ EDD, Labor Market Review, December 2019, <http://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed 3.8.2020

¹⁹ EDD, Labor Market Review, December 2019, <http://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed 3.8.2020

²⁰ EDD, Labor Market Review, December 2019, <http://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed 3.8.2020

²¹ EDD, Labor Market Review, December 2019, <http://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed 3.8.2020

²² EDD, Labor Market Review, December 2019, <http://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed 3.8.2020

²³ EDD, Labor Market Review, December 2019, <http://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed 3.8.2020

²⁴ EDD, Labor Market Review, November 2019, <http://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed 3.8.2020