

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. While the GDP world rankings data will not be available until July 2020, the state's 2018 GDP ranked the state as the fifth largest economy in the world.¹
- 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 Finance²

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 18.5 million workers in the California labor force in April 2020 with 15.6 million individuals employed, a month-over decrease of 2.4 million jobs (-13.4%). This represents a decrease of 2.8 million jobs (-15.4%) over the prior 12-month period.⁵
- Nonfarm employment decreased in all 11 industry sectors between April 2019 and April 2020. Year-over decreases based on percentages are as follows: leisure and hospitality employment fell by 46.1% (loss of 934,900 jobs); other services fell by 28.4% (-162,900); construction fell by 15.1% (-133,100); trade, transportation, and utilities fell by 12.5% (-380,700); manufacturing fell by 10.7% (-141,000); professional and business services fell by 8.7% (-237,400); education and health services fell by 8.6% (-238,600); government fell by 2.6% (-68,700); financial activities fell by 2.0% (-16,500); mining and logging fell by 1.8% (-400); and information fell by 1.6% (-8,900).⁶
- California exported \$173.3 billion in goods in 2019 to over 225 foreign markets, representing 10.5% (\$1.6 trillion) of total US exports.^{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 \$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.¹¹
- California's 2019 median household income was \$66,661 (\$56,663 for US).¹² 16.5% of California households (19.6% in the US) 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 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 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

April 2020 Unemployment

- In April 2020, the California seasonally adjusted unemployment rate was 15.3%, which represents a decrease of 2,344,700 jobs from the prior month. This unemployment rate represents approximately 2.8 million unemployed workers with a labor force participation rate of 59.5%.¹⁷ Over the same period, the comparable national unemployment rate was 14.7%.¹⁸
- The unemployment rates in all 58 counties increased in April 2020. The counties with the highest non-seasonally adjusted unemployment were Imperial (28.0%) and Colusa (26.3%). The Counties of Marin (11.1%), San Mateo (11.4%), Lassen (11.6%), and Santa Clara (11.7%) had the lowest rates. The comparable non-seasonally adjusted state unemployment rate for April 2020 was 16.1%.¹⁹
- The highest unemployment rates in April 2020 by race and ethnicity were among individuals identified as Hispanic (6.0%), black (5.9%), and white (5.0%). The comparable state non-seasonally adjusted 12-month moving average unemployment rate was 5.1%.²⁰
- The majority (82.5%) of employed individuals in April 2020 reported working full time. There were 735,000 persons in California who worked part time involuntarily, comprising 4.0% of all employed workers during the survey week.²¹ California’s labor participation rate was 59.5% in April 2020, meaning over 11.8 million people were not participating in the labor force. Individuals not in the labor force have increased by 128,000 from April 2019.²²
- By age group, the highest unemployment group in April 2020 were workers 16 to 19 years of age (16.7%).²³ The largest group of unemployed persons, when sorted by duration, were individuals unemployed for less than five weeks, which represented 395,000 individuals (39.8% 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=TSIRreports.aspx&DataSource=SED>, accessed August 1, 2019

⁵ EDD, Labor Market Review, April 2020, <http://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed 5.26.2020

⁶ EDD, Labor Market Review, April 2020, <http://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed 5.26.2020

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

¹⁰ <http://tse.export.gov/TSE/MapDisplay.aspx>; International Trade Admin: “2019 NAICS Total All Merchandise Exports from California,” accessed Mary 26, 2020

¹¹ U.S. Census “State Imports California 2019”, <http://tse.export.gov/stateimports/TSIRreports.aspx?DATA=>, accessed 3/11/2020

¹² U.S. Census “Household Income: 2019 ACS one-year average” <https://apps.bea.gov/regional/bearfacts/action.cfm> accessed 5/26/2020.

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 1.3.220

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, April 2020, <http://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed 5.26.2020

¹⁸ EDD, Labor Market Review, April 2020, <http://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed 5.26.2020

¹⁹ EDD, Labor Market Review, April 2020, <http://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed 5.26.2020

²⁰ EDD, Labor Market Review, April 2020, <http://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed 5.26.2020

²¹ EDD, Labor Market Review, April 2020, <http://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed 5.26.2020

²² EDD, Labor Market Review, April 2020, <http://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed 5.26.2020

²³ EDD, Labor Market Review, April 2020, <http://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed 5.26.2020

²⁴ EDD, Labor Market Review, April 2020, <http://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed 5.26.2020