

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 decreased in all 50 states (-31.4%) in the second quarter of 2020. California real GDP in the second quarter was -31.5%.²
- New business applications, considered a leading indicator, were up 53.6% at the end of January 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 18.6 million workers in the California labor force in January 2021, *based on seasonally adjusted data*, with 16.9 million individuals employed, a month-over increase of 136,000 (+0.2%). This represents a decrease of 1.6 million jobs (-8.7%) compared to January 2020.⁶
- Nonfarm employment decreased in all 11 industry sectors between January 2020 and January 2021. *Seasonally adjusted* year-over decreases based on number of jobs are as follows: leisure and hospitality employment fell by 799,400 jobs (-38.8%); trade, transportation, and utilities fell by 109,900 (-3.5%); professional and business services fell by 143,500 jobs (-5.2%); education and health services fell by 134,500 jobs (-4.7%); government fell by 208,400 jobs (-7.9%); other services fell by 150,100 jobs (-25.5%); manufacturing fell by 85,300 jobs (-6.4%); information fell by 53,700 jobs (-9.3%); construction fell by 28,100 jobs (-3.1%); financial activities fell by 36,800 jobs (-4.3%); and mining and logging fell by 3,100 jobs (-14.0%).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 \$80,444 for all households (\$68,703 for US) and \$51,676 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 (12.5% for US) had income insufficient to meet their basic housing needs.¹³ An estimated 151,278 individuals experienced homelessness in 2019, based on the single-night survey method.¹⁴

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.¹⁵

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

January 2021 Unemployment

- In January 2021, the California *seasonally adjusted* unemployment rate was 9.2%, down from 0.3% from the prior month with an increase in total civilian employment of 31,800 jobs. This unemployment rate represents approximately 1.6 million unemployed workers. Over the same period, the comparable national unemployment rate was 6.3%.¹⁶
- The unemployment rate in 14 of the 58 counties increased in January 2021. The counties with the highest *non-seasonally adjusted* unemployment were Imperial (16.5%) and Colusa (15.6%). The lowest unemployment rates in California in January 2021 were Marin (5.4%), Santa Clara County (5.7%), San Mateo County (5.7%). The comparable state overall unemployment rate for January 2021 was 9.2%.¹⁷
- The highest unemployment rates in January 2021 by race and ethnicity were among individuals identified as black (13.0%), Hispanic (12.1%), and white (10.3%). The comparable state *12-month moving average* unemployment rate was 10.6%.¹⁸
- The majority (83.2%) of employed individuals in January 2021, *12-month moving average*, reported working full time. There were 1,088,000 persons in California who worked part time involuntarily, comprising 6.5% of all employed workers during the survey week.¹⁹ California’s labor participation rate was 60.3% in January 2021, representing 19 million people. Individuals not in the labor force but want a job has increased by 1,058,000 from January 2021.²⁰
- By age group, the highest unemployment group in January 2021, *12-month moving average*, were workers 16 to 19 years of age (24.3%).²¹ The largest group of unemployed persons, when sorted by duration, were individuals unemployed for 5 to 14 weeks, 697,000 individuals (34.9% of all unemployed).²²

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¹ Department of Finance, CA World Ranking 2019, http://www.dof.ca.gov/Forecasting/Economics/Indicators/Gross_State_Product/, accessed Oct. 3, 2020

² US Bureau of Economic Analysis, <https://www.bea.gov/news/2020/gross-domestic-product-third-estimate-corporate-profits-revised-and-gdp-industry-annual>, accessed Oct. 3, 2020

³ US Census, Data- Geographical Visualization “Business Applications”- <https://www.census.gov/econ/bfs/index.html>- accessed Dec. 23, 2020

⁴ U.S. Census, 2018 CBP and NES Combined Report, <https://www.census.gov/data/tables/2018/econ/nonemployer-statistics/2018-combined-report.html>, accessed Oct. 3, 2020

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

⁶ EDD, January 2021 Seasonally adjusted employment release, [https://www.labormarketinfo.edd.ca.gov/file/1fmonth/cal\\$spds.pdf](https://www.labormarketinfo.edd.ca.gov/file/1fmonth/cal$spds.pdf), accessed March 13, 2021

⁷ EDD, Industry Employment and Labor Force, [https://www.labormarketinfo.edd.ca.gov/file/1fmonth/cal\\$spds.pdf](https://www.labormarketinfo.edd.ca.gov/file/1fmonth/cal$spds.pdf), accessed Mar. 12, 2021

⁸ ITA, “2020 Exports of NAICS Total All Merchandise” & “2020 NAICS Total All Merchandise Exports from California”, <http://tse.export.gov/TSE/TSEHome.aspx>, accessed Feb. 5, 2021

⁹ ITA, “2020 NAICS Total All Merchandise Exports from California”, <http://tse.export.gov/TSE/MapDisplay.aspx>, accessed Feb. 5, 2021

¹⁰ ITA, “2020 NAICS Total All Merchandise Imports from California”, and “2020 Imports of NAICS Total All Merchandise”- <http://tse.export.gov/stateimports/TSIReports.aspx?DATA=>, accessed Feb. 5, 2021

¹¹ US Census, “Household Income: 2019 ACS one-year average”, <https://www.census.gov/acs/www/data/data-tables-and-tools/>, accessed Oct. 6, 2020.

¹² 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

¹³ 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

¹⁴ US Department HUD, https://files.hudexchange.info/reports/published/CoC_PopSub_State_CA_2019.pdf, accessed Jan. 7, 2020

¹⁵ EDD, Industry Projections 2016-2026, <https://www.labormarketinfo.edd.ca.gov/data/employment-projections.html>, accessed Mar. 8, 2020

¹⁶ EDD, January 2021 Seasonally adjusted employment release, [https://www.labormarketinfo.edd.ca.gov/file/1fmonth/cal\\$spds.pdf](https://www.labormarketinfo.edd.ca.gov/file/1fmonth/cal$spds.pdf), accessed March 13, 2021

¹⁷ EDD, “Monthly Labor Force Data for Counties”, <https://www.labormarketinfo.edd.ca.gov/file/1fmonth/countyur-400c.pdf>, accessed Mar. 12, 2021, and, Labor Market Review, December 2020, <https://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed Feb. 11, 2021

¹⁸ EDD, California Demographic Labor Force, https://www.labormarketinfo.edd.ca.gov/specialreports/CA_Employment_Summary_Table.pdf, accessed Mar. 12, 2021

¹⁹ EDD, California Demographic Labor Force, https://www.labormarketinfo.edd.ca.gov/specialreports/CA_Employment_Summary_Table.pdf, accessed Mar. 12, 2021

²⁰ EDD, California Demographic Labor Force, https://www.labormarketinfo.edd.ca.gov/specialreports/CA_Employment_Summary_Table.pdf, accessed Mar. 12, 2021

²¹ EDD, California Demographic Labor Force, https://www.labormarketinfo.edd.ca.gov/specialreports/CA_Employment_Summary_Table.pdf, accessed Mar. 12, 2021

²² EDD, California Demographic Labor Force, https://www.labormarketinfo.edd.ca.gov/specialreports/CA_Employment_Summary_Table.pdf, accessed Mar. 12, 2021