

California Employment Report for July 2024

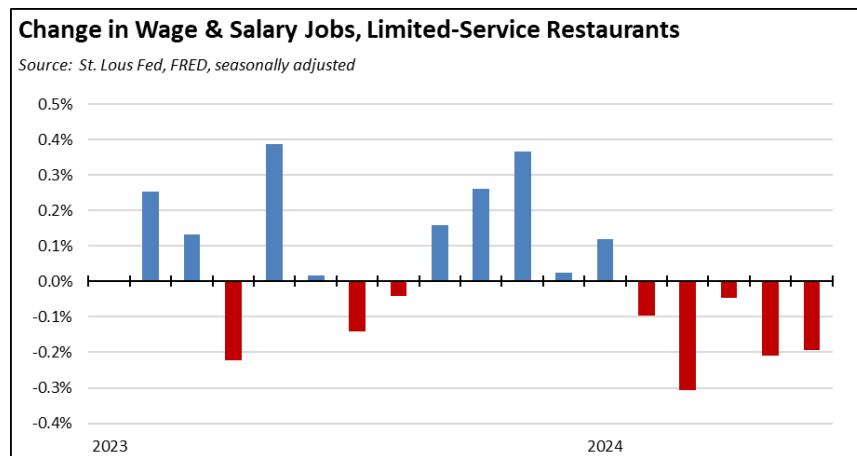
The Center for Jobs and the Economy has released our initial analysis of the June Employment Report from the California Employment Development Department. For additional information and data about the California economy visit www.centerforjobs.org/ca.

Mixed Results in July Data

The July numbers were generally positive, but again at levels showing the state economy largely running in place. After posting the worst unemployment rate among the states 5 months in a row, California finally notched down to the second worst in July, tying with Illinois in that slot. The total number of unemployed, however, remained above the 1 million mark for the 6th month in a row. Employment while showing a marginal gain of 7,300 for the month still was 88,700 below the near term high posted in May 2023.

Nonfarm jobs again had a strong gain of 21,100, coming in at the third highest level among the states. However, almost all the growth came from jobs in Government, which expanded by 19,200. Healthcare & Social Services, where jobs growth has been heavily reliant on government spending, grew by 7,400. All other private industry jobs contracted by 5,500. While the preliminary seasonally adjusted data shows the state creating 284,400 nonfarm jobs over the year since July 2023, 30.6% were government jobs, 47.7% were in Healthcare & Social Services, and only 21.7% were in the other private industries.

The dampening effect of state policies on private industry jobs growth continues to be seen in the effects of the new \$20 an hour minimum wage for fast food chains. Using the seasonally adjusted series available through the St. Louis Federal Reserve Bank Economic Data (FRED), employment in the associated industry grouping, Limited-Service Restaurants and Other Eating Places, grew throughout most of 2023. However, as employers began preparing for the higher labor costs, the number of jobs has since fallen in each month since January through June in 2024 (July not yet available). Compared to the series high in January, jobs in this industry are down 6,300 through June.



California Labor Force

Seasonally Adjusted	California		US	
	Jul 2024	Change from Jun 2024	Jul 2024	Change from Jun 2024
Unemployment Rate	5.2%	0.0	4.3%	0.2
Labor Force	19,361,600	0.1%	168,429,000	0.2%
Participation Rate	62.0%	0.0	62.7%	0.1
Employment	18,353,400	0.0%	161,266,000	0.0%
Unemployment	1,008,200	0.8%	7,163,000	5.2%

Not Seasonally Adjusted	California		US	
	Jul 2024	Change from Jul 2023	Jul 2024	Change from Jul 2023
Unemployment Rate	5.8%	1.0	4.5%	0.7
Labor Force	19,439,600	0.5%	169,723,000	0.8%
Participation Rate	62.3%	0.2	63.2%	0.1
Employment	18,315,300	-0.5%	162,038,000	0.0%
Unemployment	1,124,300	20.0%	7,685,000	20.6%

5.2%

CA Unemployment
Rate

California's reported unemployment rate (seasonally adjusted) in July was unchanged at 5.2%. The US rate rose 0.2 point to 4.3% as the labor force expanded.

California had the second highest unemployment rate among the states, tying with Illinois.

7.3k

CA Employment

Employment rose by 7,300 (seasonally adjusted), with the total employment loss since July 2023 at 64,300.

US employment rose by 67,000.

California unemployment edged up by 7,800, while US unemployment rose by 352,000. California unemployment has been above 1 million for the past 7 months in a row.

62.0

%

CA Labor Force
Participation Rate

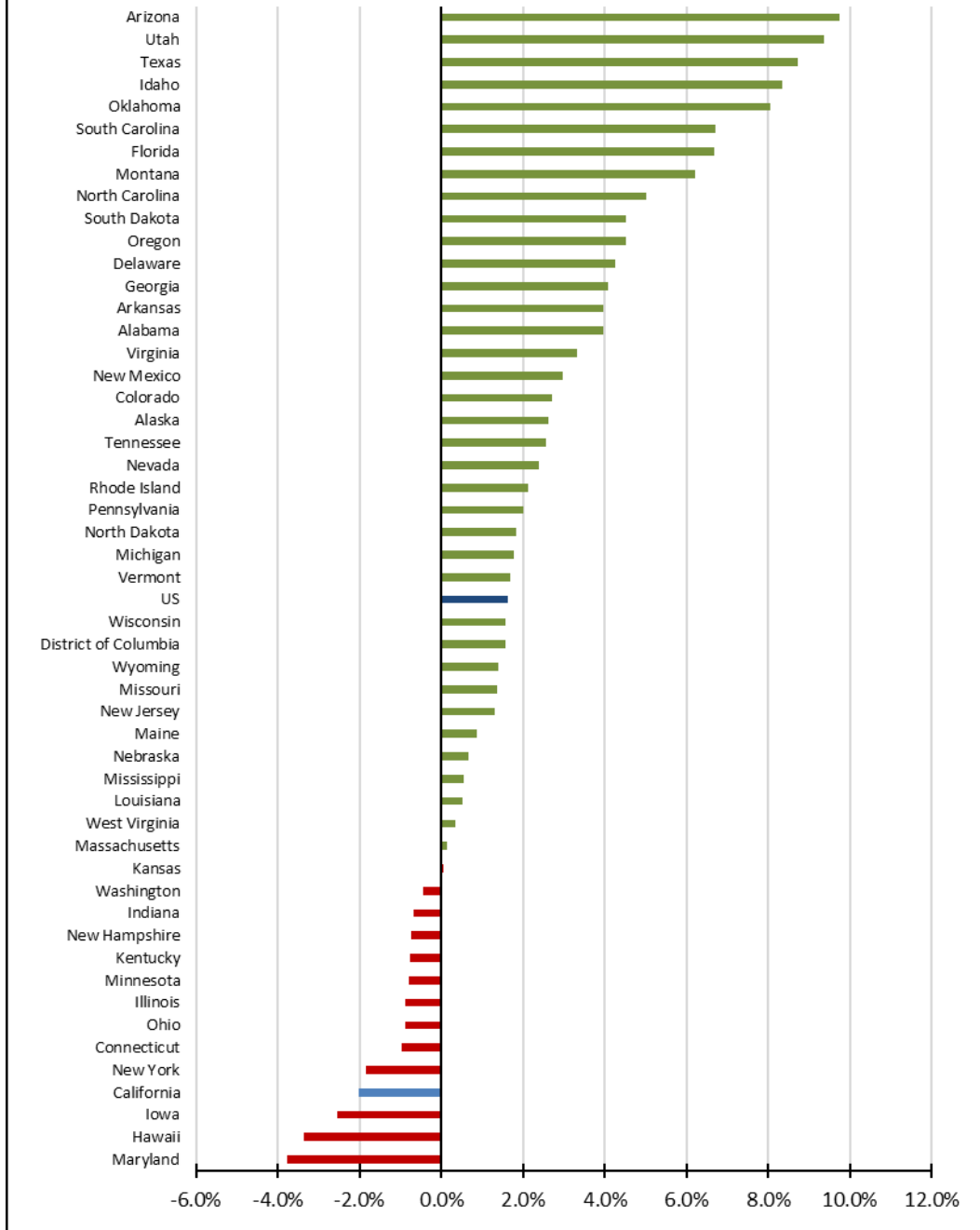
California labor force (seasonally adjusted) remained largely unchanged with a gain of only 15,100, while the labor force participation rate was level at 62.0%. The US labor force rose 420,000, while the participation rate rose 0.1 point to 62.7%.

Recovery Progress: CA Employment vs. Other States

Compared to the pre-pandemic peak in February 2020, California's sustained weakness in employment recovery remained at 4th lowest among the states and DC.

Employment: July 2024 vs. February 2020

Source: BLS, seasonally adjusted



Nonfarm Jobs

21.1k

**Nonfarm Jobs
Change**

Nonfarm wage and salary jobs rose 21,100 in the preliminary results for July, while the June gains were adjusted downwards by only 1,700.






For the US as a whole, nonfarm jobs rose 114,000 in July.

The seasonally adjusted numbers for California showed gains in 8 industries and losses in 10. Increases were led by Government (19,200), Healthcare & Social Assistance (7,400), and Private Educational Services (4,900). Losses were led by Wholesale Trade (-6,200), Manufacturing (-3,100), and Information (-3,000).

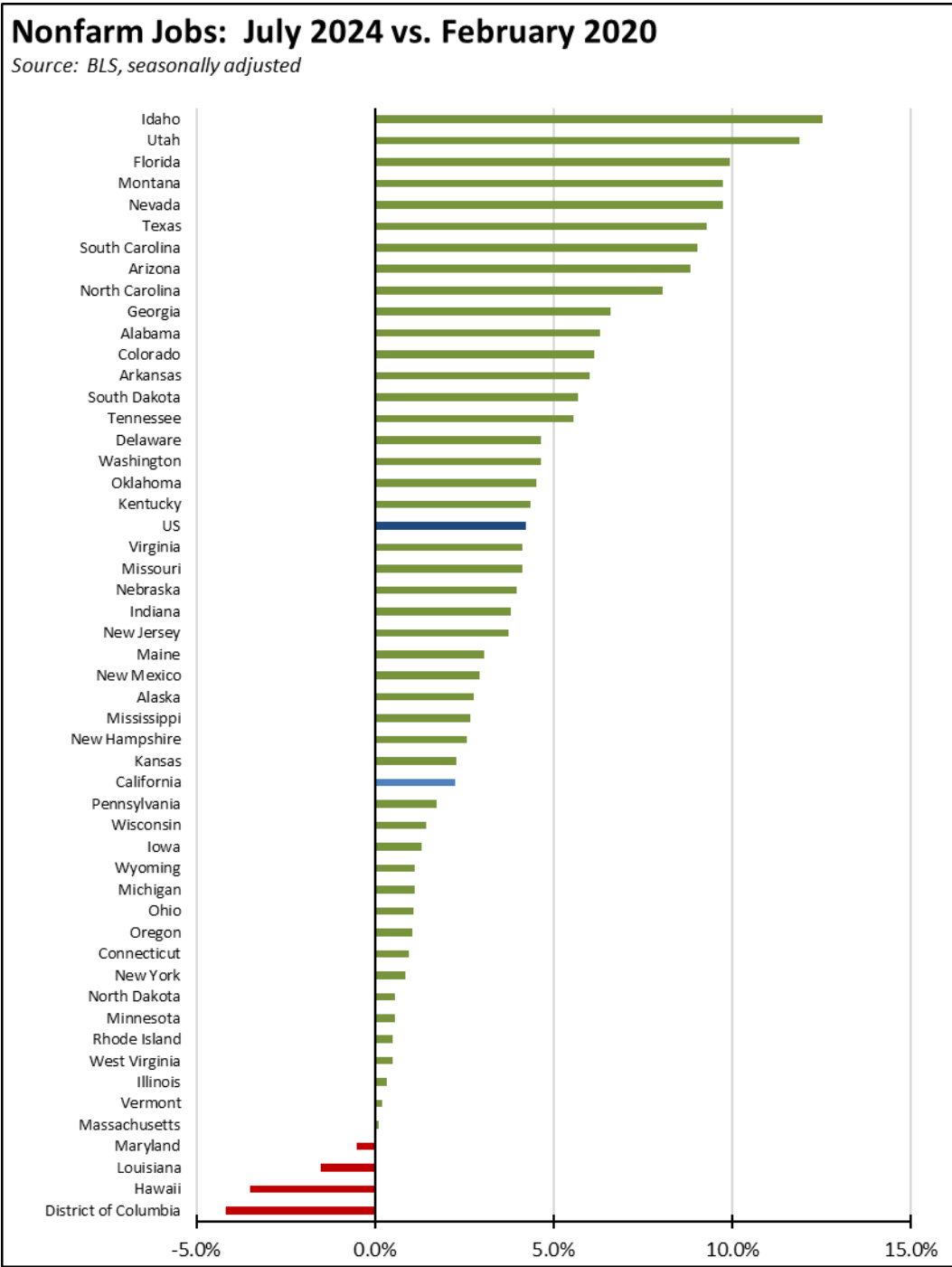
Recovery Progress: CA Nonfarm Jobs vs. Other States

California’s monthly job performance in July was the 3rd highest among the states and DC, behind New York with a gain of 41,400 and Florida with 21,800. Texas, which was being hit by Hurricane Beryl in the midst of both the establishment (jobs) and household (employment) surveys, posted a loss of 14,500.

Compared to the pre-pandemic peak, California has now gained a net 398,400 nonfarm jobs, moving into 3rd place just ahead of much smaller North Carolina.

	Nonfarm Job Gains, Feb 2020 - Jul 2024	
Texas	1,203,300	
Florida	902,700	
California	398,400	
North Carolina	374,200	
Georgia	307,900	

Adjusted for size, California remained at 31st highest, below the US average. Only 3 states and DC remain below their pre-pandemic peaks.



Nonfarm Jobs by Region

By region, job gains were concentrated in Southern California, while the budget-critical Bay Area experienced a loss of 3,400.

Nonfarm Jobs by Region

Source: EDD, seasonally adjusted

	Change from June 2024	Change from February 2020
Inland Empire	3,300	120,600
Central Valley	900	97,400
Sacramento	-1,100	59,000
San Diego	1,900	48,100
Orange County	6,800	25,600
Central Coast	1,600	-7,300
Los Angeles	5,000	-36,900
Bay Area	-3,400	-53,100

Because the data in the table is seasonally adjusted, the numbers should be considered as the total for the counties in each region rather than the regional number. This job series also is not available for all areas in California.

Unemployment Rates by Region

Looking at employment change over the year, the Bay Area continued to lose ground while portions of Southern California and the Central Valley again showed gains.

Employment by Region

Source: EDD, not seasonally adjusted

	Change from July 2023
Inland Empire	15,400
Los Angeles	11,400
Central Valley	10,500
Upstate California	3,190
Central Sierra	690
Sacramento	-3,220
Orange County	-13,000
San Diego/Imperial	-14,900
Central Coast	-17,900
Bay Area	-106,500

Unemployment rates (not seasonally adjusted) remain higher in all regions except the Central Coast compared to pre-pandemic February 2020 levels.

Unemployment Rate by Region

Source: EDD, not seasonally adjusted

	Jul-24	Feb-20
California	5.8	4.3
Orange County	4.4	2.8
Bay Area	4.6	2.7

Central Sierra	5.0	4.5
Sacramento	5.1	3.7
Central Coast	5.5	7.0
San Diego/Imperial	5.5	3.8
Inland Empire	5.8	3.9
Los Angeles	6.3	4.3
Upstate California	6.4	6.3

Counties with Double-Digit Unemployment

3

**Counties with
Unemployment Above
10%**

The number of counties with an unemployment rate (not seasonally adjusted) at 10% or more edged down to 3. The unadjusted rates ranged from 3.8% in San Mateo to 18.7% in Imperial.

California MSAs in the 25 Highest Unemployment Rates

10

**MSAs in the Bottom 25 by
Unemployment Rate**

10 California MSAs were in the 25 with the highest unemployment rates nationally in June.

MSA	Unemp. Rate June 2024	Rank (out of 389)
El Centro MSA	16.4%	389
Visalia-Porterville MSA	10.0%	387
Merced MSA	9.4%	386
Bakersfield MSA	8.9%	385
Hanford-Corcoran MSA	8.4%	384
Fresno MSA	7.7%	383
Yuba City MSA	7.5%	381
Madera MSA	7.4%	380
Modesto MSA	7.1%	378
Stockton-Lodi MSA	6.4%	371

Unemployment Rate by Legislative District

The estimated unemployment rates are shown below for the highest and lowest districts. The full data and methodology are available on the Center's website.

Lowest	CD11 Pelosi (D)	3.9	SD13 Becker (D)	3.6	AD23 Berman (D)	3.5
	CD40 Kim (R)	3.9	SD39 Atkins (D)	3.9	AD76 Maienschein (D)	3.6
	CD50 Peters (D)	4.0	SD40 Jones (R)	3.9	AD19 Ting (D)	3.6
	CD15 Mullin (D)	4.0	SD37 Min (D)	4.0	AD26 Low (D)	3.8
	CD16 Eshoo (D)	4.0	SD38 Blakespear (D)	4.0	AD72 Dixon (R)	3.9
	CD47 Porter (D)	4.3	SD11 Wiener (D)	4.1	AD21 Papan (D)	3.9
	CD49 Levin (D)	4.3	SD10 Wahab (D)	4.6	AD16 Bauer-Kahan (D)	4.0
	CD17 Khanna (D)	4.3	SD15 Cortese (D)	4.6	AD77 Boerner Horvath (D)	4.1
	CD02 Huffman (D)	4.4	SD02 McGuire (D)	4.6	AD68 Valencia (D)	4.2
	CD10 DeSaulnier (D)	4.4	SD01 Dahle (R)	4.6	AD17 Haney (D)	4.3
Highest	CD24 Carbajal (D)	7.1	SD05 Eggman (D)	6.8	AD65 Gipson (D)	7.7
	CD46 Correa (D)	7.3	SD12 Grove (R)	6.9	AD22 Alanis (R)	7.8
	CD14 Swalwell (D)	7.3	SD26 Durazo (D)	7.0	AD32 Fong (R)	7.8
	CD48 Issa (R)	7.4	SD35 Bradford (D)	7.3	AD39 Carrillo (D)	7.9
	CD51 Jacobs (D)	7.6	SD21 Wilk (R)	7.4	AD57 Jones-Sawyer (D)	9.1
	CD45 Steel (R)	7.8	SD28 Smallwood-Cuevas (D)	7.4	AD27 Soria (D)	9.6
	CD19 Panetta (D)	9.4	SD33 Gonzalez (D)	7.6	AD31 Arambula (D)	9.7
	CD38 Sánchez (D)	9.6	SD18 Padilla (D)	9.0	AD35 Bains (D)	10.3
	CD04 Thompson (D)	9.8	SD14 Caballero (D)	9.7	AD33 Mathis (R)	11.2
	CD35 Torres (D)	11.1	SD16 Hurtado (D)	11.0	AD36 Garcia (D)	11.7