

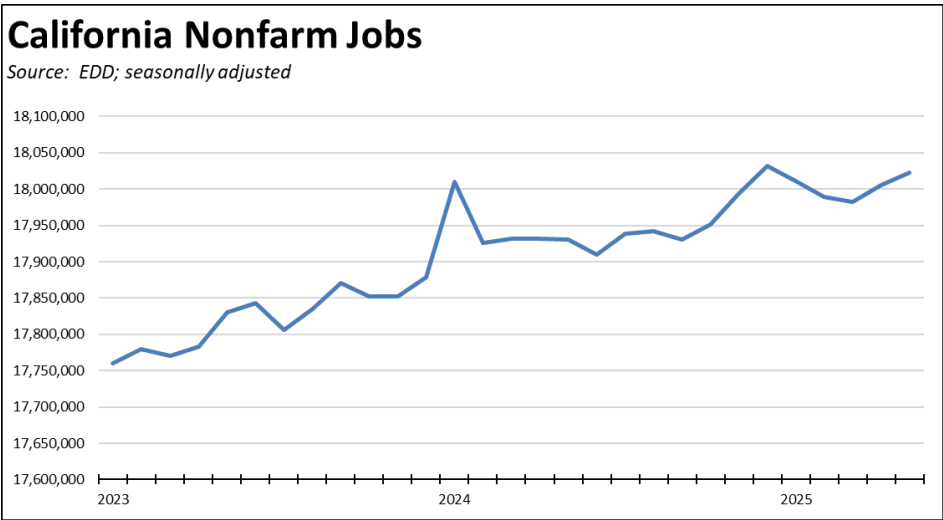
# California Employment Report for May 2025

The Center for Jobs and the Economy has released our initial analysis of the May Employment Report from the California Employment Development Department. The EDD and BLS releases are again out of sync, and data for the other states will be addressed in our Full Jobs Report after it is released by Bureau of Labor Statistics next Tuesday. For additional information and data about the California economy visit [www.centerforjobs.org/ca](http://www.centerforjobs.org/ca).

## Nonfarm Jobs Rise 17,700 in May; 9,200 Loss to Date for 2025

For the second time in 2025, California posted positive job numbers, with a preliminary gain of 17,700 in May. The 17,700 preliminary gain in April was revised to 23,100.

Cumulatively, the two-month gain still has not offset losses in the first 3 months of the year. To date in 2025, nonfarm jobs have shown essentially no change, with a cumulative loss of 9,200. Compared to the previous near-term peak in January 2024, the cumulative gain has been only 13,200.



By industry, jobs growth continued to be dominated by government and government-supported Healthcare & Social Assistance. Other private industries, however, saw a small gain of 2,000 primarily due to growth in Accommodation & Food Services. Overall, other private industries have experienced the loss of 346,900 jobs since their peak in September 2022. Federal government jobs were off 2,700 for the month, and off 4,500 since their peak last October.

## Change in Nonfarm Jobs by Industry

*Source: EDD, seasonally adjusted*

	From March 2025	From September 2022
Total Nonfarm	17,700	239,100
Government & Government Supported	15,600	586,000

Government	1,500	168,700
Health Care & Social Assistance	14,100	417,300
<b>Other Private</b>	<b>2,100</b>	<b>-346,900</b>
Mining & Logging	0	-1,000
Construction	-1,900	-21,000
Manufacturing	-1,100	-82,500
Wholesale Trade	1,800	-15,600
Retail Trade	-1,300	-27,500
Transportation, Warehousing & Utilities	500	-7,800
Information	2,600	-91,800
Finance & Insurance	-800	-42,700
Real Estate & Rental & Leasing	400	-7,600
Professional, Scientific & Technical Services	-3,500	-61,100
Management of Companies & Enterprises	1,000	-4,600
Administrative & Support & Waste Management & Remediation Services	-2,300	-96,200
Private Educational Services	-3,700	42,700
Arts, Entertainment & Recreation	2,000	44,300
Accommodation & Food Services	7,000	1,300
Other Services	1,400	24,200

## California Labor Force

Seasonally Adjusted	California		US	
	May 2025	Change from Apr 2025	May 2025	Change from Apr 2025
Unemployment Rate	5.3%	0.0	4.2%	0.0
Labor Force	19,806,900	0.3%	170,510,000	-0.4%
Participation Rate			62.4%	-0.2
Employment	18,749,100	0.3%	163,273,000	-0.4%
Unemployment	1,057,900	0.2%	7,237,000	1.0%

5.3%

California's reported unemployment rate (seasonally adjusted) was unchanged at 5.3%. The US rate also remained level but at 4.2%.

Rate

49.4k

Employment rose 49,400 (seasonally adjusted) in May, while US employment fell by 696,000.

California unemployment was essentially unchanged with an increase of 2,500, while US unemployment edged up by 71,000. **California unemployment has been above 1 million every month since January 2024, the highest levels since the pandemic period in 2021.**

CA Employment

Nonfarm Jobs

17.7k

Nonfarm wage and salary jobs rose 17,700.

For the US as a whole, nonfarm jobs rose 139,000.

Counties with  
Double-Digit  
Unemployment

3

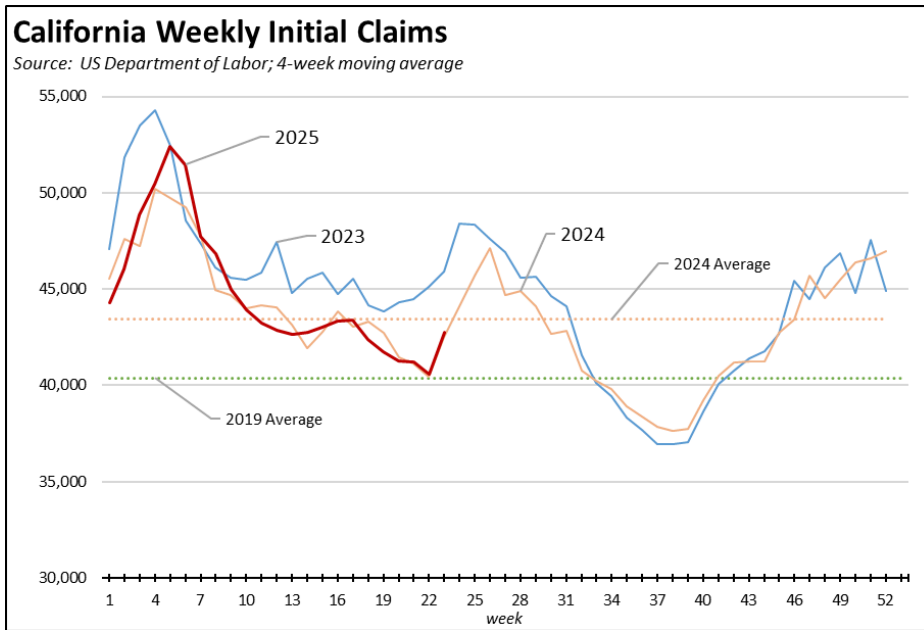
Nonfarm Jobs  
Change

The number of counties with an unemployment rate (not seasonally adjusted) at 10% dipped to 3. The unadjusted rates ranged from 3.4% in San Mateo to 17.4% in Imperial.

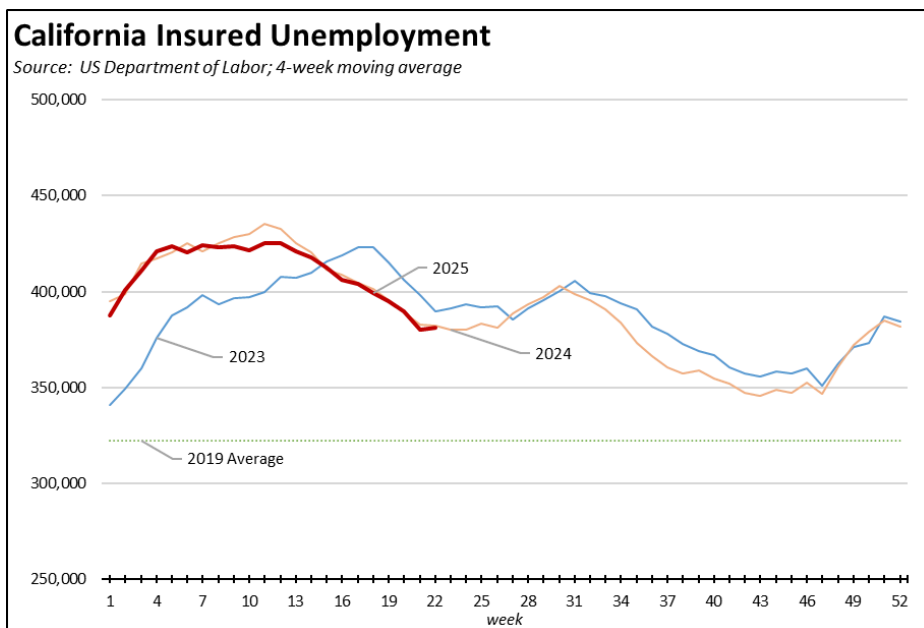
Counties with  
Unemployment Above  
10%

Unemployment Insurance Claims Continue to Follow 2024 Trend

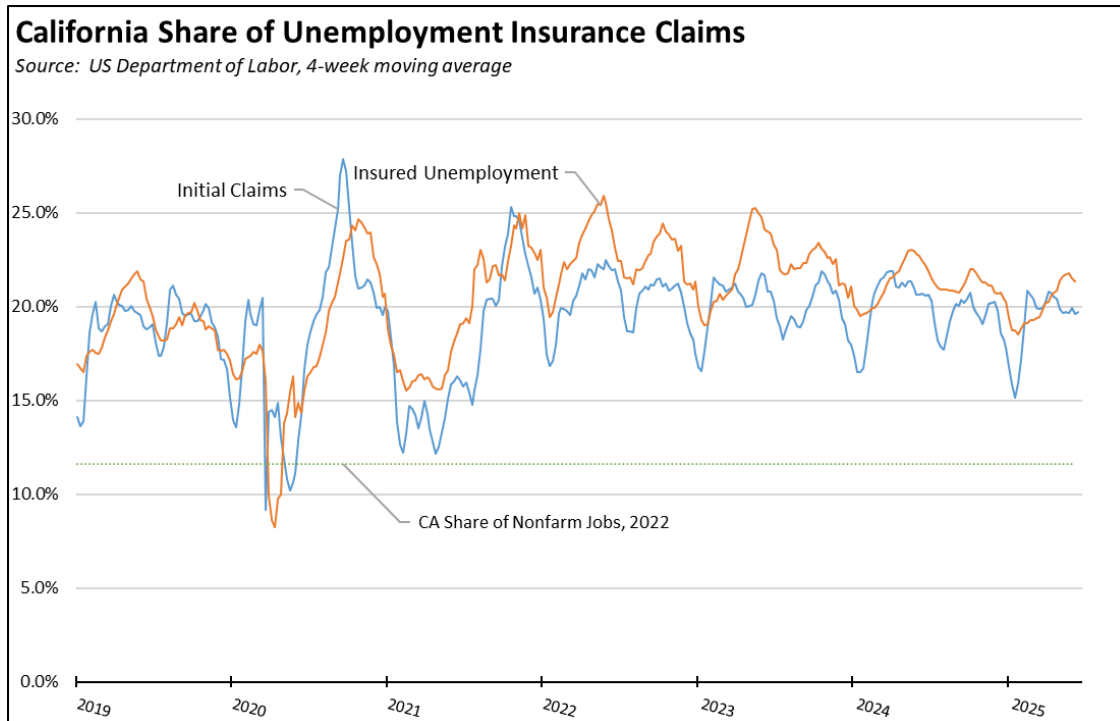
With a sharp uptick in initial claims, the unemployment insurance program continues to largely follow the 2024 trend.



As does insured unemployment, a proxy for continuing claims.



Combined, California's poor job creation performance continues to keep workers far more reliant on unemployment insurance benefits than in other states. Using the 4-week moving averages compared to its overall 11.3% of all nonfarm jobs, California in the latest data contained 19.7% of initial claims and 21.4% of all insured unemployment.



**This overreliance of providing benefits to workers rather than jobs also is pushing the unemployment insurance fund further into functional bankruptcy.** After diverting federal pandemic funds provided to pay off its substantial unemployment insurance debt to other uses, California remains only one of two states still carrying this debt. As a result, California employers now face rising employment taxes each year, further increasing the cost of creating new jobs. Yet in spite of rising taxes, the latest [EDD forecasts](#) only see this debt rising even further. The state's debt to the federal government is now projected to grow from \$19.1 billion at the end of the pandemic, to \$23.7 billion in 2027. With unemployment remaining stubbornly high and possibly increasing if the state's economy weakens further, the actual debt levels may increase further.

