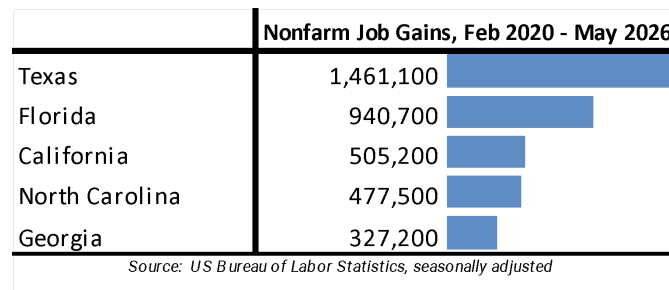


Nonfarm Jobs Rose 3,100 in May; 21st Highest Among the States

In May, California posted a preliminary gain of 3,100 nonfarm jobs (seasonally adjusted), the 21st highest result among the states and DC, which were led by Texas (17,800), North Carolina (17,400), and New York (13,700).

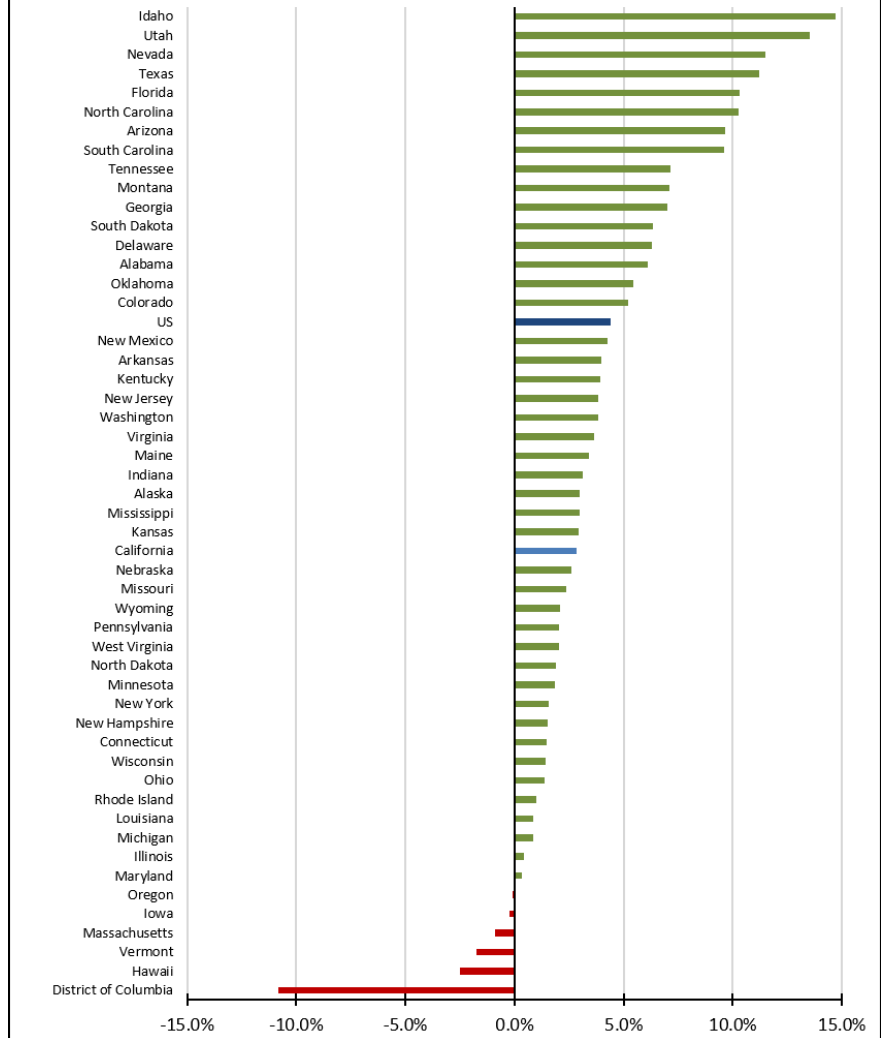
Comparing net job gains from the pre-pandemic peak, California still remained in 3rd place, but by only 27,700 ahead of much smaller North Carolina.



Adjusted for size, California's job performance continues to rank in the middle, at 28th highest among the states and DC. Five states and DC have yet to recover to their pre-pandemic levels.

Nonfarm Jobs: May 2026 vs. February 2020

Source: BLS, seasonally adjusted

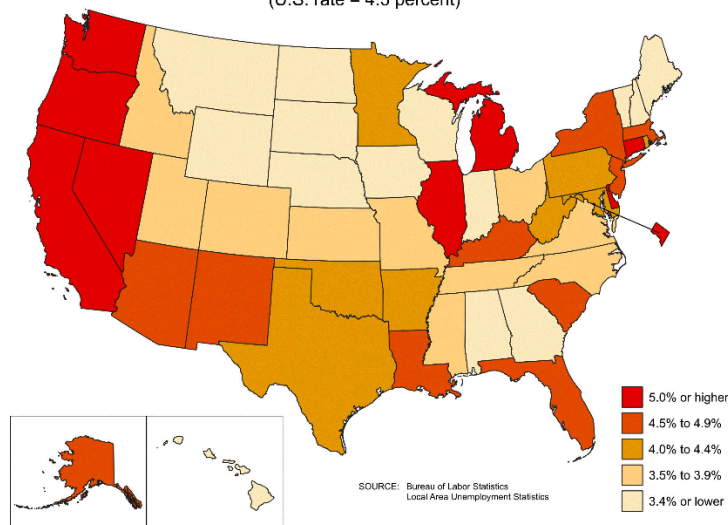


Unemployment Above 1 Million Since 2024; Black Unemployment at 10%

In the preliminary May numbers, California had the highest unemployment rate among the states at 5.3% (seasonally adjusted). DC again was higher at 6.1%. The US rate was 4.3%.

Unemployment rates by state, seasonally adjusted, May 2026

(U.S. rate = 4.3 percent)



The preliminary number of unemployed at 1.08 million remained above the 1 million mark for the 29th month in a row. While the number of unemployed improved marginally, it did so as workers left the labor force rather than becoming employed.

Labor Force Demographics

Source: EDD; analysis of CPS microdata (Asian 2/20); BLS

	Feb 2020	May 2026
California	4.0%	5.3%
Ethnicity/Race		
Latino	4.7%	5.8%
White	4.0%	5.0%
Asian	3.4%	4.0%
Black	5.3%	9.0%
Age		
16-19	14.8%	23.9%
20-24	7.3%	9.4%
25-54	3.4%	4.4%
55+	3.4%	4.1%
Underemployment		
U-6 (quarter)	8.2%	10.1%

By ethnicity/race, Latino and White workers have seen comparable increases in unemployment compared to pre-pandemic February 2020. Asians have seen a smaller change. **Black workers in contrast have seen their unemployment rate increase by two-thirds to 9.0%**

By age, prime working age (25-54) and seniors (55+) also have seen generally comparable increases. Youth (16-19) and Young Adults on the other hand have seen more substantial increases as the state and local minimum wages have increased, including in the fast food industry that previously employed many of these

workers. The Youth unemployment rate in particular has soared by nearly two-thirds, eliminating the early employment and early acquisition of workplace skills that are associated with higher lifetime earnings, especially for workers in the lower educational attainment categories.

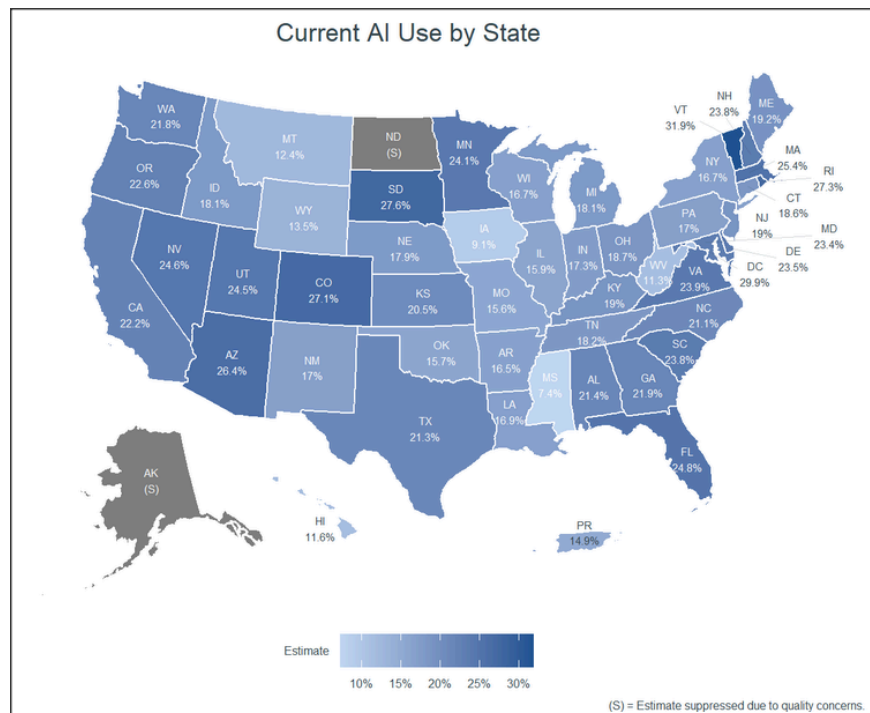
Underemployment, measured by U-6, similarly has shown a significant increase. U-6 covers the labor force universe covered in the monthly reported rate, but also includes workers in part time jobs because full time jobs are not available as well as workers who are only marginally attached to the labor force.

Note that the data in the table derives from a different accounting than the model-based monthly estimates, but relies on the same core Current Population Survey (CPS) data. To provide statistically valid estimates, the table data generally shows the 12 month average from the CPS and for U-6. As a comparison, the average California rate as shown is 5.3% from this method, while the average of the not seasonally adjusted model-based estimates for the same period is 5.5%. In addition, for periods including October 2025, the data is based on a moving 11-month average rather than 12-month as in prior years, because the required survey was not done.

AI and Jobs

As part of their [Business Trends & Outlook Survey](#), the Census Bureau has been tracking the use of AI by businesses. The survey covers about 1.2 million businesses broken into 6 panels, including all but a few identified business sectors.

In the most recent (June 14) survey, about a fifth (22.2%) of California businesses reported using AI in any business function in the previous two weeks. This penetration level was only the 18th highest among the states.



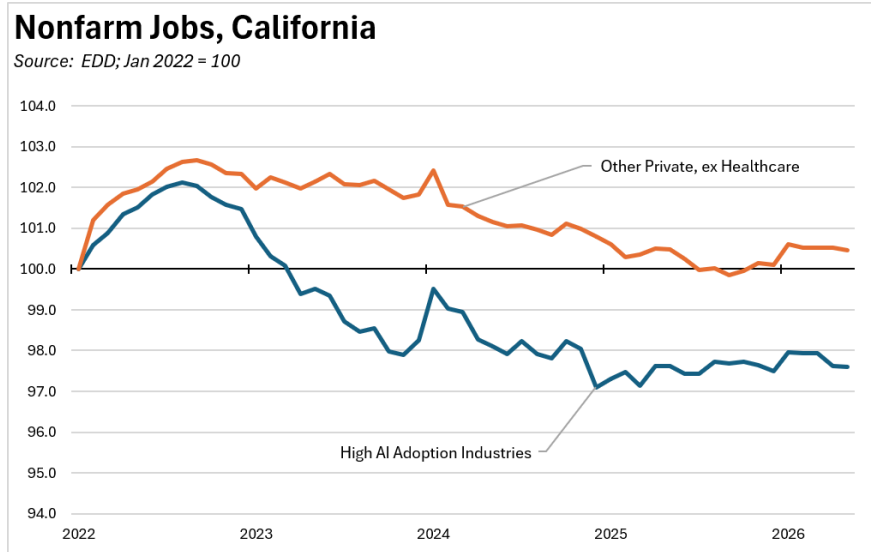
Using the national response data, AI use varies substantially across industries, ranging from 3.6% in Agriculture to 41.9% in the obvious leader, Information. The responses are statistically insignificant for two industries.

Current AI Use by Industry, US

Source: US Census Bureau, Business Trends & Outlook Survey, June 14, 2026

Information	41.9 %
Professional, Scientific & Technical Services	37.6 %
Private Educational Services	35.4 %
Finance & Insurance	34.9 %
Multi-Unit Companies	32.4 %
Real Estate & Rental & Leasing	27.6 %
Utilities	25.3 %
Health Care & Social Assistance	22.8 %
Arts, Entertainment & Recreation	20.4 %
Administrative & Support & Waste Management & Remediation Services	18.8 %
Wholesale Trade	17.7 %
Manufacturing	17.4 %
Retail Trade	15.1 %
Construction	12.6 %
Other Services	10.9 %
Transportation & Warehousing	9.3 %
Accommodation & Food Services	7.9 %
Agriculture, Forestry, Fishing & Hunting	3.6 %
Mining, Quarrying, and Oil and Gas Extraction	n/a
Management of Companies & Enterprises	n/a

Comparing the California job numbers for the top 5 (except multi-unit companies) AI adopters with the rest of private industry—but removing the distorting effect of Healthcare & Social Assistance—there was a divergence in job trends following the release of ChapGPT in 2022. Since 2024, there has been no significant difference in job performance between the two industry categories.



Califormers: 2026 Fortune 500

In the most [recent results](#) for 2026, California lost its Number 1 ranking for Fortune 500 companies to Texas. California now has 56 companies on the list. Texas has 57. New York is third with 53. California previously held the number 1 slot in 2024 and 2025, and before that in 2014.

Texas gained the lead in large part due to the large number of corporate relocations to that state. The 2026 list includes 12 companies previously headquartered in California, including 7 that have moved since 2020.

California has lost Fortune 500 companies in the past as well, but it has remained in the top states as other companies such as Apple, Uber, Doordash, and Airbnb grew their way onto the list. The 2026 list is an exception. There are 12 new companies on the list this year. Three of them are in Texas. None are in California.

California in fact was the birthplace of one of those 12 new entrants, BitGo Holdings ranking at #273 in its debut. However, after [bashing the proposed wealth tax](#) by saying “Who in their right mind would found a new business in California if California does this?” the BitGo CEO relocated the company to South Dakota just ahead of its IPO this year. With BitGo, California would have tied with Texas. With the wealth tax proposal, it slipped into #2.

Califormers: CBRE Headquarters Relocation Report

In its most recent [update](#), CBRE identified an upswing in corporate headquarters relocations in 2025, with 69 interstate moves and 26 international moves as foreign companies relocated to the US or formed a US subsidiary.

The Top 3 MSAs gaining headquarters were in Texas and Florida.

Figure 3: Top Cities That Gained Net New HQs (Interstate & International)

Dallas-Fort Worth-Arlington	11
Miami-Fort Lauderdale-West Palm Beach	8
Austin-Round Rock-San Marcos	7
Charlotte-Concord-Gastonia	7
New York-Newark-Jersey City	7
Nashville-Davidson-Murfreesboro-Franklin	6
Phoenix-Mesa-Scottsdale	6
Tampa-St. Petersburg-Clearwater	6
Atlanta-Sandy Springs-Roswell	4
Raleigh-Durham	3

Source: [CBRE Americas Consulting, 2026](#).

California in contrast had 3 of the Top 4 regions losing headquarters.

Figure 4: Top Cities That Lost HQs

Los Angeles-Long Beach-Anaheim	10
New York-Newark-Jersey City	9
San Francisco-Oakland-Berkeley	7
San Jose-Sunnyvale-Santa Clara	5
Portland-Vancouver-Hillsboro	3
Chicago-Naperville-Elgin	2
Denver-Aurora-Centennial	2
Detroit-Warren-Dearborn	2
Louisville-Jefferson County	2
Miami-Fort Lauderdale-West Palm Beach	2

Source: [CBRE Americas Consulting, 2026](#).

Califormers Update

Additional CaliFormer companies identified since our last report are shown below. The listed companies include those that have announced: (1) moving their headquarters or full operations out of state, (2) moving business units out of state (generally back office operations where the employees do not have to be in a more costly California location to do their jobs), (3) California companies expanding out of state rather than locating those facilities here, and (4) companies turning to permanent telework options, leaving it to their employees to decide where to work and live. The list is not exhaustive but is drawn from a search of sources in key cities.

Companies	From	To	Reason	Source	Da
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					t e
BaRupO n	Irvin e	Tex as	Data Center and Energy Park	https://samsearch.co/government-contracting-news/barupon-expand-s-operations-with-new-700-acre-data-center-in-texas-102606	2 0 2 6
BitGo	Palo Alto	So ut h Da kot a	HQ move	https://www.latimes.com/business/story/2026-01-21/california-crypto-startup-moves-to-south-dakota-as-debate-over-proposed-wealth-tax-heats-up	2 0 2 6
Del Monte	Mod esto	var iou s	Manufact uring closure	https://thecoconutmama.com/hundreds-of-california-workers-face-job-loss-as-major-cannery-prepares-to-close/	2 0 2 6
D-Wave	Palo Alto	Flo rid a	HQ move; R&D expansio n	https://www.latimes.com/business/story/2026-01-31/californian-tech-company-to-move-headquarters-to-florida	2 0 2 6 2
Farmer Brothers	Torr ance	Tex as	Company move	https://www.dallasnews.com/business/economy/2016/12/06/why-farmer-bros-moved-from-california-to-texas-to-cut-millions-in-costs-and-reinvent-itself/	0 1 6
HB Fuller Aerospa ce	Irvin e & Wil min gton	No rth Ca roli na	Manufact uring consolida tion	https://www.bizjournals.com/charlotte/news/2026/05/28/hb-fuller-consolidate-aerospace-california-georgia.html	2 0 2 6
Honeyb ee	San Fran cisc o	Tex as	HQ move	https://ytexas.com/relo-tracker/?utm_medium=email&_hsmi=101779181&_hsenc=p2ANqtz-_0eXi4zd3yib9xBN3kfXhT2Q6vpriQJCvFAaeeU_ws_aW_Gr3plZloyrC3CjWzCkVDvFQa8UEXx1m-tTHDKLlyMWTBBOZzx9HKLS6zcYY5FJg4A&utm_content=101779181&utm_source=hs_email	2 0 2 6 2
KB Homes	Los Ang eles	Ari zo na	HQ move	https://www.latimes.com/business/story/2026-04-14/l-a-s-trailblazing-home-builder-is-latest-to-leave-california	2 0 2 6 2
Knightw erkz	Cam arill o	Ari zo na	HQ move	https://www.bizjournals.com/phoenix/search?q=california&s=2&pl=4	0 2 6
Kratos Defense & Security Solution s	San Dieg o	Flo rid a	Manufact uring expansio n	https://hoodline.com/2026/05/defense-contractor-loads-up-67m-orlando-expansion-dangles-100-new-jobs/	2 0 2 6
MP Material s	Mou ntai	Tex as	\$1.25 billion rare	https://www.bizjournals.com/dallas/news/2026/02/26/mp-materials-northlake.html	2 0

	n Pass		earths processin g plant		2 6
Pfizer	Sout h San Fran cisc o	Re mo te wo rk	Research /corporat e office closure	https://sanfranciscopost.com/pfizer-closes-south-san-francisco-lab/	2 0 2 6 2
Public Storage	Glen dale	Tex as	HQ move	<a href="https://www.latimes.com/business/story/2026-02-24/storage-compa
ny-is-latest-to-leave-california-for-texas">https://www.latimes.com/business/story/2026-02-24/storage-compa ny-is-latest-to-leave-california-for-texas	2 0 2 6
Pudu Robotics	Sant a Clar a	Tex as	HQ move	<a href="https://therealdeal.com/texas/2026/04/28/pudu-robotics-relocates-u
s-hq-to-this-north-texas-town/">https://therealdeal.com/texas/2026/04/28/pudu-robotics-relocates-u s-hq-to-this-north-texas-town/	2 0 2 6
Swift Beef Compan y	Rive rsid e	var iou s	Manufact uring closure	<a href="https://thecoconutmama.com/worlds-largest-meatpacker-to-close-ca
lifornia-plant-imminently-374-jobs-lost/">https://thecoconutmama.com/worlds-largest-meatpacker-to-close-ca lifornia-plant-imminently-374-jobs-lost/	2 0 2 6
Tesla	Fem ont	Tex as	End vehicle productio n; shift to robots	<a href="https://www.cNBC.com/2026/01/28/tesla-ending-model-s-x-producti
on.html">https://www.cNBC.com/2026/01/28/tesla-ending-model-s-x-producti on.html	2 0 2 6
Wells Fargo	San Fran cisc o	Flo rid a	Wealth Manage ment office move	<a href="https://www.wealthmanagement.com/wirehouse-news/wells-fargo-t
o-move-wealth-headquarters-to-west-palm-beach">https://www.wealthmanagement.com/wirehouse-news/wells-fargo-t o-move-wealth-headquarters-to-west-palm-beach	2 0 2 6 2
Yamaha Motors	Cypr ess	Ge org ia	HQ move	<a href="https://www.latimes.com/business/story/2026-03-11/yamaha-is-leavi
ng-california-after-nearly-50-years">https://www.latimes.com/business/story/2026-03-11/yamaha-is-leavi ng-california-after-nearly-50-years	0 2 6