

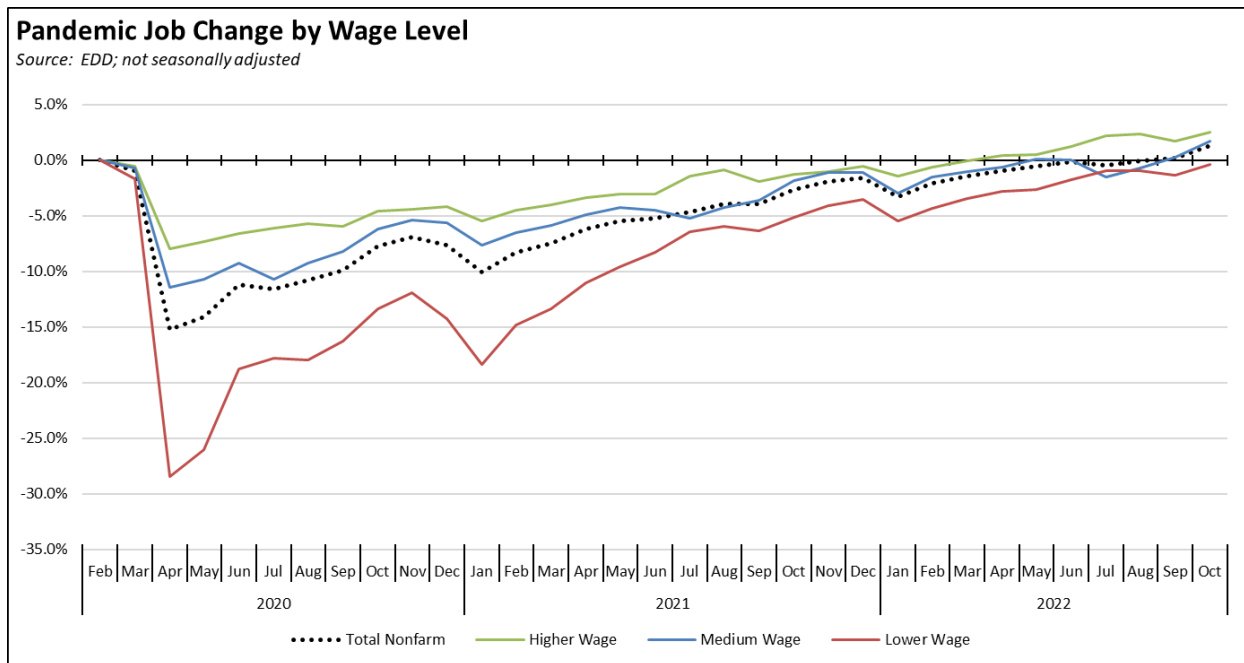
## October 2022 Jobs Report

### COVID-19 and the State Economy

As discussed in our [preliminary report](#) on the October data, the state’s recovery progress continued to be mixed. Nonfarm jobs finally reached a recovery point—defined by the pre-pandemic peak in February 2020—for nonfarm jobs, but also posted the third month in a row with a contraction in the number of employed. In all, California took 32 months to reach the jobs recovery benchmark.

Other states by giving a higher priority to rapid jobs recovery reached this point far earlier. For example, Texas passed this point in November 2021; Florida did so in October 2021. In all, the most recent data shows that the number of states exceeding the pre-pandemic job numbers rose to 25, while the number of states exceeding this recovery measure for employment dipped to 26.

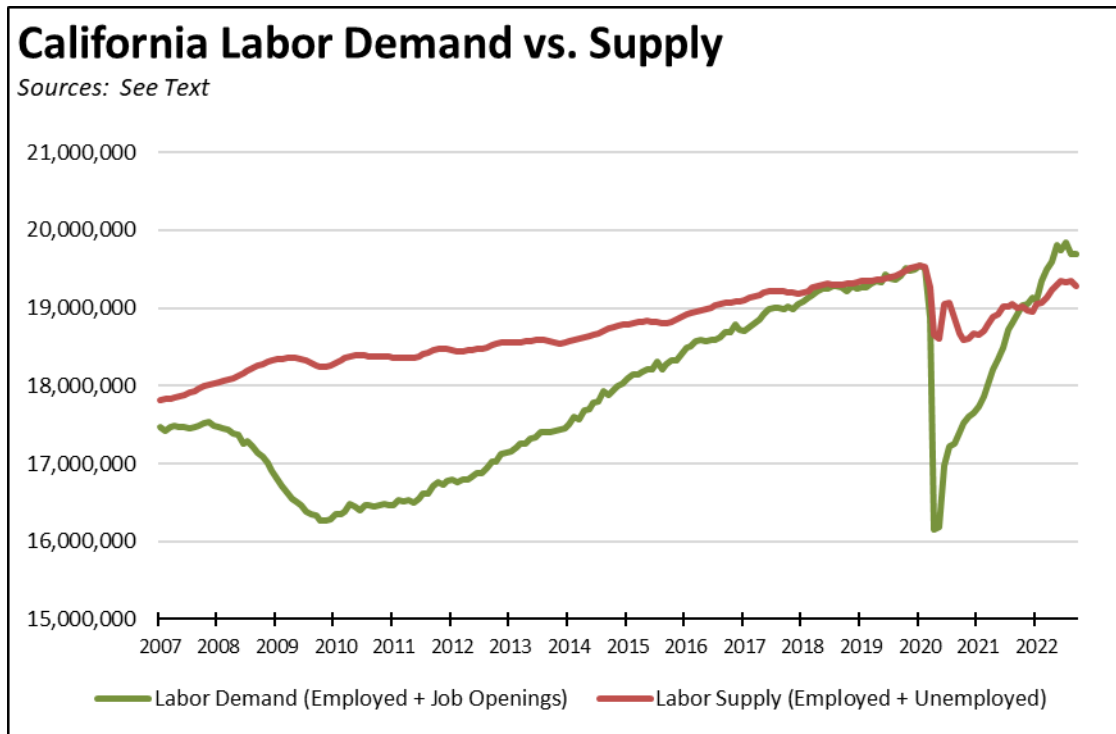
The jobs recovery in California also varies across industries and wage level. Using the unadjusted numbers to show results by average wage level, recovery and now growth continues to be the strongest in the higher wage industries. The medium wage industries continue to track overall nonfarm trends. The lower wage industries, in contrast, still have yet to reach this recovery benchmark.



Future jobs growth faces two primary prevailing forces. The risk of recession in 2023 appears to be increasing, although most forecasts expect one to be relatively mild under current Fed policies. Continued disruptions in energy markets, with California [energy prices](#) still soaring to new heights and the federal administration apparently still hoping for an energy bailout from [foreign sources](#) rather than domestic production, could affect the severity as well.

More critically, labor shortages continue to weigh on future job potential. As indicated in the latest data, the labor force remains stagnant while demand for labor as reflected in unfilled job openings has stayed at elevated levels, although the numbers for California have shown some softening as companies especially in the tech industry have cut back on hiring plans.

Borrowing a chart concept from the Atlanta Fed to illustrate this point by looking at just the raw numbers, the unemployment problem during the Great Recession was primarily demand. The severe jobs loss at the beginning of that recession saw only a slow recovery that was hindered by an increase in both regulatory and tax costs. In the pandemic recovery period, the shift has been to a supply issue as labor availability remains below the pre-pandemic levels and is now beginning to show a tapering off as well. The demand although weakening is there for further jobs growth. The supply is not, both from the resident population and a sharp decline in both domestic and foreign in-migration that previously bolstered the economy with the needed skills mixes.



## Califormers Business: Update

Additional CaliFormer companies identified since our last monthly 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 that expanded out of state rather than locate 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 monthly search of sources in key cities.

The companies shown below were augmented with information from the recent [Why Company Headquarters Are Leaving California in Unprecedented Numbers](#) report by Joseph Vranich and Lee E. Ohanian. In some cases, the moving dates for companies listed in that report are listed as the 2018-2021 range given in the report.

## CaliFormers Update

Companies	From	To	Reason	Link	Date
4M Analytics	Palo Alto	Texas	HQ move	<a href="#">Read More</a>	2022
Academy of Country Music	Los Angeles	Tennessee	HQ move	<a href="#">Read More</a>	2021
AeroVironment, Inc.	Simi Valley	Virginia	HQ move	<a href="#">Read More</a>	2021
Allspring	San Francisco	North Carolina	HQ move	<a href="#">Read More</a>	2022
American Metal Bearing Co.	Garden Grove	Florida	HQ move	<a href="#">Read More</a>	2022
Anomalie	San Francisco	Arizona	HQ move	<a href="#">Read More</a>	2022
Bedrock Capital Partners LLC	San Francisco	Texas	HQ move	<a href="#">Read More</a>	2022
Blue Box Air LLC	Los Angeles	Texas	HQ move	<a href="#">Read More</a>	2020
Blue Buffalo (U-Turn)	Several CA communities	Arizona	HQ move	<a href="#">Read More</a>	2018-21
Bold Patriot Brewing Co.	Norco	Tennessee	HQ move	<a href="#">Read More</a>	2020
Cade Medical	Temecula	Arizona	HQ move	<a href="#">Read More</a>	2018-21
CloudBees	San Jose	North Carolina	HQ move	<a href="#">Read More</a>	2018-21
Cohesity	Westlake Village	Texas	HQ move	<a href="#">Read More</a>	2018-21
CORE Group	San Francisco	Texas	HQ move	<a href="#">Read More</a>	2019
Eagle Creek	Vista	Colorado	HQ move	<a href="#">Read More</a>	2018-21
\FaceFirst Inc.	Los Angeles	Texas	HQ move	<a href="#">Read More</a>	2021

Companies	From	To	Reason	Link	Date
Flexible Funding	San Francisco	Texas	HQ move	<a href="#">Read More</a>	2022
FlexMet fka Calif. Precision Products	San Diego	Tennessee	HQ move	<a href="#">Read More</a>	2022
Fujifilm Diosynth Biotechnologies	Thousand Oaks	Texas	Production expansion	<a href="#">Read More</a>	2022
GemCap	Malibu	Texas	HQ move	<a href="#">Read More</a>	2018-21
Gold Alliance	Los Angeles	Nevada	HQ move	<a href="#">Read More</a>	2021
Green Zero Energy	U-turn from California	Ohio	HQ move	<a href="#">Read More</a>	2018-21
Gutterglove Inc.	Roseville	Tennessee	HQ move	<a href="#">Read More</a>	2021
Hangar Technology	Santa Monica	Texas	HQ move	<a href="#">Read More</a>	2018-21
Happy Joe Coffee	Los Angeles	Arizona	HQ move	<a href="#">Read More</a>	2021
Helicopter Engine Repair Overhaul	Valencia	Arizona	HQ move	<a href="#">Read More</a>	2019
Hewlett Packard Enterprise (HPE)	San Jose	Texas	HQ move	<a href="#">Read More</a>	2020
Homelight	San Jose	Arizona	HQ move	<a href="#">Read More</a>	2021
Homestory Doors	Lincoln	Nevada	HQ move	<a href="#">Read More</a>	2021
IGM Biosciences HQ of Biz Units	Mountain View	Pennsylvania	HQ move	<a href="#">Read More</a>	2022
Immortals Company	Culver City	Michigan	HQ move	<a href="#">Read More</a>	2021
JetSuite Inc.	Irvine	Texas	HQ move	<a href="#">Read More</a>	2018
Kettle & Fire	San Francisco	Texas	HQ move	<a href="#">Read More</a>	2018-21
KLA	Milpitas	Michigan	HQ move	<a href="#">Read More</a>	2021
Lada Cube	Redding	Colorado	HQ move	<a href="#">Read More</a>	2021

Companies	From	To	Reason	Link	Date
Lalamove	U-turn from California	Texas	HQ move	<a href="#">Read More</a>	2018-21
Lehr Automotive	Sacramento	Nevada	HQ move	<a href="#">Read More</a>	2018-21
Lucas Oil	Corona	Indiana	HQ move	<a href="#">Read More</a>	2022
Luminar Technologies, Inc.	Palo Alto	Florida	HQ move	<a href="#">Read More</a>	2021
Mary's Gone Crackers	Chico	Nevada	HQ move	<a href="#">Read More</a>	2016
Michael Angelo's Gourmet Foods	Berkley	Texas	HQ move	<a href="#">Read More</a>	2018-21
Narrow Path Advisors	Grass Valley	Arkansas	HQ move	<a href="#">Read More</a>	2021
National E&S Insurance Brokers, Inc.	Palmdale	Nevada	HQ move	<a href="#">Read More</a>	2021
Nature of Wildlife	Los Angeles	Arizona	HQ move	<a href="#">Read More</a>	2018-21
NobelBiz, Inc.	Carlsbad	Wyoming	HQ move	<a href="#">Read More</a>	2018-21
North Face (VF Corp.)	Alameda	Colorado	HQ move	<a href="#">Read More</a>	2018-21
NortonLifeLock / Symantec	Mountain view	Arizona	HQ move	<a href="#">Read More</a>	2020
Ocean Aero, Inc	San Diego	Mississippi	HQ move	<a href="#">Read More</a>	2021
Opicity Inc.	Santa Clara	Texas	HQ move	<a href="#">Read More</a>	2018-21
Optym	U-turn from California	Texas	HQ move	<a href="#">Read More</a>	2018-21
Orca Capital	San Diego	Florida	HQ move	<a href="#">Read More</a>	2018-21
Pacific Farms	Oakland	Nevada	HQ move	<a href="#">Read More</a>	2018-21
Panic Plastics	Upland	Idaho	HQ move	<a href="#">Read More</a>	2018-21
PAS MRO	Irvine	Oklahoma	HQ move	<a href="#">Read More</a>	2020

Companies	From	To	Reason	Link	Date
Pinpoint	Mountain view	Texas	HQ move	<a href="#">Read More</a>	2018-21
PolarOnyx	San Jose	North Carolina	HQ move	<a href="#">Read More</a>	2021
Precision Medical	Rocklin	Texas	HQ move	<a href="#">Read More</a>	2022
Primo Fitness	Santa Ana	Texas	HQ move	<a href="#">Read More</a>	2022
Propeller Aero (U-turn from Calif.)	Unknown	Colorado	HQ move	<a href="#">Read More</a>	2018-21
PteroDynamics (R&D HQ)	Ventura	Colorado	HQ move	<a href="#">Read More</a>	2021
Q Corp	Camarillo	Nevada	HQ move	<a href="#">Read More</a>	2018-21
Raiders (NFL)	Alameda	Nevada	HQ move	<a href="#">Read More</a>	2020
Riders Share	Los Angeles	Texas	HQ move	<a href="#">Read More</a>	2020
Rooster Teeth	Los Angeles	Texas	HQ move	<a href="#">Read More</a>	2018-21
SaRA Health	Los Angeles	Missouri	HQ move	<a href="#">Read More</a>	2018
Scorpion	Santa Clarita	Utah	HQ move	<a href="#">Read More</a>	2021
Shelter Distilling	Mammoth Lakes	Colorado	HQ move	<a href="#">Read More</a>	2022
Slice of Sauce	Los Angeles	Texas	HQ move	<a href="#">Read More</a>	2018-21
SlumberYard.com	Rocklin	Nevada	HQ move	<a href="#">Read More</a>	2018-21
SnapDNA	Mountain view	Colorado	HQ move	<a href="#">Read More</a>	2022
Sovos Brands	Berkley	Kentucky	HQ move	<a href="#">Read More</a>	2021
Spectrum Labs	San Francisco	Florida	HQ move	<a href="#">Read More</a>	2021
SriMu	Los Angeles	Tennessee	Production move	<a href="#">Read More</a>	2022

Companies	From	To	Reason	Link	Date
Strategic Information Group	Encinitas	South Carolina	HQ move	<a href="#">Read More</a>	2021
SureClinical	Rancho Cordova	Nevada	HQ move	<a href="#">Read More</a>	2018-21
Taiwan Semiconductor Manufacturing Corp.	San Jose	Arizona	2nd \$12 billion chip plant	<a href="#">Read More</a>	2022
U.S. Pulmonary Hypertension	South San Francisco	New Jersey	HQ move	<a href="#">Read More</a>	2018-21
Valex	Ventura	Austin	HQ2/manufacturing expansion	<a href="#">Read More</a>	2022
Violin Systems	San Jose	Colorado	HQ move	<a href="#">Read More</a>	2019
Win-Win Co,	Oakland	Texas	HQ move	<a href="#">Read More</a>	2018-21
Xcelaero Inc.	San Luis Obispo	Louisiana	HQ move	<a href="#">Read More</a>	2018-21
Yogo	San Francisco	Nevada	HQ move	<a href="#">Read More</a>	2018-21
Zoosk	San Francisco	Germany	HQ move	<a href="#">Read More</a>	2019
ZVRS & Purple Comm.	Del Norte	Texas	HQ move	<a href="#">Read More</a>	2021
ZVRS & Purple Comm.	Rockland	Texas	HQ move	<a href="#">Read More</a>	2021

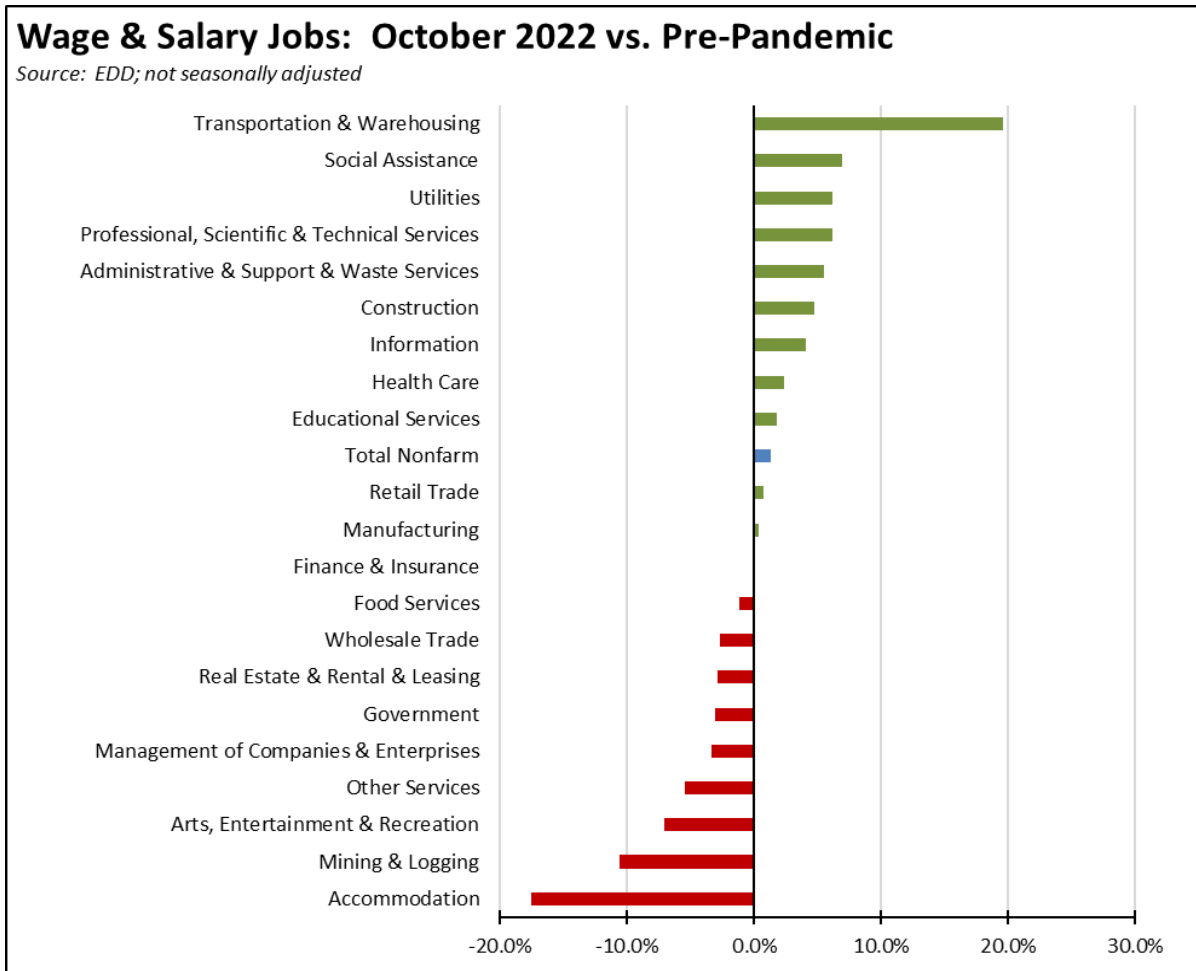
## Nonfarm Jobs: 30,800 Below Pre-Covid Peak

Nonfarm wage and salary jobs were up 56,700 (seasonally adjusted) in October, while the estimated gains in September were revised down to 5,300.

The October results put California nonfarm jobs 30,800 above the pre-pandemic peak, joining 24 other states with positive jobs growth since February 2020. California's total lags 12 other states showing positive growth, ranging from Indiana at 33,900 to Florida at 467,000 and Texas at 663,800.

## Jobs Change by Industry

Using the unadjusted numbers that allow a more detailed look at industry shifts, the number of industries showing job levels at or exceeding the pre-pandemic February 2020 levels edged rose to 12. Transportation & Warehousing again showed the strongest cumulative jobs growth (130,700) by a large margin, with higher-wage Professional, Scientific & Technical Services remaining in second place at a gain of 83,400.



## Employment 230,900 Below Pre-Covid Level

EDD reported that employment (seasonally adjusted; September preliminary) fell for the third month in a row, down 40,500 from the revised numbers for September. The number of unemployed rose 35,400.

The reported unemployment rate rose 0.2 point to 4.0%. California had the 13<sup>th</sup> highest unemployment rate among the states, and contained 13.0% of the total number of unemployed workers in the US.

In the national numbers, total US employment was down 328,000, and the number of unemployed rose by 306,000. With the labor force largely unchanged, the reported unemployment rate rose 0.2 point to 3.7%.



Seasonally Adjusted	California		US	
	Oct 2022	Change from Sep 2022	Oct 2022	Change from Sep 2022
Unemployment Rate	4.0%	0.2	3.7%	0.2
Labor Force	19,279,500	0.0%	164,667,000	0.0%
Participation Rate	62.3%	0.0	62.2%	-0.1
Employment	18,502,900	-0.2%	158,608,000	-0.2%
Unemployment	776,600	4.8%	6,059,000	5.3%

Not Seasonally Adjusted	California		US	
	Oct 2022	Change from Oct 2021	Oct 2022	Change from Oct 2021
Unemployment Rate	4.1%	-1.7	3.4%	-0.9
Labor Force	19,288,261	1.1%	164,753,000	1.8%
Participation Rate	62.3%	0.7	62.3%	0.5
Employment	18,505,554	3.0%	159,144,000	2.7%
Unemployment	782,707	-29.4%	5,609,000	-18.7%

Figure Sources: California Employment Development Department; US Bureau of Labor Statistics

## Labor Force Participation Rate

The labor force participation rate was level at 62.3%, while the US number edged down 0.1 point to 62.2%. The California rate still remains below the pre-pandemic level of 62.8%, which in turn was down substantially from prior years. Accounting for workers leaving the workforce since February 2020, there were an estimated 0.9 million out of work in October.

## Unemployment Rates by Legislative Districts

We will be pausing publication of these estimates until the necessary data is available for the new legislative district boundaries from the American Community Survey.

## Unemployment Rates by Region

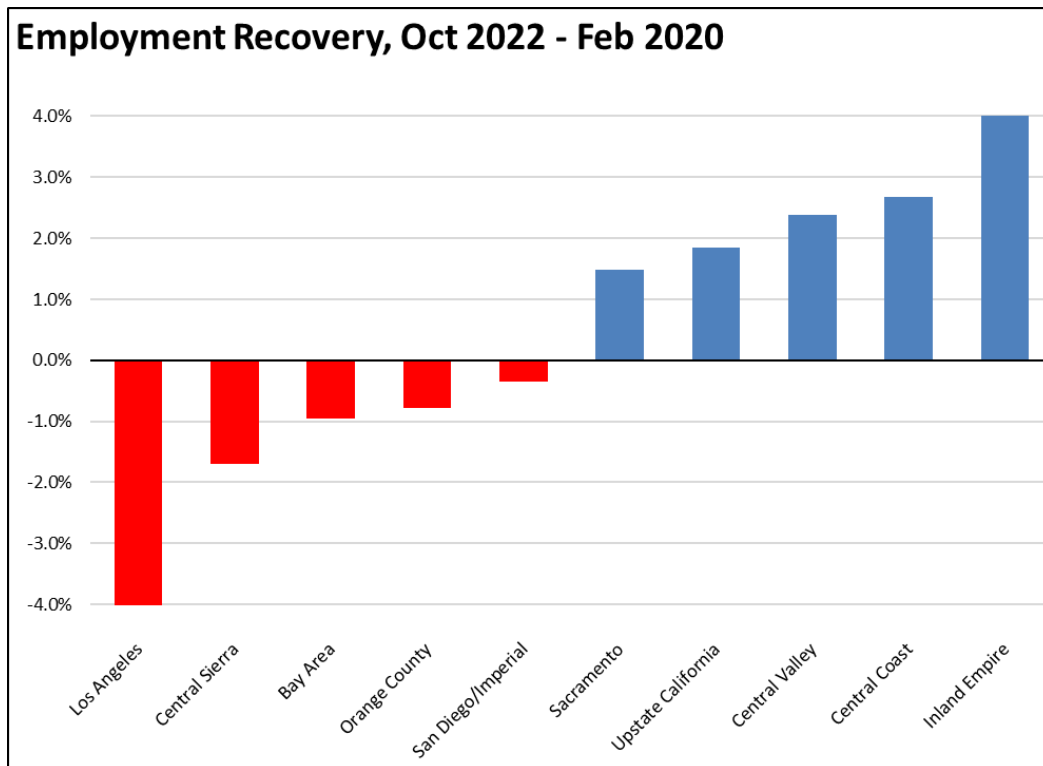
Unemployment rates (not seasonally adjusted) compared to pre-pandemic February 2020 are shown below.

	Oct-22	Feb-20
California	4.1	4.3
Bay Area	2.6	2.7
Orange County	2.8	2.8
Sacramento	3.3	3.7
Central Sierra	3.6	4.5
Central Coast	3.7	7.0
San Diego/Imperial	3.7	3.8
Inland Empire	4.0	3.9
Upstate California	4.2	6.3
Los Angeles	4.3	4.3
Central Valley	5.9	8.4

Figure Source: California Employment Development Department

## Employment Recovery by Region

Los Angeles Region continues to lag the rest of the state in recovery to the pre-pandemic peak employment levels. Central Sierra shifted into the negative column primarily due to seasonal factors.



## MSAs with the Worst Unemployment Rates

The number of California MSAs among the 25 regions with the worst unemployment rates in August rose to 8. Los Angeles-Long Beach-Anaheim MSA remained out of this group, but dipped to #308 in a tie with 9 other MSAs in other states. The best performing California urban region was again San Jose-Sunnyvale-Santa Clara MSA, dropping to a tie with 7 other MSAs at #36, with an unemployment rate of 2.2% compared to the best performing region, Mankato-North Mankato, MN MSA, at 1.3%.

MSA	September Unemp. Rate	Rank (out of 389)
El Centro MSA	16.0%	388
Visalia-Porterville MSA	7.5%	387
Bakersfield MSA	6.2%	384
Merced MSA	6.0%	383
Hanford-Corcoran MSA	5.8%	380
Fresno MSA	5.4%	375
Madera MSA	5.2%	369
Yuba City MSA	5.1%	366