

California Employment Report

For November 2018

Highlights for policy makers:

- [Unemployment Rate Level at 4.1%; Total Employment Up 73,200](#)
- [Labor Force Participation Rate Level Up to 62.3%](#)
- [State Employment Growth Rankings—California 2nd Highest](#)
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Unemployment Rate Level at 4.1%; Total Employment up 73,200

The Labor Force data for November 2018 (seasonally adjusted; California preliminary) is shown below, along with the change from the prior month:

Seasonally Adjusted	California		US	
	Nov 2018	Change from Oct 2018	Nov 2018	Change from Oct 2018
Unemployment Rate	4.1%	0.0	3.7%	0.0
Labor Force	19,517,200	0.4%	162,770,000	0.1%
Participation Rate	62.3%	0.2	62.9%	0.0
Employment	18,710,500	0.4%	156,795,000	0.1%
Unemployment	806,600	0.3%	5,975,000	-1.6%

Source: California Employment Development Department; US Bureau of Labor Statistics

The related not seasonally adjusted numbers (California preliminary), with the change from November 2017:

Not Seasonally Adjusted	California		US	
	Nov 2018	Change from Nov 2017	Nov 2018	Change from Nov 2017
Unemployment Rate	3.9%	-0.3	3.5%	-0.4
Labor Force	19,715,600	1.7%	162,665,000	1.4%
Participation Rate	62.9%	0.6	62.9%	0.2

Employment	18,938,100	2.0%	157,015,000	1.8%
Unemployment	777,500	-4.3%	5,650,000	-10.1%

Source: California Employment Development Department; US Bureau of Labor Statistics

California Employment Development Department's (EDD) latest data shows on a seasonally adjusted basis, total employment rose 73,200 from October, while the number of unemployed rose 1,600. The labor force eased up by 2,300.

California's seasonally adjusted unemployment rate stayed at 4.1%, the lowest level in the current data series that began in 1976. California tied with Connecticut and Wyoming for the 14th highest unemployment rate among the states. The unadjusted rate dipped from 4.2% in November 2017 to 3.9%.

Total US employment saw a seasonally adjusted gain of 233,000 from October, while the number of unemployed dropped by 100,000 and the total labor force grew by 110,000. The national unemployment rate stayed at 3.7%.

Labor Force Participation Rate Level Up to 62.3%

California's participation rate (seasonally adjusted) in November rose to 62.3%, while the US rate remained at 62.9%.

California's labor force continued to show some growth, up 133,000 over the year ending November 2018, or 0.7% growth. The US as a whole grew by 2.2 million - a 1.4% expansion. While workers elsewhere continue to return to the workforce, California's continued low rate has implications for future growth in the state, including the ability to sustain jobs expansion as fewer workers are available and continued effects on state and local budgets for higher social program spending compared to other states.

Considered by age, the prime working age groups in California (age 25-54 and 55-64) remain somewhat below their previous highs since 2000, with youth employment remaining below levels from a year ago. These trends in particular have long-term implications for income distributions in the state, as most studies indicate that work skills developed through early employment are correlated with long-term earnings potential. In contrast to the younger groups, persons 65 and older show a higher labor force participation rate compared to the prior low at the beginning of this period.

Labor Force Participation Rate by Age (12-month moving average)

	Prior Max	November 2018
Total	67.2%	62.2%
16-19	46.8%	27.0%
20-24	76.4%	65.7%
25-54	82.1%	82.2%
55-64	66.3%	64.1%

Prior Min

65+

12.1%

19.6%

Source: Current Population Survey microdata; EDD

Note: All entries from 12-month moving average

State Employment Growth Rankings—California 2nd Highest

Change in Employment, November 2017 – November 2018

Rank	Number of Employed		Percentage Change		Population Adjusted (employment growth per 1,000 civilian noninstitutional population)	
1	TX	290,500	MA	5.0%	MA	31.8
2	CA	184,800	NV	3.5%	NV	20.9
3	MA	178,200	NM	3.0%	NM	16.1
4	FL	177,700	DE	2.6%	DE	15.2
5	NY	122,900	AZ	2.5%	CO	15.2
6	GA	100,300	IN	2.4%	NH	15.0
7	AZ	80,800	CO	2.3%	AZ	14.7
8	IN	75,500	NH	2.3%	IN	14.5
9	NC	68,400	TX	2.2%	TX	13.6
10	VA	67,800	AL	2.2%	GA	12.5
11	CO	67,100	GA	2.1%	AL	12.1
12	PA	63,000	ID	1.8%	ID	11.3
13	WA	53,300	FL	1.8%	FL	10.4
14	NV	49,500	OK	1.7%	VA	10.2
15	AL	46,300	VA	1.6%	OK	10.2
16	IL	42,600	RI	1.6%	NE	9.9
17	MN	38,200	WA	1.5%	RI	9.7
18	MO	35,000	NE	1.5%	IA	9.5
19	MI	31,400	NC	1.4%	WA	9.1
20	OK	30,500	IA	1.4%	MN	8.7
21	NM	26,200	NY	1.3%	NC	8.5
22	TN	23,900	MN	1.3%	NY	7.7
23	IA	23,300	MO	1.2%	SD	7.4
24	KY	22,000	KY	1.1%	DC	7.3
25	NH	16,600	DC	1.1%	MO	7.3
26	NJ	16,500	SD	1.1%	KY	6.3
27	ID	14,900	PA	1.0%	PA	6.1
28	NE	14,500	CA	1.0%	CA	5.9
29	SC	14,100	KS	0.9%	KS	5.6
30	CT	12,900	TN	0.8%	TN	4.5

31	KS	12,500	CT	0.7%	CT	4.5
32	DE	11,700	IL	0.7%	IL	4.2
33	RI	8,400	MI	0.7%	MI	3.9
34	MS	7,400	SC	0.6%	SC	3.5
35	UT	7,200	MS	0.6%	MS	3.2
36	MD	6,800	UT	0.5%	UT	3.2
37	SD	4,900	NJ	0.4%	NJ	2.3
38	WI	4,400	ME	0.4%	ME	2.2
39	DC	4,200	VT	0.3%	VT	1.7
40	ME	2,400	MD	0.2%	MD	1.4
	<i>US</i>	<i>2,878,000</i>	<i>US</i>	<i>1.9%</i>	<i>US</i>	<i>11.2</i>

Source: US Bureau of Labor Statistics, Seasonally Adjusted

Between November 2017 and November 2018, Bureau of Labor Statistics (BLS) data shows the total number of employed in California increased by 184,800 (seasonally adjusted), or 6.4% of the total net employment gains in this period for the US. Based on the total numbers, California rose to 2nd place behind Texas. Measured by percentage change in employment over the year, California rose to 28th highest. Adjusted for working age population, California was 28th as well.

Nonfarm Jobs Up 30,700

EDD reported that between October and November 2018, seasonally adjusted nonfarm wage and salary jobs grew by 30,700. October's gains were revised to 36,800 from the previously reported 36,400.

In the not seasonally adjusted nonfarm numbers that allow a more detailed look at industry shifts, hiring saw increases in all but 4 industries over the year. The change in total payroll jobs from November 2017 saw the largest increases in higher wage Professional, Scientific & Technical Services (54,300), lower wage Food Services (44,100), and lower wage Social Assistance (43,500). Declines were led by Wholesale Trade (-3,000), Retail Trade (-2,000), and Mining & Logging (-400).

Not Seasonally Adjusted Payroll Jobs	Nov 2018	Oct 2018	Change Nov 2018 - Oct 2018	Change Nov 2018 - Nov 2017
Total Farm	418,300	463,600	-45,300	-6,600
Mining and Logging	22,200	22,700	-500	-400
Construction	864,200	868,500	-4,300	29,100
Manufacturing	1,316,000	1,321,600	-5,600	5,700
Wholesale Trade	723,900	723,500	400	-3,000
Retail Trade	1,770,500	1,699,600	70,900	-2,000
Utilities	58,500	58,300	200	600
Transportation & Warehousing	614,700	602,000	12,700	22,500

Information	548,100	551,500	-3,400	8,000
Finance & Insurance	550,400	549,200	1,200	3,200
Real Estate & Rental & Leasing	288,300	288,900	-600	1,800
Professional, Scientific & Technical Services	1,295,200	1,288,300	6,900	54,300
Management of Companies & Enterprises	234,900	234,600	300	400
Administrative & Support & Waste Services	1,160,400	1,162,400	-2,000	36,900
Educational Services	385,400	381,600	3,800	4,100
Health Care	1,534,100	1,539,500	-5,400	13,500
Social Assistance	828,600	827,500	1,100	43,500
Arts, Entertainment & Recreation	309,100	308,800	300	3,700
Accommodation	233,900	233,700	200	5,300
Food Services	1,475,700	1,467,800	7,900	44,100
Other Services	566,000	565,200	800	-200
Government	2,647,100	2,628,000	19,100	36,900
Total Nonfarm	17,427,200	17,323,200	104,000	308,000
Total Wage and Salary	17,845,500	17,786,800	58,700	301,400

Source: California Employment Development Department

At a 299,800 increase, California remained at 2nd highest measured by seasonally adjusted nonfarm jobs among the states from November 2017 to November 2018, behind Texas at 365,400. By percentage growth in jobs, California fell to 20th highest at 1.8%, just above the US average. By population adjusted jobs growth, California was again 22nd highest.

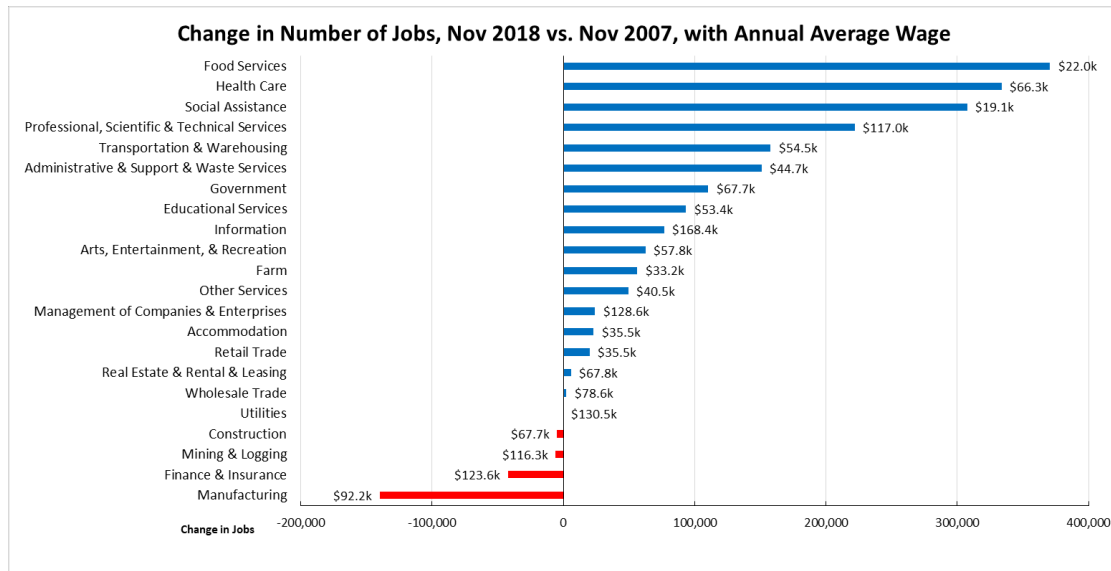
Change in Nonfarm Jobs (seasonally adjusted), November 2017 – November 2018

Rank	Number of Jobs		Employment Growth (%)		Population Adjusted (jobs growth per 1,000 civilian noninstitutional population)	
1	TX	365,400	NV	3.8%	NV	21.9
2	CA	299,800	AZ	3.6%	WY	20.1
3	FL	241,600	WY	3.2%	UT	19.3
4	OH	116,400	TX	3.0%	AZ	18.5
5	NY	114,400	WA	2.9%	TX	17.1
6	AZ	101,600	UT	2.9%	WA	16.9
7	NC	100,700	FL	2.8%	CO	15.6
8	GA	99,000	CO	2.6%	FL	14.2
9	WA	99,000	OR	2.5%	SD	14.0
10	PA	78,700	NC	2.3%	OR	13.9
11	VA	75,100	NH	2.2%	NH	13.7
12	CO	69,100	GA	2.2%	ND	12.8
13	NJ	60,900	SD	2.1%	OH	12.6
14	TN	60,700	NM	2.1%	NC	12.5

15	MA	60,500	OH	2.1%	GA	12.3
16	IL	54,600	HI	2.0%	HI	12.1
17	NV	51,900	TN	2.0%	TN	11.4
18	MI	51,900	VA	1.9%	VA	11.3
19	OR	46,700	ID	1.8%	NM	10.9
20	WI	43,800	CA	1.8%	MA	10.8
21	UT	43,700	ND	1.7%	ID	10.0
22	MD	36,700	AL	1.7%	CA	9.6
23	MN	35,200	OK	1.7%	OK	9.4
24	AL	34,800	MA	1.7%	AL	9.1
25	SC	32,800	MT	1.6%	MT	8.9
	US	2,443,000	US	1.7%	US	9.5

Source: US Bureau of Labor Statistics

4 Industries Still below 2007 Pre-Recession Job Levels

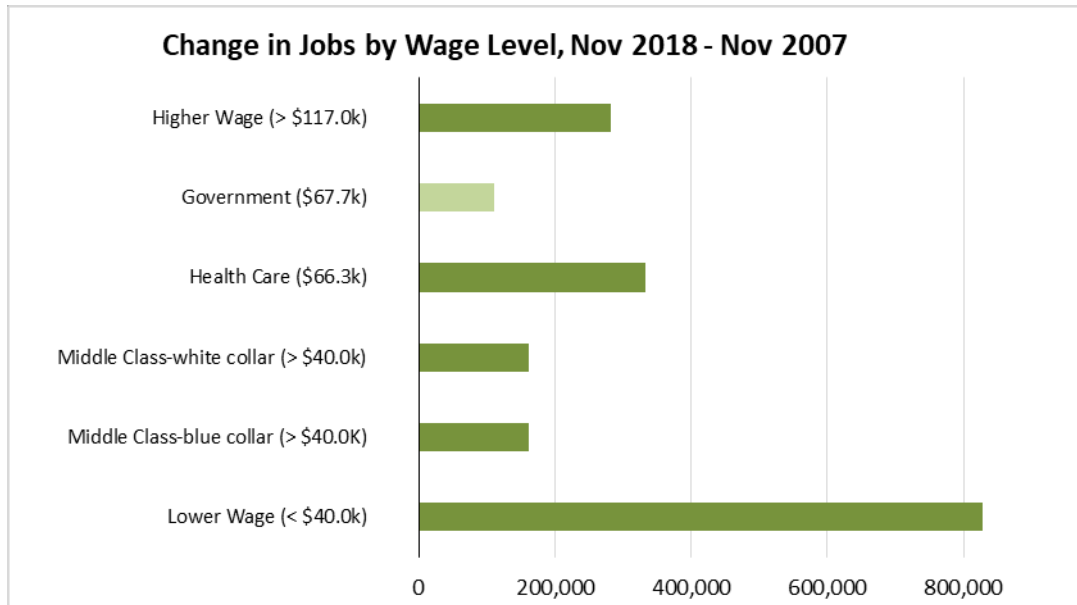


Source: California Employment Development Department, not seasonally adjusted; wages are running 4 quarter average from QCEW wage data

Comparing the number of jobs by industry in November 2018 (not seasonally adjusted), 4 industries had employment below the 2007 pre-recession levels. The highest gain industries were led by lower wage Food Services, Health Care (with a relatively higher mix of lower and higher wage occupations), lower wage Social Assistance, and higher wage Professional, Scientific & Technical Services. Of the lagging industries, three—Manufacturing, Mining & Logging, and Construction—are blue collar middle class wage industries. While slowing, Construction was still higher than in recent years but still remains 55,600 below the 2007 level, and 102,100 (10.0%) below the previous high in 2006.

Job Gains by Wage Level

The following chart illustrates the trend for total wage and salary jobs by general wage level, according to the industry wage classification used previously in other Center [analyses](#) of this issue. As indicated, nearly half (44%) of net jobs growth since the recession has been in the lower wage industries. For the 12 months ending November 2018, lower wage industries accounted for over a quarter (28%) of new jobs, while middle class-blue collar jobs produced over a quarter (33%) as Construction levels remained higher compared to recent years.



Source: Analysis of California Employment Development Department data, not seasonally adjusted

Two-Tier Economy Persists—Central Valley Unemployment More than Twice as High as Bay Area

The level of unemployment rates (all data is not seasonally adjusted) continues to vary widely across the state, ranging from 2.5% in the Bay Area to more than twice as large at 6.6% in the Central Valley.

Not Seasonally Adjusted	Unemployment Rate (%) November 2018
California	3.9
Bay Area	2.5
Orange County	2.8
Sacramento	3.5
San Diego/Imperial	3.8
Central Sierra	3.9
Inland Empire	3.9
Central Coast	4.1

Los Angeles	4.5
Upstate California	4.8
Central Valley	6.6

By Legislative District:

Lowest 10 Unemploy- ment

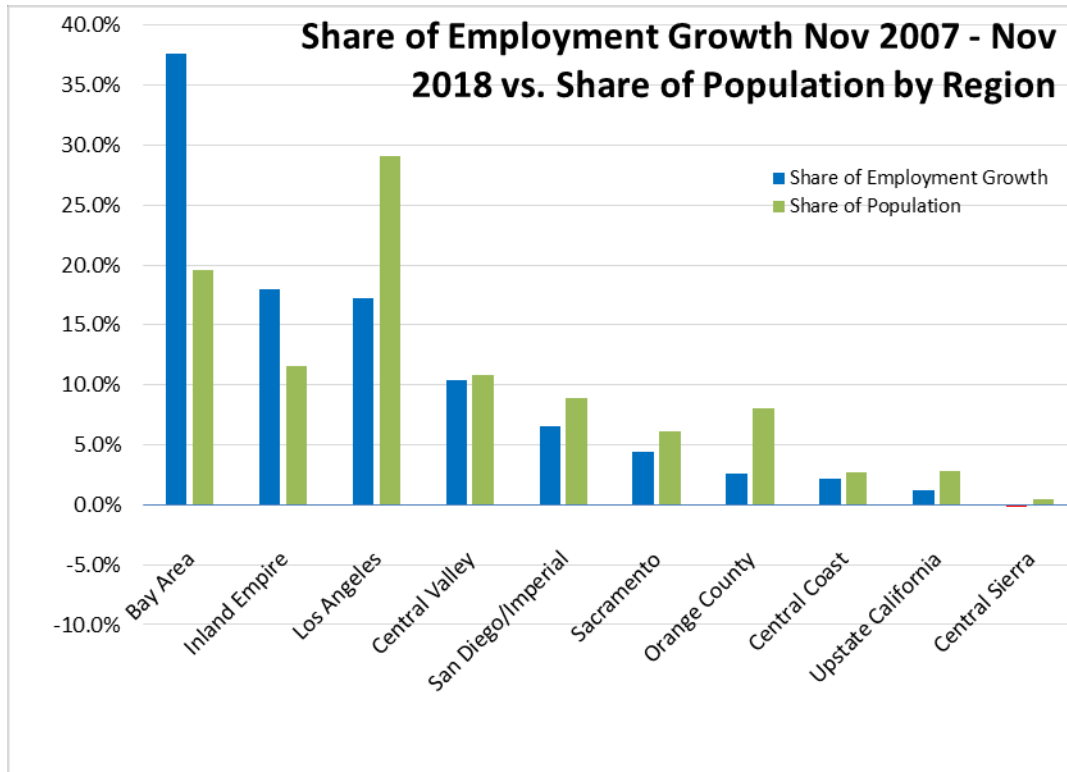
Rates:	CD18 (Eshoo-D)	1.9	SD13 (Hill-D)	1.9	AD16 (Bauer-Kahan-D)	1.8
	CD12 (Pelosi-D)	2.1	SD11 (Wiener-D)	2.2	AD22 (Mullin-D)	1.8
	CD17 (Khanna-D)	2.2	SD39 (Atkins-D)	2.5	AD24 (Berman-D)	1.9
	CD52 (Peters-D)	2.3	SD36 (Bates-R)	2.5	AD28 (Low-D)	2.0
	CD14 (Speier-D)	2.3	SD37 (Moorlach-R)	2.5	AD17 (Chiu-D)	2.2
	CD15 (Swalwell-D)	2.4	SD15 (Beall-D)	2.5	AD25 (Chu-D)	2.2
	CD45 (Walters-R)	2.4	SD10 (Wieckowski-D)	2.6	AD77 (Maienschein-R)	2.3
	CD49 (Issa-R)	2.4	SD07 (Glazer-D)	2.6	AD19 (Ting-D)	2.3
	CD48 (Rohrabacher-R)	2.6	SD02 (McGuire-D)	2.9	AD73 (Brough-R)	2.3
	CD02 (Huffman-D)	2.7	SD34 (Umberg-D)	3.0	AD78 (Gloria-D)	2.4

Highest 10 Unemploy- ment

Rates	CD29 (Cárdenas-D)	5.2	SD33 (Lara-D)	5.2	AD36 (Lackey-R)	5.8
	CD10 (Denham-R)	5.3	SD24 (Durazo-D)	5.2	AD23 (Patterson-R)	5.9
	CD40 (Roybal-Allard-D)	5.3	SD05 (Galgiani-D)	5.4	AD13 (Eggman-D)	6.0
	CD43 (Waters-D)	5.3	SD30 (Mitchell-D)	5.4	AD59 (Jones-Sawyer-D)	6.0
	CD23 (McCarthy-R)	5.9	SD08 (Borgeas-R)	5.5	AD64 (Gipson-D)	6.6
	CD44 (Barragán-D)	6.4	SD35 (Bradford-D)	5.7	AD21 (Gray-D)	6.9
	CD22 (Nunes-R)	6.7	SD16 (Grove-R)	5.8	AD31 (Arambula-D)	8.2
	CD16 (Costa-D)	7.4	SD12 (M. Caballero-D)	6.2	AD32 (Salas-D)	8.2
	CD21 (Valadao-R)	8.1	SD40 (Hueso-D)	7.0	AD26 (Mathis-R)	8.4
	CD51 (Vargas-D)	8.2	SD14 (Hurtado-D)	9.1	AD56 (Garcia-D)	9.5

Bay Area Provided 37.6% of Net Employment Growth Since Recession

Containing 19.6% of the state's population, the Bay Area was responsible for 37.6% of the net growth in employment since the pre-recession peaks in 2007. Inland Empire continued to gain employment share, remaining in second place with 18.0%. Los Angeles Region, containing 29.1% of the population, accounted for the third largest share at 17.2%.



8 California MSAs in the 10 Worst Unemployment Rates Nationally

According to BLS data, of the 10 Metropolitan Statistical Areas (MSAs) with the worst unemployment rates nationally, 8 are in California. Of the 20 worst, 10 are in California.

Metropolitan area	October 2018 rate	Rank
El Centro, CA Metropolitan Statistical Area	19.2	388
Yuma, AZ Metropolitan Statistical Area	17.7	387
Visalia-Porterville, CA Metropolitan Statistical Area	8.3	386
Bakersfield, CA Metropolitan Statistical Area	6.6	385
Hanford-Corcoran, CA Metropolitan Statistical Area	6.4	384
Fresno, CA Metropolitan Statistical Area	6.3	383
Merced, CA Metropolitan Statistical Area	6.1	382
Madera, CA Metropolitan Statistical Area	5.9	381
Yuba City, CA Metropolitan Statistical Area	5.7	380
Ocean City, NJ Metropolitan Statistical Area	5.6	379
Danville, IL Metropolitan Statistical Area	5.5	374
McAllen-Edinburg-Mission, TX Metropolitan Statistical Area	5.5	374

Modesto, CA Metropolitan Statistical Area	5.5	374
Weirton-Steubenville, WV-OH Metropolitan Statistical Area	5.5	374
Youngstown-Warren-Boardman, OH-PA Metropolitan Statistical Area	5.5	374
Anchorage, AK Metropolitan Statistical Area	5.3	370
Decatur, IL Metropolitan Statistical Area	5.3	370
Lake Havasu City-Kingman, AZ Metropolitan Statistical Area	5.3	370
Sierra Vista-Douglas, AZ Metropolitan Statistical Area	5.3	370
Stockton-Lodi, CA Metropolitan Statistical Area	5.2	364