

Fast Facts on the California Economy

Compiled by: Assembly Committee on Jobs, Economic Development, and the Economy
Assemblymember Sabrina Cervantes, Chair

California Gross Domestic Product (GDP)

- California's economy in 2018 ranks as the fifth largest in the world – larger than the UK, India, France, Brazil, Italy, Canada, Korea, and Russia.¹
- California's largest private industry sectors in 2017 were: finance, insurance, real estate, rental, and leasing (21.6% of state GDP); trade, transportation, and utilities (14.5%); professional and business services (12.8%); manufacturing (10.9%); information (8.7%); tourism and arts (4.2%); and construction (3.9%).³

Country	GDP	Country	GDP
United States	\$20.4 trillion	Italy	\$2.0 trillion
China	\$13.4 trillion	Brazil	\$1.8 trillion
Japan	\$4.9 trillion	Canada	\$1.7 trillion
Germany	\$4.0 trillion	Russia	\$1.6 trillion
California*	\$2.9 trillion	Korea	\$1.6 trillion
United Kingdom	\$2.8 trillion	Spain	\$1.4 trillion
France	\$2.7 trillion	Australia	\$1.4 trillion
India	\$2.7 trillion		

Source: Department of Finance²

Firms, Employment, and Wages

- There were 3,206,958 firms in California that had no employees in 2015, representing 82% of all firms in California (3,906,497 in total). Of firms which have employees (699,539 in total), 49.9% had 1 to 4 employees, 78.0% had less than 20 employees, 87.0% had less than 100 employees, and 89.0% had less than 500 employees (federal small business definition). Approximately 6,115 firms in California had 500 employees or more.⁴
- There were 19.5 million workers in the California labor force in May 2019 with 18.6 million individuals employed, a month-over decrease of 40,000 jobs (-0.3%). This represents a 130,000 (0.7%) increase in employment over the prior 12-month period.⁵
- Nonfarm employment rose in 10 sectors between May 2018 and May 2019, including: construction (3.8%); information (3.6%); education and health services (2.7%); leisure and hospitality (2.6%); professional and business services (2.3%); government (1.1%); mining and logging (0.9%); manufacturing (0.8%); other services sector (0.3%); and trade, transportation, and utilities (0.2%). The only sector that had less jobs in May 2019 as compared to May 2018 was business in the financial activities (-0.2%).⁶
- California exported \$178.4 billion in goods in 2018 to over 225 foreign markets, representing 10.7% (\$1.6 trillion) of total U.S. exports and rendering the state the 28th largest exporter in the world.^{7 8 9} California's largest export market in 2018 was Mexico (\$30.7 billion), followed by China and Hong Kong (\$26.2 billion), and Canada (\$17.7 billion).¹⁰ California imported \$441.0 billion in products from other countries, accounting for 17.3% of total U.S. imports in 2018. China (\$161.2 billion) and Mexico (\$44.0 billion) are the state's largest import markets.¹¹
- California median household income was \$71,805 (\$60,336 for U.S.)¹² with 14.3% of individuals in the state (13.4% for U.S.) living on incomes at or below the federal poverty designation.¹³ Using the federal Supplemental Poverty Measure, which accounts for geographic differences, transfer payments, and out-of-pocket expenses, 19% of California residents live in poverty, as compared to 14.1% nationally using a three-year average of 2015 through 2017.¹⁴

Future California Job Market

- The Employment Development Department is responsible for assessing future employment needs based on regional industry clusters. By 2026, it is estimated that total civilian employment (including self-employment, farm employment, and private household workers) will reach 19.7 million, an increase of 1.9 million jobs (10.7%) over the 10-year projected period of 2016-2026. The chart on the next page displays projected growth in civilian employment for 2016-2026, including new and replacement jobs.¹⁵

Projected Job Growth in Employment 2016-2026 (ranked by number of jobs)

	Industry Sector	Percent Change	Increase in Jobs		Industry Sector	Percent Change	Increase in Jobs
12	Educational Services, Health Care, and Social Assistance	23.9%	607,400	7	Information	14.6%	76,600
2	Professional and Business Services	11.1%	280,200	8	Other Services (excludes private household services)	10.1%	55,900
3	Leisure and Hospitality	13.3%	252,300	9	Financial Activities	5.2%	42,600
4	Trade, Transportation, and Utilities	6.7%	200,000	10	Total Farm	3.5%	15,000
5	Construction	20.5%	158,600	11	Manufacturing	0.1%	1,300
6	Government	4.6%	116,100	12	Mining	-8.0%	-1,800

May 2019 Unemployment

- In May 2019, the California seasonally adjusted unemployment rate was 4.2%, which represents a -0.1% decrease from the prior month. This unemployment rate represents approximately 826,000 unemployed workers reflecting a labor force participation rate of 62.4%.¹⁶ Over the same period, the comparable national unemployment rate was 3.6%.¹⁷
- For May 2019, the counties with the highest not seasonally adjusted unemployment were Imperial (16.4%), Colusa (10.4%), and Tulare (8.1%). Fourteen out of 58 counties in California had unemployment rates below 3%, including: San Mateo (1.7%), Marin (1.9%), San Francisco (1.9%), and Santa Clara (2.1%). The comparable non-seasonally adjusted state unemployment rate was 3.5%.¹⁸
- The highest not seasonally adjusted unemployment rates by race and ethnicity were among individuals identified as black (6.2%), Hispanic (5.1%), and white (4.1%) in May 2019. The comparable state non-seasonally adjusted 12-month moving average unemployment rate was 4.2%.¹⁹
- Most Californians, 82.2%, generally worked full time. There were 719,000 persons in California who worked part time involuntarily in May 2019, comprising 3.9% of all employed workers during the survey week.²⁰ California's labor participation rate was 62.4% in May 2019, meaning over 11.7 million people were not participating in the labor force.²¹
- By age group, the highest unemployment group in May 2019 was among workers 16 to 19 years of age (15.3%).²² The largest group of unemployed persons, when sorted by duration, were individuals unemployed for less than five weeks, which represented 260,000 persons or 31.9% of those unemployed. These are not seasonally adjusted rates.²³

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¹ Department of Finance, CA World Ranking 2018, http://www.dof.ca.gov/Forecasting/Economics/Indicators/Gross_State_Product/, accessed July 10, 2019

² Department of Finance, CA World Ranking 2018, http://www.dof.ca.gov/Forecasting/Economics/Indicators/Gross_State_Product/, accessed July 10, 2019

³ Bureau of Economic Analysis, "Regional Data: GDP by State" <https://bea.gov/iTable/iTable.cfm?reqid=70&step=1&isuri=1&acrdrn=2#reqid=70&step=10&isuri=1&7003=200&7035=-1&7004=naics&7005=-1&7006=06000&7036=-1&7001=1200&7002=1&7090=70&7007=2016&7093=levels>, accessed November 10, 2018

⁴ 2018 U.S. and State Industry Totals Data, Statistics of U.S. Businesses, U.S. Census <http://tse.export.gov/stateimports/MapDisplay.aspx> and <http://tse.export.gov/stateimports/TSIOptions.aspx?ReportID=100&Referrer=TSIRreports.aspx&DataSource=SED>, accessed July 10, 2019

⁵ EDD, Labor Market Review, May 2019, <http://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed July 10, 2019

⁶ EDD, Labor Market Review, May 2019 Employment by Industry, <http://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed July, 2019

⁷ <http://tse.export.gov/TSE/TSEHome.aspx> United States Census Bureau, "State Exports via California," accessed March 9, 2018 and the CIA Fact Book, accessed March 18, 2019.

⁸ CalChamber, <https://advocacy.calchamber.com/international/trade-statistics/>, accessed March 18, 2019

⁹ <https://www.cia.gov/library/publications/resources/the-world-factbook/fields/239rank.html#AF> CIA Factbook, accessed March 19, 2019

¹⁰ <http://tse.export.gov/TSE/MapDisplay.aspx>; International Trade Admin: "2018 NAICS Total All Merchandise Exports from California," accessed March 19, 2019

¹¹ U.S. Census "State Imports California 2018", <http://tse.export.gov/stateimports/TSIRreports.aspx?DATA=>, accessed July 2019

¹² U.S. Census "Household Income: 2017" <https://www.census.gov/library/publications/2018/acs/acsbr17-01.html>, accessed January 26, 2019.

¹³ U.S. Census "Poverty: 2016&2017", ACS Brief September 2018 <https://www.census.gov/library/publications/2018/acs/acsbr17-02.html> accessed January 26, 2019

¹⁴ U.S. Census "Supplemental Poverty Measure: 2017", ACS Briefing September 2018 <https://www.census.gov/library/publications/2018/demo/p60-265.html> accessed November 14, 2018

¹⁵ EDD, Industry Projections 2016-2026, <https://www.labormarketinfo.edd.ca.gov/data/employment-projections.html> accessed January 27, 2019

¹⁶ EDD, Labor Market Review, May 2019, <http://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed July 10, 2019

¹⁷ EDD, Labor Market Review, May 2019, <http://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed July 10, 2019

¹⁸ EDD, Labor Market Review, May 2019, <http://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed July 10, 2019

¹⁹ EDD, Labor Market Review, May 2019, <http://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed July 10, 2019

²⁰ EDD, Labor Market Review, May 2019, <http://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed July 10, 2019

²¹ EDD, Labor Market Review, May 2019, <http://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed July 10, 2019

²² EDD, Labor Market Review, May 2019, <http://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed July 10, 2019

²³ EDD, Labor Market Review, May 2019, <http://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed July 10, 2019