



California Labor Market **TRENDS**

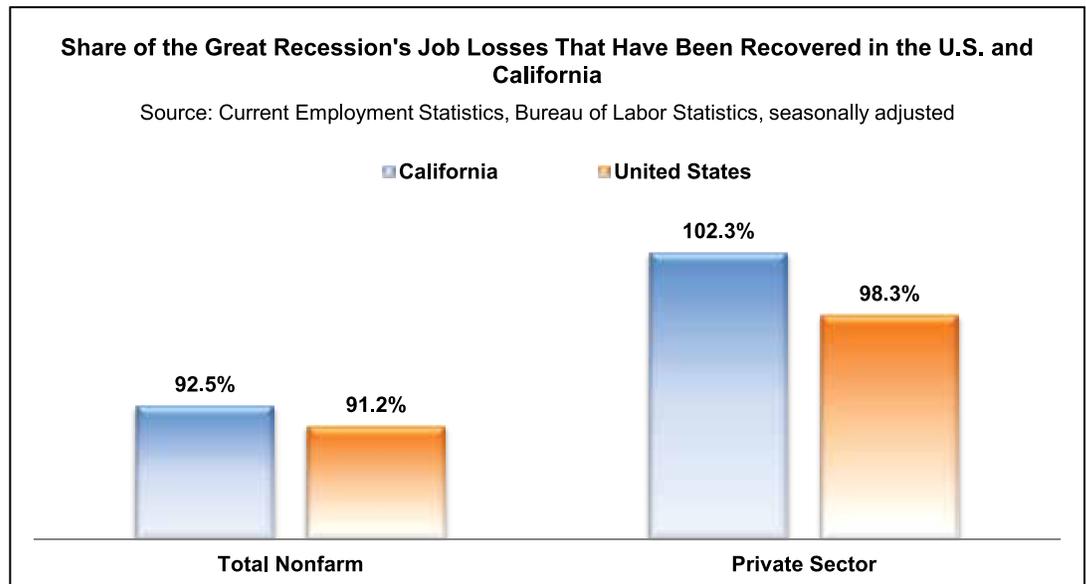
In February 2014, California's economy recovered all of the private sector jobs it lost during the Great Recession. This report provides some insight into the industry sector trends that drove this economic resurgence. In addition, a snapshot of the private sector recovery on a state-to-state basis is also provided.

*A report by
Brandon T. Hooker,
Statewide Information
Services Group*

California's Economy The Private Sector's Recovery from the Great Recession

In February 2014, California's economy reached a new milestone by recovering all of the private sector¹ jobs it lost during the Great Recession.² February's job estimates also indicated that 92.5 percent of the 1.3 million total nonfarm jobs³ lost during the latest recession had been restored (see Figure 1). The nation, on the whole, had recovered 98.3 percent of the 7.6 million private sector jobs it lost during the recession period. In terms of the share of nonfarm jobs recovered, February's employment totals suggest that the nation, retrieved fewer nonfarm jobs than the state (see Figure 1). The following report provides some insight into the industry sector trends that spurred economic growth, as well as a state-to-state comparison of the nation's private sector recovery.

Figure 1



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¹ California's private sector is inclusive of all for-profit businesses that are not owned or operated by the government. This total excludes farm employment.

² According to the National Bureau of Economic Research, the U.S. recession began on December 2007 and ended in June 2009.

³ California's total nonfarm jobs total is inclusive of the private and public sector (government) jobs, excluding farm employment.

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Data for this report derived from the Bureau of Labor Statistics, Current Employment Statistics (CES) program. The federal program surveys approximately 144,000 businesses and government agencies, representing approximately 554,000 individual worksites, in order to provide detailed industry data on employment, hours, and earnings of workers on nonfarm payrolls.

Economic Recovery: Industry Trends

California lost 1.2 million private sector jobs during the Great Recession period. Ten out of the state's eleven private industry sectors lost jobs during this period with losses ranging from 1,100 jobs (mining and logging) to 329,800 (construction). Large job declines also occurred in the trade, transportation, and utilities; professional and business services; and financial activities industry sectors (see Table 1). The only private industry sector to add jobs during the Great Recession was the educational and health services sector that added 116,200 jobs. The largest share of job gains were in the health care and social assistance subsector.

Table 1

California's Economic Recovery: Industry Sector Trends						
	July 2007	February 2010	February 2014	Jobs Lost between During the Recession (July 2007-Feb. 2010)	Job Change During the Economic Recovery* (Feb. 2010-Feb. 2014)	Share of Jobs Recovered by February 2014
Total Nonfarm	15,449,800	14,121,000	15,350,400	-1,328,800	1,229,400	92.5%
Total Private	12,951,800	11,682,400	12,976,400	-1,269,400	1,294,000	>100.0%
Mining and Logging	26,700	25,600	30,900	-1,100	5,300	>100.0%
Construction	899,400	569,600	663,200	-329,800	93,600	28.4%
Manufacturing	1,468,800	1,241,900	1,249,300	-226,900	7,400	3.3%
Durable Goods	928,800	770,900	785,100	-157,900	14,200	9.0%
Nondurable Goods	540,000	471,000	464,200	-69,000	-6,800	n/a**
Trade, Transportation & Utilities	2,920,600	2,610,100	2,832,200	-310,500	222,100	71.5%
Wholesale Trade	717,300	635,300	711,700	-82,000	76,400	93.2%
Retail Trade	1,691,600	1,509,000	1,608,800	-182,600	99,800	54.7%
Transportation, Warehousing & Utilities	511,700	465,800	511,700	-45,900	45,900	100.0%
Information	471,400	424,600	452,800	-46,800	28,200	60.3%
Financial Activities	898,400	760,200	780,700	-138,200	20,500	14.8%
Finance & Insurance	614,200	512,400	519,600	-101,800	7,200	7.1%
Real Estate & Rental & Leasing	284,200	247,800	261,100	-36,400	13,300	36.5%
Professional & Business Services	2,269,800	2,046,200	2,391,900	-223,600	345,700	>100.0%
Professional, Scientific & Technical Services	1,062,900	1,003,400	1,167,800	-59,500	164,400	>100.0%
Management of Companies & Enterprises	207,200	193,200	223,000	-14,000	29,800	>100.0%
Administrative & Support & Waste Services	999,700	849,600	1,001,100	-150,100	151,500	>100.0%
Educational & Health Services	1,919,600	2,035,800	2,356,600	116,200	320,800	n/a**
Educational Services	291,200	295,700	353,400	4,500	57,700	n/a**
Health Care & Social Assistance	1,628,400	1,740,100	2,003,200	111,700	263,100	n/a**
Leisure & Hospitality	1,562,600	1,484,000	1,697,200	-78,600	213,200	>100.0%
Arts, Entertainment & Recreation	252,500	240,500	267,800	-12,000	27,300	>100.0%
Accommodation & Food Services	1,310,100	1,243,500	1,429,400	-66,600	185,900	>100.0%
Other Services	514,200	483,400	521,600	-30,800	38,200	>100.0%
Government	2,498,000	2,438,600	2,374,000	-59,400	-64,600	n/a**
Federal Government	246,600	259,000	241,300	12,400	-17,700	n/a**
State Government	490,100	479,800	489,100	-10,300	9,300	90.3%
Local Government	1,761,300	1,699,800	1,643,600	-61,500	-56,200	n/a**
Industry Sector that lost jobs during the state recession period (July 2007-February 2010).						
Industry Sector that added jobs during the recession period.						
*Please note: the state's economic recovery that started in February 2010 is ongoing. The time period examined represents the latest data available.						
**n/a: This industry sector hasn't recovered any of the jobs it lost during the state recession period.						
Source: Current Employment Statistics						

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The CES employment estimates indicate that it took the state four years to regain all of the private sector jobs it lost between July 2007 and February 2010.⁴ As of February 2014, the professional and business services; leisure and hospitality; other services; and mining and logging sectors had recovered all of the jobs they lost during the recession (see Table 1). In addition, the trade, transportation, and utilities sector salvaged seven out of the ten jobs it lost during this time. The educational and health services sector created more than 300,000 jobs during the state's economic recovery period, more than doubling the number of jobs it created during the recession. However, during the economic recovery, the following private industry sectors recovered less than one-third of the jobs lost: construction (28.4 percent recovered), financial activities (14.8), and manufacturing (3.3).

Economic Recovery: State-to-State Comparisons

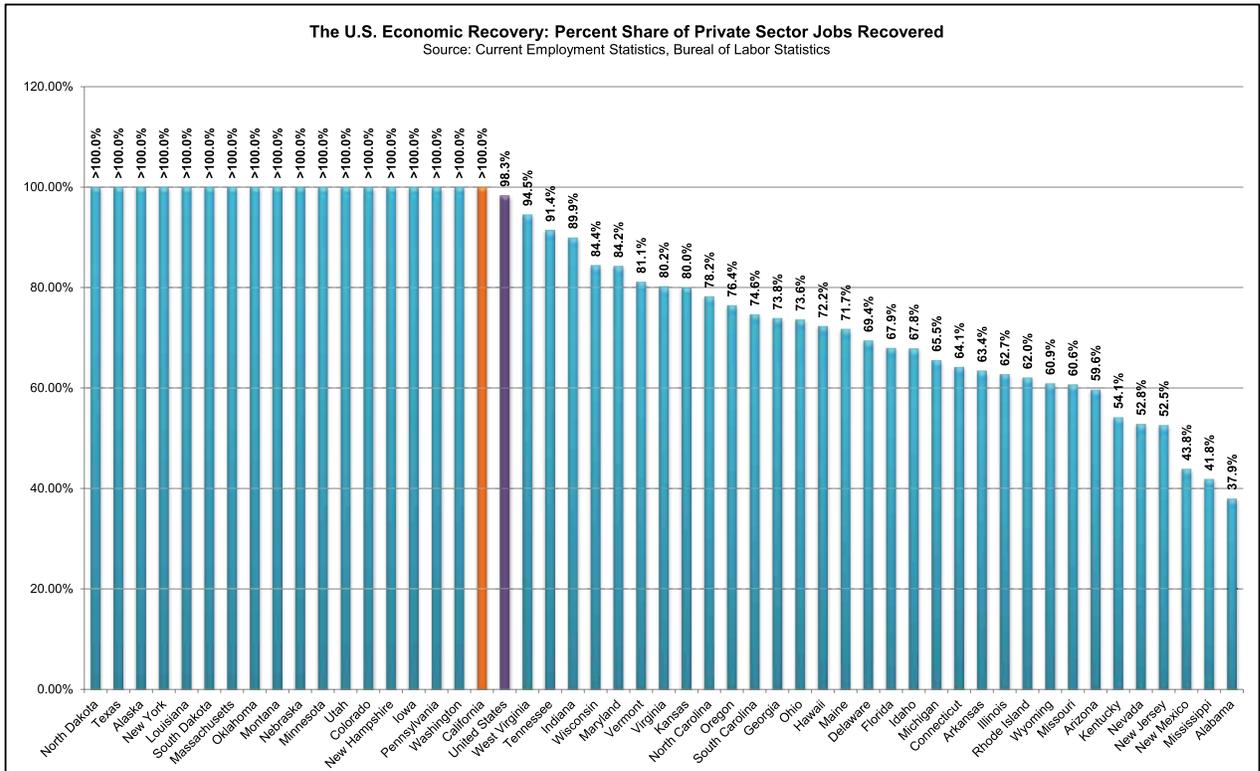
The CES data were used to measure the employment peak and trough for each of the nation's 50 states. This data were used to make the economic recovery determinations seen in Figure 2. According to the February 2014 job estimates, California was one of 18 states that had recovered all of its private sector job losses.

The recoveries within each of these 18 states generally shared a common element, growth in the professional and business services, and educational and health services industry sectors. However, in Alaska and North Dakota, the mining and logging sector jobs related to oil and natural gas distribution tended to drive each state's economic resurgence. The estimates also indicated that Mississippi (43.8 percent), New Mexico (43.8 percent), and Alabama (37.9 percent) recovered less than half of the jobs they lost. These states tended to be hampered by job losses within their respective construction, manufacturing, and professional and business services sectors.

⁴ Employment figures measured from peak to trough found that California's recession started in July 2007 and ended in February 2010.

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Figure 2



**State of California
 Labor and Workforce Development Agency
 Employment Development Department**

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