

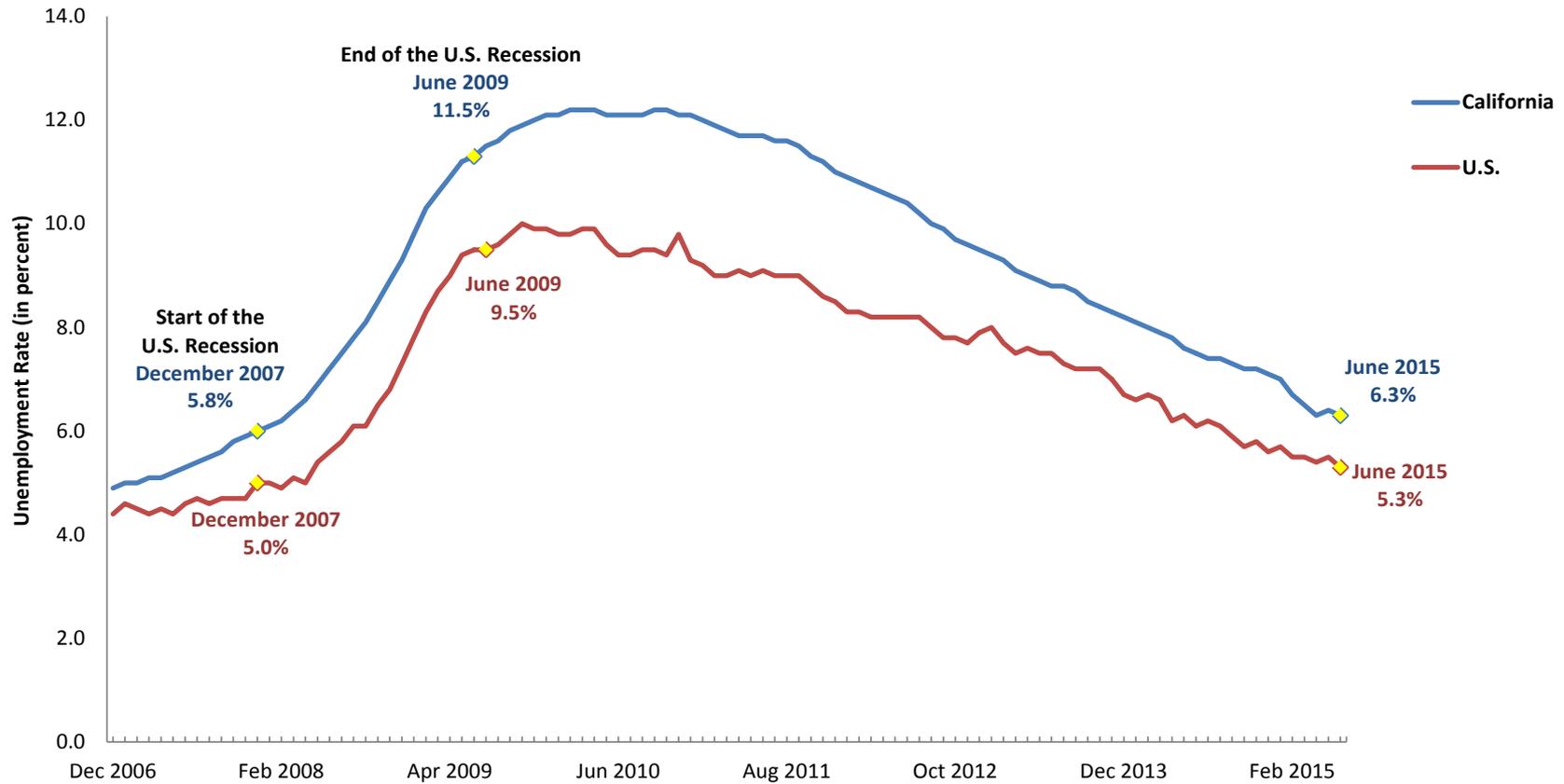
Economic Update
LMID Advisory Group
August 6, 2015

Brandon T. Hooker,
Employment Development Department
Labor Market Information Division

Unemployment Rates: U.S. and California

Unemployment Rates: U.S. and California

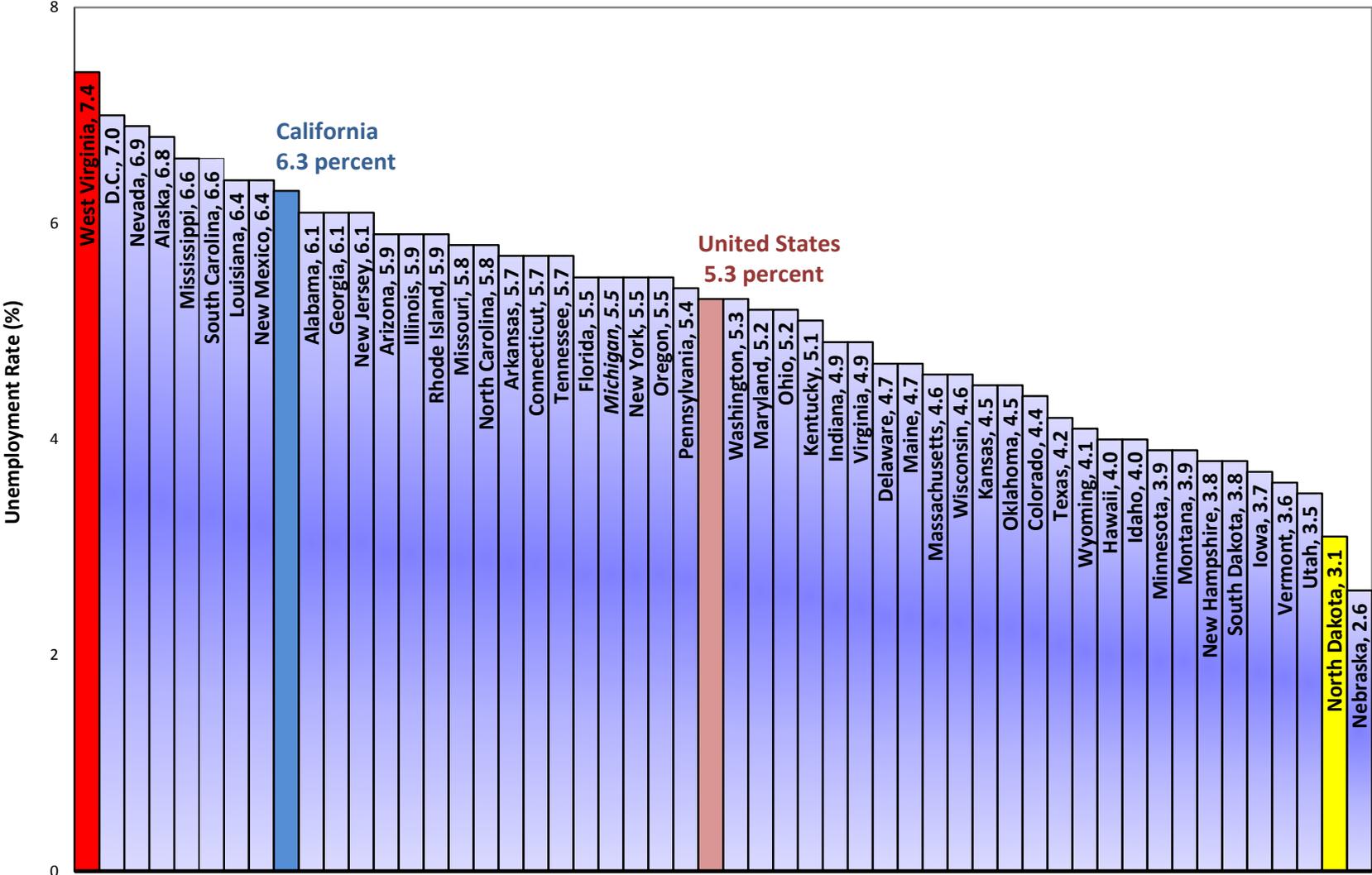
Source: Current Population Survey of Households (seasonally adjusted)



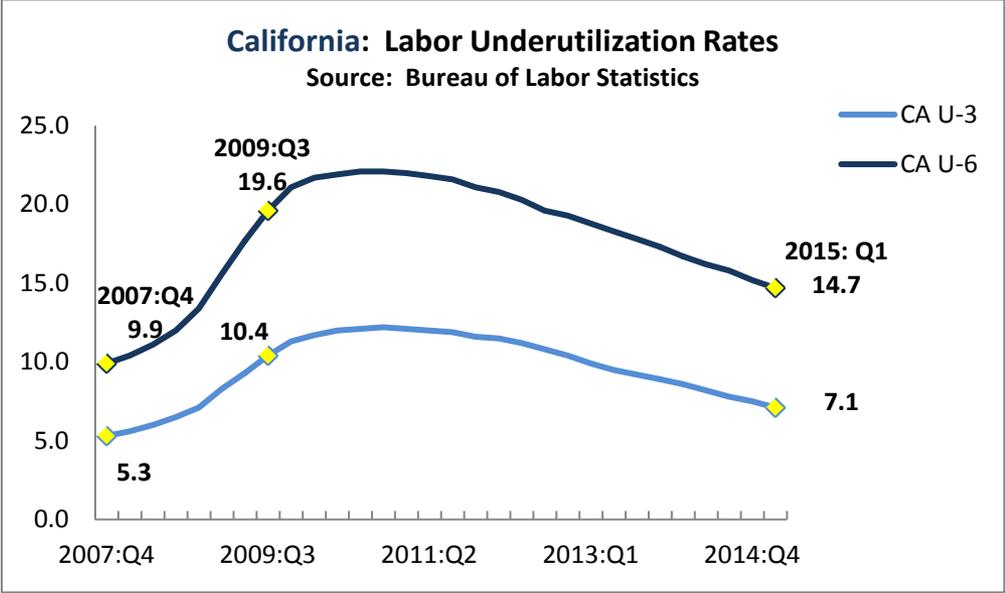
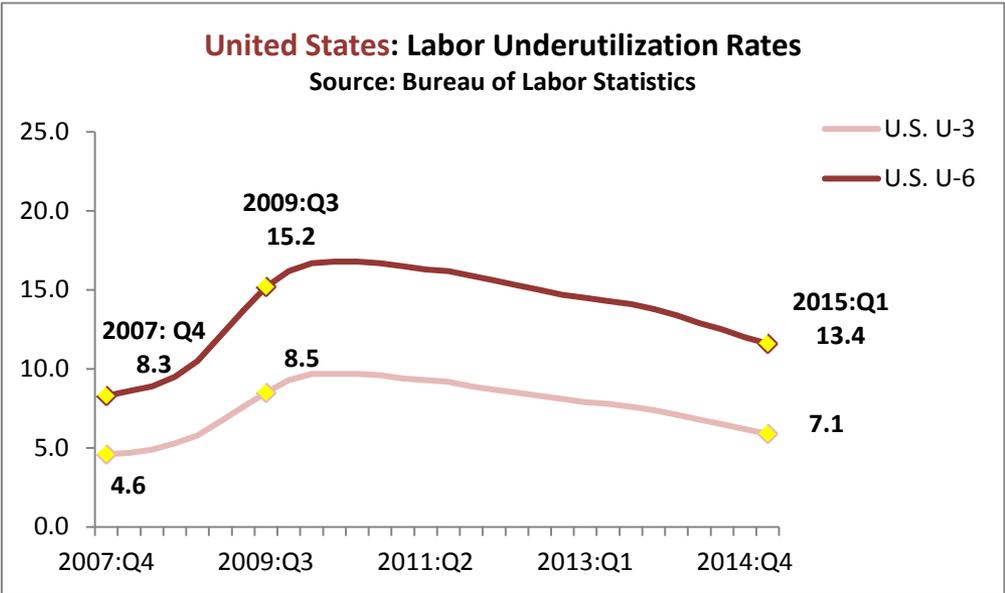
Unemployment Rates: State-to-State and National Comparisons

State Unemployment Rates, June 2015

Source: Current Population Survey of Households (seasonally adjusted)



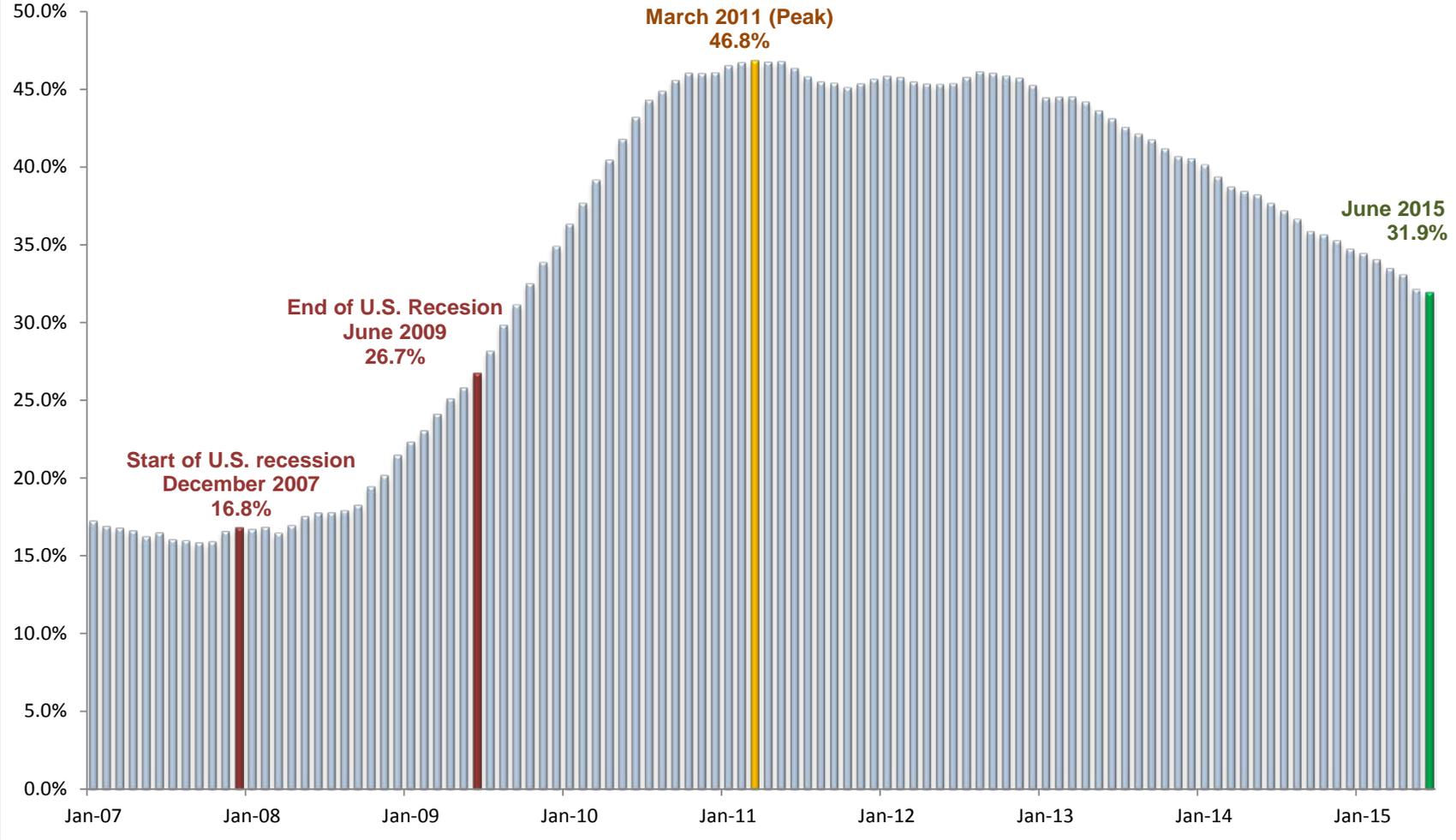
Alternative Measures of Labor Underutilization



California's Long-Term Unemployed

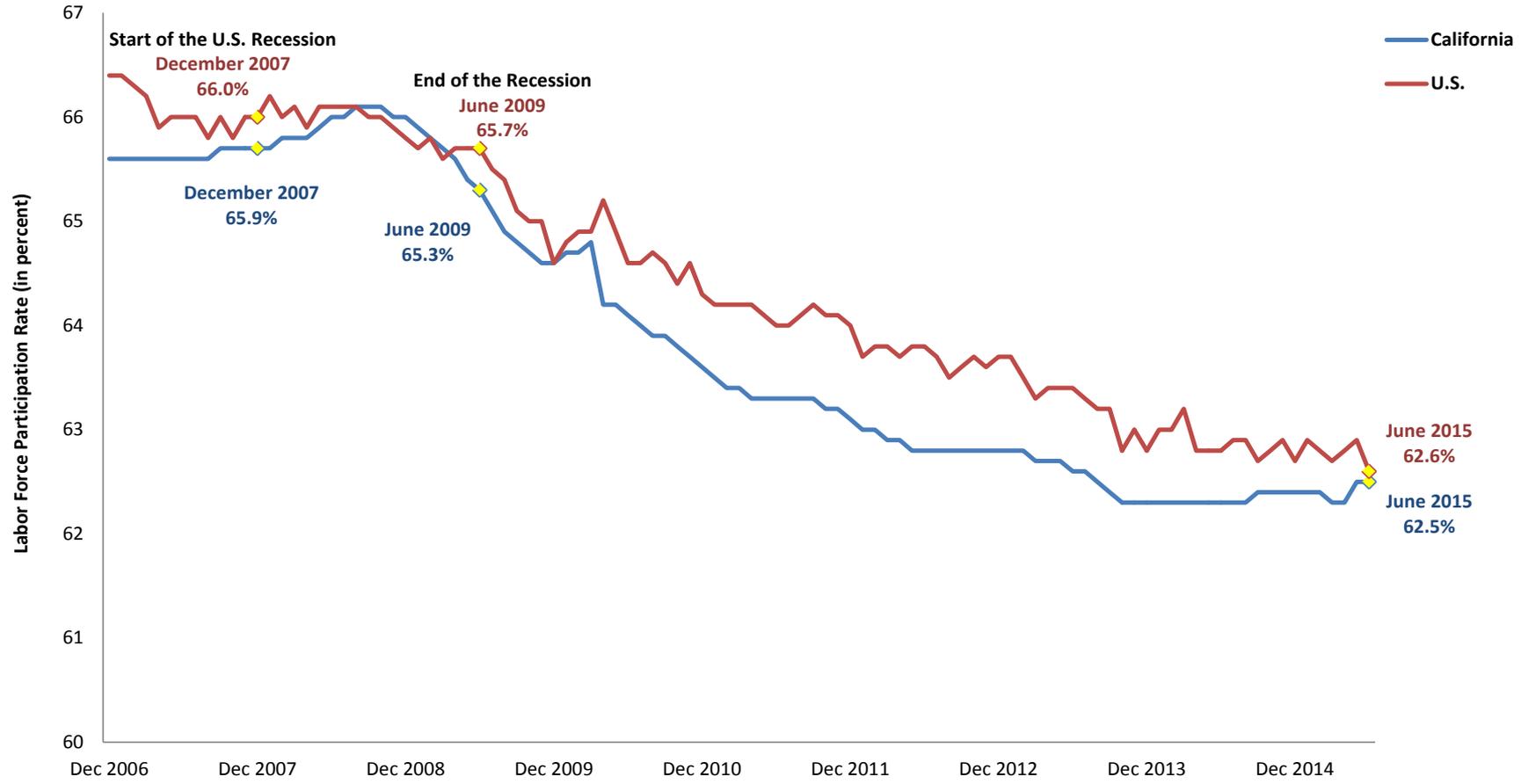
California's Long Term Unemployed: Percent Share of Total Unemployed

Source: Current Population Survey of Households, 12-month moving average



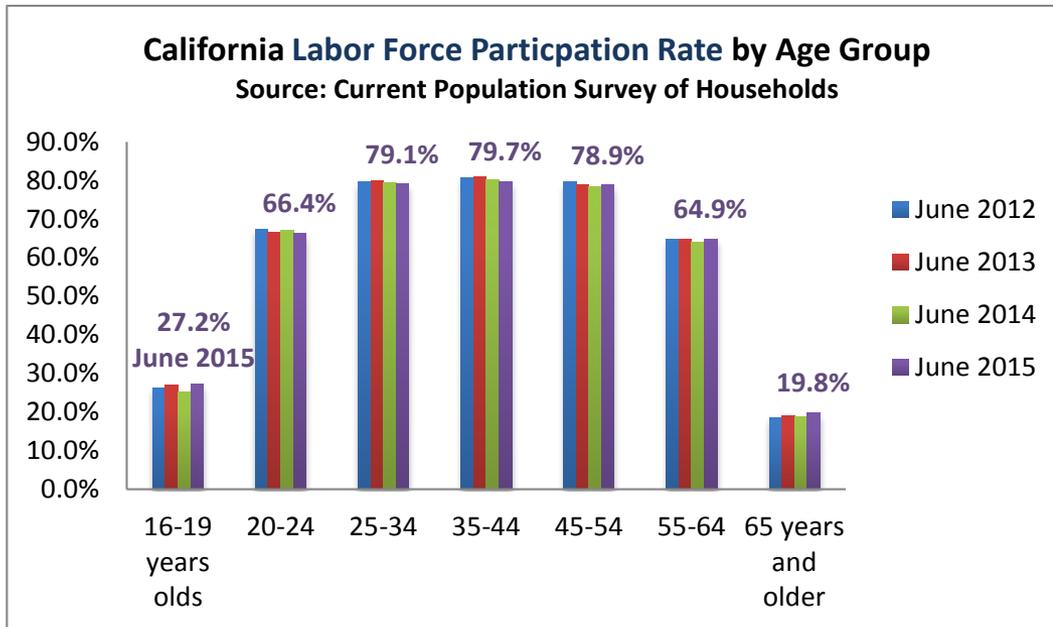
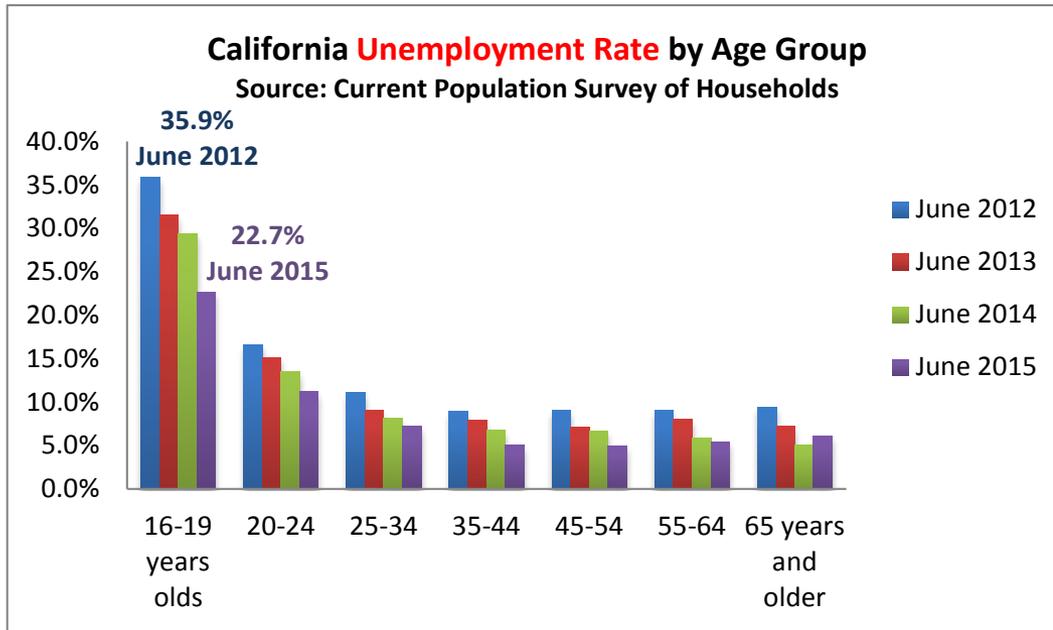
Labor Force Participation Rates: U.S. and California

U.S. and California Labor Force Participation Rates
Source: Current Population Survey of Households (seasonally adjusted)

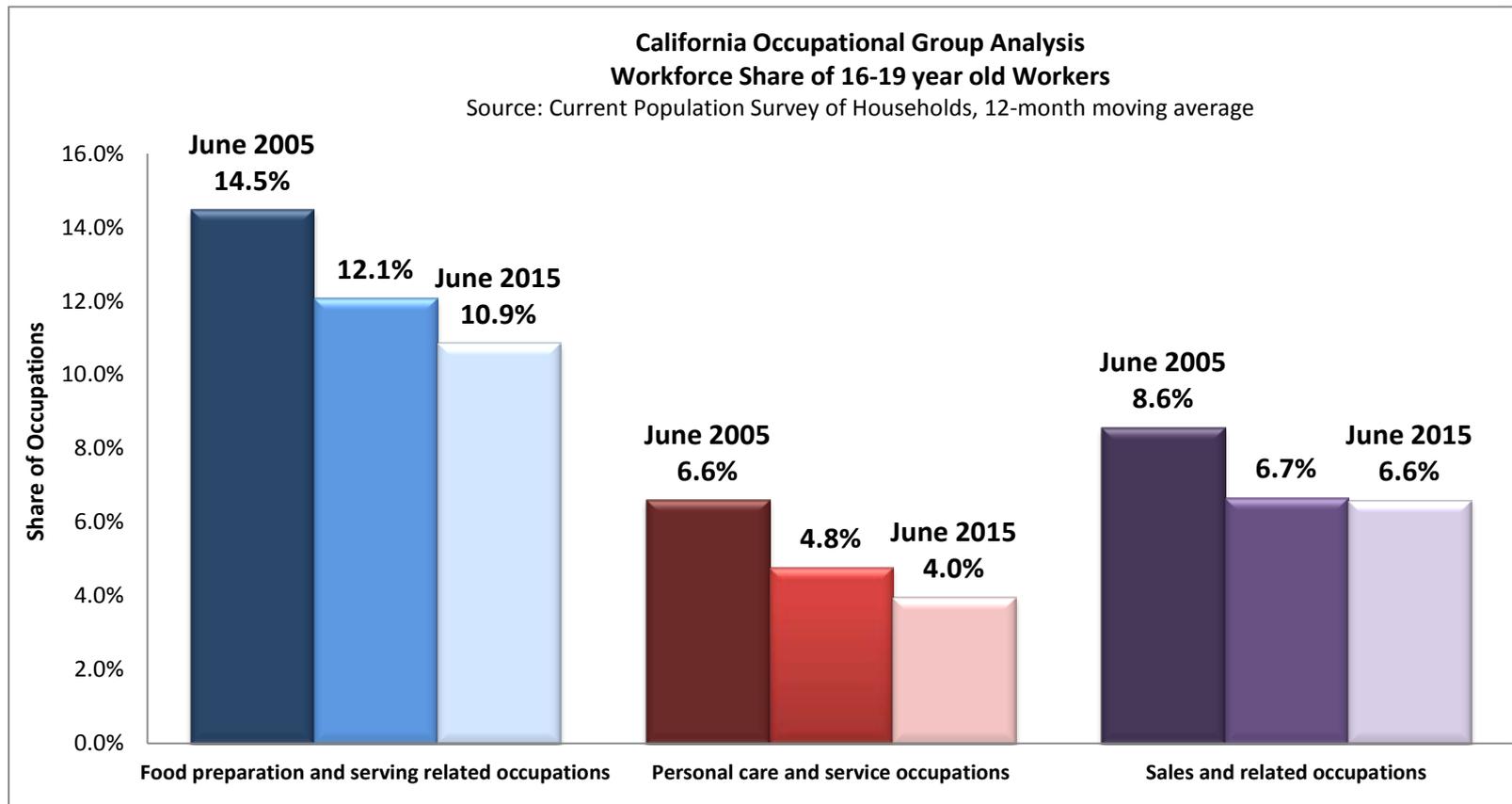


The labor force participation rate is the labor force as a percent of the civilian noninstitutional population. The labor force is the sum of employed and unemployed persons.

California: Youth Workforce Trends



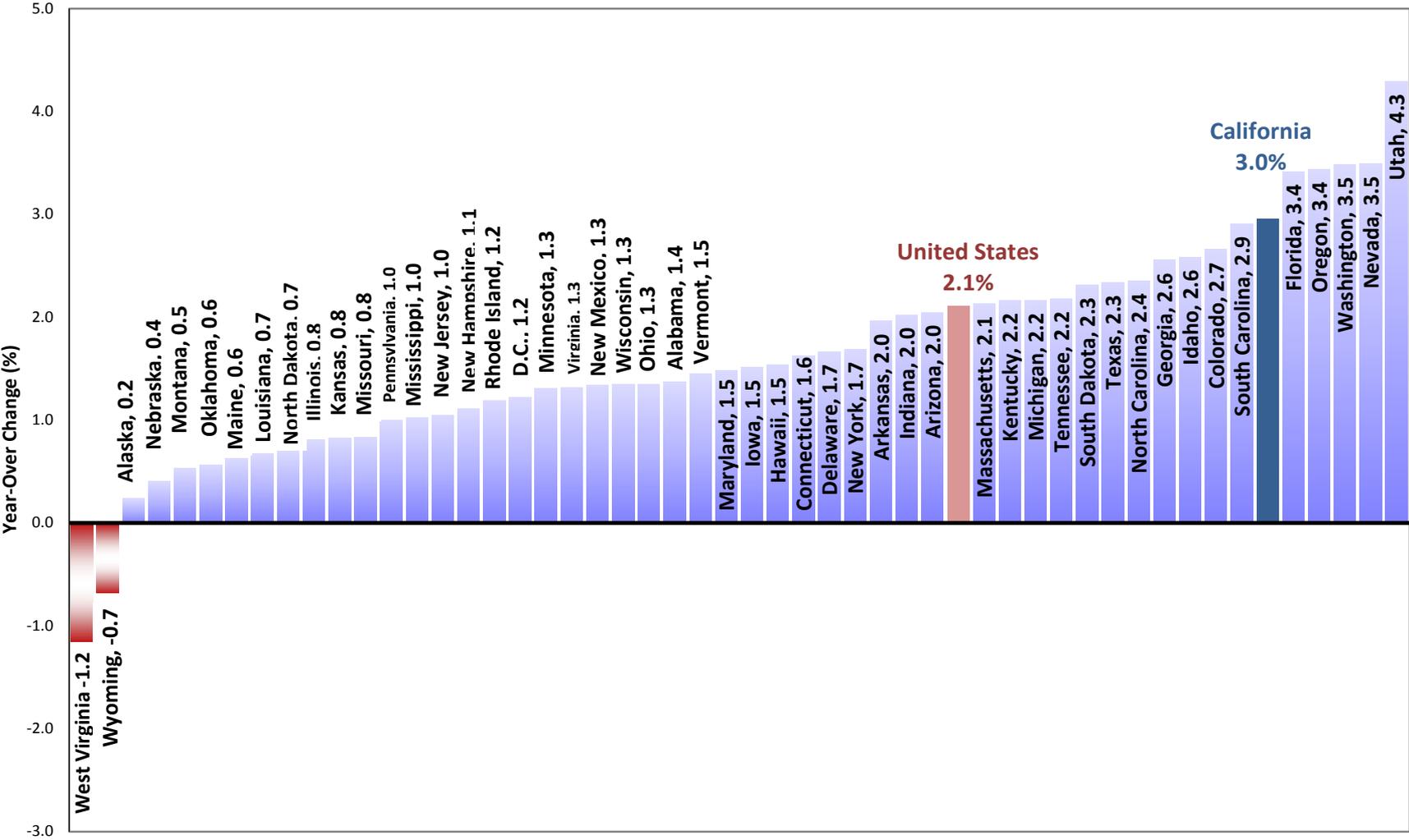
California: Youth Workforce Trends



Nonfarm Payroll Jobs: State-to-State and National Comparisons

Year-Over Percent Changes in State Nonfarm Payrolls, June 2015

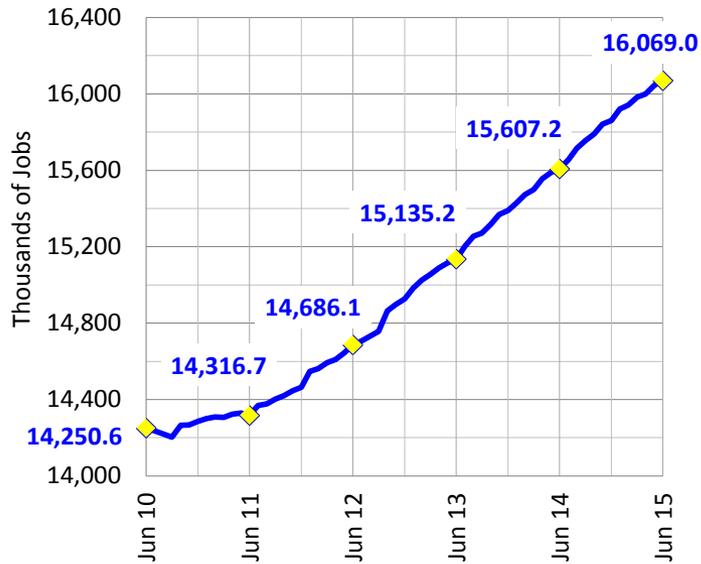
Source: Current Employment Statistics, seasonally adjusted



NONFARM EMPLOYMENT : CALIFORNIA

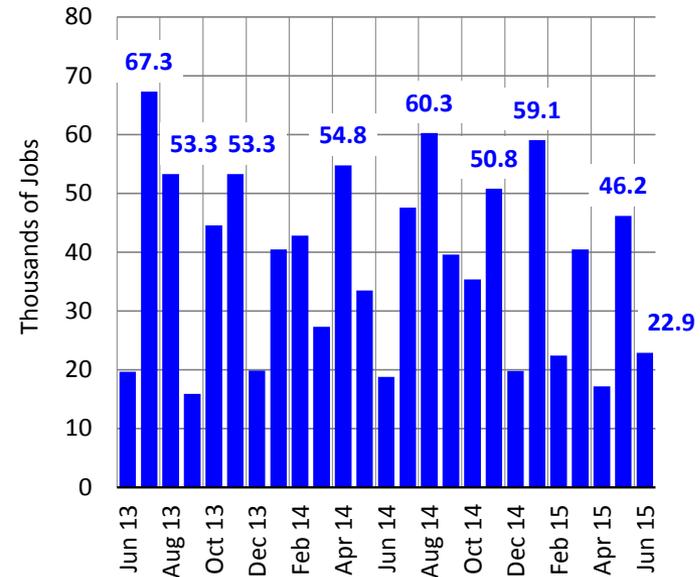
**California Total Nonfarm Payroll Jobs
Five-Year Trend**

June 2015; Seasonally Adjusted Data

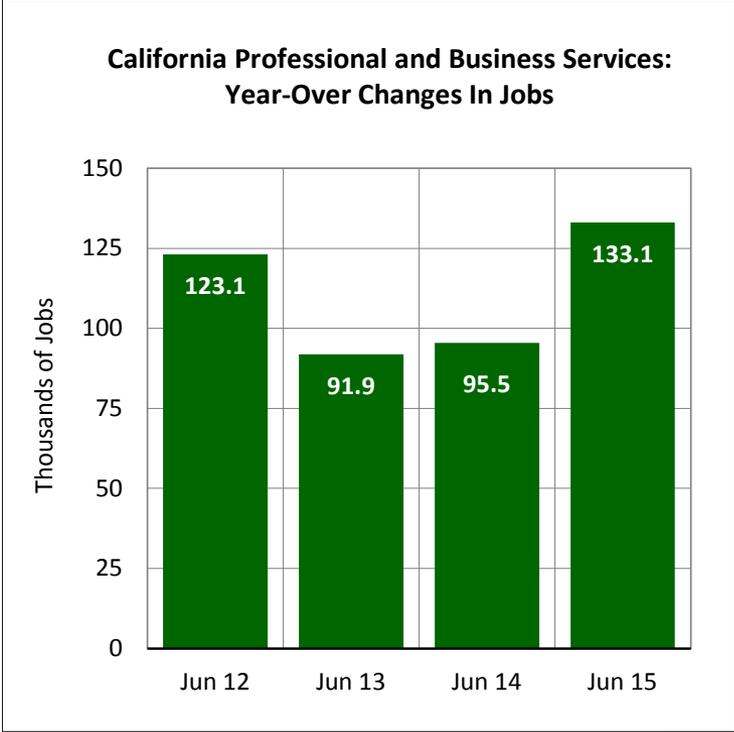
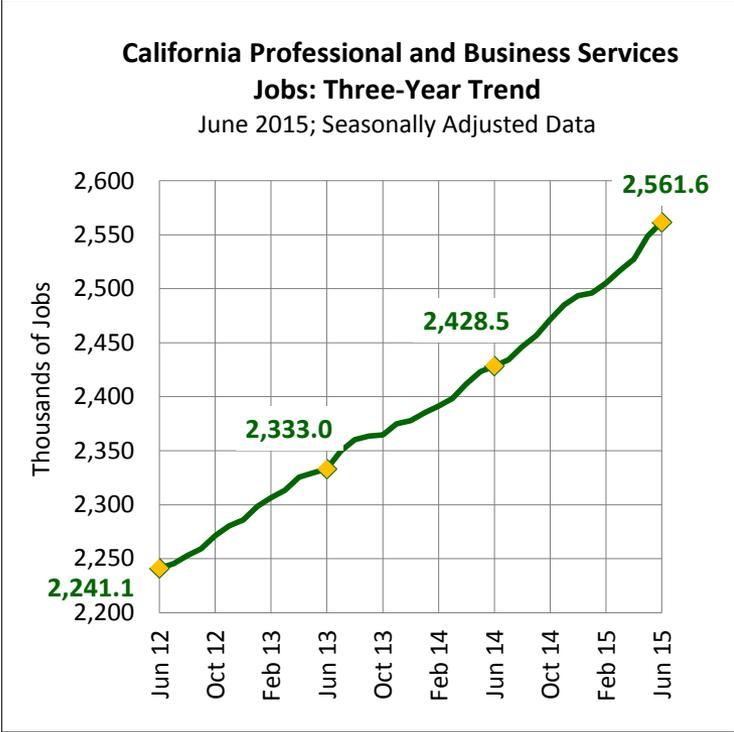


**Month-Over Changes in California
Total Nonfarm Jobs**

June 2015; Seasonally Adjusted Data

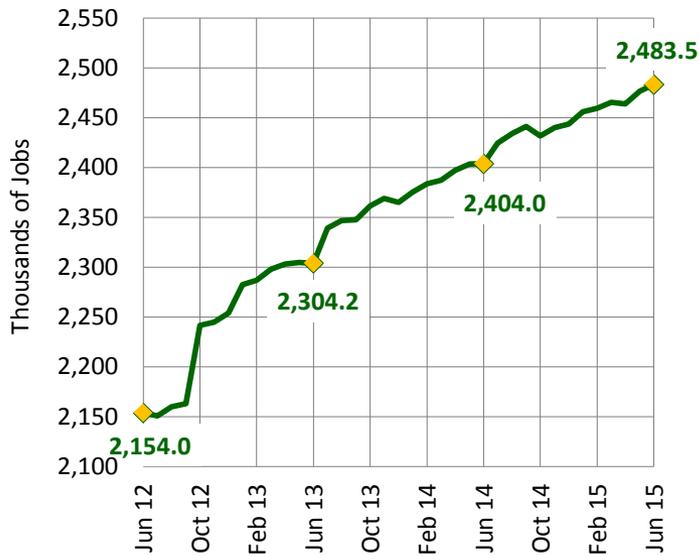


Nonfarm Employment by Industry Sector: *Professional and Business Services*

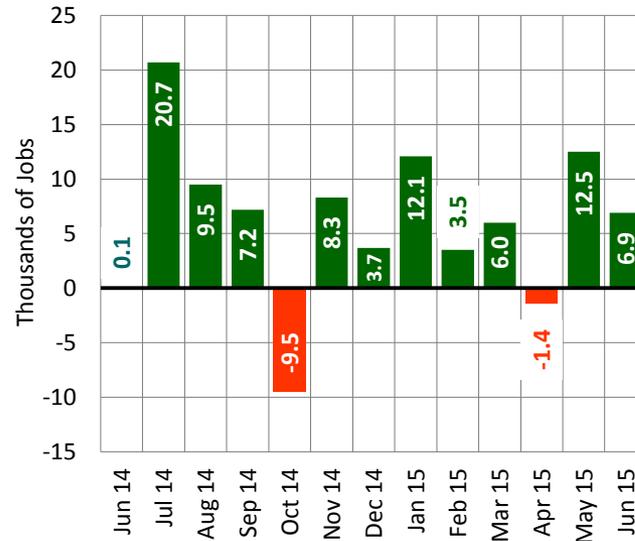


Nonfarm Employment by Industry Sector: Educational and Health Services

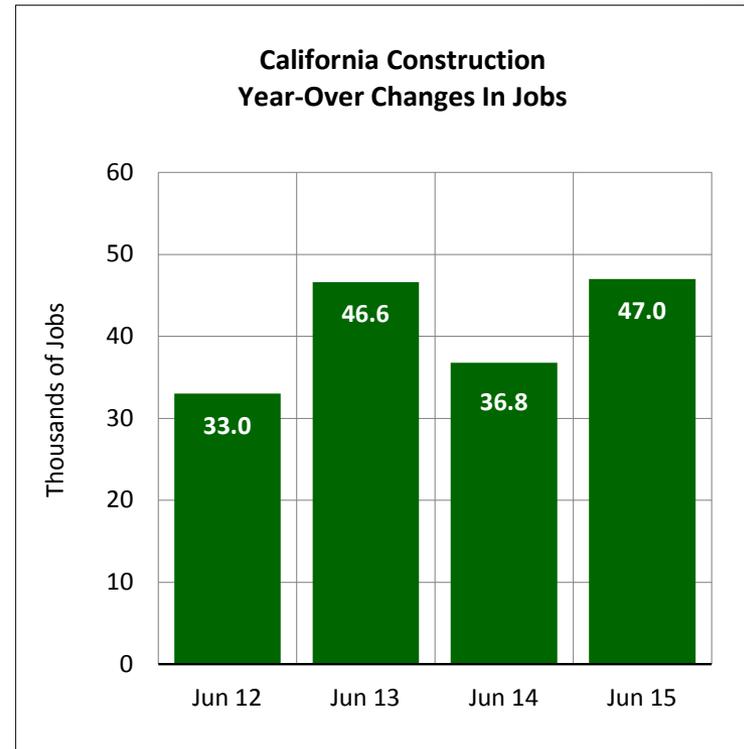
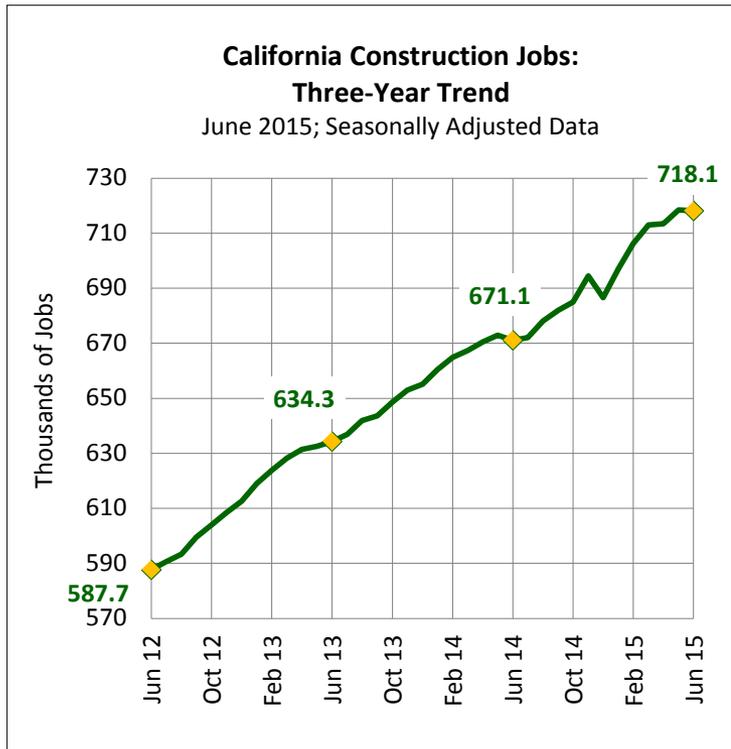
**California Educational and Health Services
Jobs: Three-Year Trend**
June 2015; Seasonally Adjusted Data



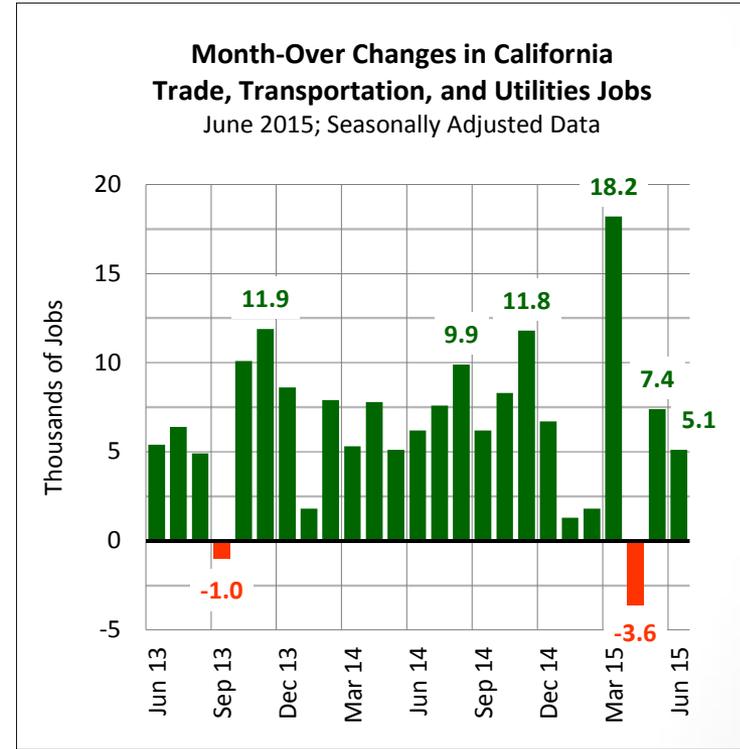
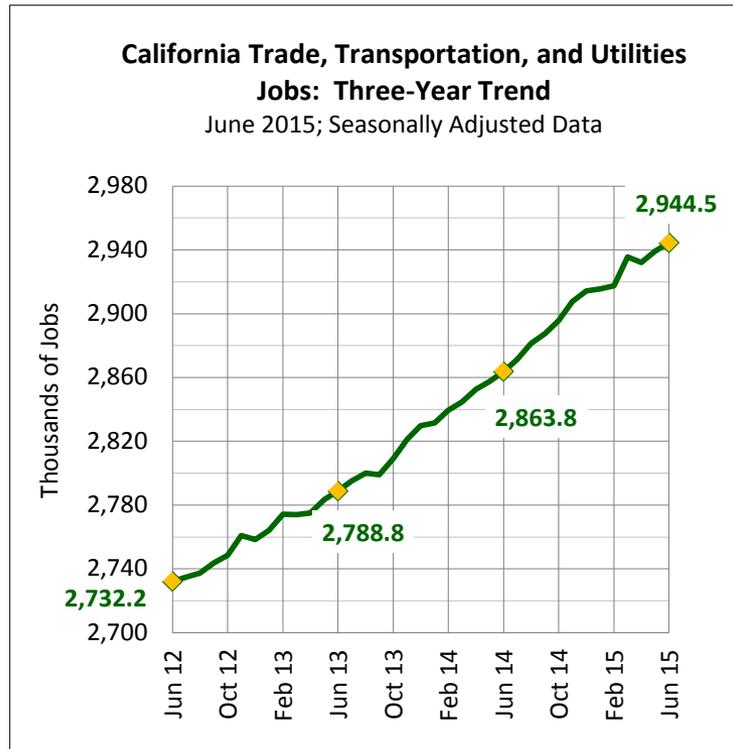
**Month-Over Changes in California
Educational and Health Services Jobs**
June 2015; Seasonally Adjusted Data



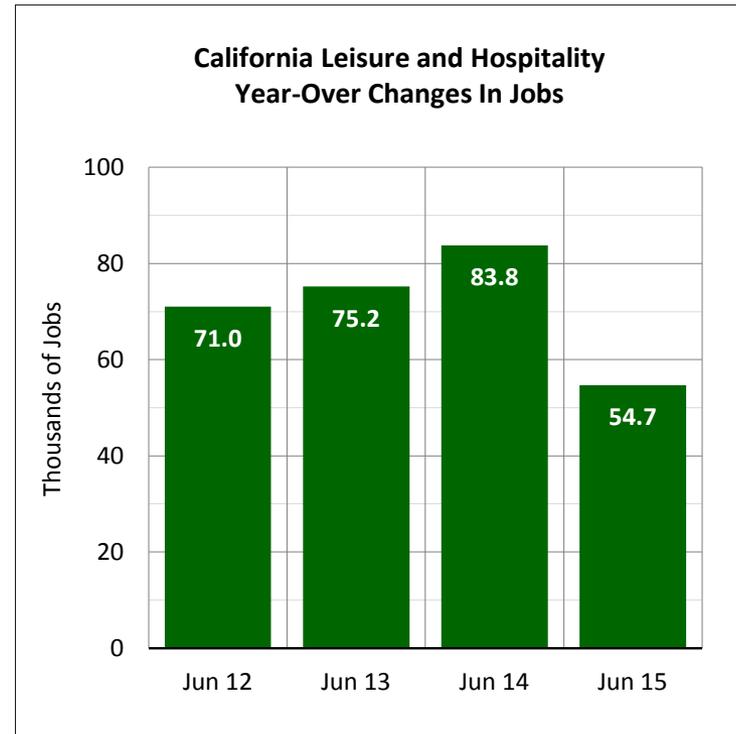
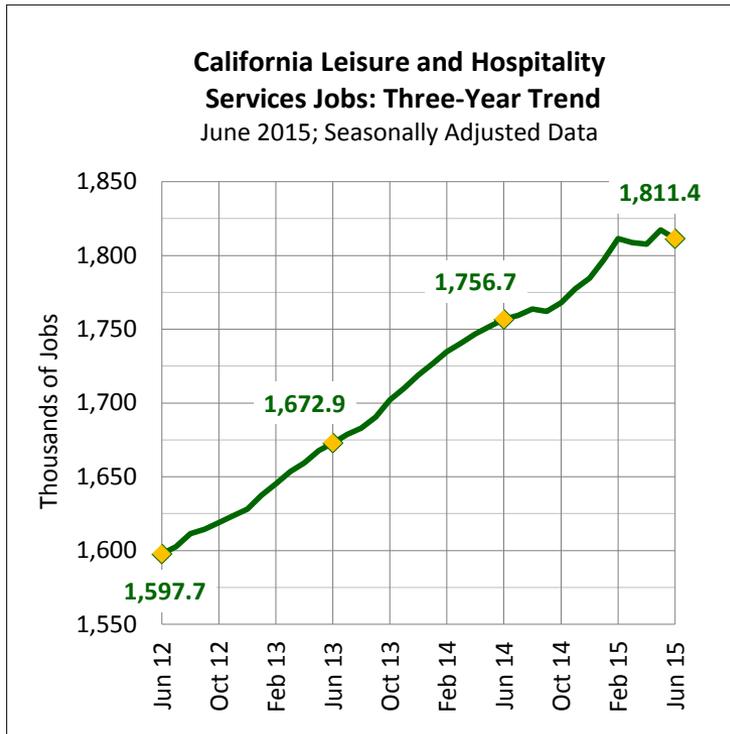
Nonfarm Employment by Industry Sector: Construction



Nonfarm Employment by Industry Sector: Trade, Transportation, and Utilities



Nonfarm Employment by Industry Sector: *Leisure and Hospitality*



California Drought:

Value of Agriculture Industry to the State Economy

- **California Agriculture**
 - 2.1 percent of state GDP (\$46B)
 - 17.3 percent share of U.S. Ag GDP
 - 21.2 billion in exports, 15% increase(2013-2014)
- **Top Commodities**
 - Almonds (\$5.8 B), Grapes (5.6), Strawberries (2.2), Walnuts (1.8)
 - California produces 400 agriculture commodities
- **Value of Ag Production by County**
 - Fresno (\$6.8 B), Tulare (5.6), Kern (5.3), Monterey (3.9)

California Drought:

California's Ski Facilities

- Statewide snowpack was 25 percent lower than historical average in 2015 according to the CA Water Resources Board.
- Some ski resorts reporting 28 percent drop in skier visits.
- Indirect effect: hotels, restaurants, and regional amusements
- Most ski resorts in California are the economic hubs of the community and have been in business for over 40 years.

California Drought:

Future Outlook

- **Increase in Desalination Plant Construction**

- If 20 desalination plants get built, it would supply 300 million gallons of water per day in California.
- California has 3 operating desalination plants. Monterey facility (Sand City) has the ability to produce 99 million gallons per year.
- Challenges to construction: proximity of energy sources to run the plants; water/land rights legislation; cost of construction.

- **Potential for “Farm Labor Drought”**

- Only 5 percent of those hired for farm labor in CA are born in the U.S.
- The farm labor supply from rural Mexico is decreasing by over 150,000 people per year
(*Source: The End of Farm Labor Abundance by J. Edward Taylor and Diane Charlton (U.C. Davis)*)
- Rises in education levels of Mexican workers, tougher border restrictions, and family choices (parents don't want their kids in farm work) have been associated with the decline.

California Export Trends: Value of Exports



California Exports To World (2015:Q1)

- 39.5 Billion
- 10 Percent of U.S. Total

Top Trading Partners by Export Value

- Mexico (\$6.4B)
- Canada (\$4.1B)
- China (\$3.3B)
- Greece (\$22.2M)

Top Exports to the World

- Agricultural Production
- Chemical Manufacturing
- Computer and Electronic Products
- Food Manufacturing
- Fabricated Metals

Jobs Supported by Total Goods Exports

- 775,000 (2014)
- Majority in Manufacturing

Some Lasting Thoughts on California's Economy...

“Steady job growth has enabled the state to recover all of the jobs it lost during the recession and attain new heights.”

“The growth has been broad-based across industry sectors and regions of the state.”

“Having come a long way from the depths of the recession, California's economy is once again heading in the right direction.”