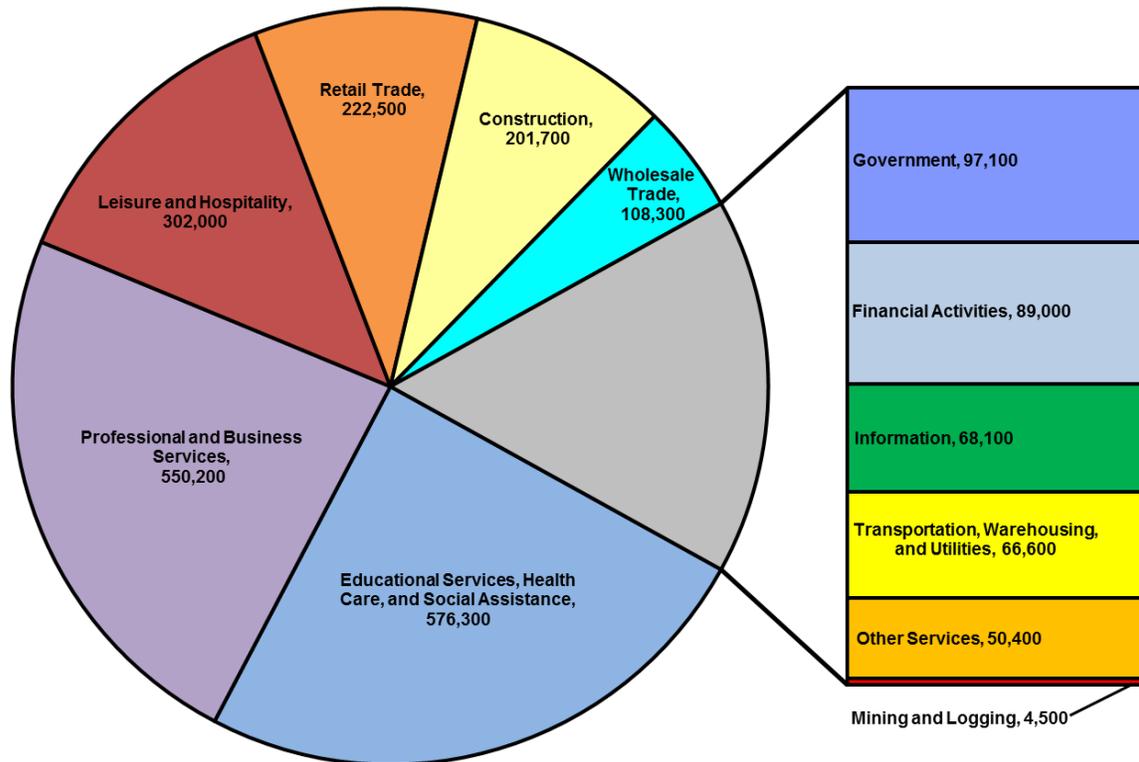


California Industry Employment Projections Between 2012–2022

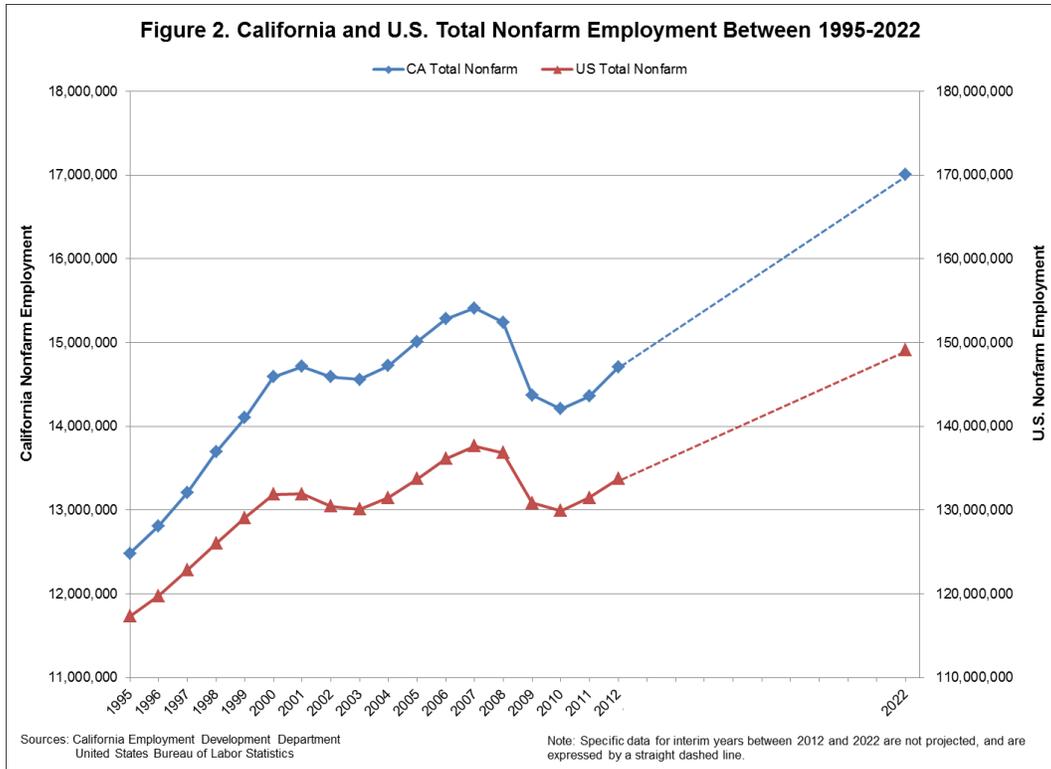
Total industry employment in California, which includes self-employment, unpaid family workers, private household workers, farm employment, and nonfarm employment, is expected to reach 18,708,600 by 2022, an increase of 14.9 percent over the 10-year projection period. Total nonfarm employment is projected to add 2,296,700 jobs over the same period, as seen in Figure 1.

Figure 1. Projected Job Growth by Industry Sector Between 2012-2022

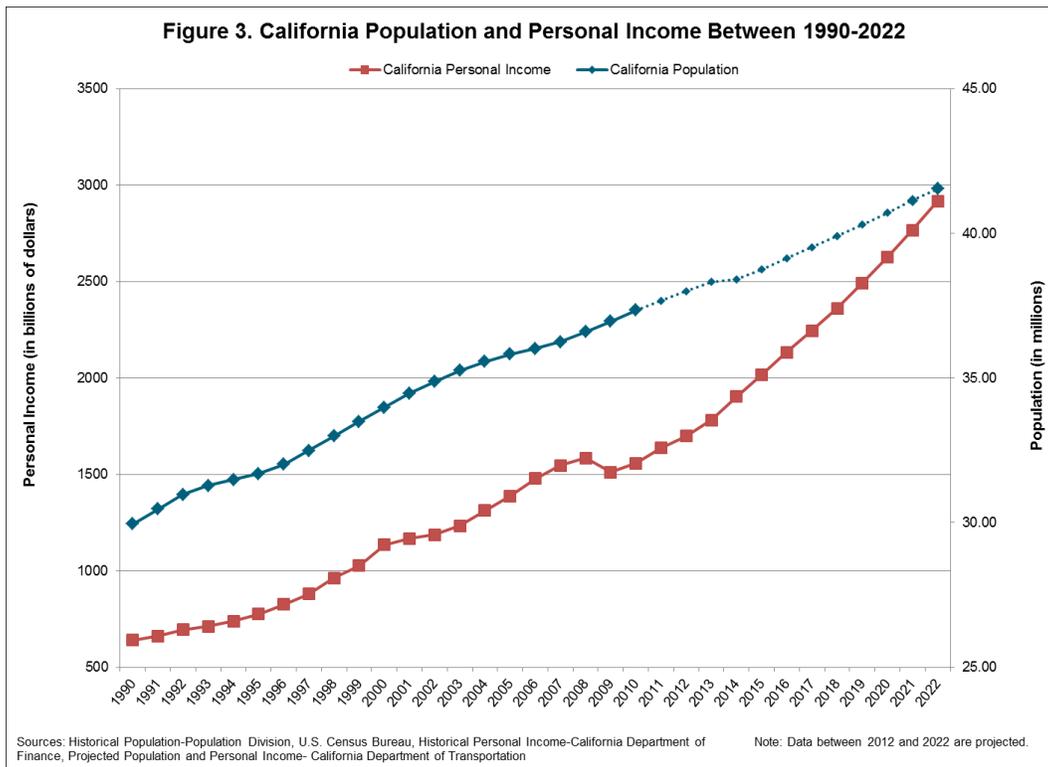


Source: California Employment Development Department, Labor Market Information Division

Seventy-two percent of all projected nonfarm growth is concentrated in four industry sectors, educational services, health care, and social assistance; professional and business services; leisure and hospitality; and retail trade.

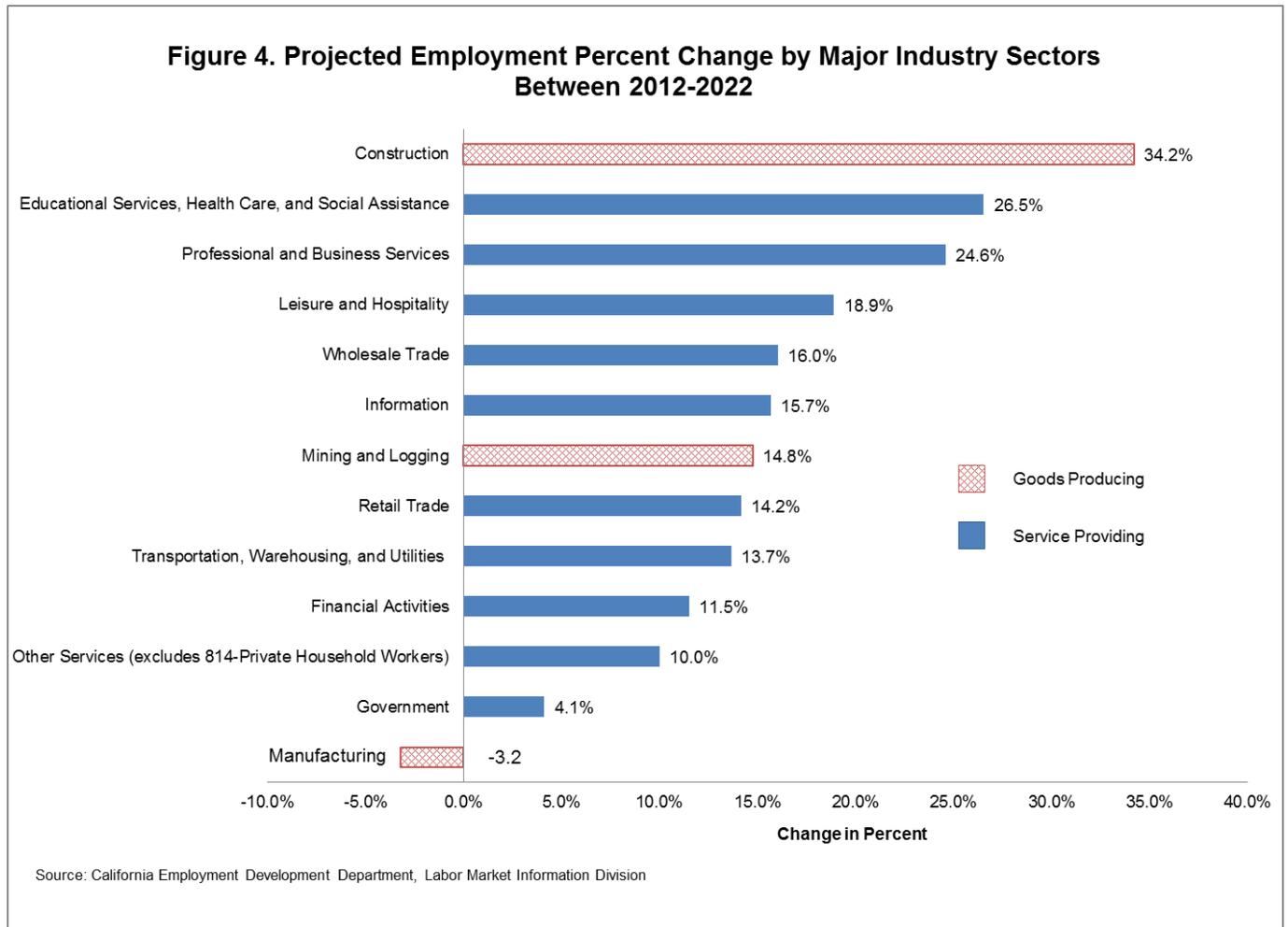


It is expected that California’s employment will trend with the U.S. economy, as seen in Figure 2. Projected increases in the state’s population and personal income, as seen in Figure 3, will lead to increased demand for goods and services and drive future job growth.



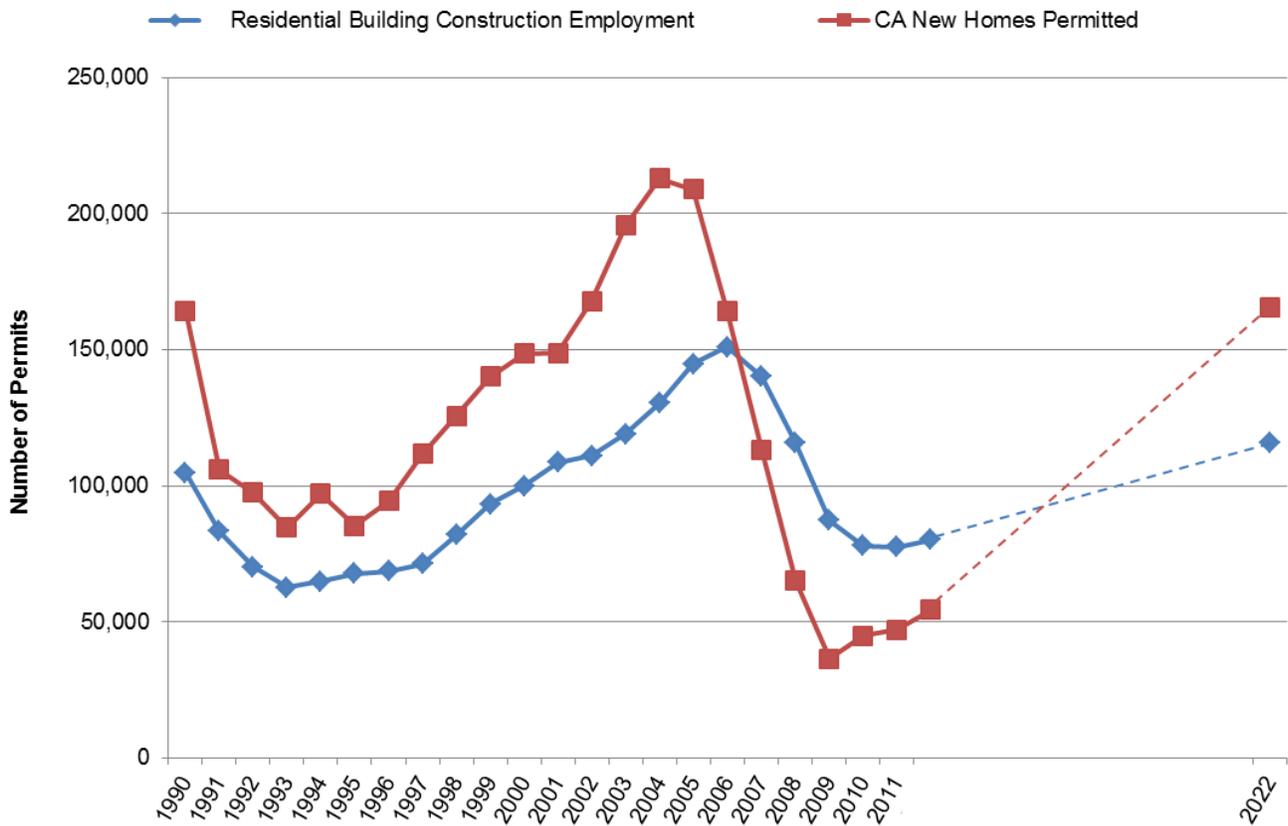
Total goods producing sectors, which includes mining and logging; construction; and manufacturing, is expected to reach 2,038,600 by 2022, an increase of 8.9 percent over the 10-year projection period.

The increase in employment is primarily led by the projected growth in the construction sector. With an expected annual average growth rate of 3.4 percent, construction is projected to have the fastest growth rate among the major industry sectors, as seen in Figure 4.



The expected job gain of 201,700 in construction is due to the improving housing market across California. Within this sector, the greatest concentration of job gains are projected to occur in building equipment contractors (46,100), building finishing contractors (38,900), and residential building construction (35,700). The number of home building permits is forecasted to grow at an annual average rate of 20.4 percent with residential building construction projected to grow at 4.5 percent annual average rate, as seen in Figure 5.

Figure 5. Home Building Permits and Residential Building Construction Between 1990-2022



Sources: Data from 2010-2020 Cal LT Vars table, CalTrans / Schniepp Forecast 2013-2040, Historical New Homes Permitted-California Department of Finance, Projected New Homes Permitted-California Department of Transportation, Historical Residential Building Construction-United States Bureau of Labor Statistics, Projected Residential Building Construction-California Employment Development Department

Note: Projected data for interim years between 2012 and 2022 are expressed by a dashed line.

The manufacturing sector is expected to lose 40,100 jobs through the projection period. This sector has a long history of declining employment due to increases in automation and outsourcing. Manufacturing has lost more than 600,000 jobs since the year 2000. Employment fell at an annual average rate of 2.3 percent between 2002 and 2012. Durable goods manufacturing is projected to lead the decline in manufacturing with a loss of 25,900 jobs during the projection period.

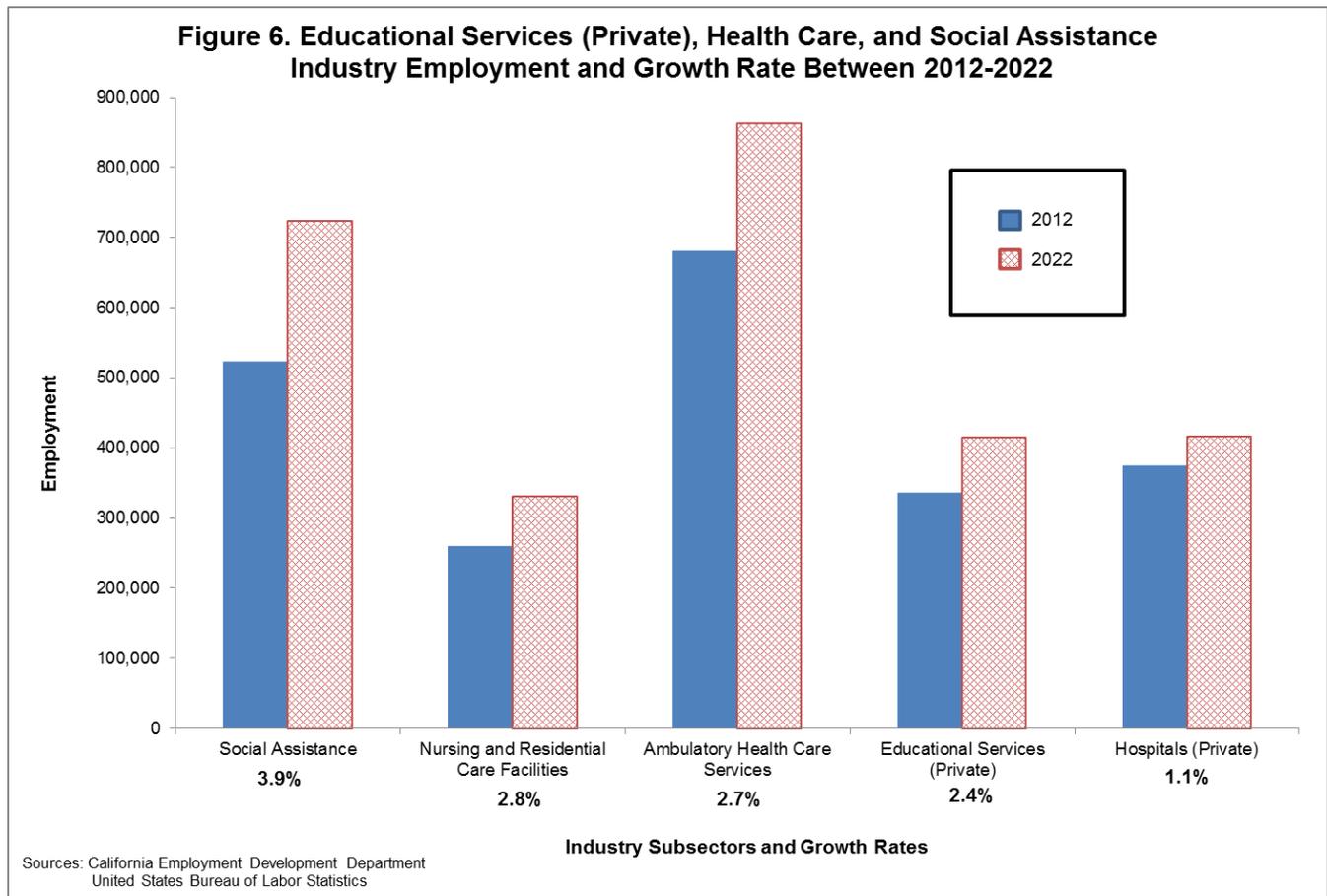
The mining and logging sector has the smallest increase in employment through the projection period of 4,500 jobs led by an employment increase of 2,400 jobs in support activities for mining.

Private service providing sectors, which include wholesale trade; retail trade; transportation, warehousing, and utilities; information; financial activities; professional and business services; educational services (private), health care and social assistance; leisure and hospitality; and other services is projected to add 2,033,400 jobs, accounting for 89 percent of nonfarm growth over the 10-year projection period. Seventy percent of growth in the private service providing sectors is forecasted to occur in educational services, health care, and social assistance (576,300); professional and business services (550,200); and leisure and hospitality (302,000).

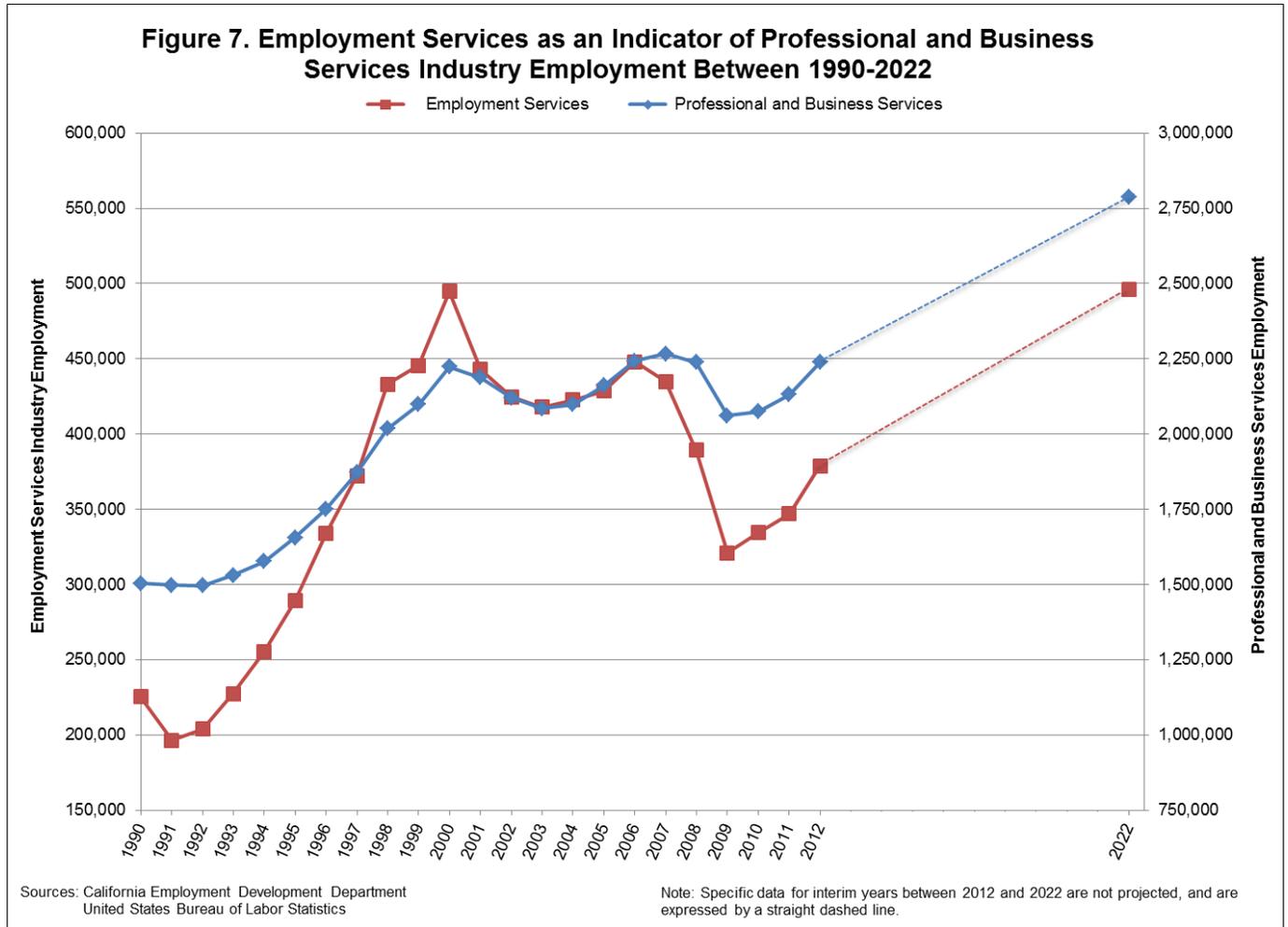
In the educational services, health care, and social assistance sector, the individual and family services subsector is projected to lead job gains by adding 197,300 jobs while growing at an annual average rate of 4.8 percent.

The educational services (private), health care, and social assistance sector anticipates job gains in all industry subsectors, as seen in Figure 6. The projected growth for the sector is 576,300 jobs over the 10-year projection period. The subsector with the fastest annual average growth rate is social assistance (3.9 percent), followed by nursing and residential care facilities (2.8 percent), and ambulatory health care services (2.7 percent).

As the population grows and demographics change, the demand for workers in the educational services (private), health care, and social assistance sector will remain high.



The professional and business services sector is projected to have an annual average growth rate of 2.5 percent, adding 550,200 jobs. Within this sector, management, scientific, and technical consulting services is projected to add 129,800 jobs while growing at a 6.9 percent annual average rate. As the economy grows, it is anticipated that businesses will spend more on equipment and software upgrades, increasing the demand for consulting services. Employment services, one of the main drivers of the professional and business services sector, is projected to grow at an annual average rate of 3.1 percent, adding 117,100 jobs as seen in Figure 7.

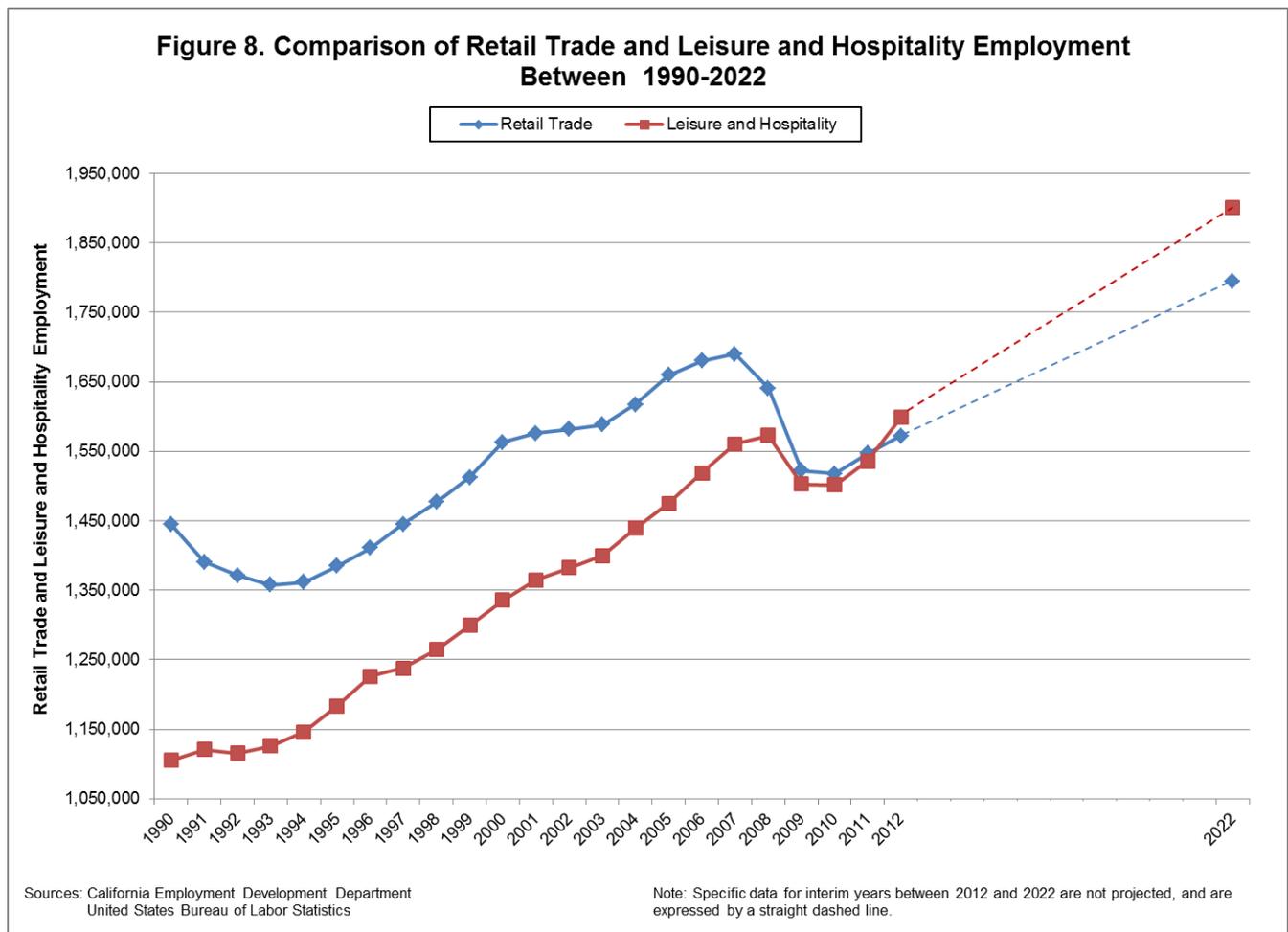


Computer systems design and related services is also expected to have sizeable job gains, adding 74,900 jobs. Employment in this sector increased at an annual average rate of 2.9 percent between 2002 and 2012.

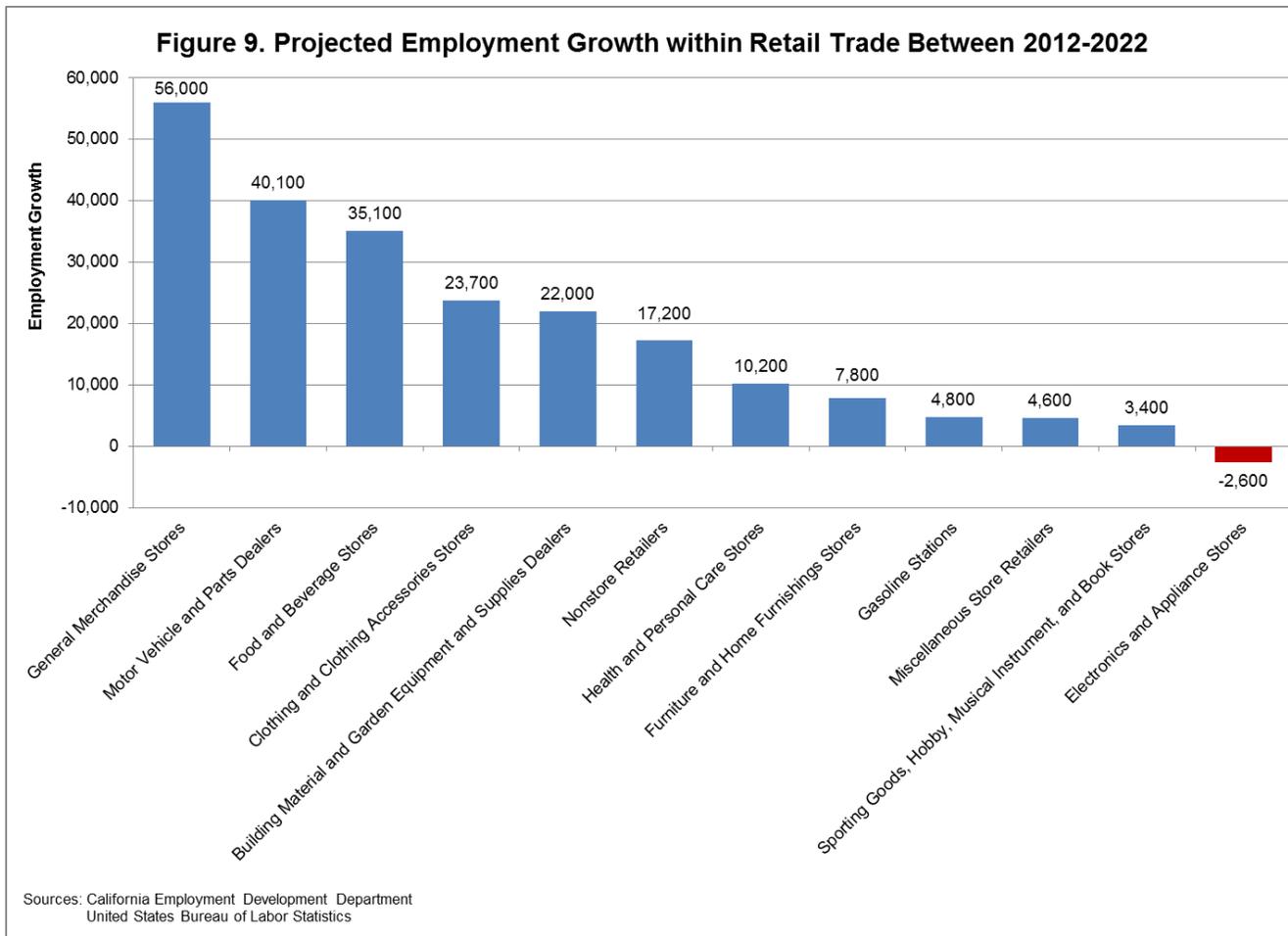
The financial activities sector is expected to grow 12 percent between 2012 and 2022, adding 89,000 jobs. Job growth is projected in both the finance and insurance services (55,400) and real estate and rental and leasing (33,600) subsectors. Nondepository credit intermediation is projected to have the most growth within the financial activities sector with a gain of 17,000 jobs.

Leisure and hospitality is the fourth fastest growing industry sector. The food services and drinking places subsector is projected to grow at an annual average rate of 2.2 percent, followed by a projected 1.5 percent annual average growth rate in performing arts, spectator sports, and related industries. An increase in disposable personal income and a recent increase in part-time hiring across the economy are factors driving growth in this sector.

As seen in Figure 8, leisure and hospitality’s employment level has historically tracked closely with retail trade, as the economy affects both sectors similarly. Retail trade is projected to grow at an annual average rate of 1.4 percent, while leisure and hospitality is anticipated to grow at a 1.9 percent rate.



Trade, transportation, and utilities is projected to add 397,400 jobs. Fifty-six percent of projected job gains are in retail trade. Forty-three percent of the projected growth in the retail sector is concentrated in two industries, general merchandise stores (56,000) and motor vehicle and parts dealers (40,100), as seen in Figure 9. A rise in personal income is expected to drive the demand for retail trade workers.



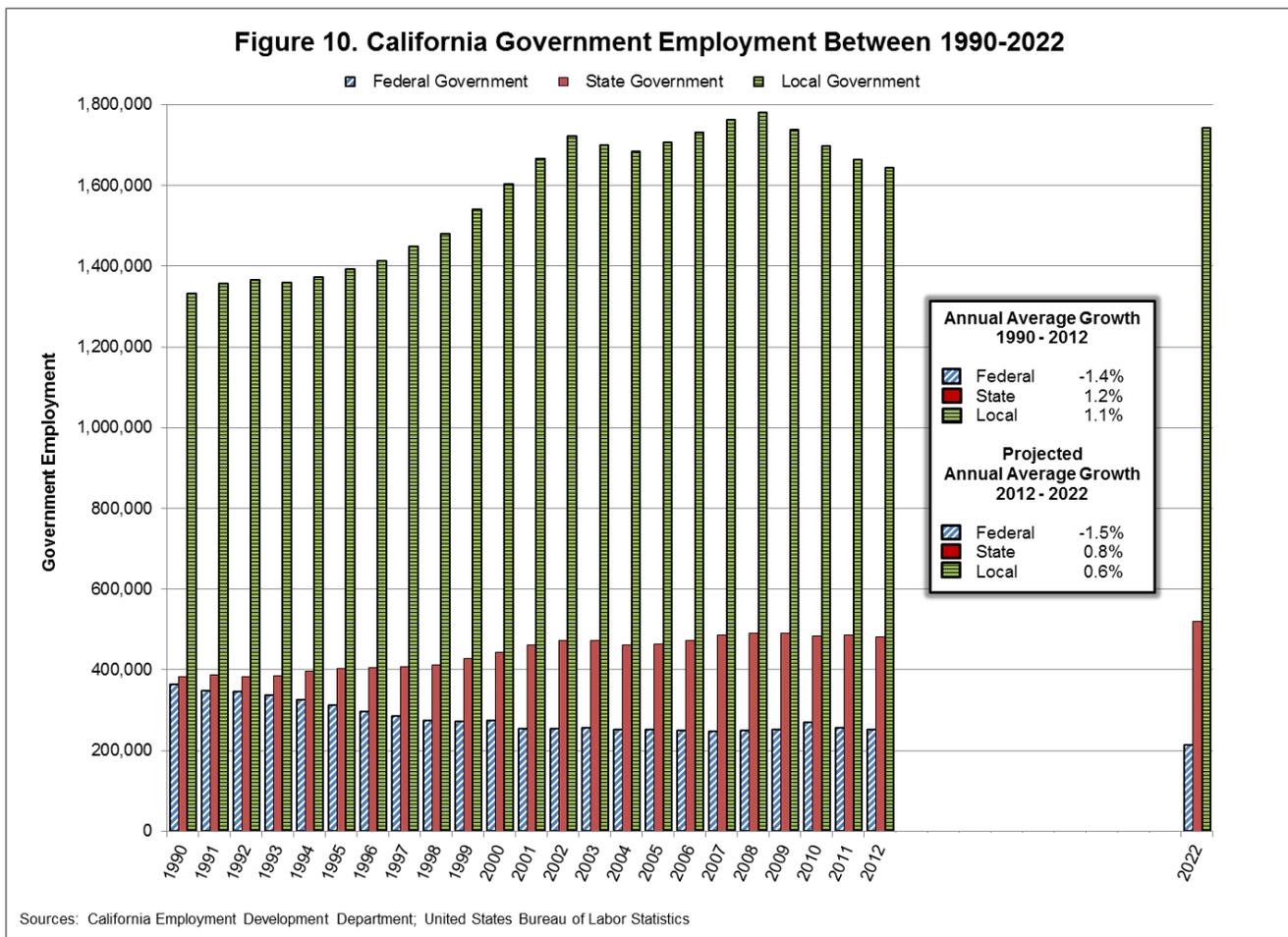
The wholesale trade sector is forecasted to expand at an annual average rate of 1.6 percent, adding 108,300 jobs. The wholesale electronic markets and agents and brokers subsector is projected to have the fastest annual average growth rate at 3.1 percent, or 31,600 jobs. Growth in wholesale and retail trade is expected as consumer spending rises.

Transportation, warehousing, and utilities employment is forecasted to grow at an annual average rate of 1.4 percent, adding 66,600 jobs. Of this gain, 50 percent of projected job growth will occur in truck transportation (18,000) and warehousing and storage (15,600).

Employment in the information sector is expected to grow at an annual average rate of 1.6 percent, adding 68,100 jobs by 2022. The other information services subsector, projected to add 25,500 jobs, will account for 37 percent of all job growth in the sector. Job gains are also forecasted in the software publishers (15,800), wired telecommunications carriers (13,000), and motion picture and video industries (12,800). The newspaper, periodical, book, and directory publishers subsector is projected to lose 3,000 jobs. This loss is attributed to the availability of information on the Internet.

The other services sector is expected to grow 10 percent between 2012 and 2022, adding more than 50,000 jobs. Of this gain, 61 percent of the job growth is projected in personal care services (15,900) and automotive repair and maintenance (14,600).

Government employment is expected to grow at an annual average rate of 0.4 percent. Growth is led by the local government sector, which is projected to add 97,100 jobs. State government is expected to add 37,800 jobs, while federal government is projected to lose 37,800 jobs, as seen in *Figure 10*. The local government sector accounts for approximately 70 percent of the projected 2.47 million public sector employment in California. Job losses in federal government include a continuing decline in postal service employment.



The complete [2012-2022 California industry and occupational projections](#) are available online.

Produced by: Employment Development Department
 Labor Market Information Division
www.labormarketinfo.edd.ca.gov/LMID/ContactUs.html