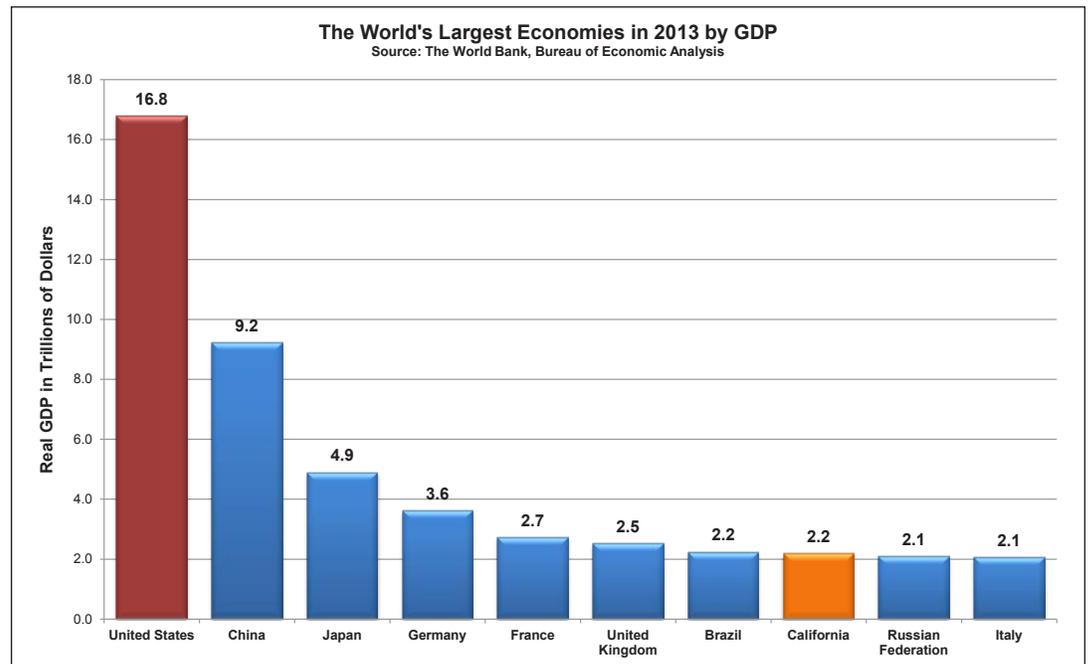




California Has the World's Eighth Largest Economy

In 2013, the United States produced more than \$16 trillion worth of goods and services, making it the world's largest economy as measured by gross domestic product (GDP). China ranked second in the world with a GDP of just over half (\$9.2 trillion) of the U.S. total (see Figure 1). If California were an independent country, the state's \$2.2 trillion economy would make it the eighth largest economy in the world, just behind Brazil (\$2.2 trillion). California's GDP has been driven by the trade, transportation, and utilities (TTU) and financial activities sectors which produced goods and services valued at more than \$790 billion (see Table 1) in 2013, accounting for more than one-third (36.0 percent) of total GDP.

Figure 1



The real GDP data used in this report were derived from the World Bank and the U.S. Bureau of Economic Analysis (BEA). GDP is defined as the value of all final goods and services produced in a country or state in a calendar year. GDP is measured by calculating the sum of private and public consumption, investment, government purchases, and net exports (exports minus imports) in a given year. The real GDP figures in this report have been adjusted for inflation. Real GDP figures are well suited to conduct comparative analyses over time.

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California's financial activities; trade, transportation, and utilities (TTU); professional and business services; government; and manufacturing sectors each produced at least \$200 billion worth of outputs (e.g., goods or services) annually from 2011 through 2013 (see Table 1). Collectively, these industry sectors accounted for more than three-fifths of the state's GDP in 2013. Between 2009 and 2013, the financial activities and trade, transportation, and utilities sectors held the largest shares of the state's GDP with more than 20 percent and 15 percent respectively. The industry sectors that accounted for the lowest shares were agriculture, forestry, fishing and hunting (2.1 percent); other services, except government (2.1); and mining (1.0). Each accounted for less than a 3 percent share of statewide GDP between 2009 and 2013.

Table 1

California: Gross State Product by Industry Sector (GDP in Real \$Millions)	2009	2010	2011	2012	2013
Statewide Industry Total	1,906,400	1,953,400	2,030,500	2,125,700	2,202,700
Agriculture, forestry, fishing, and hunting	25,400	29,800	35,300	35,600	46,700
Mining	20,300	22,100	27,400	30,000	22,800
Construction	65,700	58,800	60,100	65,200	69,900
Manufacturing	229,500	222,400	222,400	236,300	239,000
Trade, transportation, and utilities (TTU)	279,900	294,700	309,600	318,500	332,500
Information	134,700	150,300	156,500	164,200	179,800
Financial Activities	406,700	412,200	423,200	441,100	459,900
Professional and business services	236,000	243,400	260,600	283,900	291,000
Educational services, health care, and social assistance	133,100	137,800	143,600	149,600	154,500
Arts, entertainment, recreation, accommodation, and food services	71,600	73,500	77,500	82,100	85,900
Other services, except government	42,100	42,200	42,800	44,600	45,600
Government	261,400	266,200	271,500	274,600	275,200
Largest GDP Total					

Source: Bureau of Economic Analysis, Gross Domestic Product by State

Table 2

California: Share of Gross State Product by Industry Sector	2009	2010	2011	2012	2013
Agriculture, forestry, fishing, and hunting	1.3%	1.5%	1.7%	1.7%	2.1%
Mining	1.1%	1.1%	1.3%	1.4%	1.0%
Construction	3.4%	3.0%	3.0%	3.1%	3.2%
Manufacturing	12.0%	11.4%	11.0%	11.1%	10.9%
Trade, transportation, and utilities (TTU)	14.7%	15.1%	15.2%	15.0%	15.1%
Information	7.1%	7.7%	7.7%	7.7%	8.2%
Financial Activities	21.3%	21.1%	20.8%	20.8%	20.9%
Professional and business services	12.4%	12.5%	12.8%	13.4%	13.2%
Educational services, health care, and social assistance	7.0%	7.1%	7.1%	7.0%	7.0%
Arts, entertainment, recreation, accommodation, and food services	3.8%	3.8%	3.8%	3.9%	3.9%
Other services, except government	2.2%	2.2%	2.1%	2.1%	2.1%
Government	13.7%	13.6%	13.4%	12.9%	12.5%
Largest Shares of Gross Domestic Product					

Source: Bureau of Economic Analysis, Gross Domestic Product by State

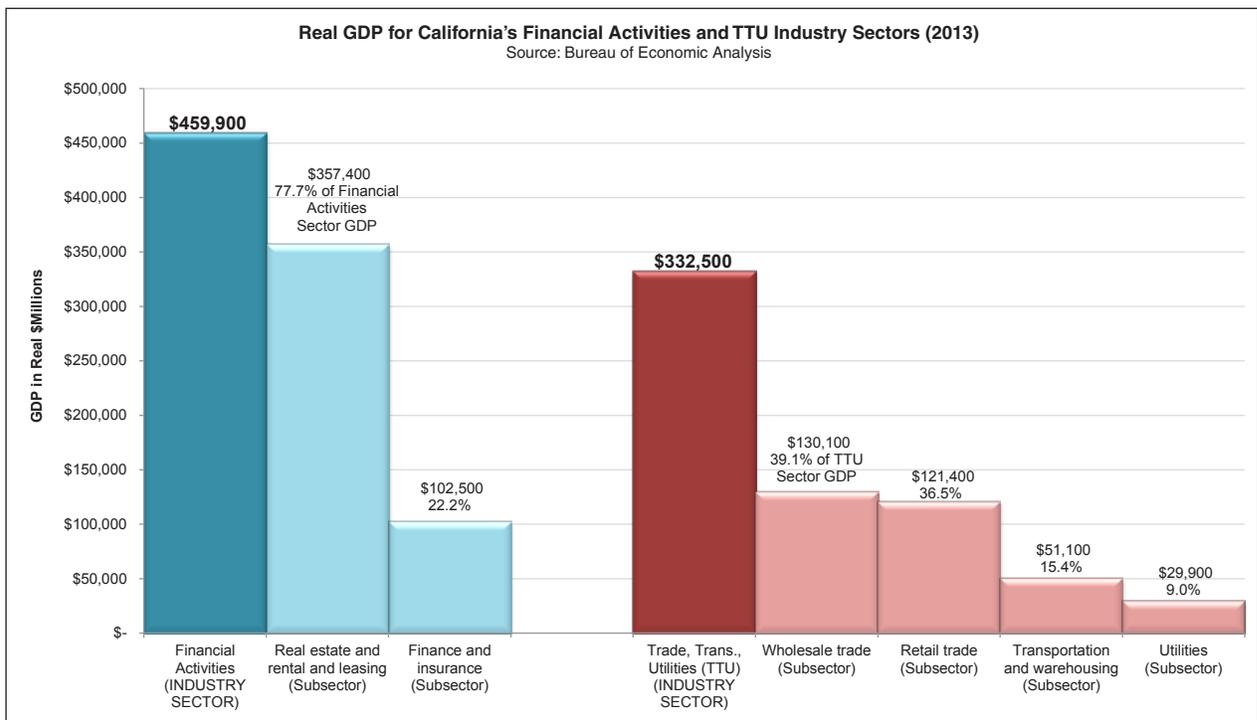
California's financial activities and trade and TTU industry sectors accounted for more than one-third of the state's GDP between 2009 and 2013 (see Table 2). More than three-quarters of the financial activities sector GDP was produced by its real estate and rental and leasing subsector (see Figure 2). This subsector includes establishments that are primarily engaged in the rental and leasing of real estate as well as the management of various assets (e.g., equipment, patents/trademarks). In 2013, this subsector produced more than \$350 billion worth

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of goods and services for the state of California. The finance and insurance subsector, which consists of firms that take deposits and issue securities or underwrite insurance and annuity policies, contributed more than one-fifth of the financial activities sector GDP in 2013 (see Figure 2).

More than three-quarters of the TTU industry sector GDP is derived from its wholesale trade (39.1 percent) and retail trade (36.5) subsectors. Wholesale trade establishments are generally engaged in the organizing and selling of products to other establishments and retailers within industries such as: agriculture, mining, manufacturing, and publishing. In 2013, California's wholesale trade establishments created products valued at more than \$130 billion. The retail trade subsector produced more than one-third of the TTU's GDP in 2013. The retail trade subsector is comprised of store and nonstore retailers that are organized to sell merchandise to the general public. Businesses within this subsector created outputs valued at more than \$120 billion in 2013.

Figure 2



**State of California
Labor and Workforce Development Agency
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