

January 2018 California Employment Highlights

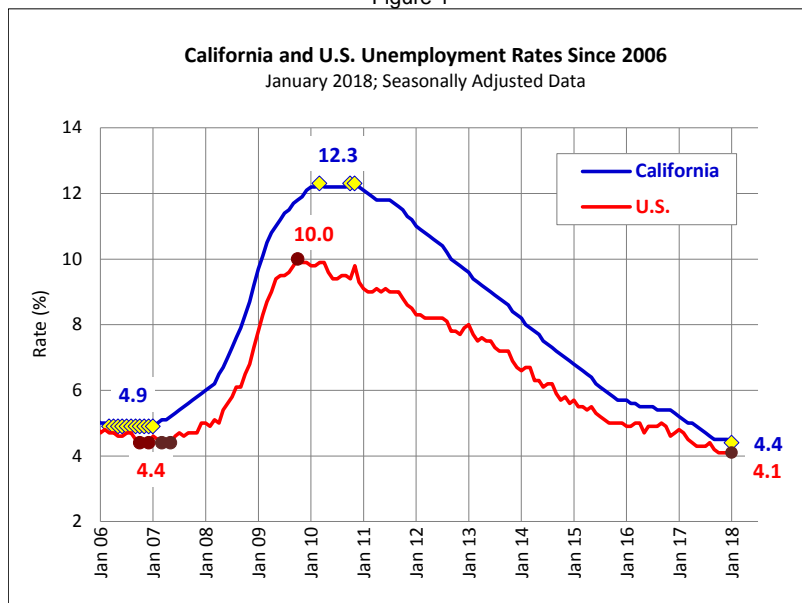
OVERVIEW

- California's seasonally adjusted unemployment rate fell by 0.1 percentage point to a new official low of 4.4 percent in January 2018.
- Eight California industry sectors added jobs, two lost jobs, and one had no change in employment in January.
 - Construction (11,100); trade, transportation, and utilities (10,800); and educational and health services (10,700) had the largest job gains among sectors, followed by leisure and hospitality (6,400) and manufacturing (2,100). Other services (1,100), government (1,100), and financial activities (1,000) also added jobs in January.
 - Professional and business services (7,300) and information (1,500) were the sectors that lost jobs in January.

EMPLOYMENT AND UNEMPLOYMENT

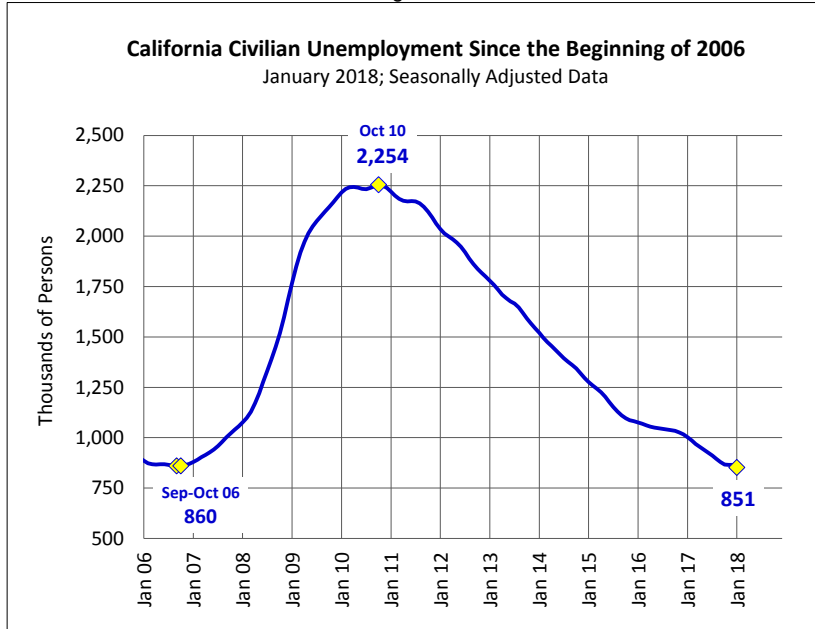
- California's seasonally adjusted unemployment rate fell by 0.1 percentage point to 4.4 percent in January 2018, establishing a new official low in a data series dating back to the beginning of 1976.

Figure 1



- The number of unemployed Californians fell by 15,000 persons to 851,000 in January 2018. This was 9,000 persons less than the pre-recession low in civilian unemployment in October 2006.

Figure 2



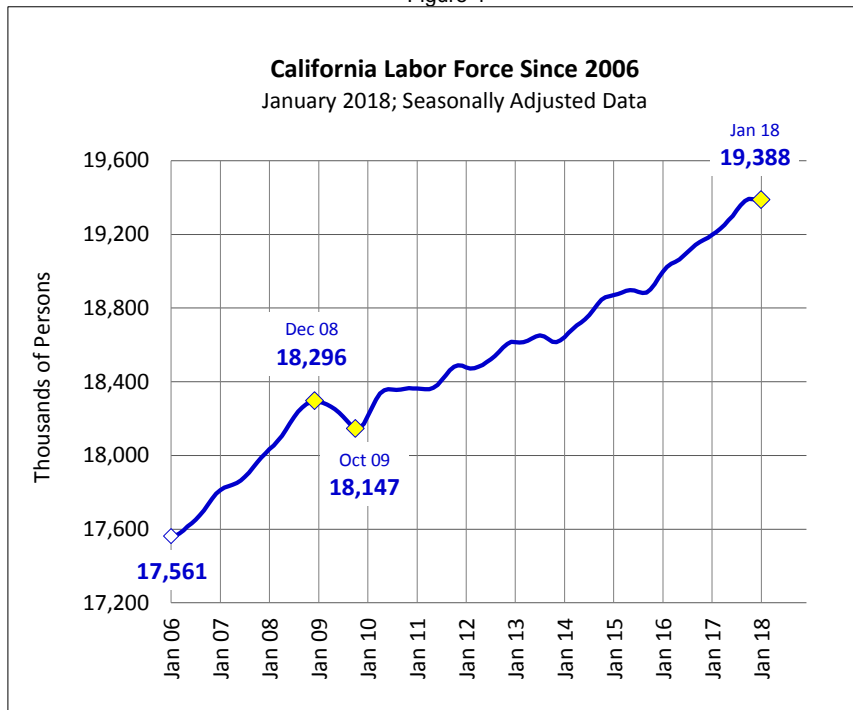
- The number of employed Californians grew by 17,000 persons in January to 18,537,000. This followed a 6,000-person employment loss in December and a month of no change in November.

Figure 3



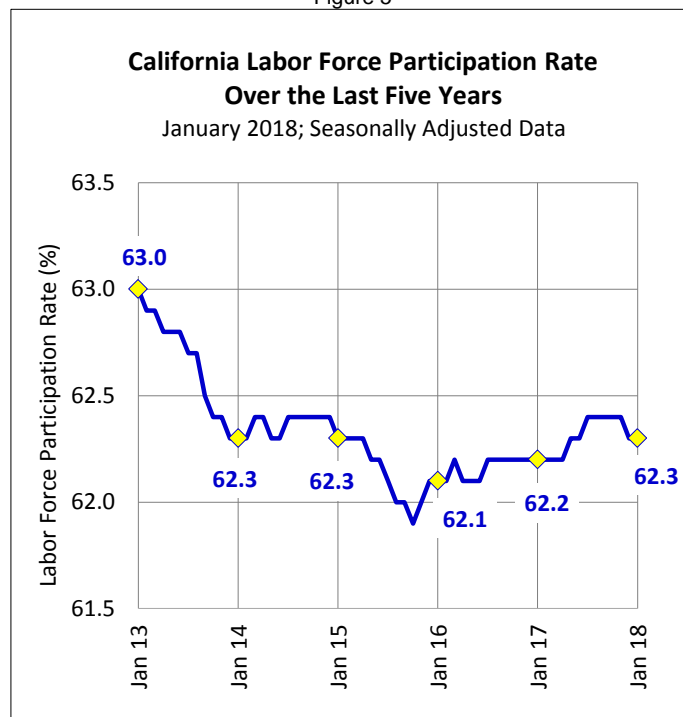
- California's labor force grew by 2,000 persons in December 2017. This followed losses of 5,000 and 2,000 persons in November and December, respectively. Although labor force growth has tailed off in recent months, it tends to ebb and flow.

Figure 4



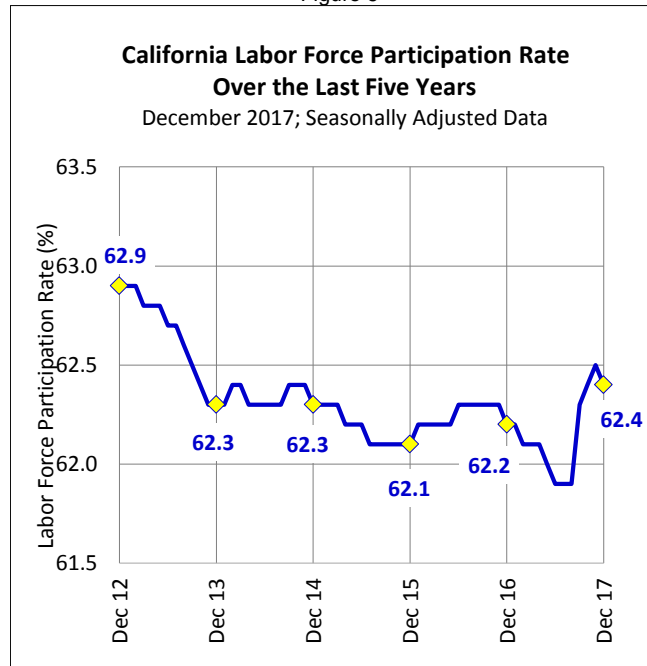
- California's labor force participation rate held steady at 62.3 percent in January 2018. The LFPR rose 0.1 percentage point over the last year.

Figure 5



- California's labor force participation rate fell by 0.1 percentage point to 62.4 percent in December 2017. The LFPR had risen by 0.6 percentage point over the prior three months.

Figure 6



NONFARM PAYROLL EMPLOYMENT

- California continues to experience strong job growth. The state gained 35,500 jobs in January 2018, extending its streak of consecutive job gains to 19 months. The state gained 175,100 jobs over the four months ending in January.

Figure 7

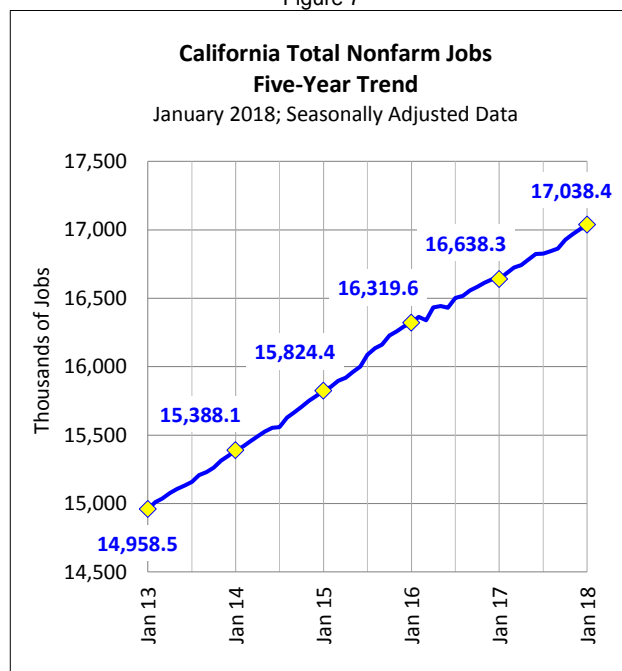
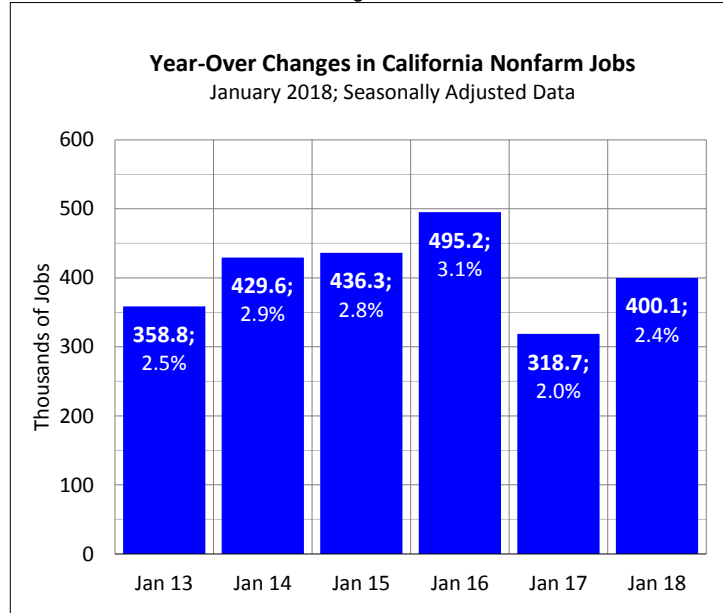


Figure 8



CALIFORNIA INDUSTRY TRENDS

- The state's construction sector added 11,100 jobs in January 2018. This contrasted the kickoff for 2017 in which the sector lost 15,800 jobs during the same month last year. Calendar year 2017 wrapped up with a collective gain of 48,600 jobs for this sector. This collective gain bested calendar year gains in 2016 (24,800) by 23,800 jobs.
- California's trade, transportation, and utilities (TTU) sector added 10,800 jobs in January 2018. This sector added 48,600 jobs over the 12-month period in 2017 with month-over highs in excess of 9,000 jobs in October (9,700) and January (9,400). The retail trade subsector added 10,100 jobs this month and the other subsector to add jobs was the transportation, warehousing, and utilities sector, with a gain of 1,200 jobs. The only subsector to post a loss in January 2018 was the wholesale trade subsector (500).
- The educational and health services sector added 10,700 jobs in January 2018 and 88,300 jobs over the course of 2017. This sector added jobs in every month of 2017 and gains ranged from 2,000 in September to 11,700 in February of that year. The health care and social assistance subsector added 7,700 jobs this month and the educational services subsector added 3,000 jobs.
- The state's leisure and hospitality sector added 6,400 this month and both of the industry's subsectors added jobs. Over the course of 2017, the leisure and hospitality sector added 50,900 jobs and had month-over gains topping 10,000 jobs in two of those months (October and November). The accommodation and food services subsector added 2,800 jobs and contributed the bulk of the gains for the industry sector, on the whole, in 2017. In 2017, the accommodation and food services subsector added 44,200 jobs. The arts, entertainment, and recreation subsector added 3,600 jobs.
- In January 2018, the state's manufacturing sector added 2,100 jobs and 4,000 over the course of 2017. The manufacturing sector's collective gains last year were concentrated solely in the durable goods subsector and that trend appears to have continued in 2018.

This month the durable goods subsector added 3,100 jobs and the non-durable goods subsector lost 1,000 jobs to kick off the year. In terms of collective gains in 2017, the durable goods subsector added 11,400 jobs and the nondurable goods subsector lost 7,400.

- The government sector added 1,100 jobs in January 2018 and gains derived primarily from the state and local subsectors. Between January 2017 and December 2017, the government sector added 39,100 jobs. Seven out of ten (73.0 percent) of those jobs came from the local government subsector that year. The federal government subsector lost 200 jobs in January 2018 and closed 2017 with a collective loss of 1,800. The state government subsector added 600 jobs and the local government subsector added 700 jobs.
- The other services sector added 1,100 jobs this month, 500 more than it added in January 2017. This sector added 7,600 jobs in 2017, due to strong month-over gains within the months of March (2,400) and June (2,000) that had gains of 2,000 jobs or more.
- California's financial activities sector added 1,000 jobs in the month of January 2018 and 7,200 jobs collectively in calendar year 2017. The real estate and rental and leasing subsector added 1,300 jobs in January 2018. This month-over gain was more than twice as large as the subsector's gain in January 2017 (600). The finance and insurance subsector lost 300 jobs this month and starting the year in comparable fashion to last year in which it lost 100 jobs.
- The professional and business services sector lost 7,300 jobs in January 2018 deviating from its job gain kick off to 2017 in which the sector added 8,300 jobs. In addition, each of the professional and business services sector's subsectors lost jobs this month, which is off job gain pace set by each of these subsectors at the start of 2017. The largest number of losses came from the administrative and support and waste services subsector that lost 6,200 jobs in January 2018. One thousand jobs were lost by the professional, scientific, and technical services subsector in January as well. The management of companies and enterprises registered the lowest number of month-over losses in January with a loss of 100 jobs.
- California's information sector lost 1,500 jobs in January 2018 and started this year with a smaller month-over loss than the one experienced in January 2017 (6,300). Looking back at 2017, this sector had a collective gain of 7,200 jobs and this gain was largely due to month-over gains in February (13,000) and October (4,900) of that year.
- In January 2018, California's mining and logging sector had its job totals remain unchanged. 2017 proved favorable to this sector as it ended the year with a collective gain of 600 jobs. Furthermore, this calendar year was inclusive of only one month in which the sector lost jobs and that was in December 2017.

- All major California industry sectors had year-over job gains in January 2018.

Figure 9

