

## May 2018 California Employment Highlights

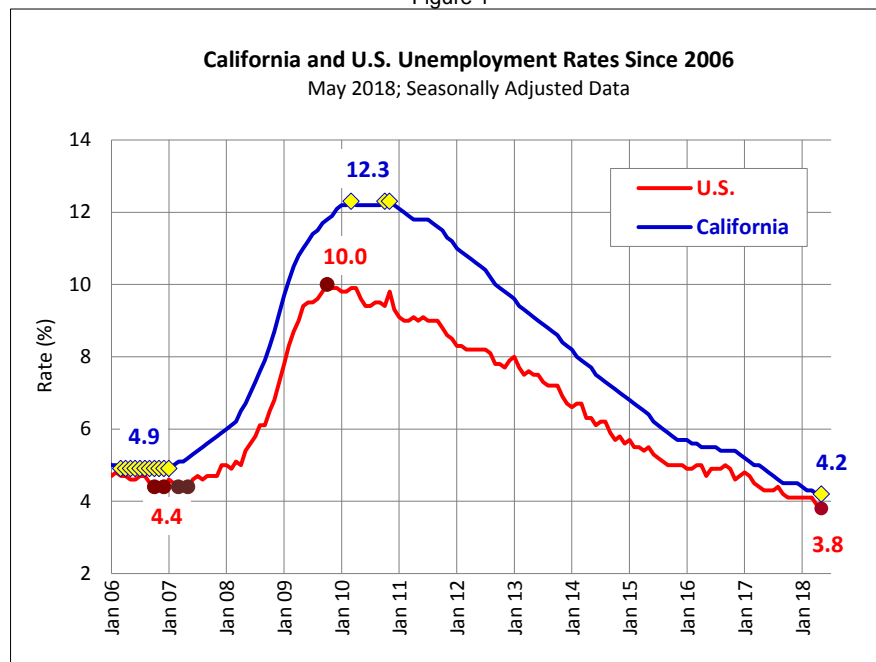
### OVERVIEW

- California's seasonally adjusted unemployment rate held steady at its record low level of 4.2 percent in May 2018.
- Four of California's 11 major industry sectors added jobs in May, six lost jobs, and one (manufacturing) had no change in employment.
  - The largest job gains were in leisure and hospitality (7,900), professional and business services (2,500), and information (2,200).
  - The largest job losses were in construction (2,900); trade, transportation, and utilities (1,800); and educational and health services (1,100).

### EMPLOYMENT AND UNEMPLOYMENT

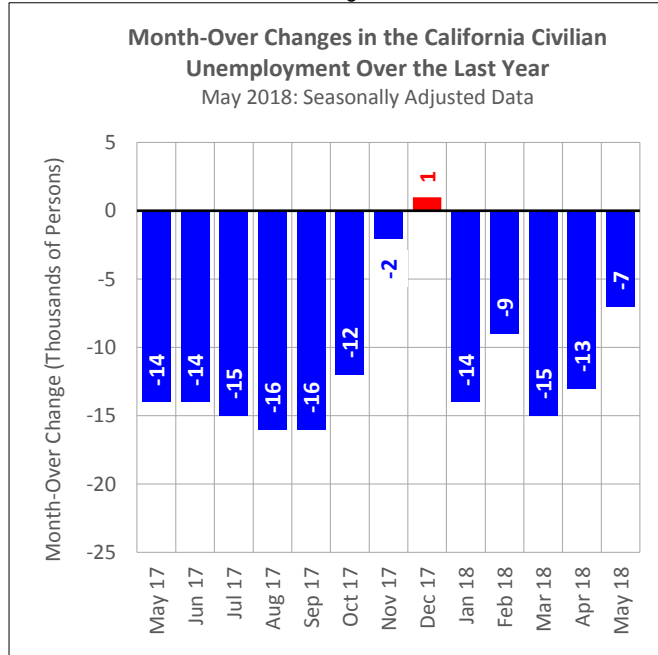
- California's seasonally adjusted unemployment rate held steady at 4.2 percent in May 2018, tying April for the lowest rate on record low in a series dating back to 1976. California's May rate was 8.1 percentage points lower than its recessionary peak of 12.3 percent in 2010, and 0.7 percentage point lower than its pre-recession low in 2006.

Figure 1



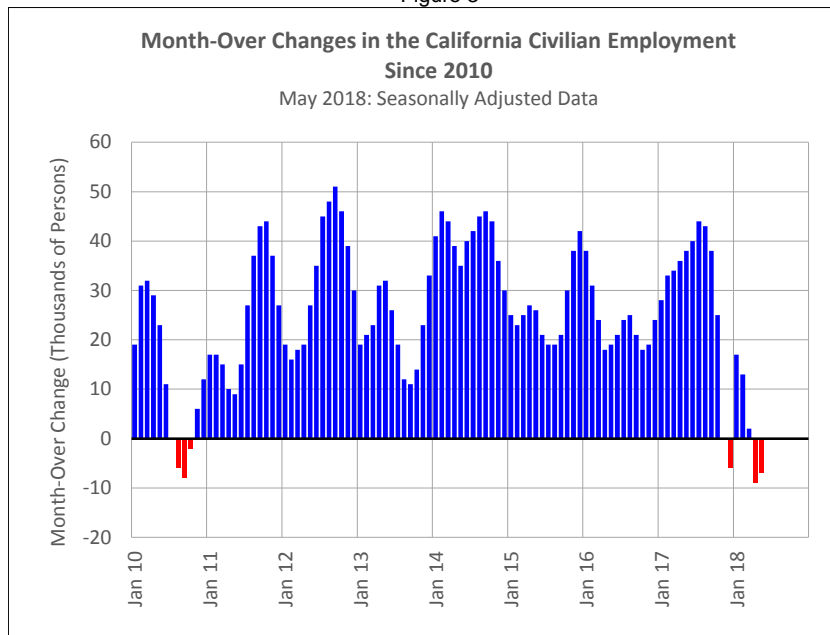
- The number of unemployed Californians fell by 7,000 persons to 808,000 in May 2018. Unemployment fell in each of the first five months of 2018, with the year-to-date decrease totaling 58,000 persons.

Figure 2



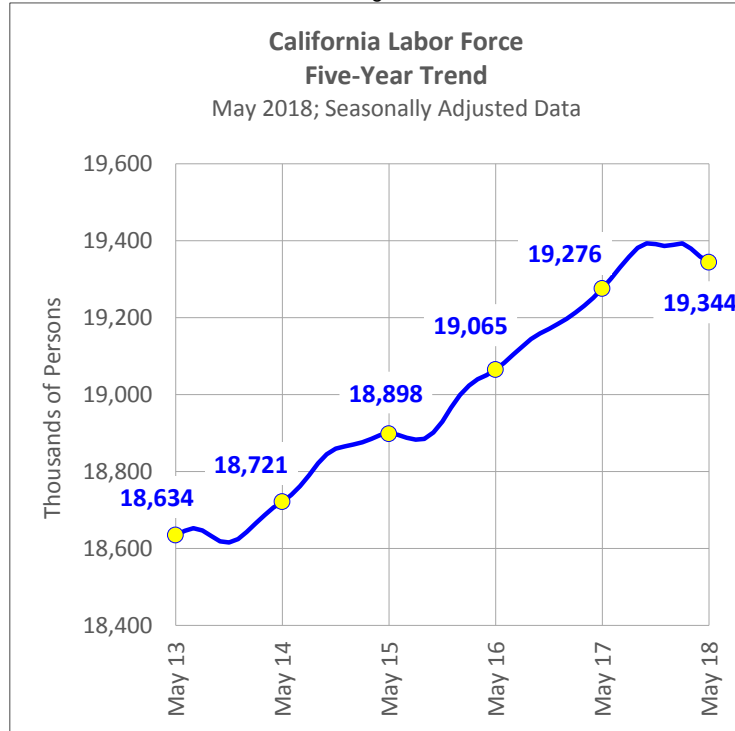
- From October 2010 through October 2017, California experienced 76 consecutive months of civilian employment growth. The employment loss in May 2018 was California’s third loss in the last six months.

Figure 3



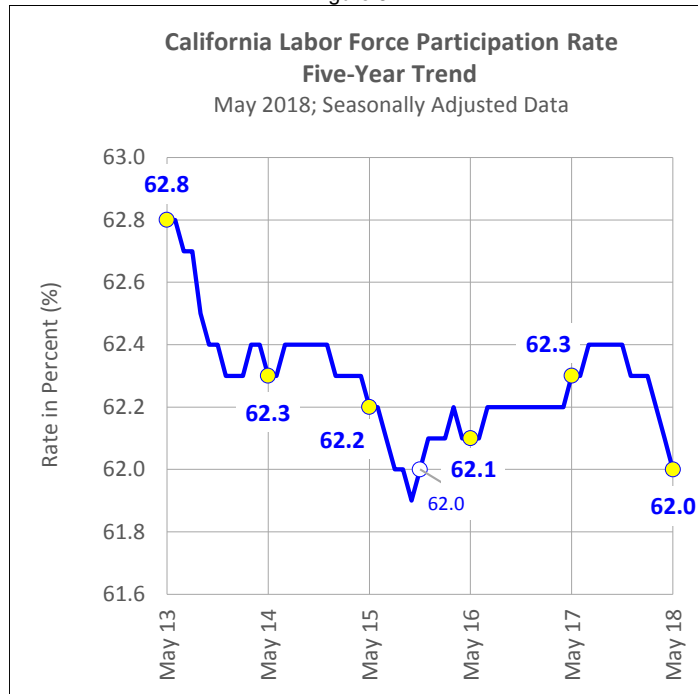
- California’s labor force shrank by 15,000 persons to 19,344,000 in May 2018. This was the state’s third consecutive labor force decrease, with the decrease over the period totaling 49,000 persons. It was also the fifth labor force decrease in the last seven months.

Figure 4



- California's labor force participation rate (LFPR) dipped to 62.0 in May 2018, which is the lowest the participation rate has been since November 2015.

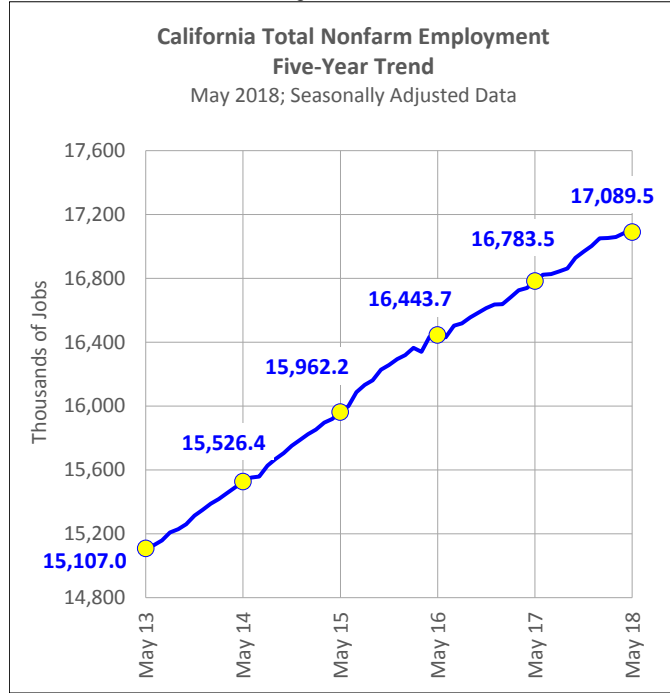
Figure 5



- California added 5,500 nonfarm jobs in May 2018. Moreover, April nonfarm payrolls were revised downwards by 13,700 jobs, resulting in a gain 25,600 jobs that month. Although

California has now experienced 23 consecutive months of nonfarm job growth, it has had three small gains of 5,500 jobs or less in the last four months.

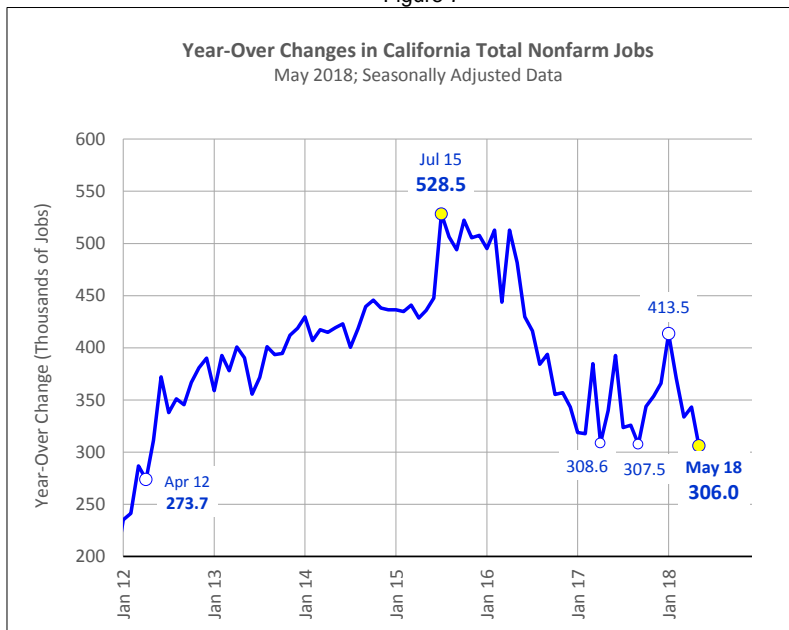
Figure 6



**NONFARM PAYROLL EMPLOYMENT**

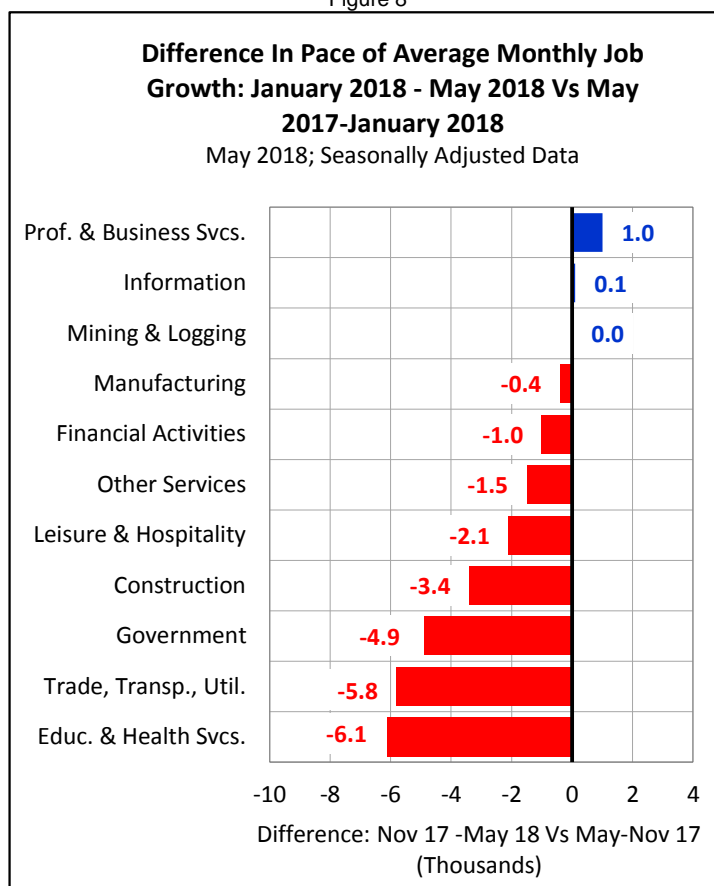
- California gained 306,000 jobs (1.8 percent) over the 12-month period year ending in May 2018. This was the state's smallest year-over job gain in number since April 2012 and its smallest in year-over increase in percent since February 2012. However, it should be noted that outcomes in April 2017 and September 2017 were very similar to those of May 2018.

Figure 7



- The charts below shows how the average monthly change in jobs over the last four months differed from that of the previous eight months. Red indicates a slowdown in the pace of growth and blue indicates stronger growth. Most California industry sectors, with the notable exception of professional and business services, have experienced a slowdown in job growth in recent months.

Figure 8



### CALIFORNIA INDUSTRY TRENDS

- The state's leisure and hospitality sector added 7,900 jobs this month. The sector has added 18,900 jobs over the past five months. The accommodation and food services subsector added 6,100 jobs this month and has strung together eight consecutive months of job gains. The arts, entertainment, and recreation subsector added 1,800 jobs.
- The professional and business services sector added 2,500 jobs this month and over the course of calendar year 2018, the sector has added 22,200 jobs. The professional, scientific, and technical services subsector added 4,700 jobs and has added jobs every month this year. The management of companies and enterprises subsector added 600 jobs, but its year-to-date job total was a loss of 700 jobs. The administrative and support and waste services subsector lost 2,800 jobs this month, ending the streak of consecutive job gains that began in November 2017.

- The state's information sector added 2,200 jobs this month, its third consecutive month of job gains. Over the past five months, the sector added 4,500 jobs. Month-over losses of 1,600 in January and 2,600 in February dampened year-to-date gains in 2018.
- California's other services sector added 300 jobs this month. Relatively heavy losses in excess of 3,000 jobs in the months of February and March of this year have hampered year-to-date job totals.
- In May 2018, California's construction sector lost 2,900 jobs. This month-over loss followed a net gain of 7,800 jobs the month before.
- The trade, transportation, and utilities (TTU) sector lost 1,800 jobs. However, this sector had a year-to-date gain of 7,500 jobs and this is largely due to the January 2018 gain of 11,400 jobs. The wholesale trade subsector lost 4,300 jobs, the retail trade subsector added 1,700 jobs, and the transportation, warehousing, and utilities subsector added 800 jobs.
- The educational and health services sector lost 1,100 jobs, but the sector still had a collective five-month gain that topped 20,000 jobs this year. The sector's gain of 24,300 jobs through the first five months of this year is the largest of any of the State's industry sectors. The health care and social assistance subsector added 400 jobs this month and the educational services subsector lost 1,500 jobs.
- California's financial activities sector lost 800 jobs this month. The finance and insurance sector lost 900 jobs this month and has lost jobs in four out of the past five months with losses ranging from a low of 200 jobs to a high of 1,700. The real estate and rental and leasing subsector added 100 jobs this month.
- In May 2018, California's government sector lost 700 jobs and had a collective loss of 10,600 jobs this month. The federal government subsector lost 300 jobs, state government added 400, and the local government lost 800 jobs.
- The state's mining and logging sector lost 100 jobs.
- In May 2018, the manufacturing sector's employment remained unchanged. The durable goods subsector added 800 jobs and the nondurable goods subsector lost 800 jobs.