

June 2017 California Employment Highlights

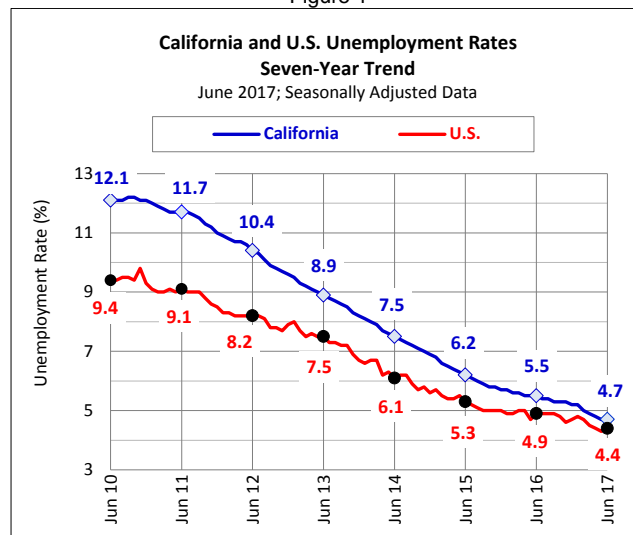
OVERVIEW

- California's seasonally adjusted unemployment rate held steady at 4.7 percent in June 2017, equaling California's lowest rate on record.
- Six California industry sectors added and five lost jobs in June.
 - The largest job gains were in professional and business services (9,100), construction (8,100), and financial activities (2,500).
 - The largest job losses were in government (8,800), information (8,100), and manufacturing (5,000).

EMPLOYMENT AND UNEMPLOYMENT

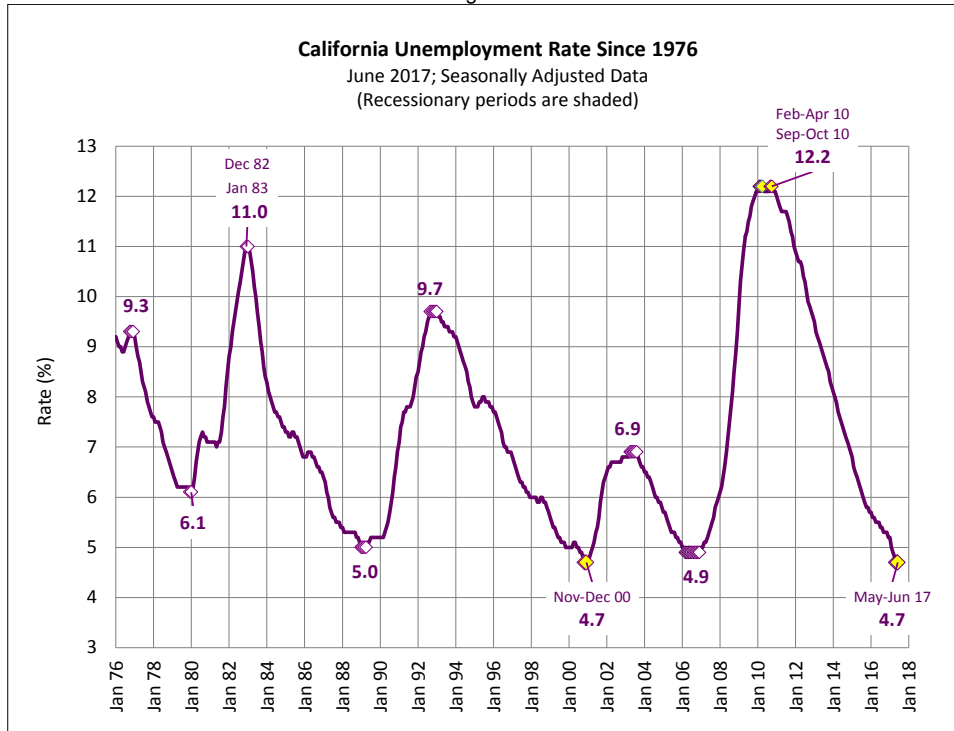
- California's seasonally adjusted unemployment rate held steady at 4.7 percent in June 2017, tying the state's official low set in November-December 2000 and May 2017. People leaving the labor force had a dampening effect on California's June unemployment rate.

Figure 1



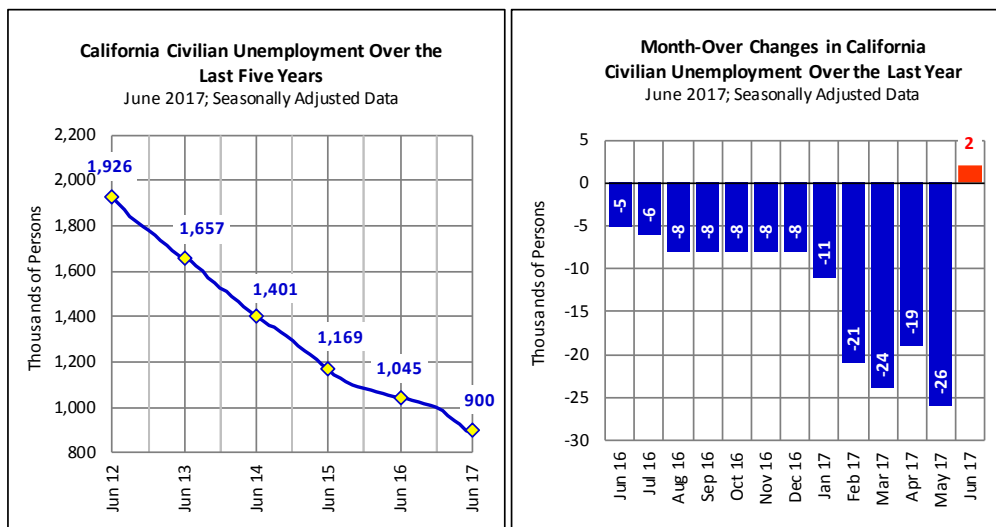
- California's 4.7 percent unemployment rate in May and June equaled California's official low.

Figure 2



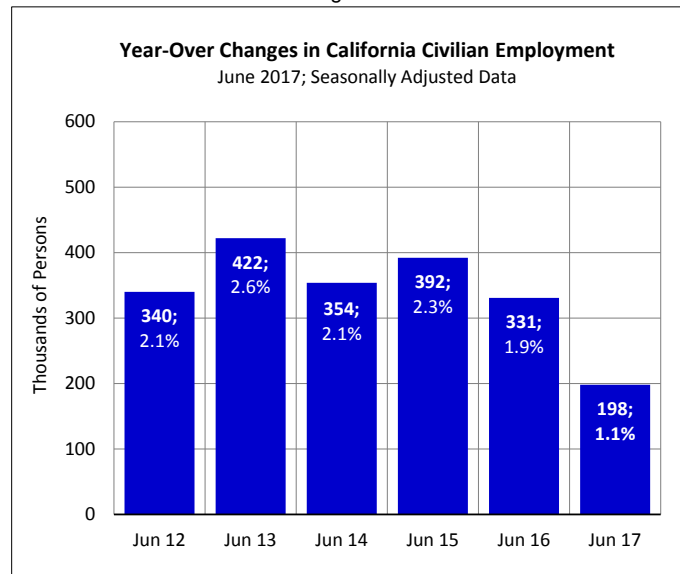
- The number of unemployed Californians rose by 2,000 persons to 900,000 in June. Small though it was, this increase was California's first since October 2010 and ended a streak of 79 consecutive decreases. In contrast, the number of unemployed Californians fell by a total of 90,000 person, or an average of 22,500 persons a month) over the four months prior to June.

Figure 3



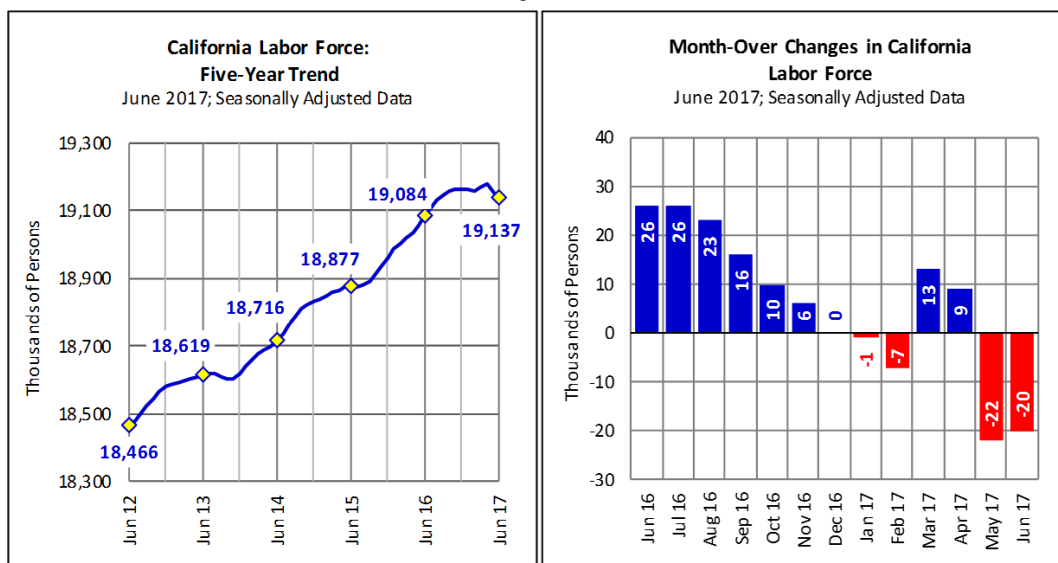
- The number of employed Californians fell by 21,000 persons to 18,258,000 persons in June 2017. This employment loss has an anomalous feel about it in that it was the state's first employment loss since October 2010 and its largest since October 2009, when the economy was gripped by recession.
- The number of employed Californians fell by 198,000 persons (1.1 percent) over the 12 months ending in June 2017. The pace of civilian employment growth over the last year was slower than five prior years.

Figure 4



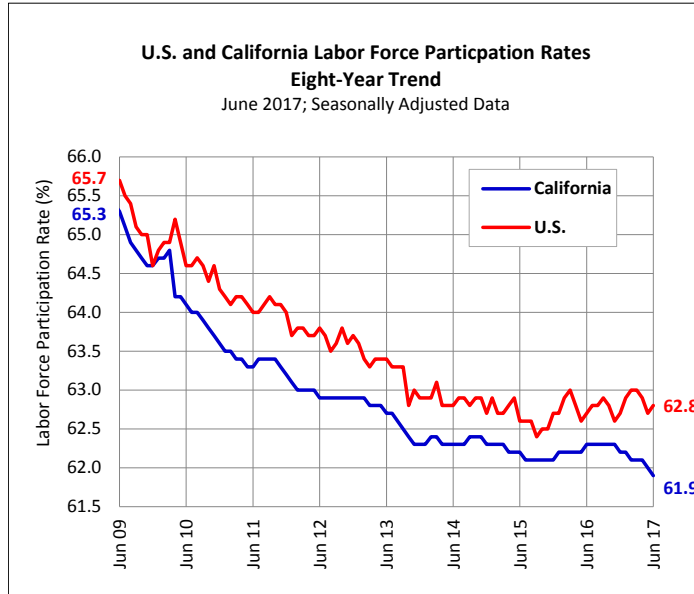
- California's labor force shrank by 20,000 persons to 19,137,000 in June 2017. This followed a 22,000 person increase in May. Labor force has shrunk by 28,000 persons in 2017-to-date.

Figure 5



- California's labor force participation rate fell by 0.1 percentage point to 61.9 percent in June 2017, establishing another record low in the series dating back to the beginning of 1976.

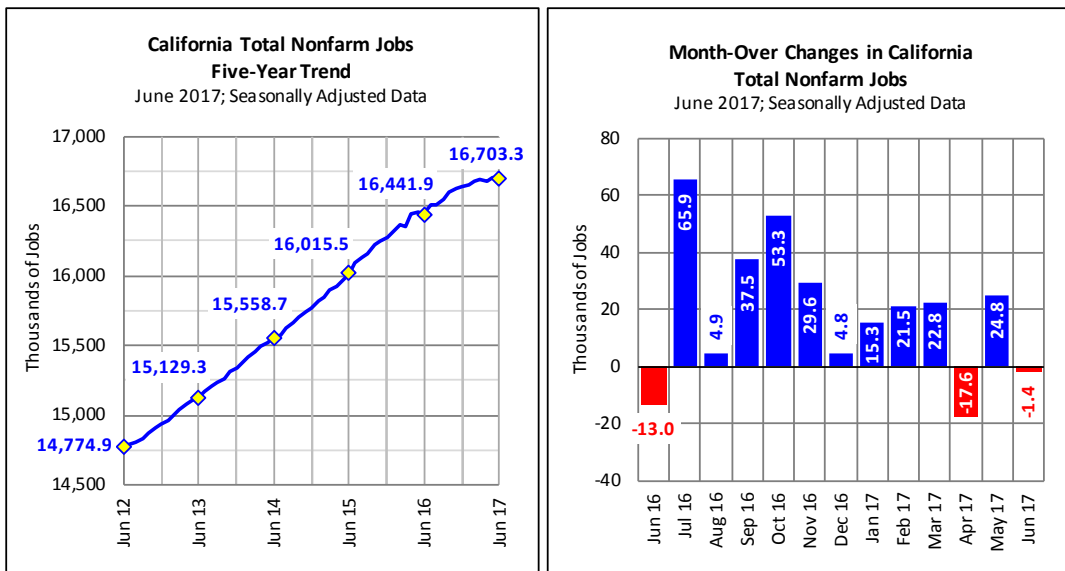
Figure 6



NONFARM PAYROLL EMPLOYMENT

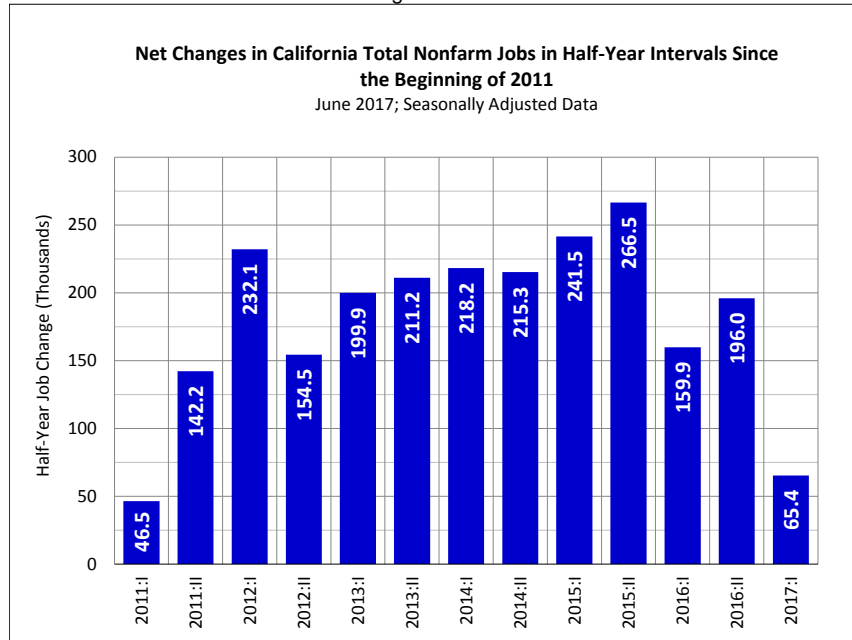
- Total nonfarm employment was flat in June, with nonfarm payrolls falling by 1,400 jobs. However, May nonfarm payrolls were revised up by 7,200 jobs, resulting in a 24,800-job gain. This was the state's largest monthly job gain in 2017-to-date.

Figure 7



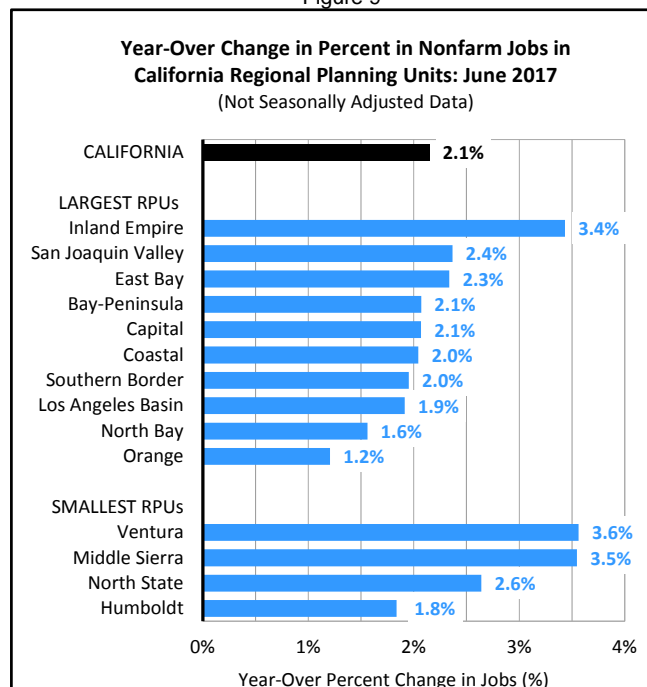
- California's pace of job growth tapered off even more than the first six months of 2017. Year-to-date, the state has gained 65,400 jobs and grown at an annualized pace of 0.8 percent per year. This was the state's weakest half-year job gain since the first half of 2011, when the expansion was just getting off the ground.

Figure 8



- The charts below the year-over percent changes in total nonfarm jobs in California's 14 Regional Planning Units, or regions, in June 2016 and June 2017.

Figure 9



CALIFORNIA INDUSTRY TRENDS

- California's professional and business services sector added 9,100 jobs this month and has added jobs for two consecutive months. Year-to-date for 2017, this sector added 5,800 jobs surpassing its six month start to 2016 in which it had a collective loss of 300 jobs.
- The state's construction sector added 8,100 jobs in June 2017 and has recorded month-over gains for the past five months. In 2017, month-over gains for the sector have ranged from a low of 100 jobs in May to 18,600 jobs in March. This year's collective month-over gains (34,500) were three times as large as those experienced over the same period in 2016.
- California's financial activities sector added 2,500 jobs this month, but the sector's gains and losses this year equated to a collective loss of 1,000 jobs. Both of the sector's subsectors had month-over gains in June and this hasn't occurred since January 2017. The real estate and rental and leasing subsector added 1,400 jobs in June, ending its four-month streak of consecutive month-over job losses.
- In June 2017, the leisure and hospitality sector added 1,200 jobs, bouncing back from its relatively large month-over loss in May 2017 (10,500). Through the first half of 2017 this sector added 10,500 jobs.
- The state's educational and health services added 300 jobs this month and this sector has strung along month-over gains consecutively for the past 48 months (July 2013-June 2017). Over 30,000 jobs were added by the educational and health services sector in 2017 and more than half of that total was gained in January (19,800).
- California's mining and logging sector added 300 jobs this month. Four out of the first six months this year, the sector has recorded month-over losses that ranged from 100 to 400 jobs.
- The government sector lost 8,800 jobs this month and year-to-date gains were hampered by three months this year in which month-over losses were in excess of 5,000 jobs (June, April, and January).
- In June 2017, the state's information sector lost 8,100 jobs and this month's loss transitioned the sector's five month gain of 6,200 jobs into a six-month loss of 1,900 jobs.
- California's manufacturing sector lost 5,000 jobs this month, its third consecutive month of job losses. Over the past three months, the sector's overall month-over losses were attributed to losses within its nondurable goods subsector.
- The state's other services sector lost 800 jobs this month, but this didn't dampen year-to-date gains too dramatically as they currently stand at 8,000 jobs; nearly four times as many jobs as were added over the same period in 2016 (2,200).

- California's trade, transportation, and utilities (TTU) sector lost 200 jobs this month and through the first half of 2017, the sector has lost 13,000 jobs. This in stark contrast to the TTU's six month start to 2016 in which it added 24,200 jobs.