

March 2018 California Employment Highlights

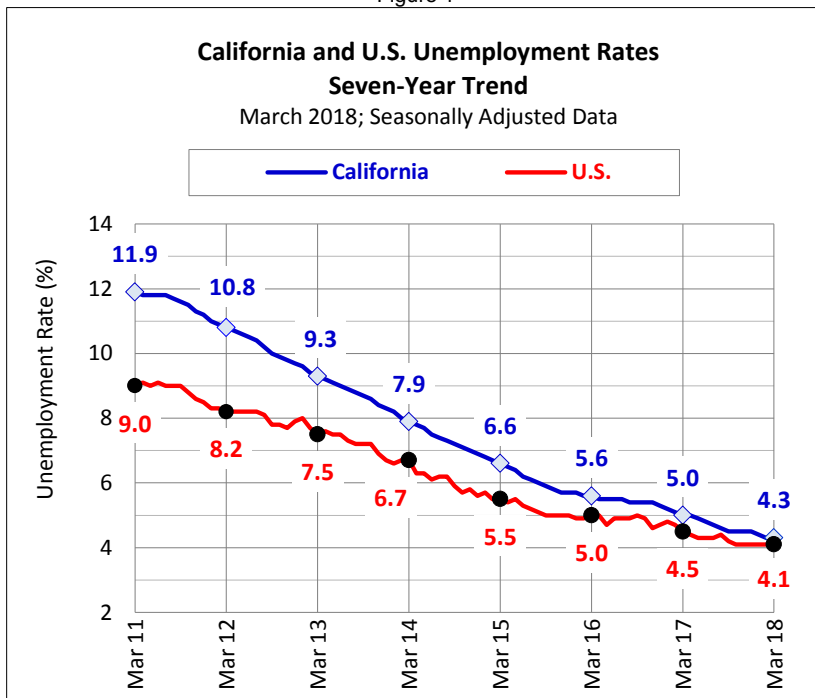
OVERVIEW

- California's seasonally adjusted unemployment rate held steady at 4.3 percent in March 2018, matching the official record low that was established the prior month in February.
- Three California industry sectors added jobs and eight lost jobs in March.
 - Educational and health services (4,600), manufacturing (1,900), and mining and logging (200) were the sectors that gained jobs.
 - The largest job loss was in other services (4,600), followed by construction (4,400); trade, transportation, and utilities (1,900); and financial activities (1,200). Each of the four remaining industry sectors that lost jobs in March lost 800 jobs or less: professional and business services (800), information (800), leisure and hospitality (100), and government (100).

EMPLOYMENT AND UNEMPLOYMENT

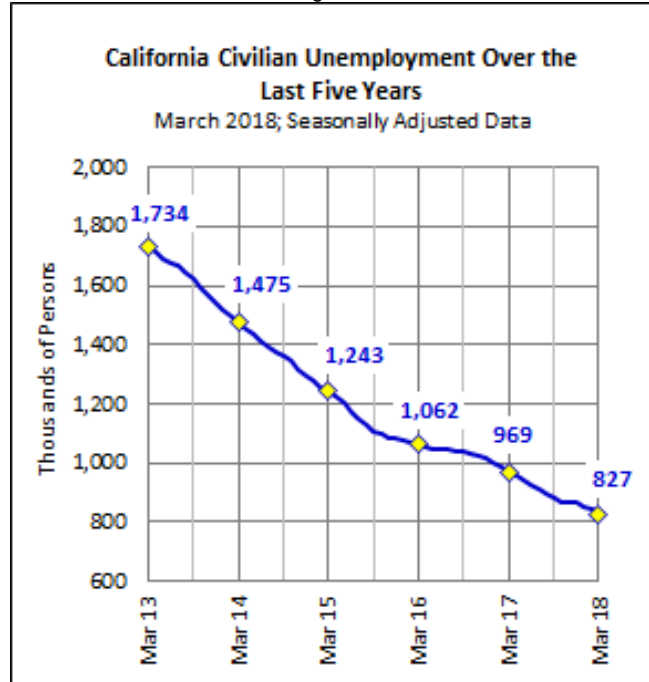
- California's seasonally adjusted unemployment rate held steady at 4.3 percent in March 2018, matching the official low that was established in February in a data series dating back to the beginning of 1976. The U.S. unemployment rate held steady at 4.1 percent for the sixth consecutive month in March.

Figure 1



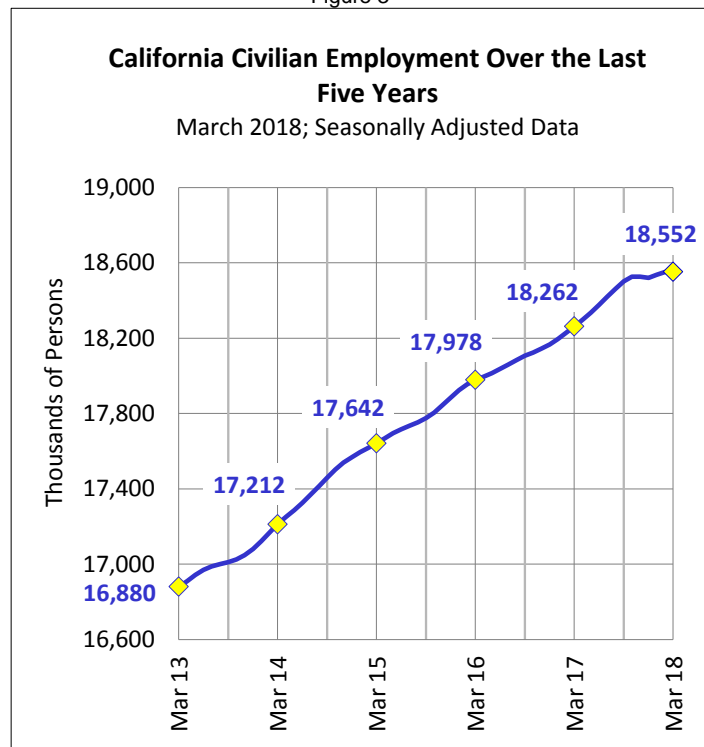
- The number of unemployed Californians fell by 16,000 persons to 827,000 in March 2018. This was the lowest number of unemployed persons the state has since February 2001.

Figure 2



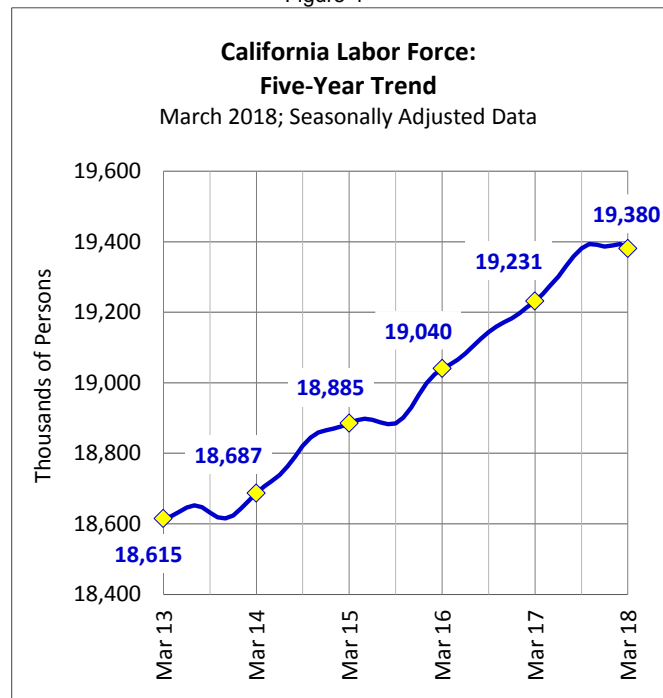
- The number of employed Californians rose by just 2,000 persons in March 2018 to 18,552,000. The pace of civilian employment growth has slowed in recent months. The number of employed Californians grew by just 26,000 persons from October 2016 through March 2018.

Figure 3



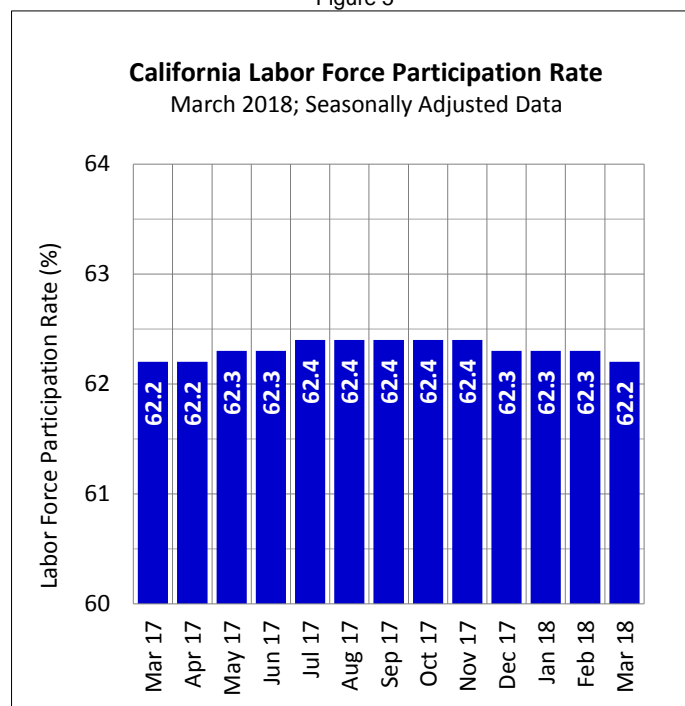
- California's labor force shrank by 13,000 persons to 19,380,000 in March 2018. This was the state's third labor force loss in the last five months, during which time the labor force shrank by 13,000 persons.

Figure 4



- California's labor force participation rate (LFPR) dipped to 62.2 in March, which was the lowest it has been since April 2017.

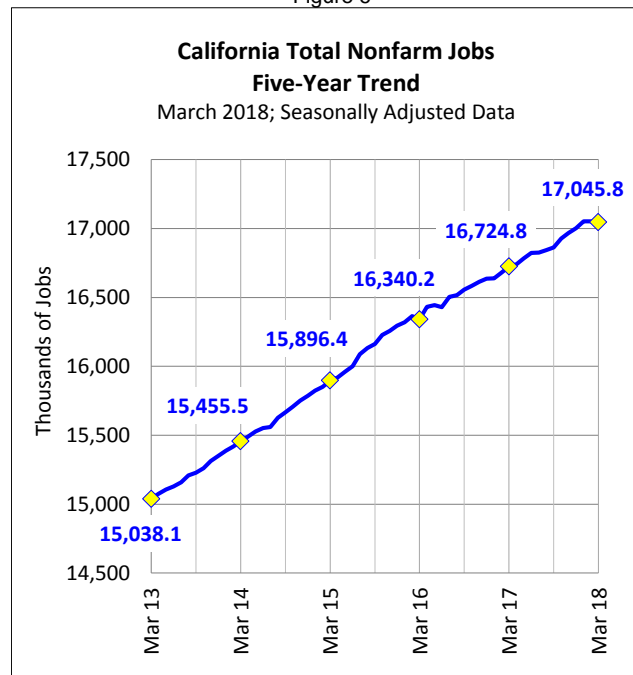
Figure 5



NONFARM PAYROLL EMPLOYMENT

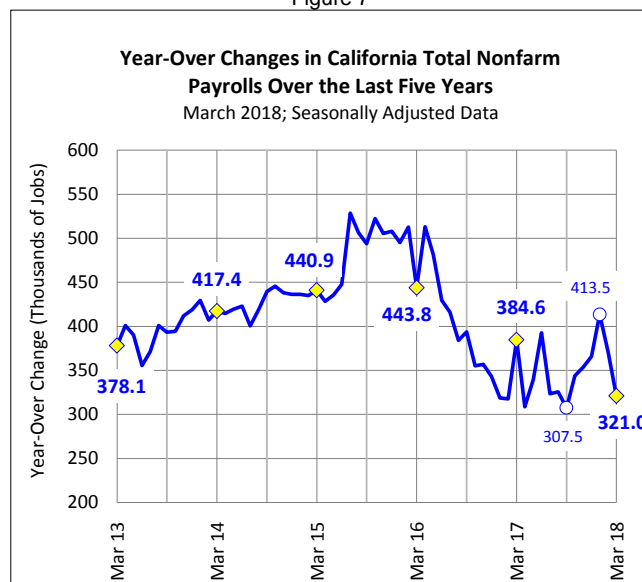
- California lost 7,200 nonfarm jobs in March 2018, lowering total nonfarm employment in the state to 17,045,500 jobs. This loss snapped a streak of 20 consecutive months of job gains. Moreover, the February 2018 job count was revised downwards substantially due to more up-to-date concurrent seasonal adjustment, resulting in a month-over gain of just 1,200-jobs that month.

Figure 6



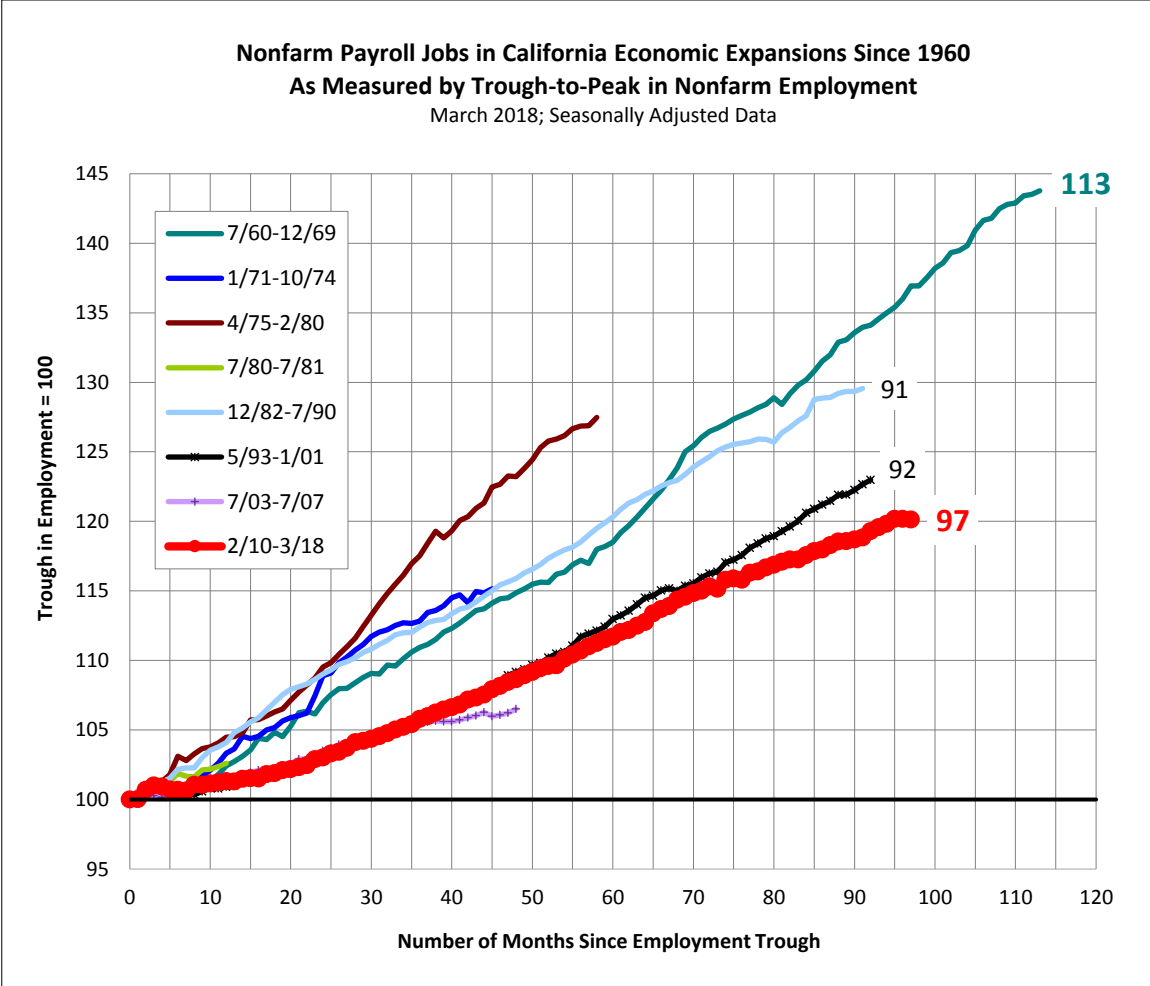
- California gained 321,000 jobs (1.9 percent) over the 12-month period year ending in March 2018. This was the state's weakest year-over job gain in both number and percent since September 2016.

Figure 7



- California's second longest expansion in the last seven decades turned 97 months old in March 2018. The state gained a total of 2,856,200 nonfarm jobs from the recessionary-low in February 2010 through March 2018, an increase of 20.1 percent. The state gained an average of 29,400 nonfarm jobs per month over this period.

Figure 8



CALIFORNIA INDUSTRY TRENDS

- The educational and health services sector added 4,600 jobs this month. March 2018 marked the 24th consecutive month in which this sector added jobs. Like calendar year 2017, this sector added jobs for three consecutive months to start the year. Each of the sector's subsectors added jobs this month. The health care and social assistance subsector added 4,200, its 24th consecutive month of month-over gains. The educational services sector rebounded from last month's loss and added 400 jobs.
- The manufacturing sector added 1,900 jobs in March 2018. Year-to-date for 2018, this sector added 6,400 jobs. The nondurable goods sector added 1,000 jobs this month and the durable goods sector added 900. The last time both sectors added jobs in the same month was October 2017. Gains for the sector, on the whole, have derived from the month-over gains of the durable good subsector. This subsector had a collective gain of

5,800 jobs through the first three months of the year compared to the 600 gain in jobs for the nondurable goods sector over that same period of time.

- In March 2018, California's mining and logging sector added 200 jobs. In terms of gains through the first three months, the sector added the same number of jobs to start the year this year, as it did last year; a collective gain of 200 jobs.
- California's other services sector lost 4,600 jobs this month. Collective losses for the year have totaled 9,400 jobs and this is in stark contrast to the start to 2017, in which this sector had month-over gains in each of the first three months. These gains totaled 3,500 jobs.
- The state's construction sector lost 4,400 jobs this month, the first month-over loss for this sector since July 2017. Despite the month-over loss in March 2018, collective gains for the year have still bested those seen through the first three months of 2017. Collective gains thus far have totaled 13,300 jobs in 2018, 5,800 more than it added over the same period in 2017(7,500).
- The trade, transportation, and utilities (TTU) sector lost 1,900 jobs in March 2018, it's the second consecutive month the sector has registered month-over job losses. The transportation, warehouse, and utilities subsector added 1,600 jobs this month and has added 4,200 jobs through the first three months. The wholesale trade subsector added 400 jobs this month. The retail trade subsector lost 3,900 jobs this month, its second consecutive month of losses. This occurrence has taken away from the gain of more than 10,000 jobs in January of this year and left the subsector with a collective gain of 2,600 jobs.
- California's financial activities sector lost 1,200 jobs this month, the sector's second consecutive month of month-over losses. A bulk of the month-over losses this month stemmed from the real estate and rental and leasing subsector with a loss of 900 jobs. This month's loss left the subsector with a collective loss for the year, 100 jobs. The finance and insurance subsector lost 300 jobs this month, slightly more than it lost last month. This subsector hasn't started the year with three consecutive months of jobs losses since 2010.
- The state's information sector lost 800 jobs this month. Furthermore, this sector has lost jobs in each month of calendar year 2018. The collective losses have totaled 5,000 jobs a figure comparable to the losses the sector experienced in 2017 (5,500).
- California's professional and business services sector lost 800 jobs and year-to-date for 2018 has added 9,800 jobs. However, this year-to-date total was 18,400 fewer jobs than it added over the same period in 2017. The professional, scientific, and technical services subsector added 600 jobs this month, its third consecutive month of gains. The management of companies and enterprises subsector lost 1,100 jobs this month, extending its streak of month-over losses to three months. The administrative and support and waste services subsector lost 300 jobs this month, ending its streak of month over gains through the past four months.
- The state's leisure and hospitality sector lost 100 jobs this month negating last month's gains (100) and leaving the sector with a collective gain of 7,500 jobs. The

accommodation and food services subsector added 1,600 jobs and has recorded month-over gains since October 2017. The arts, entertainment, and recreation subsector lost 1,700 jobs this month. This month-over loss dipped collective gains for the year to 1,500 jobs. However, this total was higher than the three-month start to 2017, a loss of 800 jobs.

- In March 2018, the government sector lost 100 jobs, its third consecutive month of job losses. The collective loss of 8,800 jobs is the worst three month start to a calendar year, in terms of collective losses, since calendar year 2012 in which it lost 7,700 jobs. The only subsector to add jobs was the state government subsector and it added 400 jobs. The federal government subsector lost 400 jobs this month and 2,400 over the past three months. The local government subsector lost 100 jobs this month and 5,900 over the past three months.