

October 2017 California Employment Highlights

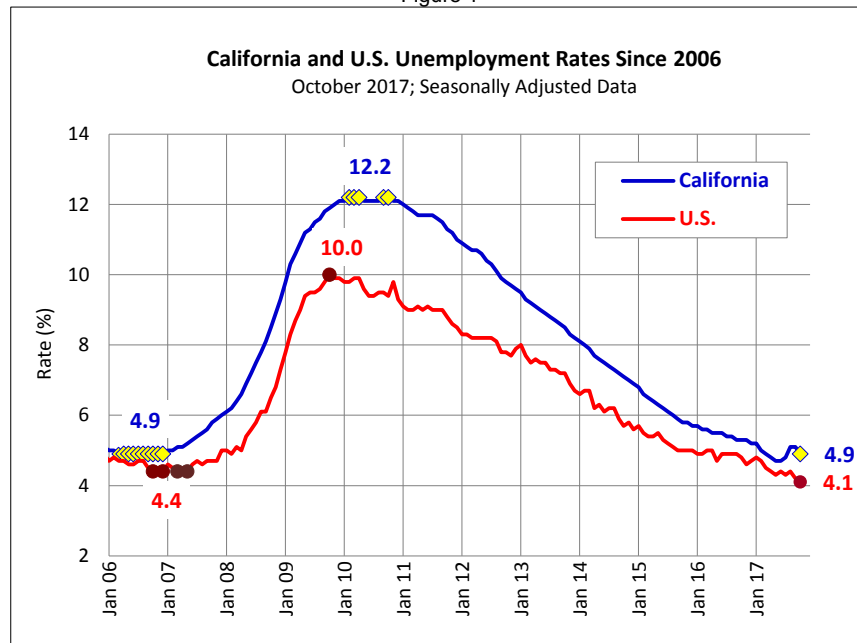
OVERVIEW

- California's seasonally adjusted unemployment rate fell 0.2 percentage point to 4.9 percent in October 2017.
- Six California industry sectors added jobs, four lost jobs, and one remained unchanged.
 - Leisure and hospitality (15,300) had the largest job gain of any sector, followed by educational and health services (8,500), and government (4,800). Trade, transportation, and utilities (2,700); financial activities (2,500); and construction (1,900) also added jobs in October. Mining and logging payrolls were unchanged.
 - Other services (1,900), information (1,700), professional and business services (300), and manufacturing (100) were the industry sectors that lost jobs in October.

EMPLOYMENT AND UNEMPLOYMENT

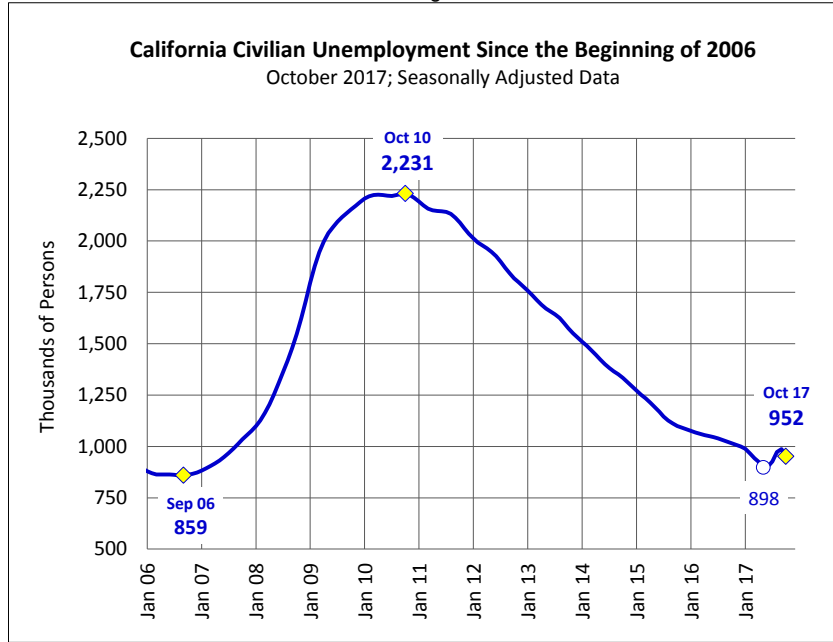
- California's seasonally adjusted unemployment rate fell by 0.2 percentage point to 4.9 percent in October 2017. The U.S. rate fell by 0.1 percentage point to 4.1 percent in October, which is the lowest it has been since December 2000.

Figure 1



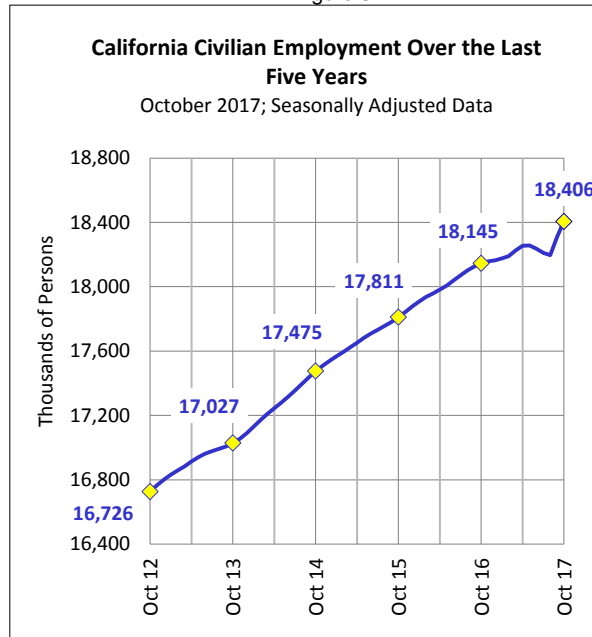
- The number of unemployed Californians fell by 35,000 persons to 952,000 in October 2017. This snapped a string of four consecutive increases, during which time the number of unemployed Californians rose by 88,000 persons.

Figure 2



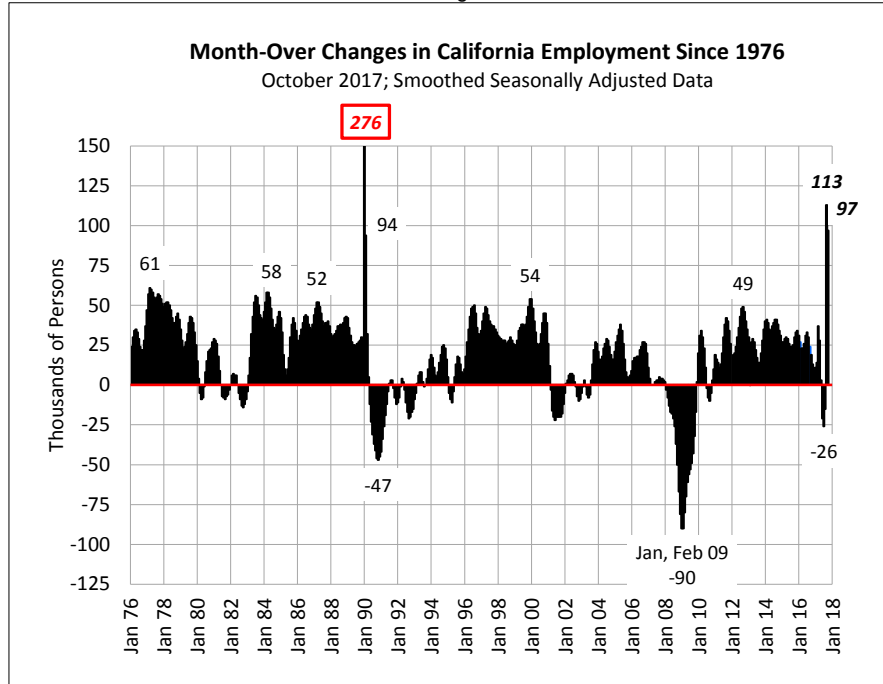
- The number of employed Californians grew by 97,000 persons in October to 18,406,000. This followed an even larger, 113,000-person increase in September.

Figure 3



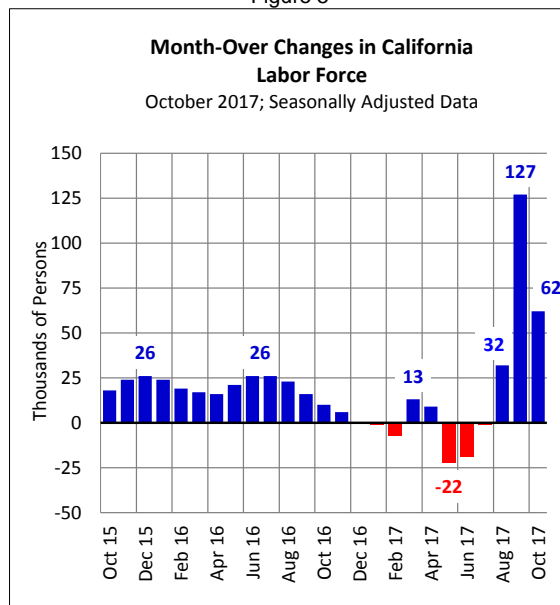
- California's September and October employment gains were the second and third largest on record in a series dating back to 1976. The only increase that was larger was a 276,000-person increase in January 1990, which reflected the introduction of updated decennial census data into the labor force model that shifted the employment series upward that month.

Figure 4



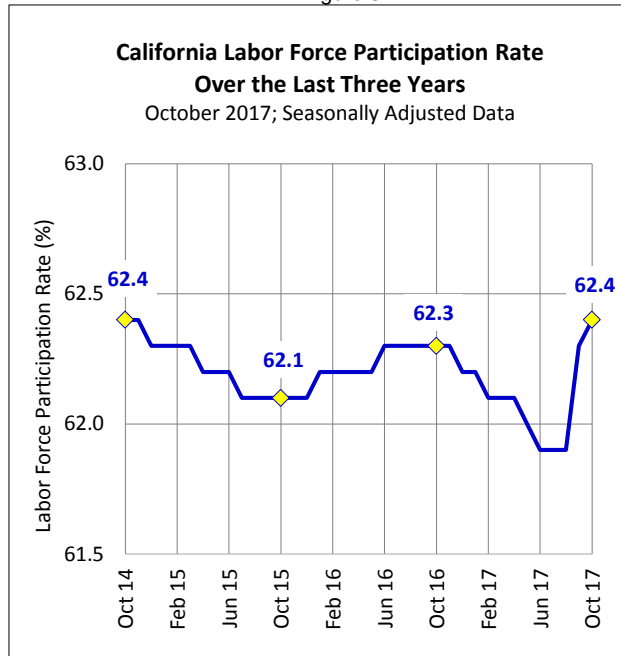
- California's labor force grew by 62,000 persons to 19,358,000 in October 2017. This followed an even larger, 127,000-person increase in October. Over the last three months, California's labor force grew by 221,000 persons. This three-month increase is larger than any year-over increase the state has experienced since November 2016.

Figure 5



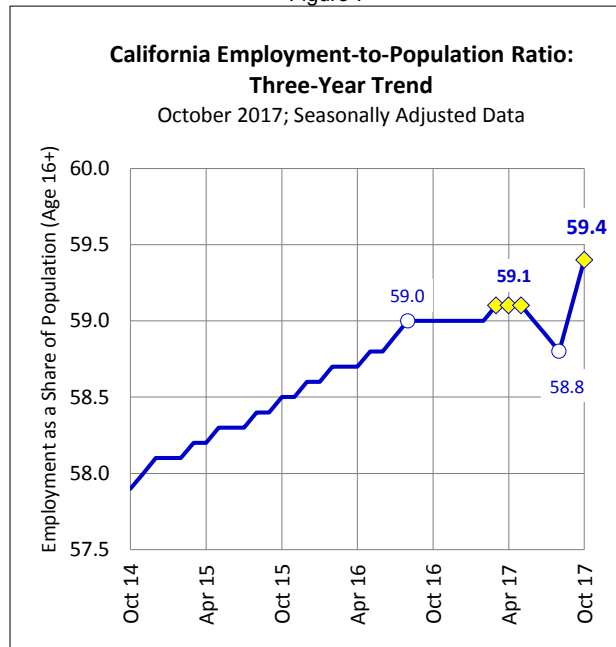
- California's labor force participation rate increased by 0.1 percentage point to 62.4 percent in October 2017.

Figure 6



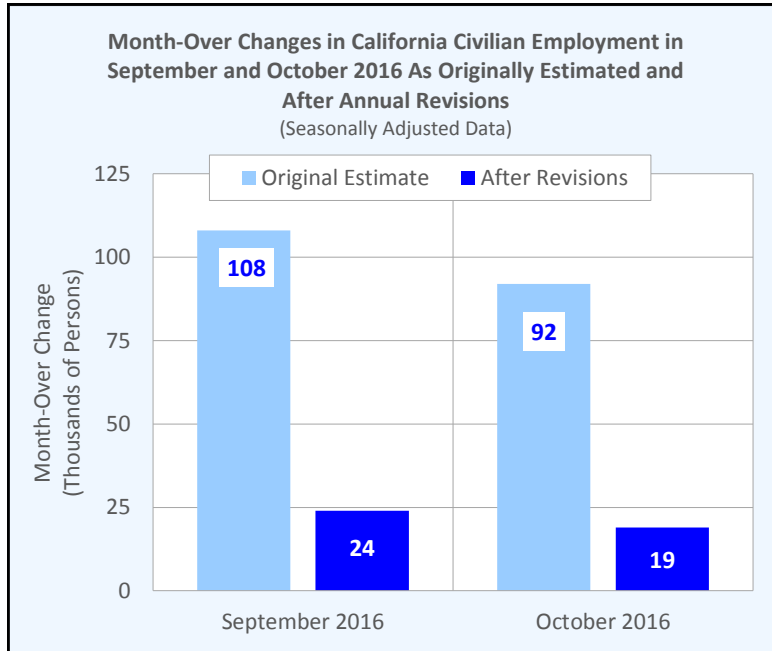
- California's employment-to-population ratio rose by 0.3 percentage point to 59.4 percent in October 2017. This is the highest it has been since January 2009.

Figure 7



- Record or near record month-over changes that occur during the estimation cycle typically do not survive annual revisions. A nearly identical spike in employment and labor force occurred in September and October during the 2016 estimation cycle, which was later revised.

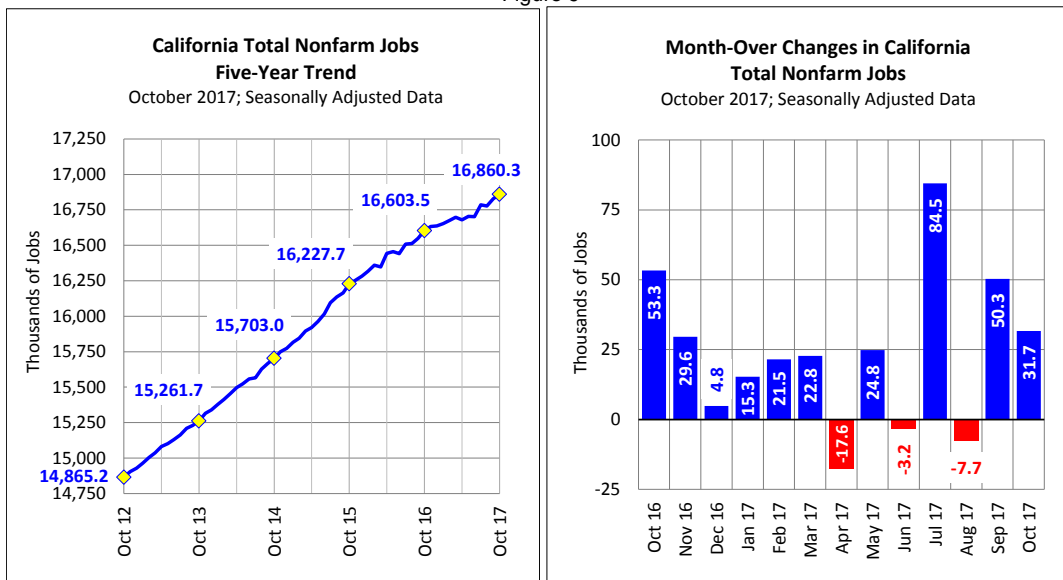
Figure 8



NONFARM PAYROLL EMPLOYMENT

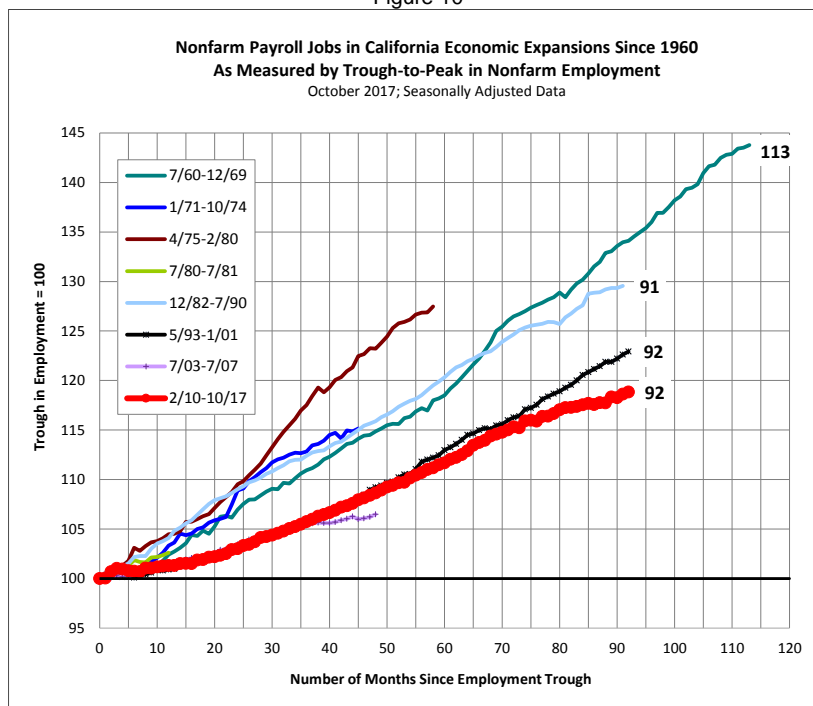
- California gained 31,700 nonfarm jobs in October, following a 50,300-job gain in September. Although the September total nonfarm job count was revised downward by just 1,900 jobs, there were some notable revisions at the industry sector level. Government payrolls were revised downward by 11,900 jobs, while professional and business services and educational and health services payrolls were revised upwards by 6,600 and 2,600 jobs, respectively.

Figure 9



- California's economic expansion turned 92 months old in October, making this the state's second-longest expansion since 1960, tied with the May 1993–January 2001 expansion. The state gained a total of 2,673,700 nonfarm jobs from the recessionary low in February 2010 through October 2017, an increase of 18.8 percent.

Figure 10



CALIFORNIA INDUSTRY TRENDS

- California's leisure and hospitality sector added 15,300 jobs this month. Nearly half of the industry sector's year-to-date gains (33,100) derived from this month's gain. Each of the leisure and hospitality sector's subsectors added jobs this month. The accommodation and food services subsector added 11,600 jobs this month and 26,700 jobs through the first 10 months of 2017. The arts, entertainment, and recreation sector added 3,700 jobs this month, its second consecutive month of job gains.
- In October 2017, the state's educational and health services sector added 8,500 jobs, its fourth consecutive month of gains. Over the past 10 months, this sector has added 67,500 jobs. The health care and social assistance subsector added 9,600 jobs this month and extended its streak of month-over job gains to eight months. The educational services subsector lost 1,100 jobs this month. In 2017, in six out of the past 10 months, the educational services sector either lost jobs or had its monthly job totals remain unchanged.
- The state's government sector added 4,800 jobs this month and 33,300 jobs over the course of this year. This pace of job growth over the past 10 months was slower than the pace set in 2016, when the sector added 56,900 jobs. The state government subsector added 5,600 jobs this month, rebounding from back-to-back months of job losses. The

federal government subsector added 900 jobs this month, but has registered a collective loss in terms of jobs for the past 10 months (800).

- California's trade, transportation, and utilities sector added 2,700 jobs this month. Gains between January 2017 and September 2017 (11,400) were less than one quarter of the gains seen over the same period of time in 2016 (51,900).
- The financial activities sector added 2,500 jobs this month and 4,700 jobs over the past ten 10 months. Gains over this period ranged from 800 jobs in June 2017 to 3,100 jobs in July 2017. The real estate and rental and leasing subsector added 2,600 jobs in October 2017. One hundred jobs were lost by the finance and insurance subsector in October 2017.
- In October 2017, the state's construction sector added 1,900 jobs this month and has registered month-over job gains for back-to-back months. Year-to-date for 2017, the sector added 44,600 jobs, more than twice as many jobs than it added in 2016 between January and September. Job gains for this sector varied this year from a low of 100 jobs in May 2017 to a high of 18,600 jobs in March 2017.
- The state's other services sector lost 1,900 jobs in October 2017, snapping its three-month streak of consecutive job gains. Year-to-date gains for this year (16,800) were 3,200 jobs higher than gains (13,600) over the same period of time in 2016. Gains over the past nine months ranged from 1,100 to 6,800 jobs.
- California's information sector lost 1,700 jobs in October. In 2017, gains through the first 10 months have totaled 9,800 jobs, less than one-third the number of jobs added through the first 10 months of 2016 (30,200).
- The professional and business services sector lost 300 jobs this month. All of the sector's month-over losses were concentrated in the administrative and support and waste services subsector this month (5,200). For the second straight month, the professional, scientific, and technical services subsector added jobs, 3,600 in all this month. The management of companies subsector added 1,300 jobs this month and had a collective gain over the past nine months (3,600). The administrative, support, and waste services subsector lost 5,200 jobs and October 2017 marked the fourth time this year in which this subsector lost over 5,000 jobs.
- In October 2017, the state's manufacturing sector lost 100 jobs, its second consecutive month of job losses. Over the past 10 months, this sector lost 7,200 jobs and the bulk of those jobs losses were within the nondurable goods subsector. The durable goods subsector added 1,000 jobs this month, rebounding from the month-over loss in September 2017. The nondurable goods subsector lost 1,100 jobs in October 2017. In seven out of the 10 months this year, this subsector had month-over job losses.
- California's mining and logging sector had no change in its employment level in October 2017. Overall, this sector has lost 1,000 jobs over the first 10 months of 2017. This was due to fact that the sector has had seven months of job losses this year. Over those seven months, the month-over losses ranged from 100 to 400 jobs.