

## April 2017 California Employment Highlights

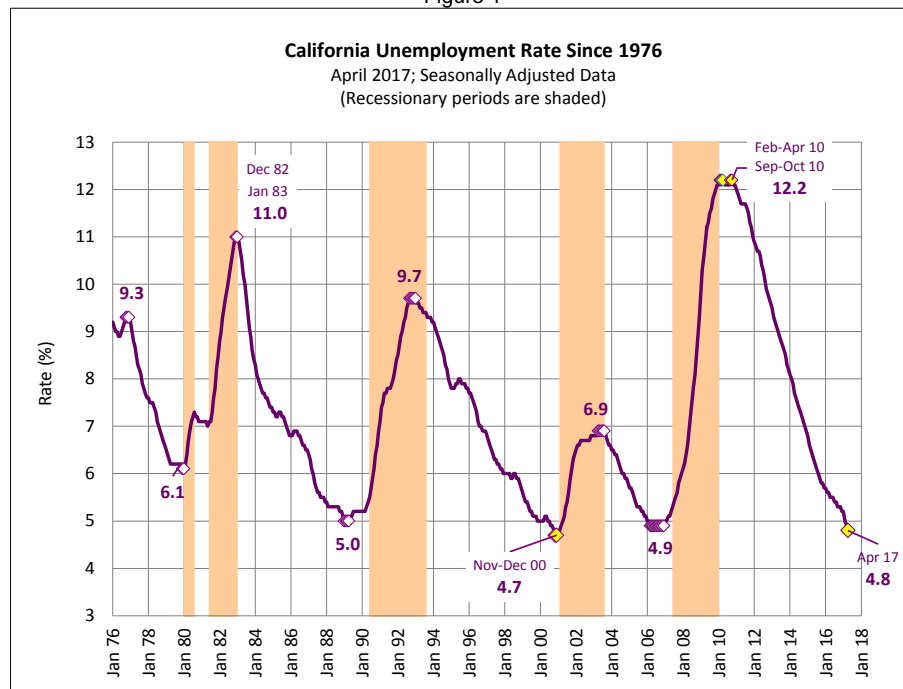
### OVERVIEW

- In April 2017, California's seasonally adjusted unemployment rate fell by 0.1 percentage point to 4.8 percent.
- Four California industry sectors added and seven lost jobs in January.
  - The largest job gains were in the leisure and hospitality (7,400) and the construction (7,200) industry sectors.
  - The losses this month were concentrated in the professional and business services (17,500); trade, transportation, and utilities (5,900); and government (4,600) sectors.

### EMPLOYMENT AND UNEMPLOYMENT

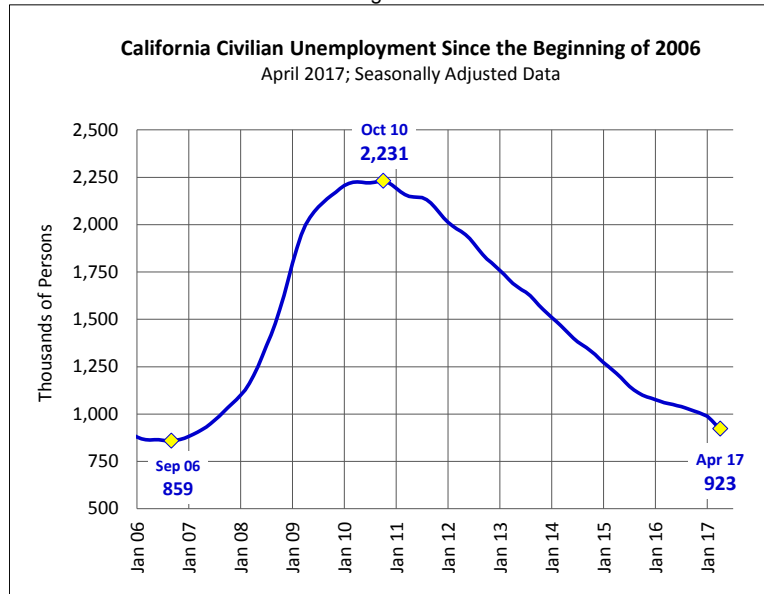
- California's seasonally adjusted unemployment rate fell by 0.1 percentage point to 4.8 percent in April 2017. This was the state's lowest unemployment rate since January-February 2001 and just 0.1 percentage point above the lowest rate on record in the official data series dating back to the start of 1976 (4.7 percent in November-December 2000).

Figure 1



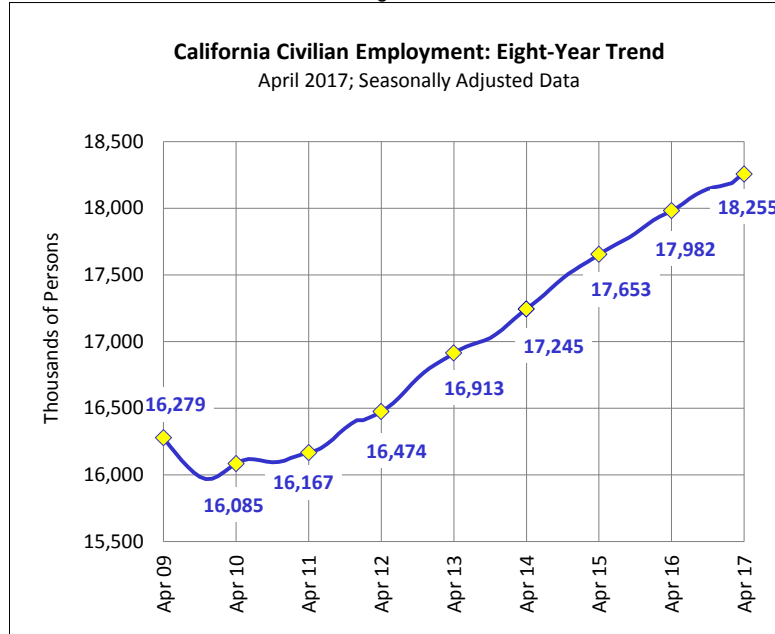
- The number of unemployed Californians fell by 20,000 persons to 923,000 in April. The number of unemployed Californians has fallen by an average of 19,000 persons per month in 2017-to-date.

Figure 2



- The number of employed Californians rose by 28,000 persons to 18,255,000 persons in April 2017 and has risen by a total of 90,000 persons in 2017-to-date. California has experienced 78 consecutive months of civilian employment growth, with the increase over the period totaling nearly 2.2 million persons.

Figure 3



- California's labor force grew by 8,000 persons to 19,178,000 in April 2017. California's labor force has grown by just 13,000 persons in 2017-to-date. California's labor force participation rate (LFPR) held steady at 62.1 percent in for the third consecutive month in April 2017.

Figure 4

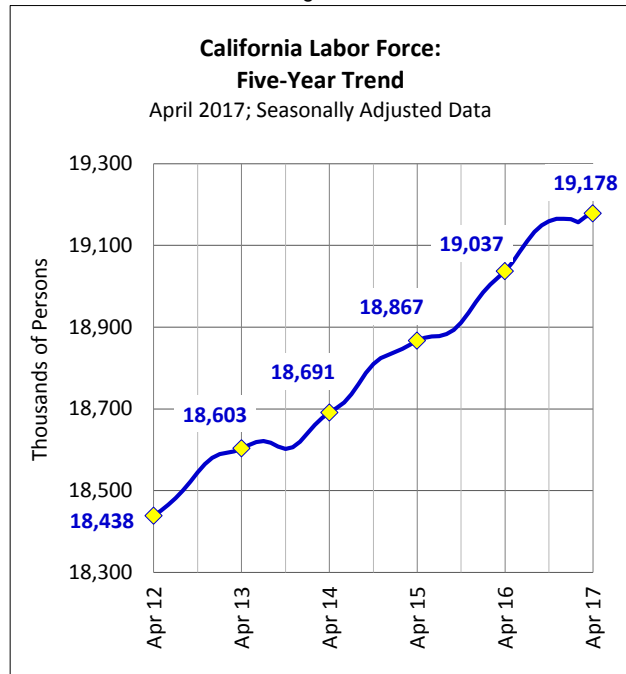
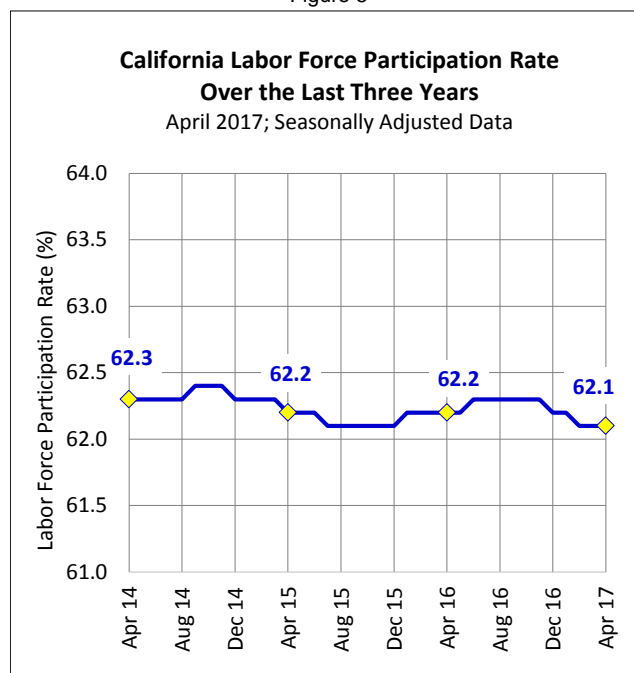


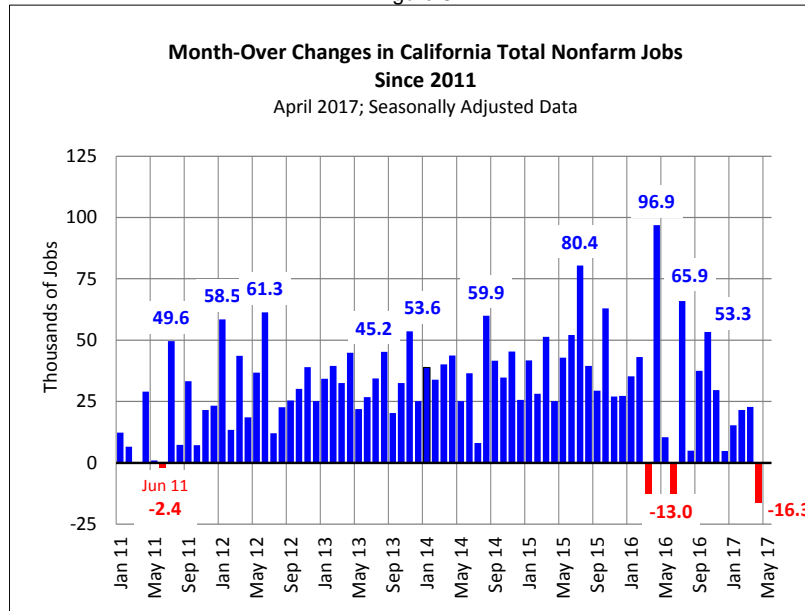
Figure 5



## NONFARM PAYROLL EMPLOYMENT

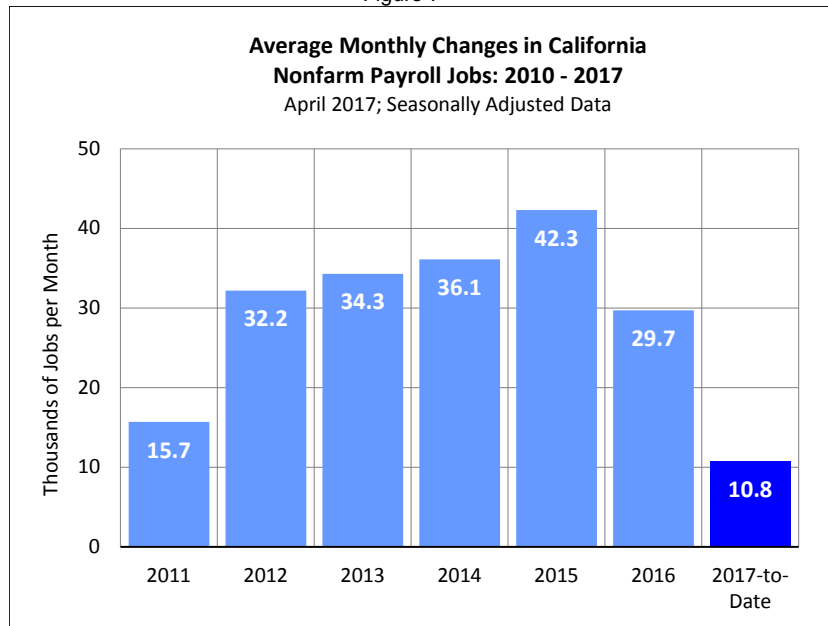
- California lost 16,300 nonfarm jobs in April 2017, snapping a streak of nine consecutive job gains. Although this was only California's third job loss in the last 70 months, each of the three job losses occurred in the last 14 months.

Figure 6



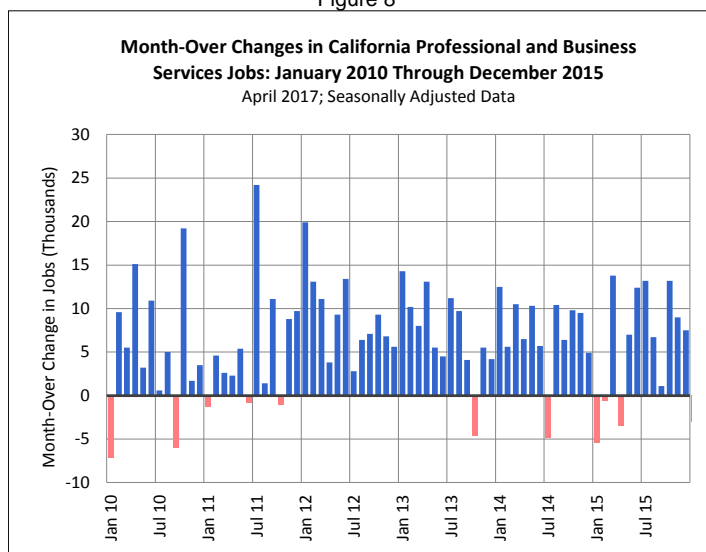
- California's pace of job growth over the first four months of 2017 was well below the pace of prior years. No such slowdown has occurred nationally.

Figure 7



- Professional and business services has experienced a dramatic slowdown in job growth over the last several months. The professional and business services sector gained 491,100 jobs over the 71-month stretch from January 2010 through December 2015, gaining an average of 6,900 jobs per month over the entire period, and experiencing just six job losses. The professional, scientific, and technical and administrative and support and waste management subsectors gained 207,500 and 252,700 jobs, respectively, over this 71-month period.

Figure 8



- The professional and business services sector lost jobs nine times over the 16-month period from December 2015 through April 2017, eking out a net gain of just 11,600 jobs over the period. The professional, scientific, and technical services subsector added 23,600 jobs over this 16-month period. In contrast, the administrative and support and waste management subsectors lost 13,600 jobs.

Table 1

Difference in Year-Over Job Growth in Professional and Business Services Industries: April 2017 Vs April 2016 (April 2017; Not Seasonally Adjusted Data)						
	Year-Over Change, Apr 2016		Year-Over Change, Apr 2017		Difference: Apr 17 vs Apr 16	
	Number	Percent	Number	Percent	Number	Percent
<b>Professional &amp; Business Services</b>	70,200	2.9%	13,300	0.5%	-56,900	-2.3%
<b>Professional, Scientific &amp; Technical Services</b>	34,900	2.9%	12,700	1.0%	-22,200	-1.9%
<i>Legal Services</i>	3,300	2.5%	900	0.7%	-2,400	-1.8%
<i>Accounting, Tax Preparation &amp; Bookkeeping Services</i>	-4,200	-3.1%	-2,000	-1.5%	2,200	1.6%
<i>Architectural, Engineering &amp; Related Services</i>	4,900	3.0%	3,400	2.0%	-1,500	-1.0%
<i>Specialized Design Services</i>	1,000	4.5%	200	0.9%	-800	-3.7%
<i>Computer Systems Design &amp; Related Services</i>	13,400	4.8%	4,300	1.5%	-9,100	-3.3%
<i>Mgmt, Scientific &amp; Technical Consulting Services</i>	7,900	4.2%	-200	-0.1%	-8,100	-4.3%
<i>Scientific Research &amp; Development Services</i>	3,900	2.9%	2,000	1.4%	-1,900	-1.5%
<i>Advertising &amp; Related Services</i>	1,700	2.6%	2,400	3.6%	700	1.0%
<i>Other Prof., Scientific &amp; Technical Services</i>	3,000	4.5%	1,700	2.4%	-1,300	-2.1%
<b>Management of Companies &amp; Enterprises</b>	-3,400	-1.5%	2,900	1.3%	6,300	2.8%
<b>Administrative &amp; Support &amp; Waste Services</b>	38,700	3.7%	-2,300	-0.2%	-41,000	-4.0%
<i>Office Administrative Services</i>	1,600	2.2%	3,200	4.3%	1,600	2.1%
<i>Facilities Support Services</i>	700	6.4%	0	0.0%	-700	-6.4%
<b>Employment Services</b>	18,900	4.3%	-10,500	-2.3%	-29,400	-6.6%
<i>Business Support Services</i>	1,100	1.9%	-1,900	-3.2%	-3,000	-5.1%
<i>Travel Arrangement &amp; Reservation Services</i>	1,200	5.2%	300	1.2%	-900	-3.9%
<i>Investigation &amp; Security Services</i>	4,000	2.9%	600	0.4%	-3,400	-2.5%
<i>Services to Buildings &amp; Dwellings</i>	9,700	4.4%	5,400	2.4%	-4,300	-2.1%
<i>Other Support Services</i>	100	0.3%	1,300	4.4%	1,200	4.1%
<i>Waste Management &amp; Remediation Services</i>	1,400	3.0%	-700	-1.5%	-2,100	-4.4%

## CALIFORNIA INDUSTRY TRENDS

- California's leisure and hospitality sector added 7,400 jobs this month. April marked the fifth consecutive month in which this sector had a month-over gain. The accommodation and food services subsector added 6,000 jobs this month, its second consecutive month of gains at or above the 6,000 job mark. The arts, entertainment, and recreation subsector also recorded gains and added 1,400 jobs this month.
- The state's construction sector added 7,200 jobs in April, its third consecutive month of job gains. Over this three month period, gains have ranged from 7,000 to 18,600 jobs.
- The educational and health services sector added 6,800 jobs this month. This month's gain extended its stretch of consecutive month-over gains to forty-six months (July 2013-April 2017). In terms of collective gains, this sector had the highest among the state's industry sectors, 29,900 jobs. The health care and social assistance sub sector added 7,000 jobs in April and over the past four months it has added 21,600 jobs. The educational services subsector lost 200 jobs, its second consecutive month of job losses. However, year-to-date gains for 2017 summed to a gain of 8,300 jobs.
- In April 2017, the state's mining and logging sector added 200 jobs. However, year-to-date gains for the sector summed to a collective loss of 400 jobs. The start to 2017 was comparable to that of 2016 (1,900 jobs), as both had collective losses, but overall losses were lower in 2017.
- The professional and business services sector lost 17,500 jobs in April 2017, a stark contrast to the gains exhibited by this sector a year ago in April; a gain of 14,600 jobs. The last time this sector lost over 17,000 jobs was in April 2009 (25,500). Two out of the three subsectors lost jobs this month with the administrative and support and waste services subsector losing 10,400 jobs; and the professional, scientific, and technical services subsector losing 7,300 jobs. Each of these subsectors have a collective loss of the past four months of 2017. Unlike 2017, the professional, scientific, and technical services subsector added 11,000 jobs through the first four months of 2016. The management of companies and enterprises subsector was the lone subsector to add jobs this month, 200 jobs. Due to a lack of extreme employment swings across this subsector, employment levels for this subsector had generally remained unchanged over the past year.
- The trade, transportation, and utilities (TTU) sector lost 5,900 jobs in April 2017 and 13,200 jobs over the past four months. Most of the sector's losses derived from the transportation, warehousing, and utilities subsector which lost 5,100 jobs this month. The wholesale trade subsector also accounted for some of the TTU's losses in the month of April, as this subsector lost 1,800 jobs. The retail trade subsector added 1,000 jobs this month, but its four-month collective loss (9,200) is in stark contrast from the sizable gains it made during the first four months of 2016 (21,500).
- California's government sector lost 4,600 jobs in April 2017 and currently has a four-month collective loss of 1,300 jobs over the course of 2017. In 2016, this sector started the year with four months of consecutive gains, but in 2017 the sector has been hampered by month-over losses in excess of 4,000 jobs in both January (5,900) and April (4,600). The sector's month-over losses were concentrated heavily within the local government subsector which lost 4,700 jobs in April. One thousand jobs were lost within

the federal government subsector, bringing its collective loss for the year to 3,200 jobs. The state government subsector added 1,100 jobs this month and has added jobs for three consecutive months.

- The state's information sector lost 4,200 jobs this month. For the year, this sector has lost 5,900 jobs over the past four months. Over 28,000 jobs were created by this industry sector between January and April of 2016 and these total gains were driven by strong month-over gains in excess of 13,000 jobs in both January (13,300) and April (13,900).
- In April 2017, the manufacturing sector lost 3,600 jobs. Both of the sector's subsectors (durable and non-durable) lost jobs this month and the last time this occurred was in August 2016. Between January and April 2016, the sector added 2,600, but over the first four months of 2017, the sector recorded a loss of 6,400 jobs. The nondurable good subsector lost 2,400 jobs this month, its second consecutive month of job losses in excess of 2,000 jobs. The durable goods subsector lost 1,200 jobs and has lost jobs in three of the past four months of calendar year 2017.
- California's financial activities sector lost 1,300 jobs this month, its third consecutive month of job losses. Year-to-date for 2017, this sector has lost 4,500 jobs. The real estate and rental and leasing subsector lost 1,800 jobs this month and has lost jobs in each of the past three months of the year. The finance and insurance subsector added 500 jobs this month. However, this gain followed two previous months of job losses, which have offset gains for the subsector, leaving it with a collective loss of 1,400 jobs in 2017.
- The state's other services sector lost 800 jobs in April 2017. Despite the job loss in April, the sector managed a collective gain for the year, 7,300 jobs. This gain was 4,900 jobs more than it added over the same period in 2016. The year-to-date gains are mainly attributed to the month-over gains in February (3,900) and March (5,300) of 2017.