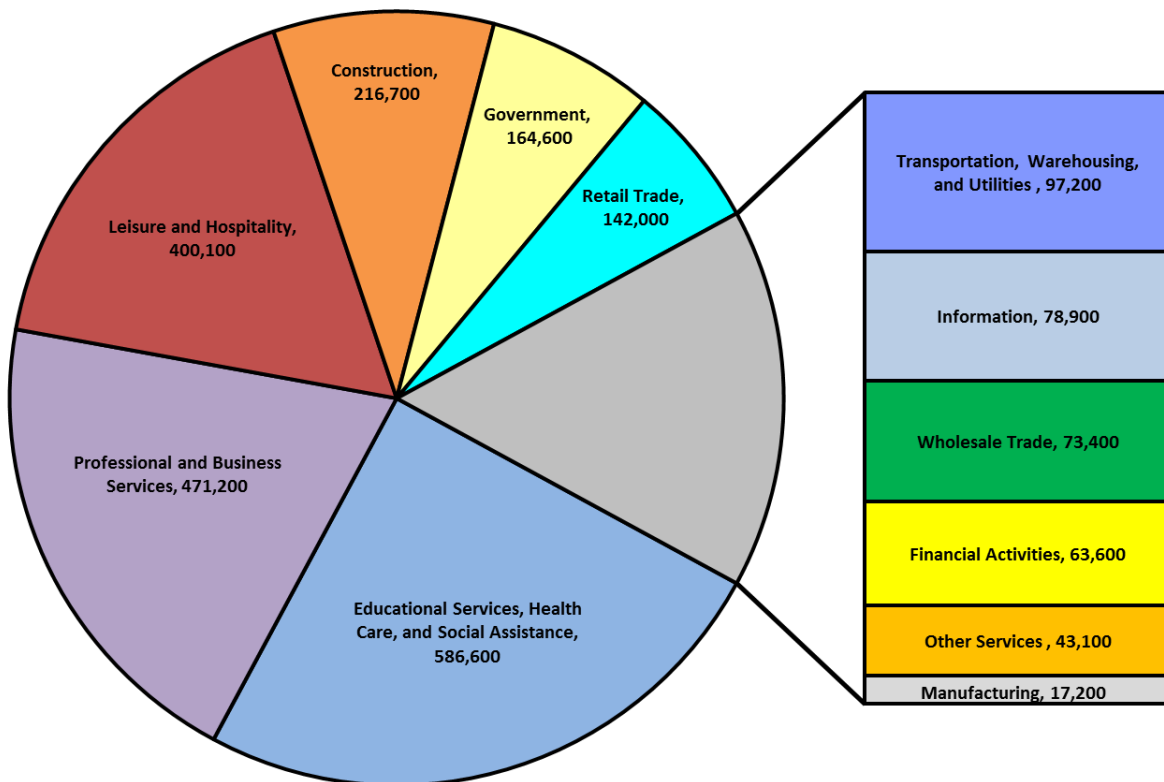


California Industry Employment Projections Between 2014-2024

Total industry employment in California, which includes self-employment, private household workers, farm employment, and nonfarm employment, is expected to reach 19,720,500 by 2024, an increase of 15.1 percent over the 10-year projection period. Total nonfarm employment is projected to add 2,354,400 jobs over the same period, as seen in Figure 1.

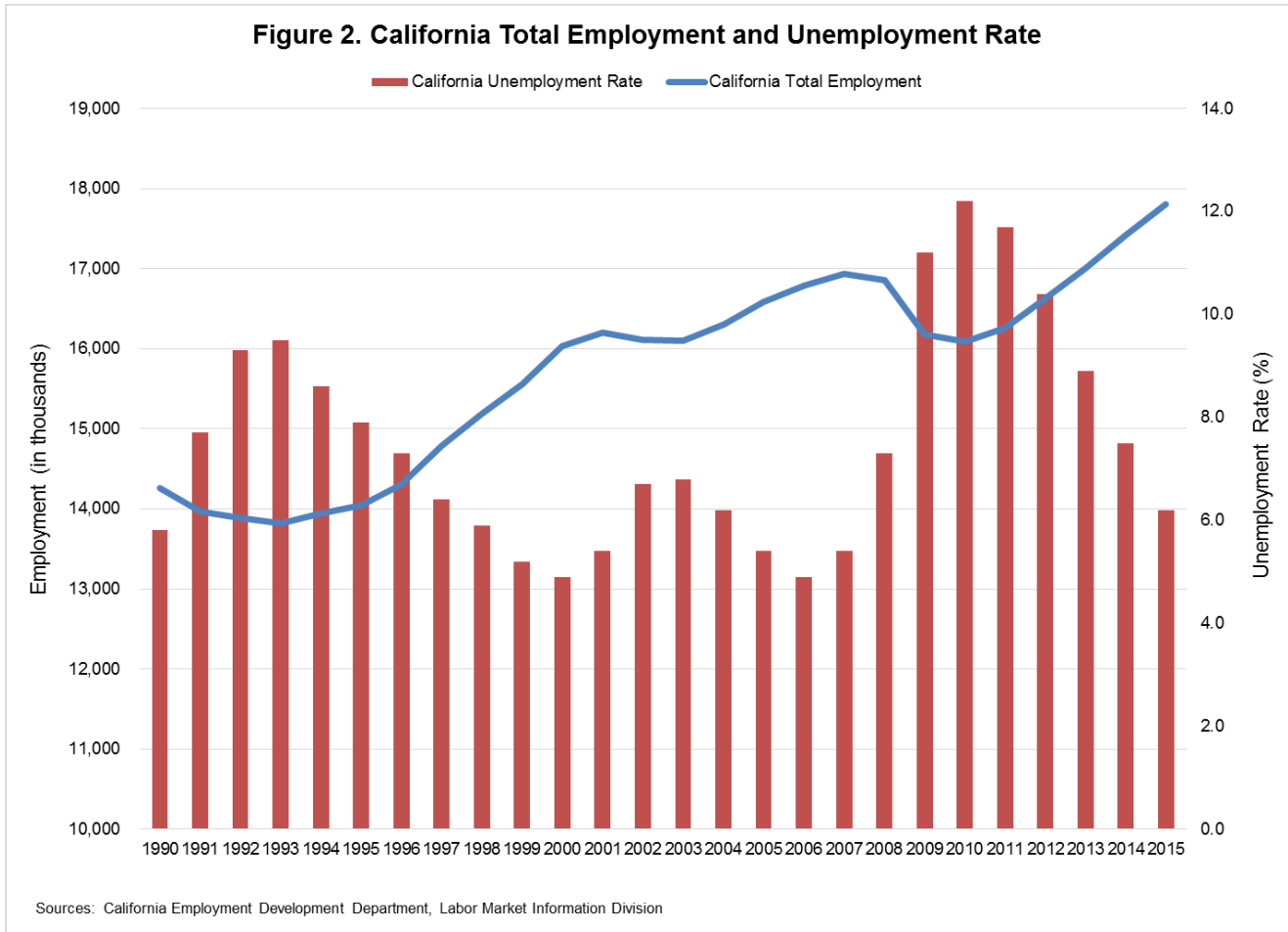
Figure 1. Projected Job Growth by Industry Sector Between 2014-2024



Source: California Employment Development Department, Labor Market Information Division

Seventy-one percent of all projected nonfarm growth is concentrated in four industry sectors: educational services, health care, and social assistance; professional and business services; leisure and hospitality; and construction.

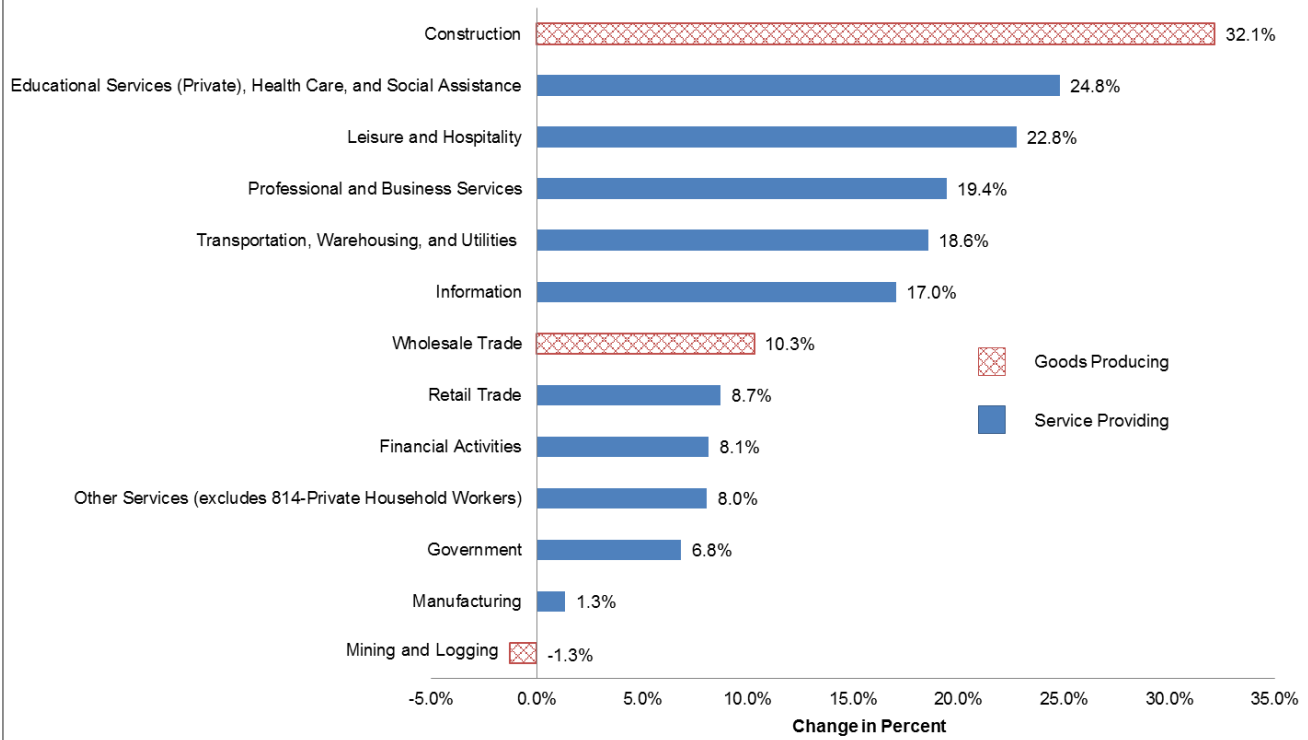
As of May 2016, California’s seasonally adjusted unemployment rate was 5.2 percent. This is the lowest unemployment rate that California has experienced since the recession. California has experienced more than 5 years of declining unemployment rate since it peaked in 2010 at 12.2 percent, as seen in Figure 2. Between 2010-2015, California has added more than 1.7 million jobs and has far exceeded its prerecession peak employment.



Total goods producing sectors is expected to reach 2,213,400 by 2024, an increase of 10.5 percent over the 10-year projection period. The employment increase in the goods producing sector is led primarily by the projected growth in the construction sector. With an expected annual average growth rate of 3.2 percent, construction is projected to have the fastest growth rate among the major industry sectors, as seen in Figure 3.

The construction sector experienced significant employment gains over the past few years after huge losses during the recession. Despite recent gains, the construction industry is still well below its prerecession peak during the housing bubble. Due to a more favorable housing market, the construction industry is expected to lead all major industry sectors with an increase of 32.1 percent (216,700 jobs) over the projection period, but it is not expected to reach its prerecession peak.

Figure 3. Projected Employment Percent Change by Major Industry Sectors Between 2014-2024

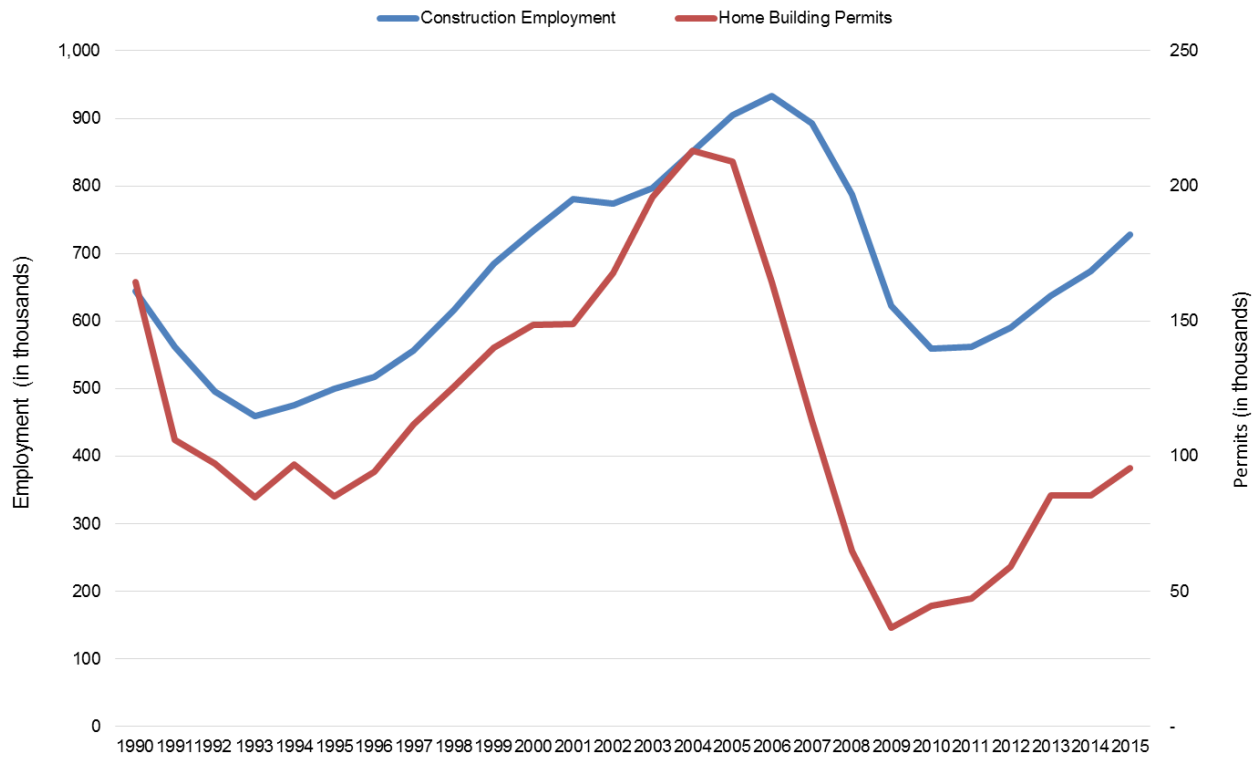


Source: California Employment Development Department, Labor Market Information Division

Construction employment trends closely with the growth and decline of home building permits, which is viewed as a leading indicator for this industry. Both home building permits and construction employment in California have been trending upward for the past five years, as seen in Figure 4. This trend is expected to continue over the 10-year projection period.

The manufacturing sector is expected to add 17,200 jobs through the projection period. This industry has shown five years of job gains through 2015, adding 47,900 jobs. Durable goods manufacturing is projected to lead the increase in manufacturing with a gain of 22,500 jobs during the projection period while nondurable goods employment is projected to decline by 5,300. Contrary to the downward trend of nondurable goods, steady growth exists in the beverage and tobacco product manufacturing subsector. This industry subsector is projected to lead job gains by adding 15,800 jobs. The upward trend in this industry is attributed to California leading the nation in wine production.

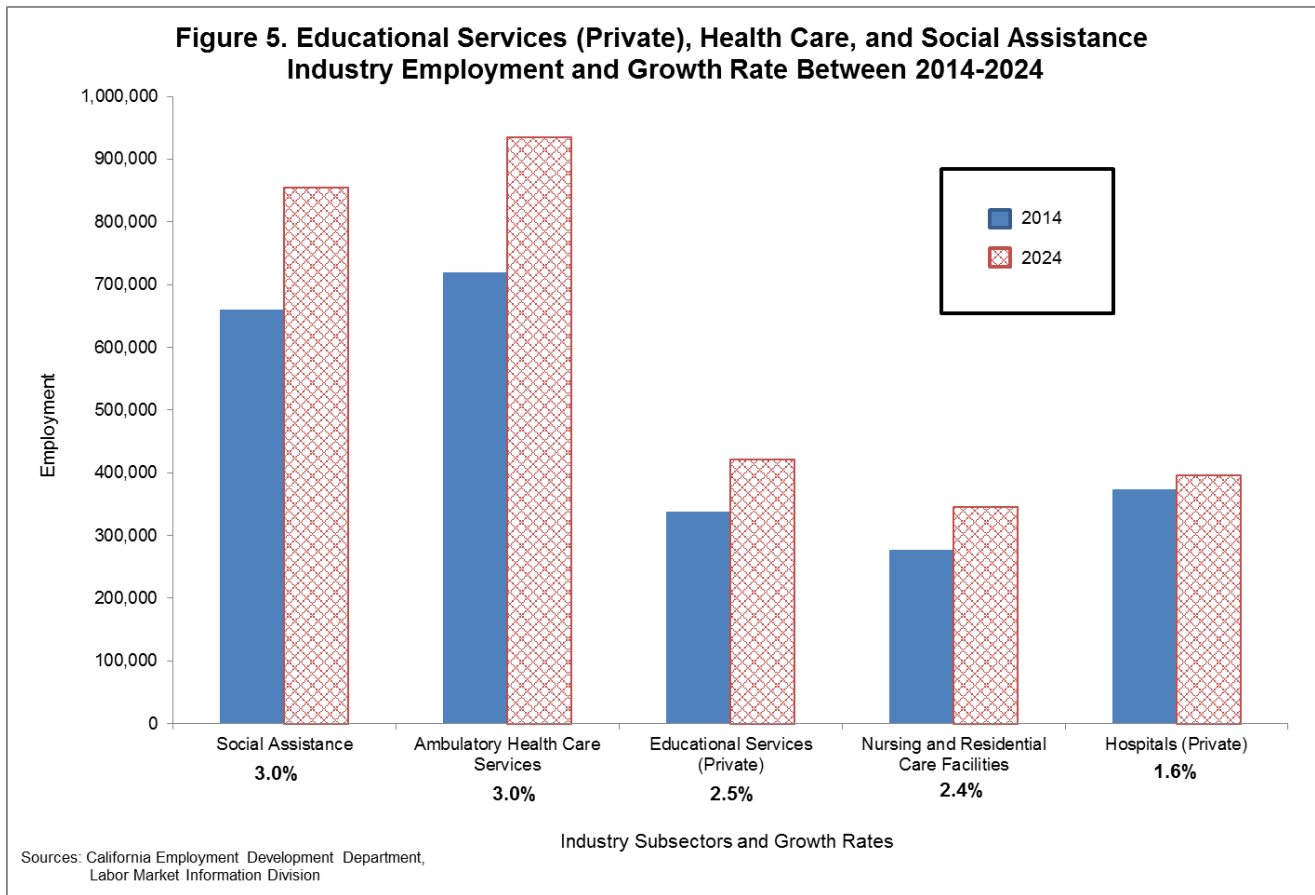
Figure 4. Home Building Permits and Construction Employment Between 1990-2015



Sources: California Employment Development Department, Labor Market Information Division
 Construction Industry Research Board (through March 2012), California Homebuilding Foundation (from April 2012 and onward).

Private service providing sector is projected to add 1,956,100 jobs, accounting for 83.1 percent of nonfarm growth over the 10-year projection period. Seventy-five percent of the growth in the private service providing sector is expected to occur in educational services, health care, and social assistance (586,600); professional and business services (471,200); and leisure and hospitality (400,100).

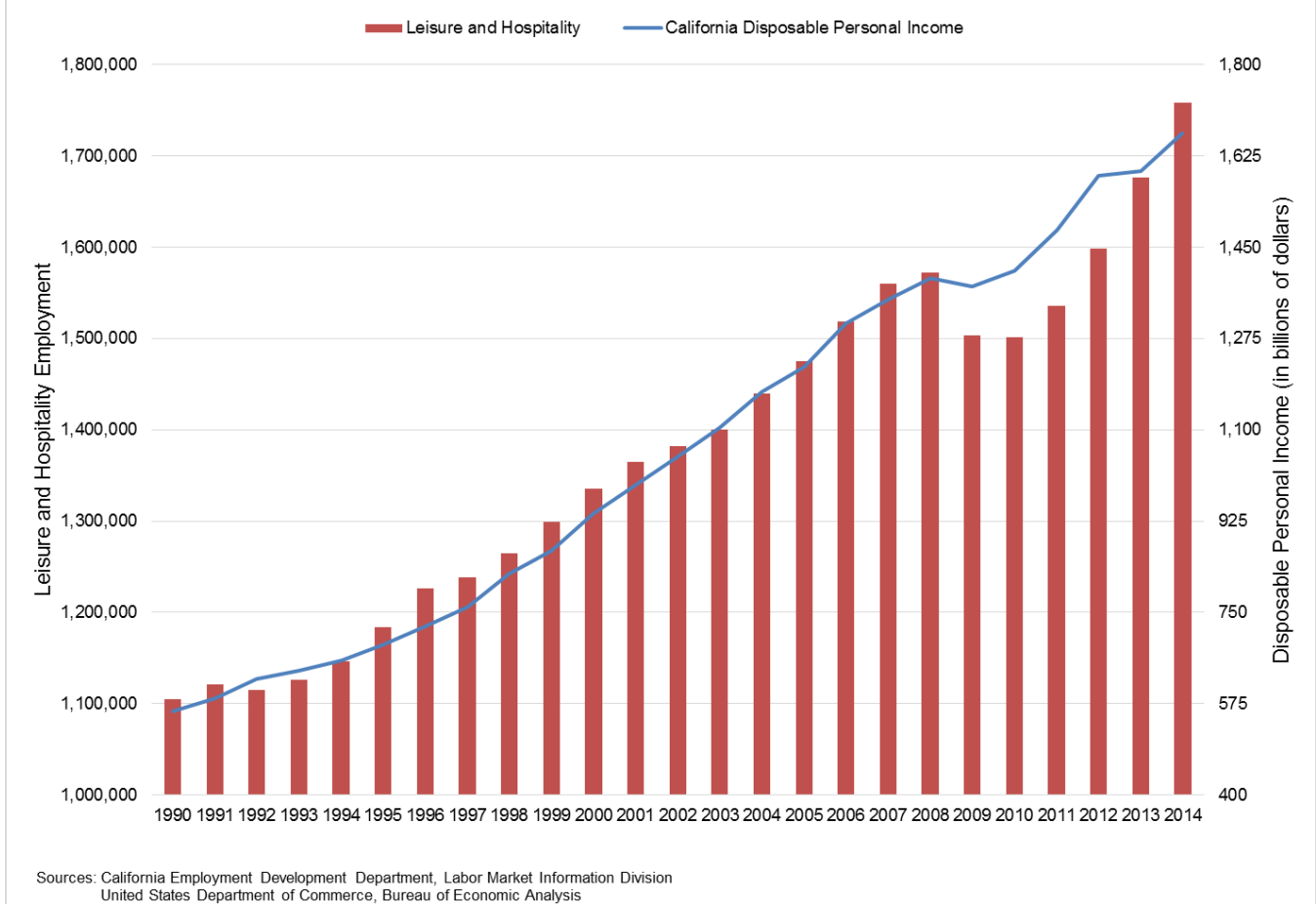
The educational services (private), health care, and social assistance sector anticipates job gains in all industry subsectors, as seen in Figure 5. The projected growth for the sector is 586,600 jobs over the 10-year projection period. The subsectors with the fastest annual average growth rate are social assistance (3.0 percent), ambulatory health care services (3.0 percent), and educational services (2.5 percent). As the population grows and demographics change, the level of demand for workers in the educational services (private), health care, and social assistance sector will remain high.



The professional and business services sector is projected to have an annual average growth rate of 1.9 percent, adding 471,200 jobs. Within this sector, management, scientific, and technical consulting services is projected to add 99,200 jobs while growing at a 4.9 annual average growth rate. It is anticipated that businesses will spend more on equipment and software upgrades, increasing the demand for consulting services. Computer systems design and related services is also expected to have sizeable job gains, adding 120,600 jobs. Employment in this sector is expected to increase at an annual average rate of 4.6 percent between 2014 and 2024.

Leisure and hospitality is the third fastest growing industry sector. The food services and drinking places subsector is projected to grow at an annual average rate of 2.7 percent, followed by a projected 2.0 percent annual average growth rate in museums, historical sites, and similar institutions. A steady increase in disposable personal income is contributing to growth in this sector, as shown in Figure 6.

Figure 6. Leisure and Hospitality Employment and Disposable Personal Income

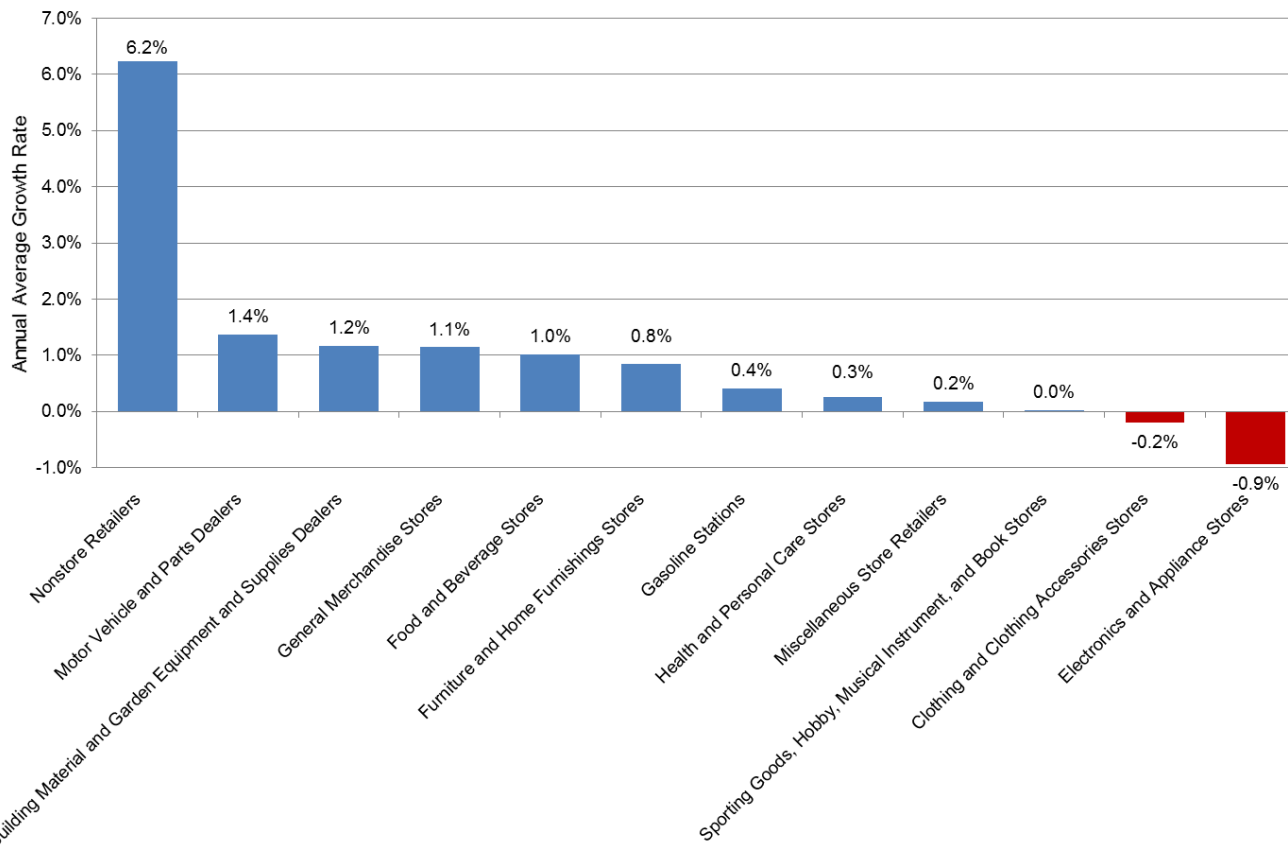


The retail trade sector’s projected employment growth is 142,000 jobs over the projection period. The majority of this growth comes from food and beverage stores (36,000); general merchandise stores (35,500); nonstore retailers (29,200); and motor vehicle and parts dealers (25,100). As Figure 7 shows, nonstore retailers is also expected to be the fastest growing subsector, with an annual average rate of 6.2 percent over the 10-year projection period.

The wholesale trade sector is forecasted to expand at an annual average rate of 1.0 percent, adding 73,400 jobs. The wholesale electronic markets and agents and brokers subsector is projected to have the fastest annual average growth rate at 1.8 percent, or 19,200 jobs. Merchant wholesalers, nondurable goods is projected to have the largest growth, adding 37,800 jobs. Growth in wholesale and retail trade is expected as consumer spending rises.

Transportation, warehousing, and utilities employment is forecasted to grow 18.6 percent, adding 97,200 jobs. Due to the increase of online shopping, industries involved with the transportation and storage of goods are expected to experience gains over the projection period. The warehousing and storage subsector is expected to generate nearly a third of the projected gains for the transportation, warehousing, and utilities sector.

Figure 7. Projected Growth Rate within Retail Trade Between 2014-2024



Sources: California Employment Development Department, Labor Market Information Division

The information sector employment is expected to grow at an annual average rate of 1.7 percent, adding 78,900 jobs by 2024. The other information services subsector, projected to add 49,400 jobs, will account for 62.6 percent of all job growth in the sector. Job gains are also forecasted in software publishers (14,700); motion picture and video industries (10,100); and radio and television broadcasting (2,600). The newspaper, periodical, book, and directory publishers subsector is projected to lose 5,800 jobs. This loss is attributed to the availability of information on the Internet.

The financial activities sector is expected to have modest growth of 8.1 percent over the projection period, adding 63,600 jobs. This sector has struggled since the recent financial crisis and has had very little job growth during the recovery. Job growth for this sector is projected to be slow through 2024, but will likely experience gains in areas involved with the buying and selling of homes as the housing market continues to improve.

The other services sector is expected to grow 8.0 percent between 2014 and 2024, adding more than 43,100 jobs. Of this gain, 60.1 percent of the job growth is projected in personal care services (16,100) and automotive repair and maintenance (9,800).

Government employment is expected to grow nearly 6.8 percent. Public education is projected to have a slight boost, but overall government is expected to be one of the slowest growing sectors over the projection period. Job hiring in the government sector has remained cautious during the recovery despite improving budgets. Job losses are expected in federal government due to declining postal service employment.

The complete [2014-2024 California industry and occupational projections](#) are available online.

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