

## August 2018 California Employment Highlights

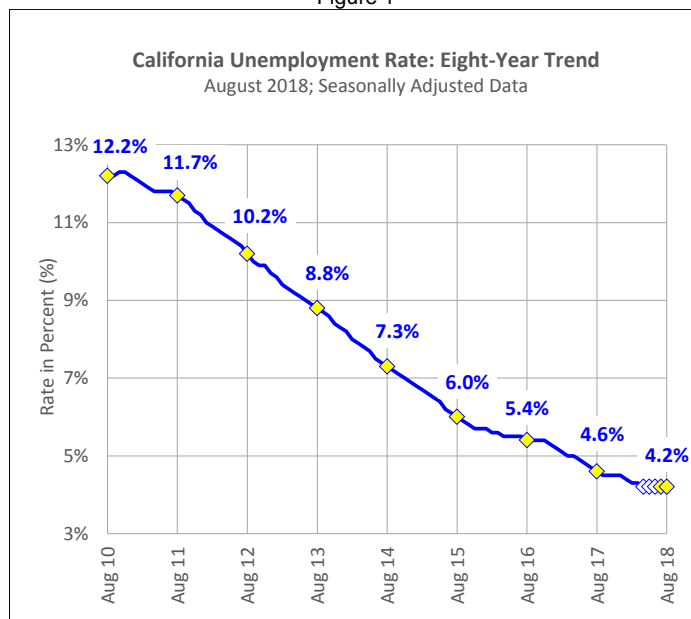
### OVERVIEW

- California's seasonally adjusted unemployment rate held steady at 4.2 percent for the fifth straight month in August 2018.
- Eight of California's 11 major industry sectors added jobs in August, two lost jobs, and one remained unchanged.
  - The largest job gains were in educational and health services (18,700) and professional and business services (7,700).
  - The only month-over job losses in August were manufacturing (800) and logging (100).
  - The other services industry sector had its job total remained unchanged this month.

### EMPLOYMENT AND UNEMPLOYMENT

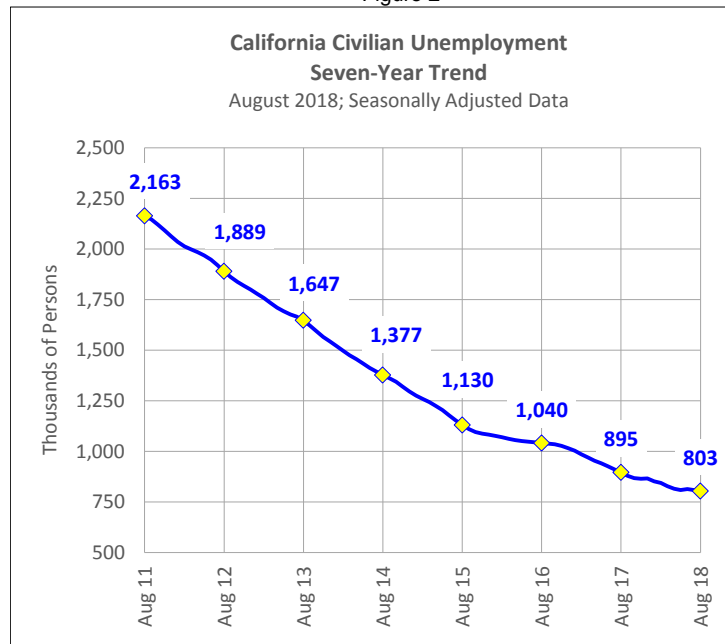
- California's seasonally adjusted unemployment rate held steady at 4.2 percent for the fifth consecutive month in August 2018, remaining at a record low level in a data series dating back to 1976. Year-over, the rate fell by 0.4 percentage point in August 2018. This was the smallest year-over rate decrease the state has had in August over the last eight years.

Figure 1



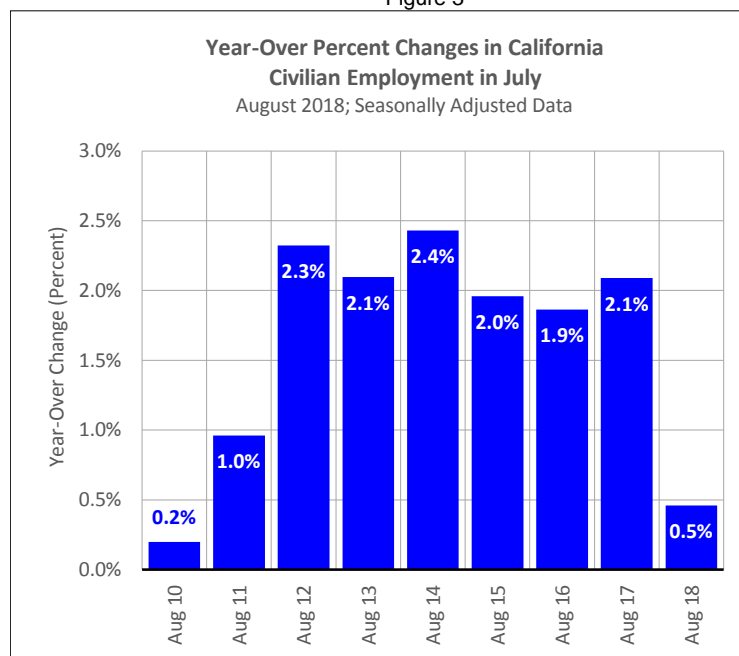
- The number of unemployed Californians fell by 5,000 persons to 803,000 in August 2018. Fewer Californians were unemployed in August 2018 than in any month since March 1990. Year-over, California civilian unemployment decreased by 92,000 persons (10.3 percent) in August.

Figure 2



- The number of employed Californians rose by 7,000 persons in August 2018 to 18,548,000. Year-over, the number of employed Californians increased by 85,000 persons (0.5 percent). Just 22,000 persons of this decrease occurred over the ten-month period from October 2017 through August 2018.

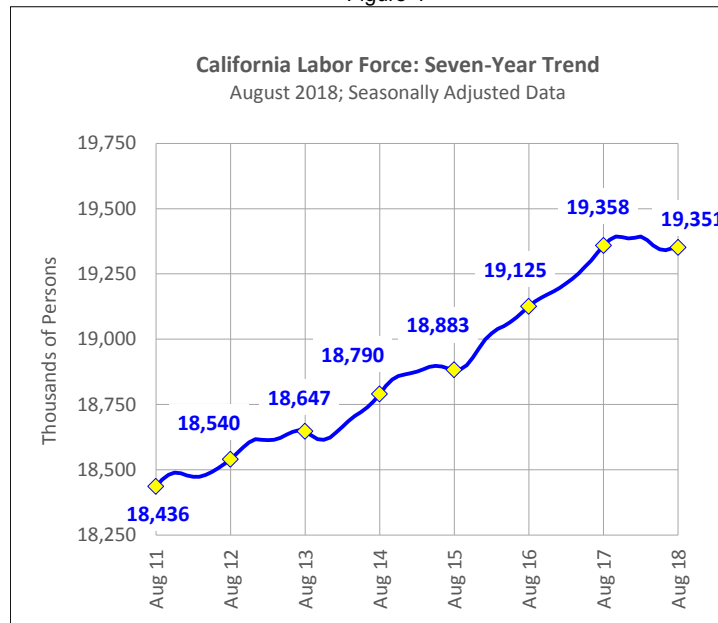
Figure 3



- California's labor force grew by 3,000 persons to 19,351,000 in August 2018, following an increase of 7,000 persons in July. Year-over, the labor force shrank by 7,000 persons (zero

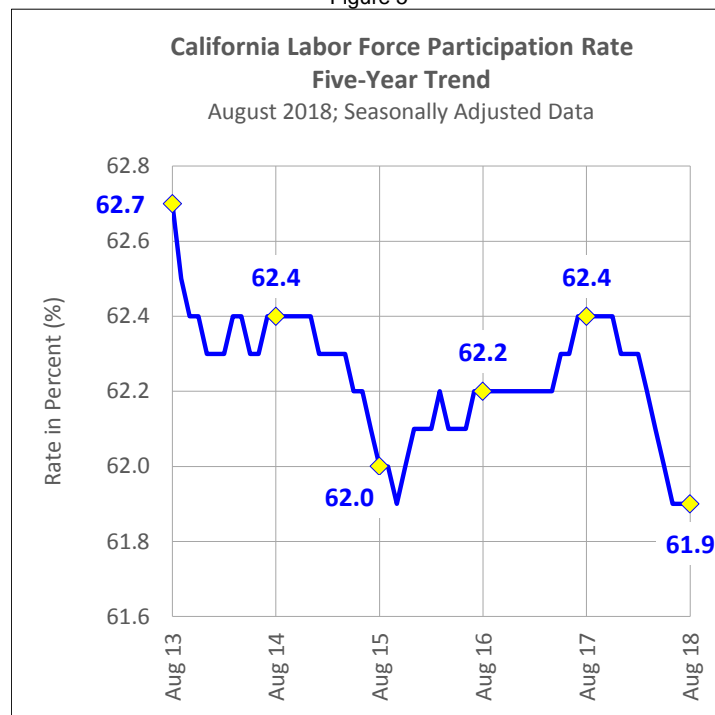
percent). This was the first time California has experienced a year-over labor force loss since February 2010.

Figure 4



- California's labor force participation rate (LFPR) held steady at 61.9 percent for the third consecutive month in August 2018. Year-over, the California LFPR fell 0.5 percentage point in August.

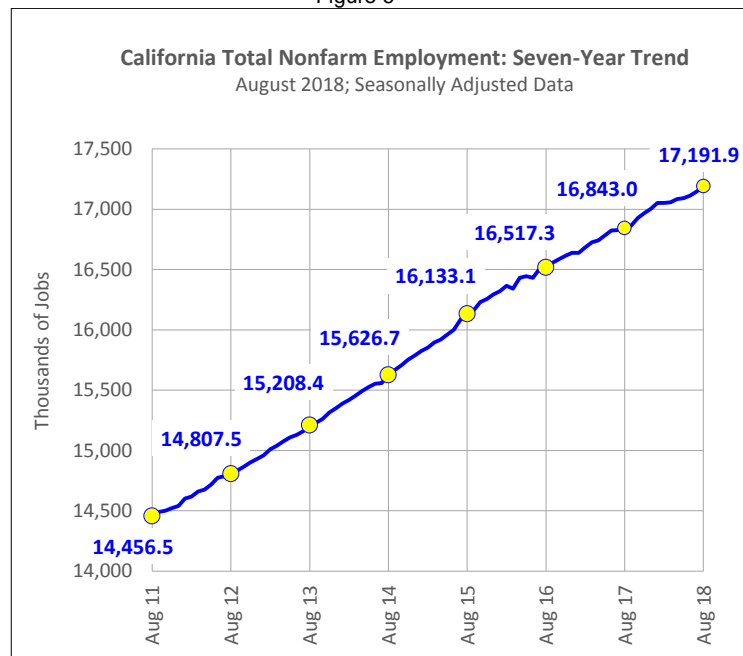
Figure 5



## NONFARM PAYROLL EMPLOYMENT

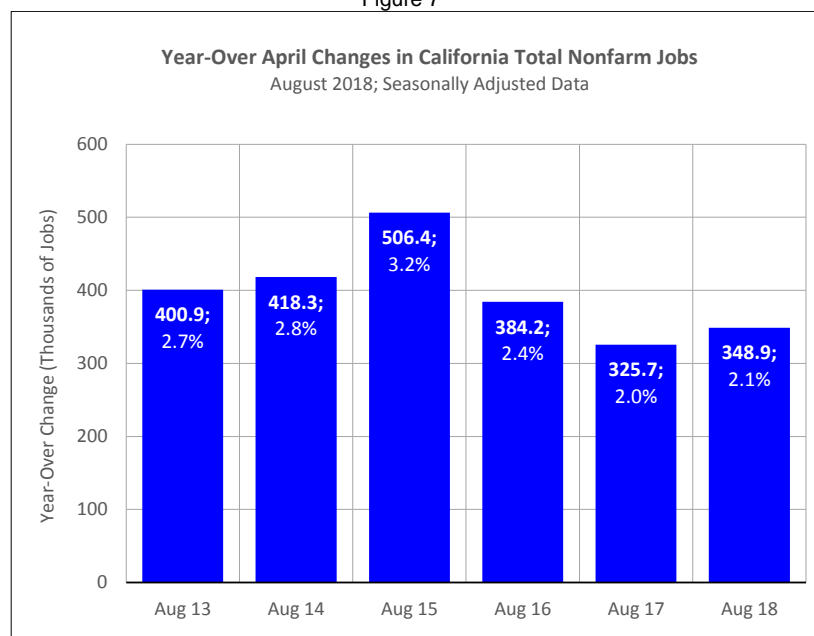
- California added 44,800 nonfarm jobs in August 2018, following a downwardly revised 34,400-job increase in June. The state gained 100,700 nonfarm jobs over the three months ending in August.

Figure 6



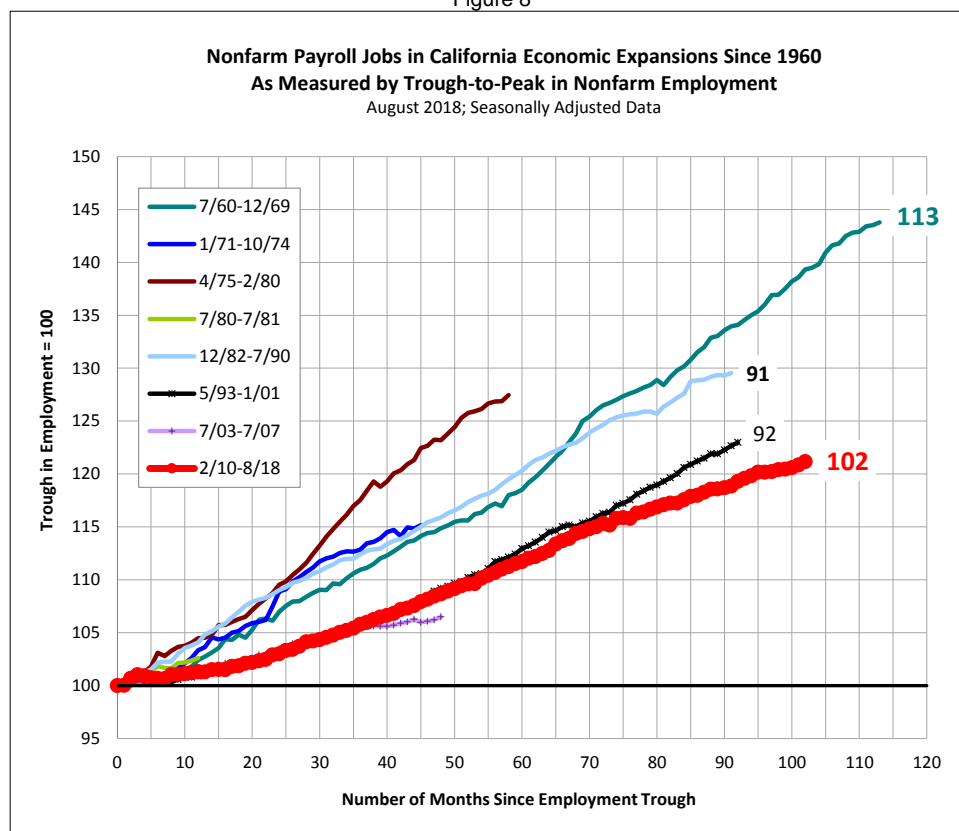
- Year-over, California gained 348,900 nonfarm jobs (2.1 percent) in August 2018. This was the state's most robust year-over job gain since earlier this year in February. California has now sustained year-over job gains of over 300,000 jobs in 75 of the last 76 months.

Figure 7



- California gained a total of 3,002,300 nonfarm jobs from the recessionary low in February 2010 through August 2018, which averages to a gain of 29,400 jobs per month over the entire 102-month expansion period.

Figure 8



## CALIFORNIA INDUSTRY TRENDS

- The State's educational and health services industry added 18,700 jobs this month, its largest month-over gain since October 2016 when it added over 20,000 jobs. Year-to-date for 2018 this sector has added 60,300 jobs, the largest gain of any industry sector this year. The educational services subsector lost 200 jobs this month, but over the past eight months has added 8,500 jobs which is slightly off the pace set in 2017 (11,700 jobs added). The health care and social assistance subsector added 18,900 jobs, its largest month-over gain since October 2016 (25,100).
- The professional and business services sector added 7,700 jobs in August 2018 and over the past eight months has added 49,000 jobs. The professional, scientific, and technical services subsector added 5,300 jobs with the largest month-over gain for this subsector occurring in June 2018 (7,400). The administrative and support and waste services subsector added 2,500 jobs this month and has added jobs in back-to-back months. The management of companies and enterprises subsector lost 100 jobs.
- California's government sector added 6,100 jobs this month, rebounding from a month-over loss of 800 jobs in the previous month. The local government subsector added the most jobs among this industry's subsector with the addition of 6,000 jobs. The state

government subsector added 400 jobs and has added 2,500 jobs between January 2018 and August 2018. This total was slightly off the job creation pace set in 2017 when it added 3,100 jobs through the first 8 months.

- In August 2018, the State's construction sector added 5,200 jobs after having three consecutive months of month-over job losses between May and July of 2018. Net month-over changes for the year thus far have summed to a gain of 19,000 jobs. This pace of job creation was far less than what was exhibited in 2017 over the eight month period; a gain of 27,200 jobs.
- The trade, transportation, and utilities (TTU) sector added 4,700 jobs this month. The TTU sector added roughly 10,000 fewer jobs over the first eight months in 2018 than it added in 2017 (29,200). The wholesale trade subsector added 2,600 jobs this month and has had month-over job gains over the past three. The transportation, warehousing, and utilities subsector added 2,100 jobs this month and has added jobs since August 2017. The retail trade subsector's employment remained unchanged this month. However, the subsector did add a total of 7,400 so far this year; approximately half of what it added in the first eight months of 2017 (15,000).
- California's financial activities sector added 1,800 jobs in August 2018, but despite this gain, the sector still had a year-to-date collective loss of 500 jobs. The real estate and rental and leasing subsector added 1,700 jobs this month, but consecutive month-over job losses between February and July of this year hampered year-to-date gains which stood at a loss of 900 jobs. The finance and insurance subsector added 100 jobs this month and has added jobs for back-to-back months.
- The State's leisure and hospitality sector added 1,200 jobs this month and 26,900 through the first eight months of 2018. Gains for the year for this sector had been driven by the accommodation and food services subsector which had year-to-date gains of 25,600 jobs, but this month the subsector lost 600 jobs. The year-to-date gains were driven by relatively large month over gains this year that ranged from 1,000 jobs in February 2018 to 5,500 jobs in May 2018. The arts, entertainment, and recreation subsector added 1,800 jobs this month.
- The information sector added 300 jobs this month and 8,400 between January and August of 2018. The sector has been able to string together six consecutive months of month-over job gains. Year-to-date gains in 2018 for the sector were four times as large as the gains experienced over the same period of time in 2017.
- California's manufacturing sector lost 800 jobs in August 2018 and each of the sectors subsectors lost jobs this month. For back-to-back months, the subsectors lost jobs in the same month. In August 2018, the non-durable goods subsector lost 600 jobs and the durable goods subsector lost 200 jobs. The nondurable goods subsector has registered month-over job losses since April 2018 and these losses have ranged between 300 (July 2018) and 3,300 jobs (April 2018). Despite back-to-back month over jobs loss months, the durable goods subsector has still managed to add 6,800 jobs from January through August of 2018.
- The State's mining and logging sector lost 100 jobs this month and had a collective loss of 200 jobs through the first eight months of 2018. Month-over job gains were sporadic for this sector this year with a gain of 100 jobs in January, 200 in March, and 100 in July.

Months of unchanged job number and those which included relatively heavy month-over losses (400 in June 2018) have hampered growth.

- In August 2018, the State's other services sector's employment remained unchanged. Net changes in month-over employment came to a collective loss of 3,600 jobs. Losses through the first three months of the year totaled a loss of 8,600 jobs. The first eight months of this year are in direct contrast to what was experienced in 2017 when the sector added 5,100 jobs between January and August.