

January 2019 California Employment Highlights

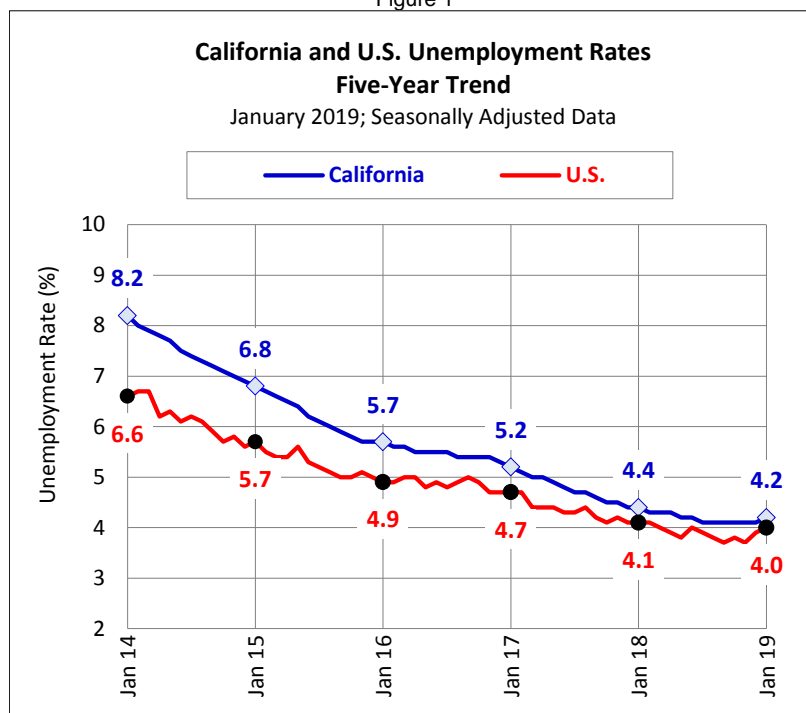
OVERVIEW

- California's seasonally adjusted unemployment rate inched up to 4.2 percent in January 2019 after holding steady at a record low of 4.1 percent over the prior six months. There was no net change in the unemployment rate from May 2018 to January 2019.
- Seven of California's 11 major industry sectors added jobs in January and four lost jobs. The largest job gains were in professional and business services (+4,200), educational and health services (2,600), and government (2,400). The largest job loss was in trade, transportation, and utilities (7,200).

EMPLOYMENT AND UNEMPLOYMENT

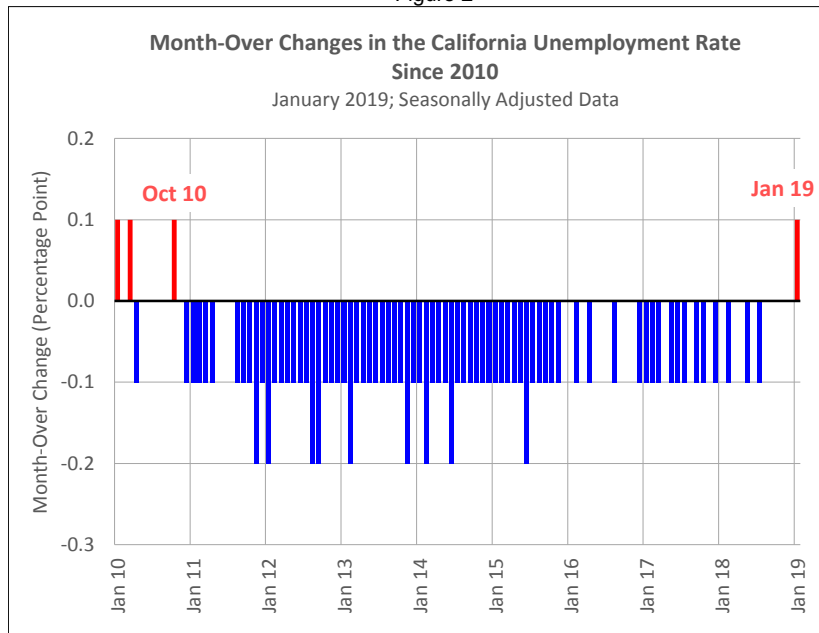
- California's seasonally adjusted unemployment rate rose 0.1 percentage point to 4.2 percent in January 2019 (Figure 1). Please note that the December 2018 rate was revised down to 4.1 percent. The U.S. unemployment rate rose 0.1 percentage point to 4.0 percent in January. This was the highest the U.S. rate has been since June 2018.

Figure 1



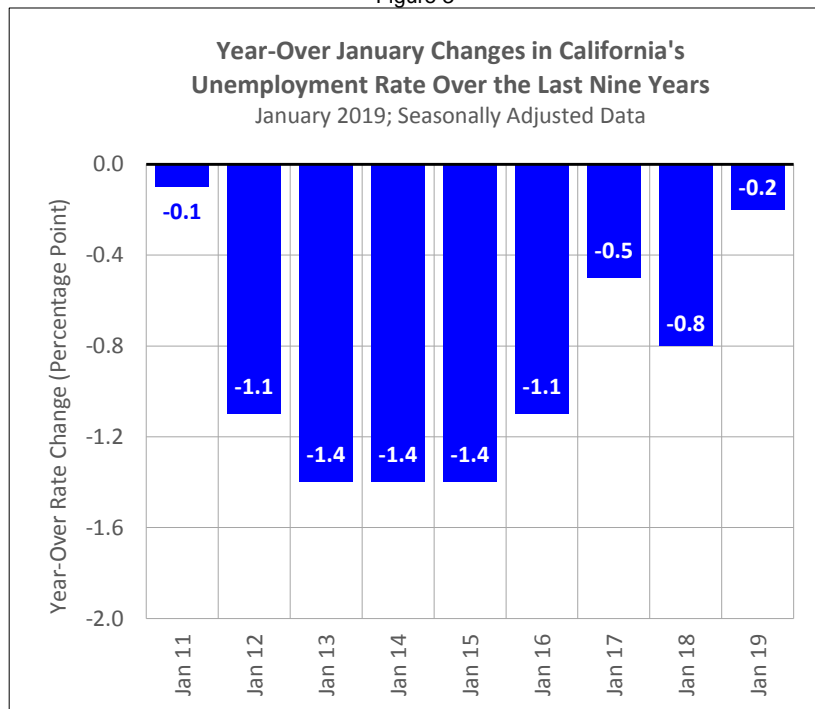
- Although California's January 2019 unemployment rate increase was very small, it was the first time the unemployment rate has increased since October 2010 (see Figure 2).

Figure 2



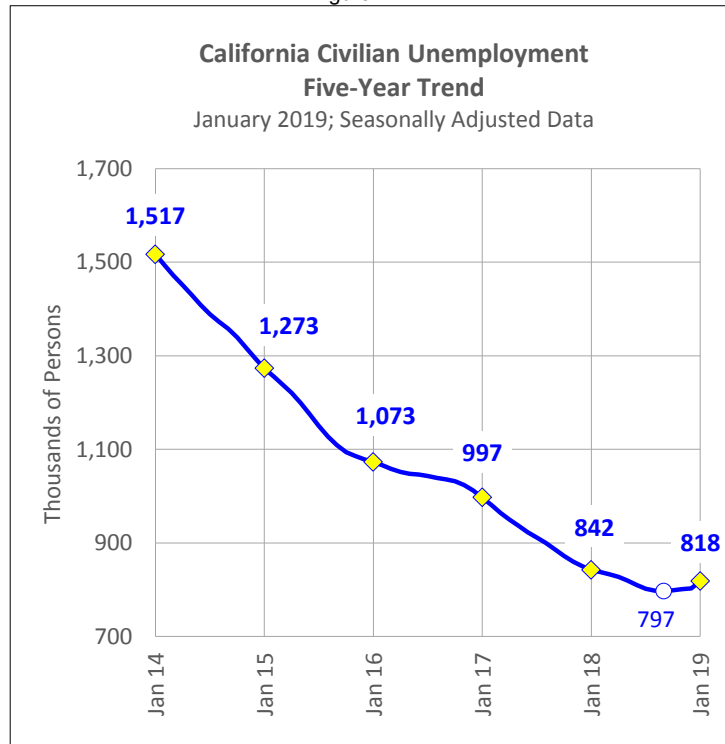
- As seen in Figure 3, California's unemployment rate fell by 0.2 percentage point over the year in January 2019. This was the state's smallest year-over unemployment rate decrease since early in the expansion in February 2011. There was no net change in California's unemployment rate from May 2018 to January 2019, an eight-month period.

Figure 3



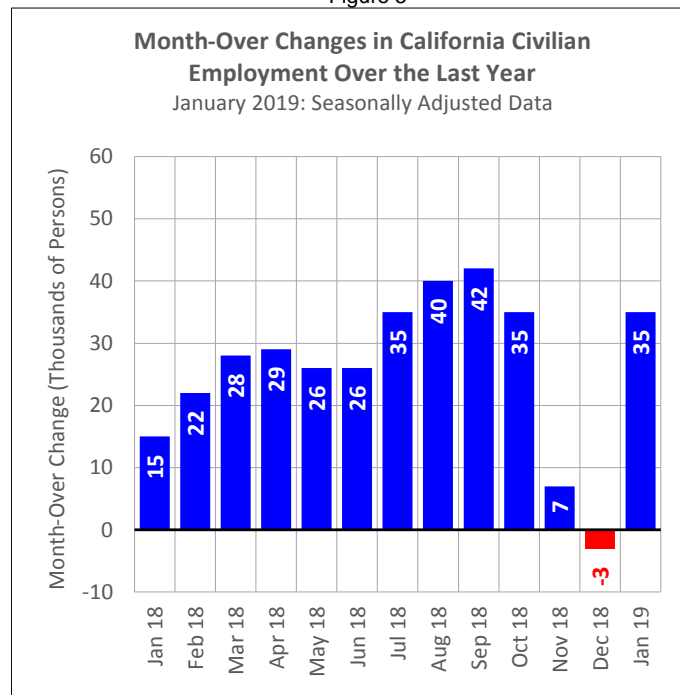
- As shown in Figure 4, the number of unemployed Californians rose by 15,000 persons to 818,000 in January. This was the state's fourth consecutive unemployment increase, totaling 21,000 persons for the period.

Figure 4



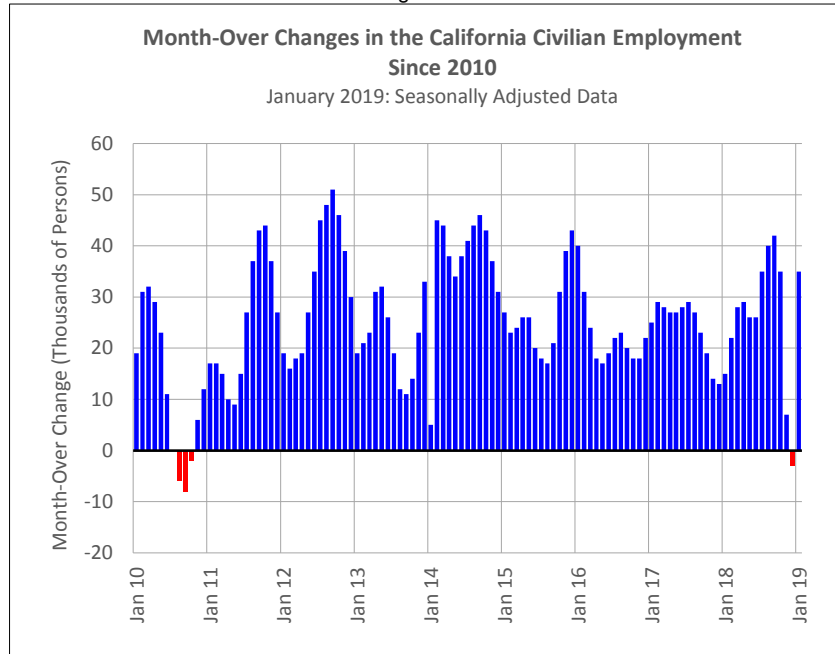
- The number of employed Californians rose by 35,000 persons to 18,740,000 in January 2019, following a rare 3,000-person loss in December (see Figure 5).

Figure 5



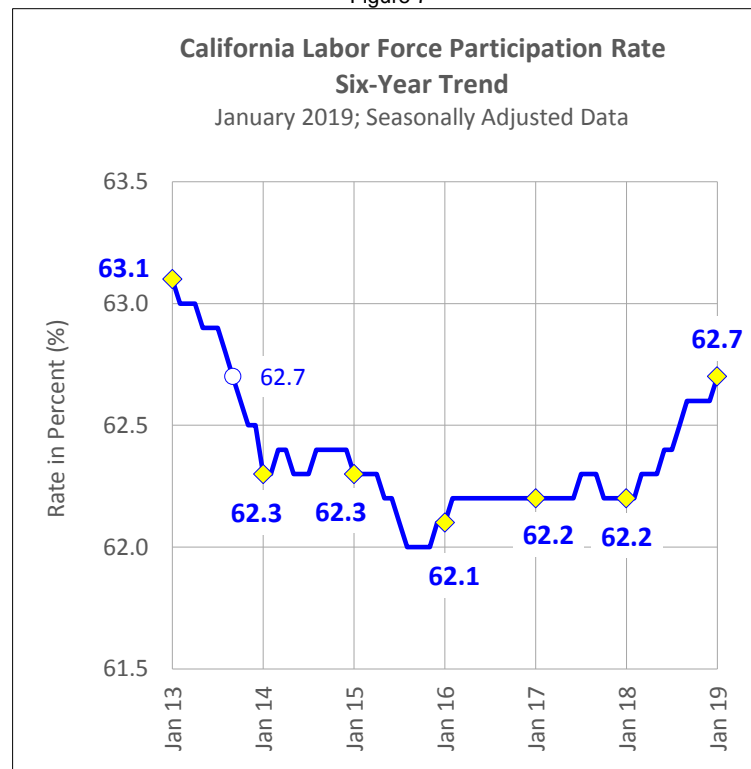
- Civilian employment in California has risen in 98 of the last 99 months, as shown in Figure 6.

Figure 6



- California's labor force participation rate rose by 0.1 percentage point to 62.7 percent in January 2019 (see Figure 7). This is the highest California's labor force participation rate has been since September 2013.

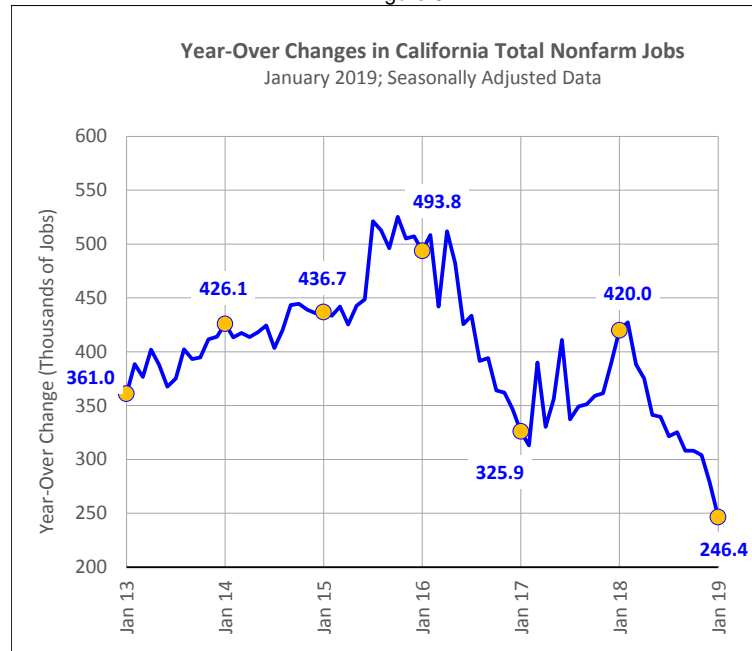
Figure 7



NONFARM PAYROLL EMPLOYMENT

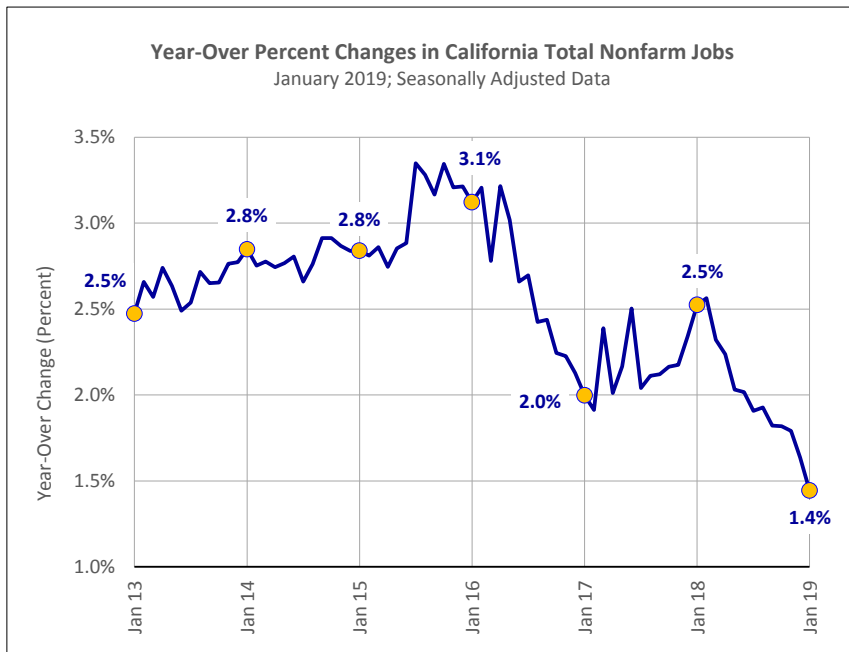
- California's year-over nonfarm job gains dropped to 246,400 (1.4 percent) in January 2019 (Figure 8). This was the state's smallest year-over job gain in number since February 2012 and in percentage since December 2011.

Figure 8



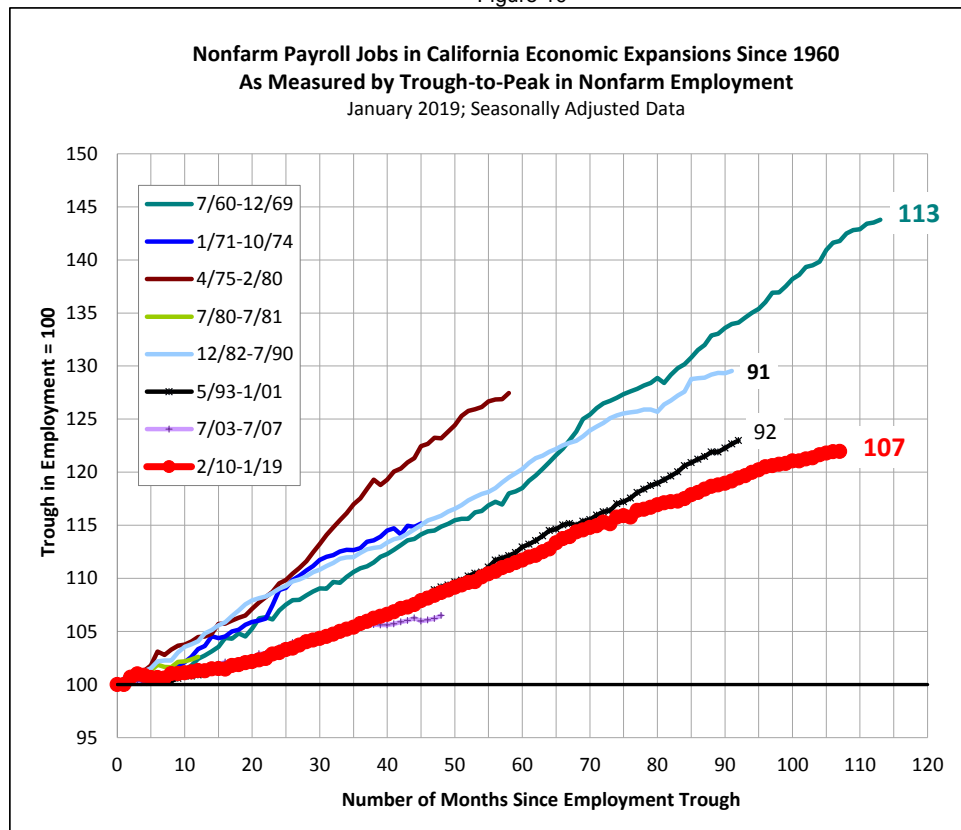
- The state has continued to generate sustained job gains even as the pace of year-over job growth has tapered off some over the last three years. This is consistent with an economy operating at full employment, or capacity.

Figure 9



- California gained a total of 3,115,600 nonfarm jobs from the recessionary low in February 2010 through January 2019, adding an average of 29,100 jobs per month over this period. At 107 months of duration, the current employment expansion is California's second longest in since 1960, and is just six months shy of equaling the longest expansion since then (Figure 10).

Figure 10



CALIFORNIA INDUSTRY TREND HIGHLIGHTS

- California's professional and business services sector added 4,200 jobs in January 2019. Since May 2017, this sector has had month-over job gains that have ranged between 200 and 16,600 jobs. Two out of the three professional and business services subsectors added jobs in January 2019. The administrative and support and waste services subsector added 2,800 jobs and the professional, scientific, and technical services subsector added 1,700 jobs. The professional, scientific, and technical services subsector had consecutive month-over gains since September 2016. The management of companies subsector lost 300 jobs this month.
- In January 2019, the State's educational and health services sector added 2,600 jobs and has added jobs for the past four months. The health care and social assistance subsector accounted for all of the subsector gains in January 2019 with a gain of 5,600 jobs. The educational services subsector lost 3,000 jobs and back-to-back job losses for this subsector totaled 3,200 jobs.
- The government sector added 2,400 jobs and has strung together month-over gains from August 2018 to January 2019. The local government subsector added 2,700 jobs in January and has added jobs in each of the past six months. The state government subsector added 300 jobs and like the local government subsector has added jobs since August 2018. The federal government subsector lost 600 jobs in January 2019.
- California's leisure and hospitality sector added 1,400 jobs in January 2019. Over the past five months, month-over gains have ranged from 1,400 to 10,800 jobs. The arts, entertainment, and recreation subsector added 1,400 jobs and have added jobs consecutively in the past five months. The accommodation and food services subsector's job totals remain unchanged.
- California's information sector added 1,400 jobs in January 2019. January's gain was 1,200 jobs more than the gains one year ago this month.
- The Golden State's manufacturing sector added 800 jobs this month and all of the gains derived from the nondurable goods subsector. The nondurable goods subsector added 1,700 jobs in January. This month's gains follow a month-over loss of 2,100 jobs for the subsector in December 2018. The durable goods subsector lost 900 jobs in January 2019, a month-over loss that was greater than it experienced one year ago (-200).
- For January 2019, the State's mining and logging sector added 200 jobs. The month-over gain was the same as last year (+200).
- California's trade, transportation, and utilities (TTU) sector lost 7,200 jobs in January 2019. In contrast, last year the sector kicked off with a gain of 100 jobs. However, all of the TTU subsectors lost jobs this month. The largest concentration of job losses came from the retail trade subsector. The subsector lost 5,500 jobs and has had a month over job loss in five out of the six past months. These losses ranged from 1,200 in August and September 2018 to 6,500 in November 2018. The wholesale trade subsector lost 1,400 jobs and had month-over job losses over the past three months. The transportation, warehousing, and utilities subsector lost 300 jobs this month.

- The other services sector lost 1,300 jobs in January 2019. In January 2018, the sector started the year with a gain of 1,100 jobs. The last time the sector started the year with a month-over job loss was in 2017 with January's loss of 100 jobs.
- California's construction sector lost 900 jobs this month. January's month-over loss was comparable in size to the month-over job loss in December 2018 (-800). The start to 2019 differed from that of 2018 when the State's construction sector added 4,500 jobs to the construction sector.
- The financial activities sector lost 600 jobs in January 2019. This month-over loss was a departure from the start in 2018 in which the sector added 500 jobs. The real estate and rental and leasing subsector started the year off better than last year by adding 1,000 jobs in January. The finance and insurance subsector lost 1,600 jobs this month. The subsector has had back-to-back months of job losses totaling 4,300 jobs.