



California Economic Update

October 21, 2016

Summary

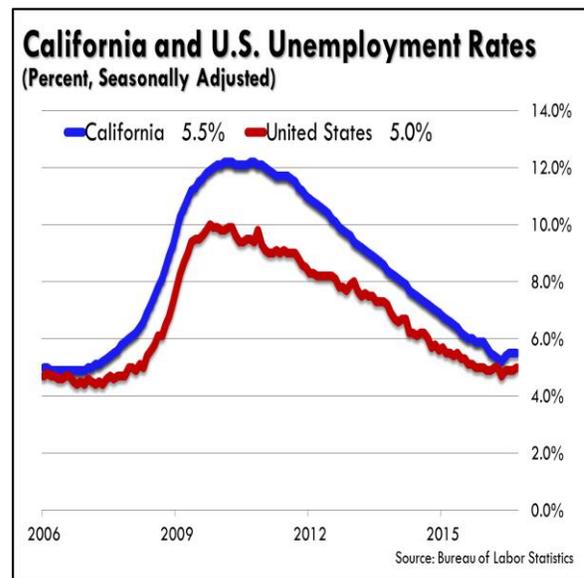
Nonfarm payroll employment in California increased by 30,000 jobs, and the unemployment rate was unchanged at 5.5 percent in September according to data released by the Bureau of Labor Statistics (BLS).

California Unemployment Rate

During September, the unemployment rate in California was unchanged at 5.5 percent. The number of people counted as unemployed rose by 9,173 in September to 1,070,382, while the labor force grew by 117,803 to 19,348,882. Among the 50 states and the District of Columbia, 37 posted lower unemployment rates for the month than California. A year earlier, the unemployment rate in California stood at 6.0 percent.

The 10-year peak for the unemployment rate in California was 12.2 percent in October 2010. This also represents the series high for the unemployment rate in California. The 10-year low for the unemployment rate in California was 4.9 percent in December 2006. The series low for the unemployment rate in California occurred in December 2000 when the unemployment rate was 4.7 percent. BLS began publishing the state unemployment rate series in 1976.

The national unemployment rate rose by 0.1 percentage point to 5.0 percent in September. September's unemployment rate was 0.1 percentage point lower than a year earlier. The 10-year high for the national unemployment rate was 10.0 percent in October 2009. The 10-year low was 4.4 percent in May 2007.



California Payroll Employment

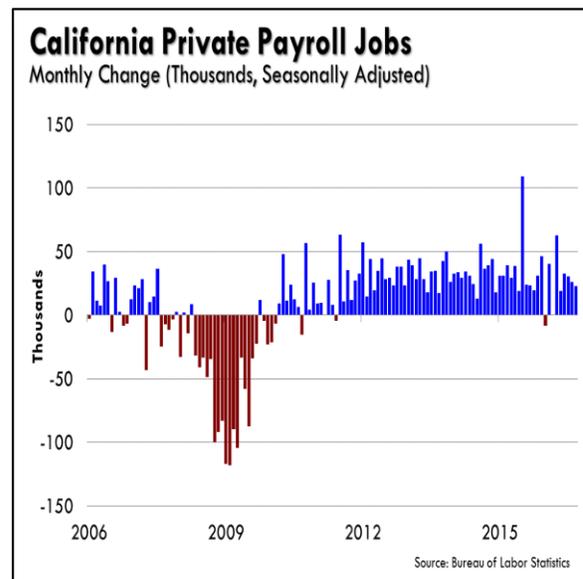
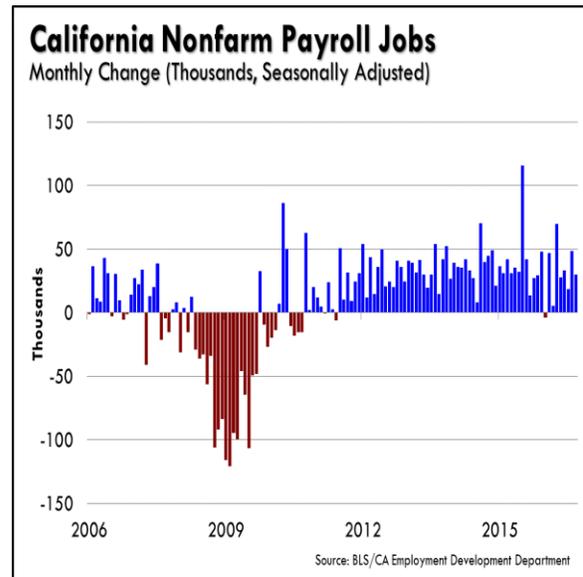
California nonfarm payrolls increased by 30,000 jobs, or 0.18 percent, on a seasonally adjusted basis during September. In the prior month, nonfarm payrolls increased by 48,400. Over the past 12 months, nonfarm payrolls in California increased by 379,700, or 2.35 percent. California nonfarm payroll employment has increased in 11 of the past 12 months.

Nationally, nonfarm payrolls increased by 156,000 jobs in September, or 0.11 percent. Over the 12-month period ending September 2016, nonfarm payrolls grew by 2,447,000 jobs, or 1.72 percent. California ranks 14th among the 50 states and the District of Columbia for percentage gain in nonfarm payroll employment over the past 12 months.

During September, California private-sector payrolls increased by 22,800, or 0.16 percent. Private-sector payrolls increased by 26,300 jobs in the prior month. Over the past 12 months, private-sector payrolls in California increased by 323,400, or 2.36 percent. California private-sector payroll employment has increased in 11 of the past 12 months.

Nationally, private-sector payroll jobs increased by 167,000 jobs in September, or 0.14 percent. Over the past 12 months, the nation's economy has added 2,302,000 jobs in the private-sector, an increase of 1.91 percent. California ranks 17th among the 50 states and the District of Columbia for percentage gain in private-sector payroll employment over the past 12 months.

During September, total government payroll employment in California increased by 7,200, or 0.29 percent. Federal government payroll employment increased by 1,200, or 0.49 percent. State government payroll employment increased by 1,700, or 0.33 percent, while local government payroll employment increased by 4,300, or 0.24 percent.



Over the past year, total government payroll employment increased by 56,300, or 2.28 percent. State government payroll employment increased by 2,400, or 0.47 percent. Local government payroll employment increased by 50,800, or 2.96 percent.

The best performing sectors on a seasonally adjusted basis during September were Leisure & Hospitality (+13,600) and Total Government (+7,200). The poorest performing sectors during the month were Manufacturing (-8,000) and Trade, Transportation & Utilities (-3,200).



The best performing sectors during the last twelve months were Professional & Business Services (+92,000) and Educational & Health Services (+86,600). The poorest performing sectors during the last twelve months were Manufacturing (-17,500) and Mining & Logging (-3,500).

Other California Labor Force Statistics

The labor force participation rate in California rose to 62.6 percent in September from 62.2 percent the prior month. Among the 50 states and the District of Columbia, 31 have a higher labor force participation rate than California. The labor force participation rate in California is 0.6 percentage point higher than a year earlier. The labor force participation rate is the percentage of the civilian noninstitutionalized population age 16 and older who are employed or actively looking for work.

The 10-year high for the labor force participation rate in California was 66.1 percent in October 2008. The series high for the labor force participation rate in California occurred in December 1989 when the labor force participation rate hit 67.9 percent. The 10-year low for the labor force participation rate was 61.9 percent in June 2016. This also represents the series low for the labor force participation rate in California.



The national labor force participation rate rose by 0.1 percentage point to 62.9 percent in September, but remains near its 38-year low of 62.4 percent.

The employment-to-population ratio, or the percentage of the California civilian noninstitutionalized population 16 years and older counted as employed, rose to 59.1 percent in September from 58.8 percent the prior month. Among the 50 states and the District of Columbia, 33 have higher employment-to-population ratios than California. The employment-to-population ratio in California is 0.8 percentage point higher than a year earlier.

The 10-year high for the employment-to-population ratio in California was 62.3 percent in March 2007. The series high for the employment-to-population ratio in California occurred in December 1989 when the employment-to-population ratio hit 64.4 percent. The 10-year low for the employment-to-population ratio was 55.9 percent in July 2011. The series low for the employment-to-population ratio occurred in August 2011 when the employment-to-population ratio was 55.9 percent.

The national employment-to-population ratio rose by 0.1 percentage point to 59.8 percent in September. That rate was 0.5 percentage point higher than a year earlier. The all-time high for the employment-to-population ratio was 64.7 in April 2000. The 10-year high for the employment-to-population ratio was 63.4 percent in December 2006. The recent low occurred in October 2013 when the employment-to-population ratio dipped to 58.2 percent. The last time the employment-to-population ratio posted a reading lower than 58.2 percent was July 1983.

State employment and unemployment data for October is scheduled for release on November 18, 2016. The national employment situation report for October will be released on Friday, November 4, 2016.

