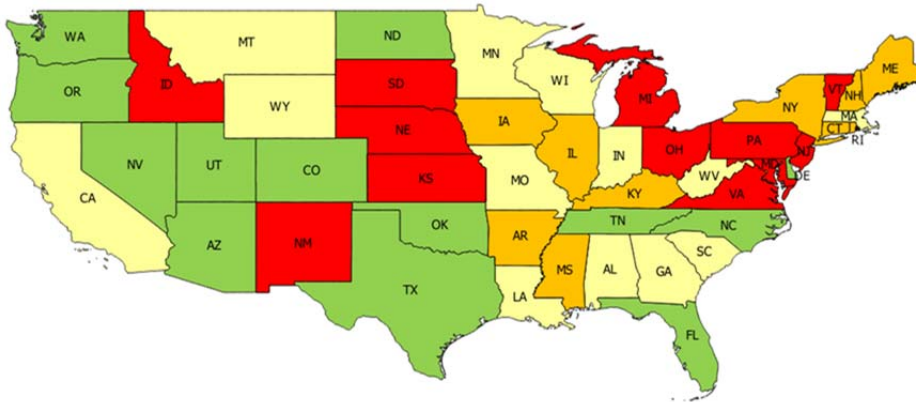




State Annual Nonfarm Job Growth, Sept-14



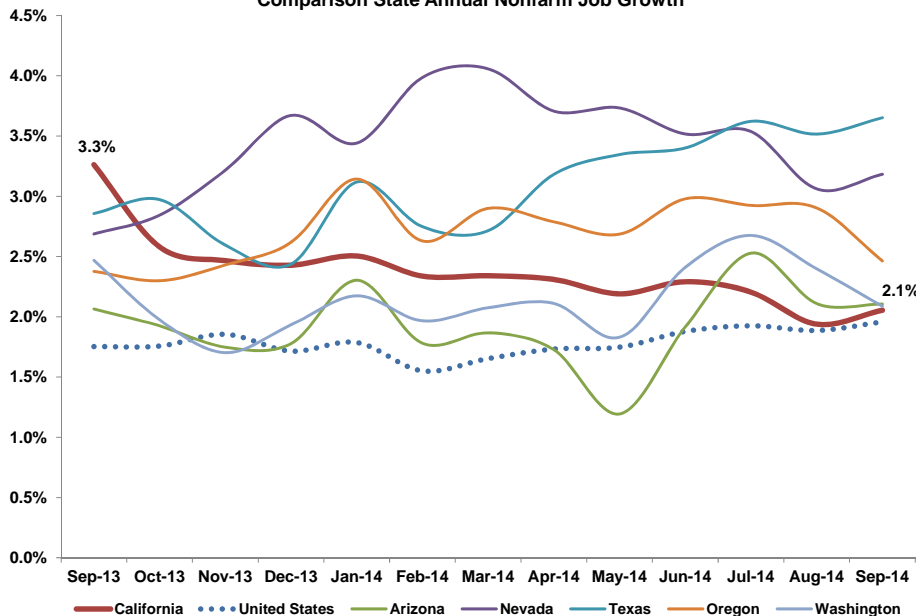
### Highlights

- With a 2.1-percent increase in the number of jobs on Nonfarm payrolls in the past 12 months, California ranked 14<sup>th</sup> and placed in the upper-middle tier of job growth among all states.
- North Dakota posted the strongest annual job growth at 5.0 percent, followed by Utah and Texas, both at 3.7 percent—many of the job gains in these states are in the Goods Producing sectors.
- In terms of the annual absolute change in jobs, Texas, California, Florida, and New York led the way, supporting more than 39 percent of the national net-job gain.
- Nineteen states, including California, are now seeing employment levels above the prerecession peak, with Texas and New York showing the most robust expansions.

Upper		Upper-Middle		Lower-Middle		Lower	
North Dakota	5.0%	<b>California</b>	<b>2.1%</b>	Hawaii	1.5%	Idaho	0.8%
Utah	3.7%	Missouri	2.0%	Rhode Island	1.4%	Nebraska	0.8%
Texas	3.7%	South Carolina	2.0%	Kentucky	1.4%	New Mexico	0.8%
Nevada	3.2%	Georgia	2.0%	Maine	1.4%	Michigan	0.8%
Florida	2.8%	Montana	2.0%	New York	1.3%	Pennsylvania	0.7%
Colorado	2.7%	Wyoming	1.9%	Connecticut	1.3%	Kansas	0.7%
Delaware	2.6%	Massachusetts	1.9%	Arkansas	1.3%	Maryland	0.6%
Oregon	2.5%	West Virginia	1.9%	New Hampshire	1.2%	Ohio	0.6%
Tennessee	2.2%	Indiana	1.8%	Iowa	1.1%	South Dakota	0.5%
North Carolina	2.2%	Alabama	1.7%	Illinois	1.0%	Virginia	0.2%
Oklahoma	2.1%	Minnesota	1.6%	District of Columbia	0.9%	Vermont	0.2%
Arizona	2.1%	Louisiana	1.6%	Mississippi	0.9%	New Jersey	0.1%
Washington	2.1%	Wisconsin	1.5%			Alaska	-0.3%

Source: CA Employment Development Department; U.S. Bureau of Labor Statistics; EPS

Comparison State Annual Nonfarm Job Growth



Source: CA Employment Development Department; U.S. Bureau of Labor Statistics; EPS

### Highlights

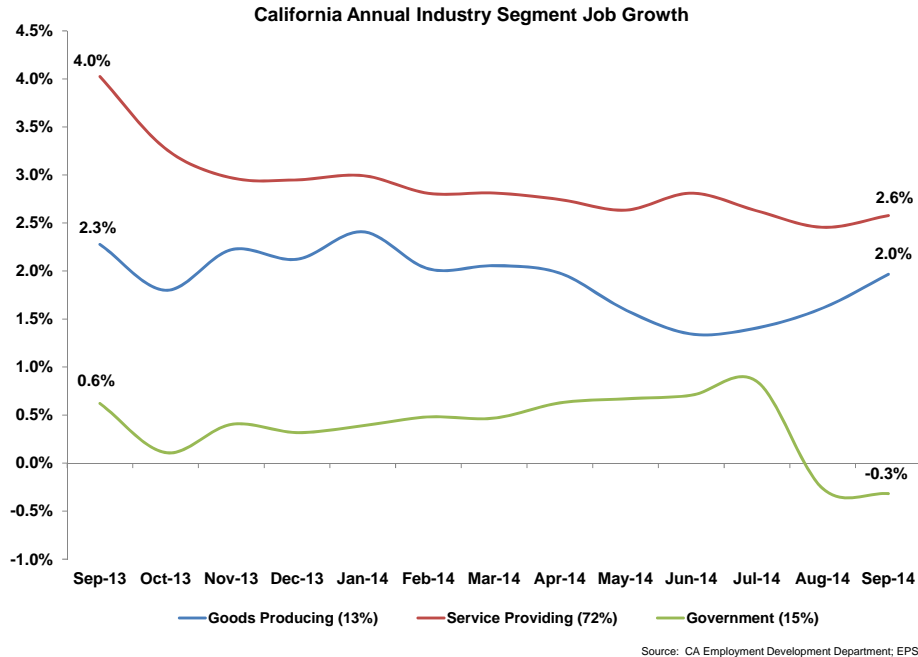
- California's annual job growth has exceeded the national average for several years, but the gap has been closing in recent months as the state has seen job growth slow and the nation has begun to see a slight uptick.
- With slowing job growth, California has dropped behind many of the states it competes with for business investment in the Western United States.
- Unlike California, both Texas and Nevada, two states also in an expansion cycle, posted stronger annual job growth than at the same point in the previous year.

The *California Economic Snapshot* is produced quarterly by **Economic & Planning Systems, Inc. (EPS)** through a research partnerships with the California Academy for Economic Development, a foundation managed by the California Association for Local Economic Development (CALED). EPS is a full-service urban economics consulting firm with expertise in economic development, real estate economics, public finance, and public-private partnerships. To learn more about EPS, visit [www.epsys.com](http://www.epsys.com).

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# California Economic Snapshot

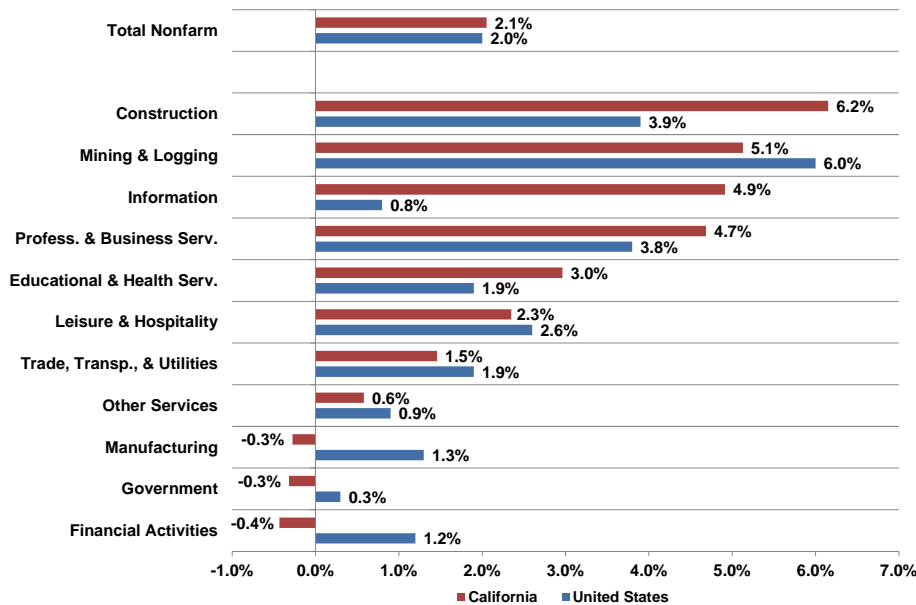
## 3<sup>rd</sup> Quarter 2014



### Highlights

- California's Service Providing sectors, which account for 72 percent of all jobs, are posting the strongest annual job growth, with Information, Professional & Business Services, and Educational & Health Services leading the way.
- Annual job growth in the state's Goods Producing sectors is showing an uptick in recent months as recovery in the Construction sector is becoming more widespread, with nearly every metropolitan area in the state now seeing gains in this sector.
- Annual job declines in federal and local government activities were greater than increases in state government activities, leading to overall negative growth in the Government sector.

**California and United States Annual Major Sector Job Growth, Sept-14**



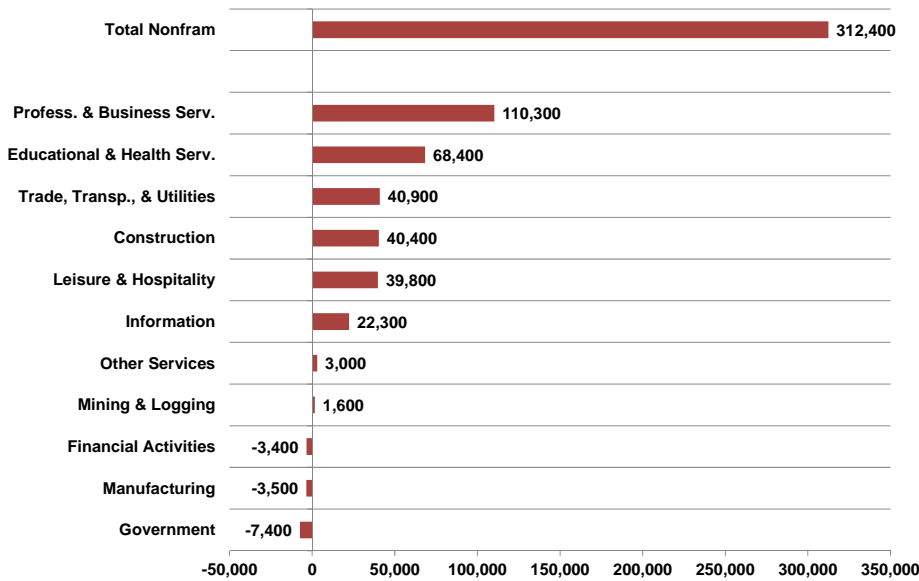
### Highlights

- California's annual job growth outpaced the nation in only four major sectors in September 2014, including Construction, Information, Professional & Business Services, and Educational & Health Services—these sectors are showing healthy performance across most metropolitan areas in the state.
- As the nation posted annual job gains in every major sector, California shed jobs in Manufacturing, Government, and Financial Activities.
- Nationally, the most robust annual job growth occurred in Mining & Logging, Construction, and Professional & Business Services.

# California Economic Snapshot

## 3<sup>rd</sup> Quarter 2014

California Annual Job Gains and Losses, Sep-14

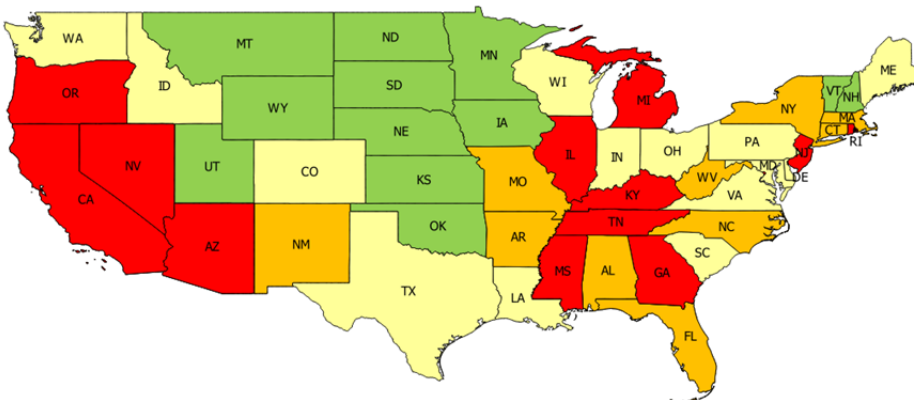


Source: CA Employment Development Department; EPS

### Highlights

- Over the 12 months ending September 2014, California added more than 312,000 jobs to Nonfarm payrolls, which accounts for roughly 12 percent of all jobs added nationally.
- The greatest annual gains were seen in the state's Professional & Business Services sector, with notable gains in the employment services segment (temporary and job placement), as well as consulting, engineering, and accounting services.
- Job gains among the leading major sectors are creating demand primarily for office and retail space.

State Annual Average Unemployment Rate, Sept-14



### Highlights

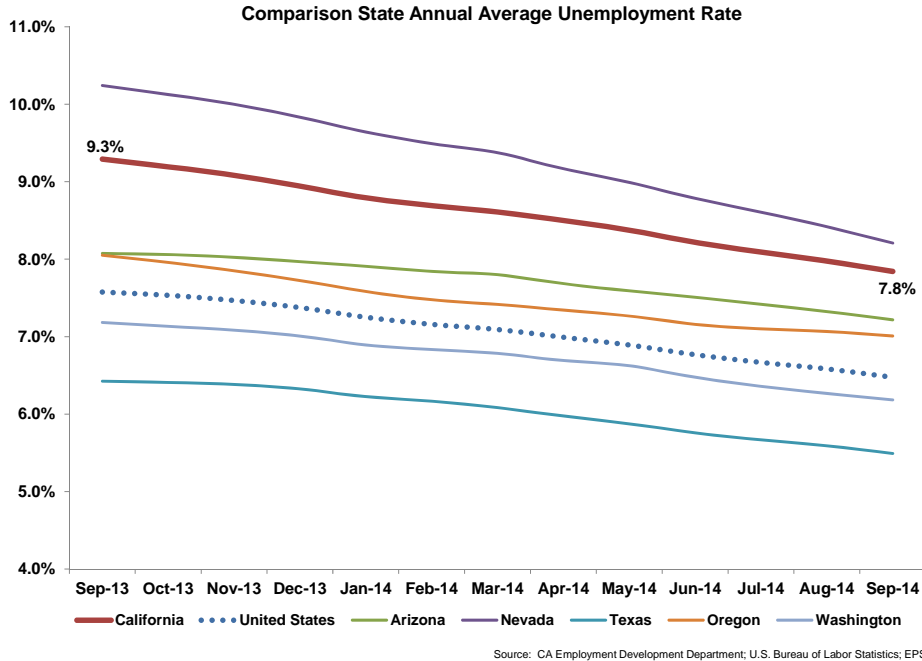
- California posted an annual average unemployment rate of 7.8 percent in September 2014, placing it 49<sup>th</sup> and among the lower tier of all states.
- Most of the states in the upper tier posted annual average unemployment rates below the "full employment" level of 5 percent, where wage and labor availability pressures begin to arise.
- Recent estimates of the "real unemployment rate" in California—which account for workers that are discouraged, marginally attached, and employed part time for economic reasons—still are a little more than double the generally reported rates.
- On an absolute basis, the annual average number of unemployed California residents was roughly 1.5 million, accounting for about 15 percent of unemployment nationally.

Upper	Upper-Middle	Lower-Middle	Lower
North Dakota 2.7%	Idaho 5.1%	West Virginia 6.2%	New Jersey 7.0%
South Dakota 3.6%	Virginia 5.2%	Florida 6.3%	Oregon 7.0%
Nebraska 3.6%	Louisiana 5.3%	Massachusetts 6.3%	Tennessee 7.1%
Utah 3.8%	Texas 5.5%	Missouri 6.4%	Arizona 7.2%
Vermont 3.9%	Colorado 5.7%	Alaska 6.6%	Georgia 7.5%
Wyoming 4.3%	Wisconsin 5.9%	Alabama 6.6%	Kentucky 7.6%
Iowa 4.4%	Maine 5.9%	New Mexico 6.7%	District of Columbia 7.7%
Hawaii 4.5%	Maryland 6.0%	North Carolina 6.7%	Michigan 7.7%
Minnesota 4.6%	Indiana 6.1%	New York 6.7%	Mississippi 7.8%
New Hampshire 4.6%	Pennsylvania 6.1%	Arkansas 6.8%	Illinois 7.8%
Kansas 4.9%	South Carolina 6.1%	Connecticut 6.9%	<b>California 7.8%</b>
Oklahoma 4.9%	Ohio 6.2%		Nevada 8.2%
Montana 5.0%	Delaware 6.2%		Rhode Island 8.5%
	Washington 6.2%		

Source: CA Employment Development Department; U.S. Bureau of Labor Statistics; EPS

# California Economic Snapshot

## 3<sup>rd</sup> Quarter 2014



### Highlights

- The annual average unemployment rate in California fell by 1.5 percentage points in the past 12 months.
- Despite the rapid decline, the state's annual average unemployment rate remained well above the national average, as well as most states it competes with for business investment in the Western United States.
- Structural elements of California's unemployment partly drive the mismatch between job creation and unemployment—for example, about 36 percent of the state's unemployed have been out of work for more than 27 weeks, a notably higher proportion than the national average and other states.

### Metropolitan Area and Non-Metropolitan County Annual Nonfarm Job Growth, Sept-14



### Highlights

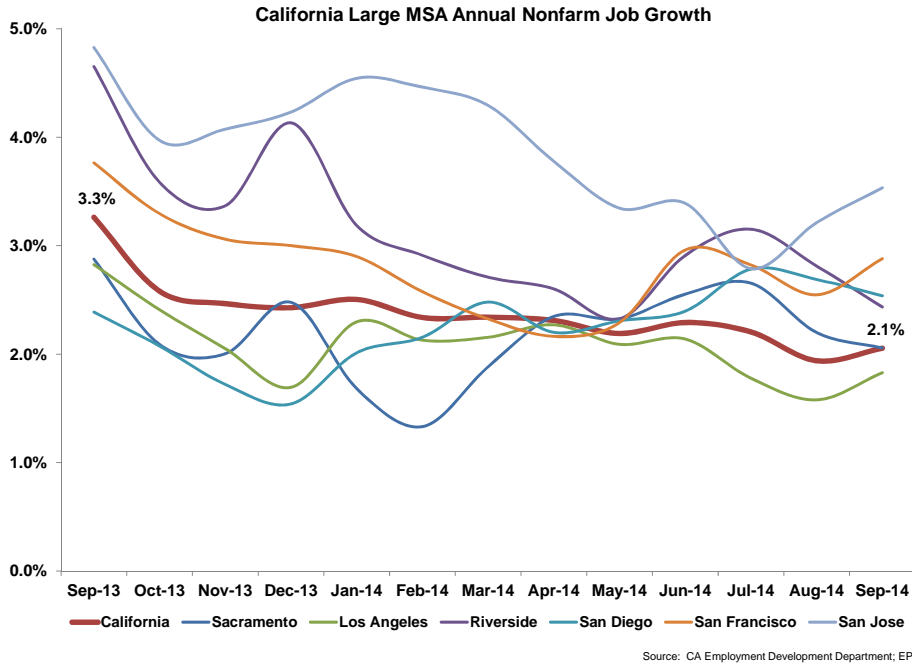
- The strongest annual Nonfarm job growth in California was among a group of nonmetropolitan-area counties in the northern part of the state, with Plumas County topping list at 10 percent.
- The upper tier of annual job growth also includes the major coastal metropolitan areas of San Jose, San Francisco, and San Diego, which saw rates between 2.5 percent and 3.5 percent.
- Only four nonmetropolitan-area counties and one metropolitan area in the state shed jobs in the past 12 months, which reflects a notable improvement over the same point in the previous year.
- Almost 45 percent of the state's absolute annual net job gain was created by the Los Angeles and San Francisco metropolitan areas.

Upper	Upper-Middle	Lower-Middle	Lower
Plumas County 10.0%	Calaveras County 2.2%	Santa Barbara MSA 1.6%	Lake County 1.0%
Alpine County 9.1%	Santa Rosa MSA 2.2%	Napa MSA 1.4%	Hanford MSA 0.8%
Sierra County 7.8%	Vallejo MSA 2.1%	San Luis Obispo MSA 1.4%	Merced MSA 0.7%
Glenn County 7.5%	Sacramento MSA 2.1%	Salinas MSA 1.4%	Amador County 0.6%
Siskiyou County 6.3%	Oxnard MSA 2.0%	Tuolumne County 1.4%	Nevada County 0.3%
Trinity County 5.9%	Los Angeles MSA 1.8%	Santa Cruz MSA 1.3%	Yuba City MSA 0.3%
San Jose MSA 3.5%	Lassen County 1.8%	Stockton MSA 1.3%	Humboldt County 0.0%
San Francisco MSA 2.9%	Del Norte County 1.8%	Mendocino County 1.1%	Inyo County -0.1%
San Diego MSA 2.5%	Bakersfield MSA 1.7%	Modesto MSA 1.1%	Madera MSA -0.3%
Fresno MSA 2.5%	Mariposa County 1.7%	El Centro MSA 1.0%	Mono County -2.1%
Chico MSA 2.4%	Tehama County 1.7%	Redding MSA 1.0%	Colusa County -3.7%
Riverside MSA 2.4%	Visalia MSA 1.6%		Modoc County -3.9%

Source: CA Employment Development Department; EPS

# California Economic Snapshot

## 3<sup>rd</sup> Quarter 2014



### Highlights

- Five of California's six largest metropolitan areas posted slower annual job growth in September 2014 compared to September 2013—only San Diego has seen a general upward pattern.
- Among the group of large metropolitan areas, San Jose posted the strongest annual job growth—nearly every major sector added jobs in the past 12 months in this market.
- Annual job growth in the Los Angeles metropolitan area has been tracking below the statewide average for quite some time as it struggles through its recovery cycle.

### Metropolitan Area and Non-Metropolitan County Annual Average Unemployment Rate, Sept-14



### Highlights

- Annual unemployment rates in 21 of California's markets remained in double-digit territory, with the El Centro metropolitan area at more than 23 percent.
- The Napa metropolitan area posted the lowest annual average unemployment rate in September 2014 at 5.4 percent, followed closely by the San Francisco and Santa Rosa metropolitan areas.
- Only the six markets at the top of the upper tier posted annual average unemployment rates below the national average.
- About 47 percent of the state's unemployed residents were in the Los Angeles, Riverside, and San Diego metropolitan areas, with the Los Angeles metropolitan area containing an annual average count of almost 426,000 unemployed.

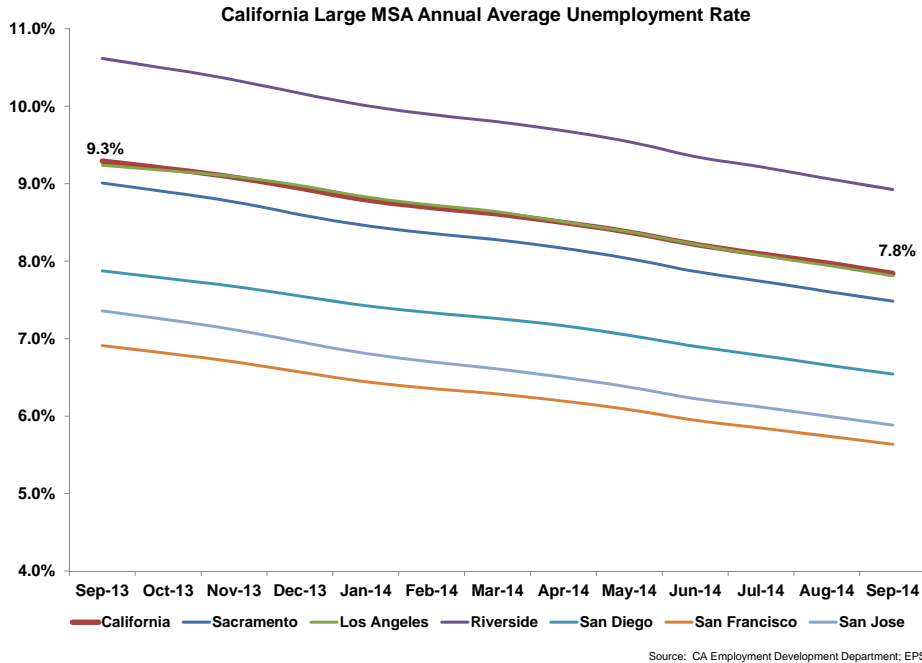
Upper		Upper-Middle		Lower-Middle		Lower	
Napa MSA	5.4%	Sacramento MSA	7.5%	Redding MSA	9.5%	Glenn County	11.0%
San Francisco MSA	5.6%	Humboldt County	7.7%	Lassen County	9.9%	Alpine County	11.2%
Santa Rosa MSA	5.7%	Mono County	7.7%	Tehama County	10.1%	Stockton MSA	11.6%
San Luis Obispo MSA	5.8%	Los Angeles MSA	7.8%	Lake County	10.3%	Siskiyou County	11.7%
San Jose MSA	5.9%	Mariposa County	8.1%	Del Norte County	10.3%	Fresno MSA	11.7%
Santa Barbara MSA	6.1%	Santa Cruz MSA	8.5%	Modoc County	10.4%	Modesto MSA	11.8%
San Diego MSA	6.5%	Tuolumne County	8.5%	Madera MSA	10.5%	Hanford MSA	12.5%
Nevada County	6.7%	Amador County	8.6%	Plumas County	10.7%	Visalia MSA	13.2%
Mendocino County	6.8%	Chico MSA	8.8%	Sierra County	10.7%	Merced MSA	13.4%
Oxnard MSA	6.9%	Riverside MSA	8.9%	Trinity County	10.7%	Yuba City MSA	13.5%
Vallejo-Fairfield MSA	7.3%	Calaveras County	9.0%	Bakersfield MSA	10.8%	Colusa County	17.8%
Inyo County	7.4%	Salinas MSA	9.3%			El Centro MSA	23.4%

Source: CA Employment Development Department; EPS



# California Economic Snapshot

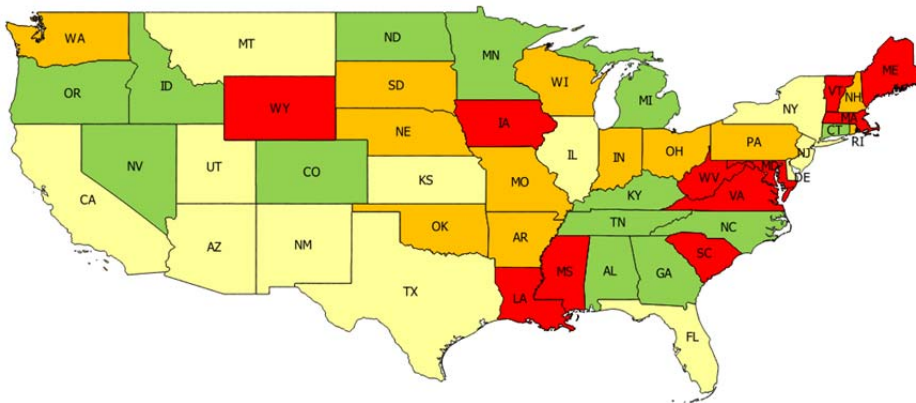
## 3<sup>rd</sup> Quarter 2014



### Highlights

- Five of California's six largest metropolitan areas saw annual average unemployment rates close to or below the statewide average.
- The annual average unemployment rate in the major inland Riverside metropolitan area has been tracking more than 1 percentage point higher than the statewide average, as it has been one of the markets slower to recover from the recession.
- The state's six largest metropolitan areas all experienced declines of more than 1 percentage point in the annual average unemployment rate over the past 12 months.

### State Leading Index, Sept-14



### Highlights

- The State Leading Index indicator predicts the 6-month growth rate of the Coincident Index for each state, which combines several indicators that summarize current economic conditions.
- The State Leading Index for California suggests economic conditions will improve notably over the next 6 months.
- California ranks in the upper-middle tier for the State Leading Index—four states in the Western United States are among the upper tier: Oregon, Idaho, Nevada, and Colorado.
- There are a few broad economic trends to watch moving forward:
  - *The impact of rising productivity on job creation and unemployment.*
  - *The potential for less robust economic performance with movement through the expansion cycle.*
  - *Signs of longer term structural elements to the unemployment problem.*

Upper		Upper-Middle		Lower-Middle		Lower	
Michigan	4.91	Arizona	2.11	New Hampshire	1.39	Mississippi	0.78
Kentucky	4.21	Hawaii	2.09	South Dakota	1.35	Wyoming	0.67
Alabama	3.99	New York	2.05	Wisconsin	1.33	Iowa	0.60
Tennessee	3.38	Utah	2.02	Nebraska	1.27	Virginia	0.53
Georgia	3.27	<b>California</b>	<b>1.93</b>	Rhode Island	1.19	Maine	0.43
North Carolina	2.98	Florida	1.92	Missouri	1.17	Louisiana	0.36
Idaho	2.84	Delaware	1.84	Washington	1.17	South Carolina	0.13
Nevada	2.83	Texas	1.84	Pennsylvania	1.16	Massachusetts	0.10
North Dakota	2.80	Montana	1.61	Ohio	1.11	Wyoming	0.00
Connecticut	2.61	New Mexico	1.58	Arkansas	0.97	West Virginia	-0.01
Oregon	2.56	Illinois	1.49	Oklahoma	0.92	Maryland	-0.08
Colorado	2.51	New Jersey	1.46	Indiana	0.79	Vermont	-0.81
Minnesota	2.32	Kansas	1.43			Alaska	-1.34

Source: Federal Reserve Bank of St. Louis; EPS