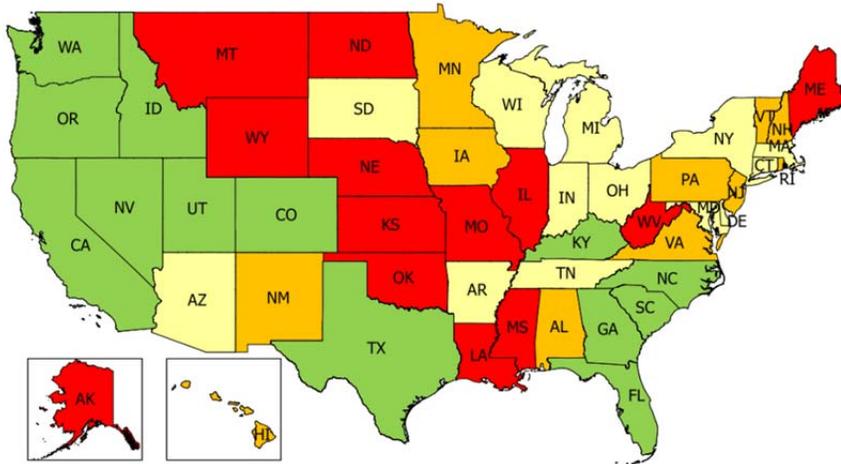




State Annual Nonfarm Job Growth, June-15



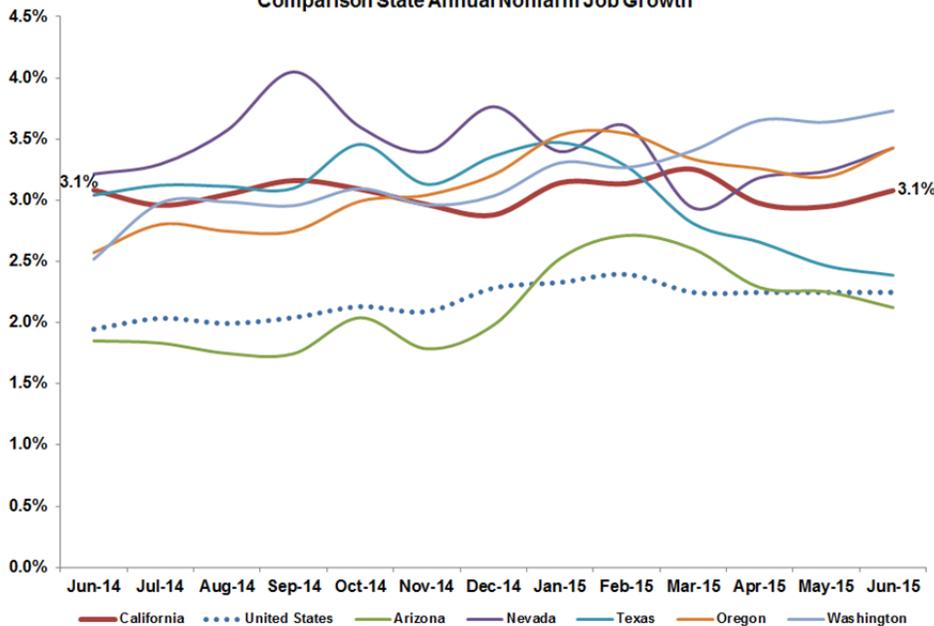
Upper	Upper-Middle	Lower-Middle	Lower
Utah 4.5%	South Dakota 2.3%	New Mexico 1.6%	Mississippi 1.1%
Washington 3.7%	Michigan 2.3%	Iowa 1.5%	Kansas 0.9%
Florida 3.5%	Tennessee 2.3%	Virginia 1.5%	Missouri 0.8%
Oregon 3.4%	Massachusetts 2.2%	New Hampshire 1.5%	Louisiana 0.8%
Nevada 3.4%	Arizona 2.1%	Hawaii 1.5%	Illinois 0.8%
Idaho 3.3%	Indiana 2.0%	Minnesota 1.5%	Montana 0.7%
California 3.1%	Delaware 2.0%	District of Columbia 1.4%	Oklahoma 0.7%
South Carolina 2.8%	Arkansas 2.0%	Vermont 1.4%	Nebraska 0.6%
Colorado 2.7%	New York 1.9%	Rhode Island 1.2%	Alaska 0.4%
Georgia 2.6%	Maryland 1.8%	Alabama 1.2%	North Dakota 0.4%
North Carolina 2.5%	Wisconsin 1.8%	Pennsylvania 1.1%	Maine 0.3%
Texas 2.4%	Ohio 1.7%	New Jersey 1.1%	Wyoming -0.1%
Kentucky 2.4%	Connecticut 1.7%		West Virginia -0.6%

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

Highlights

- California saw the number of Nonfarm payroll jobs increase by 3.1 percent in the 12 months ending June 2015, ranking 7th among all states and in the upper job growth tier.
- Six of the seven leading states for annual job growth are in the West, a trend underlined by declining performance in the neighboring Great Plains—Utah continued to lead the nation at 4.5 percent, followed by Washington, with both states driven by strong performance in Service-Providing sectors.
- California's annual absolute job change was again the largest in the nation at more than 482,000—26 percent of the net new jobs nationwide were added in California and Texas.
- Thirty-three states have surpassed their prerecession employment levels, with California and Texas having expanded the most.

Comparison State Annual Nonfarm Job Growth



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

Highlights

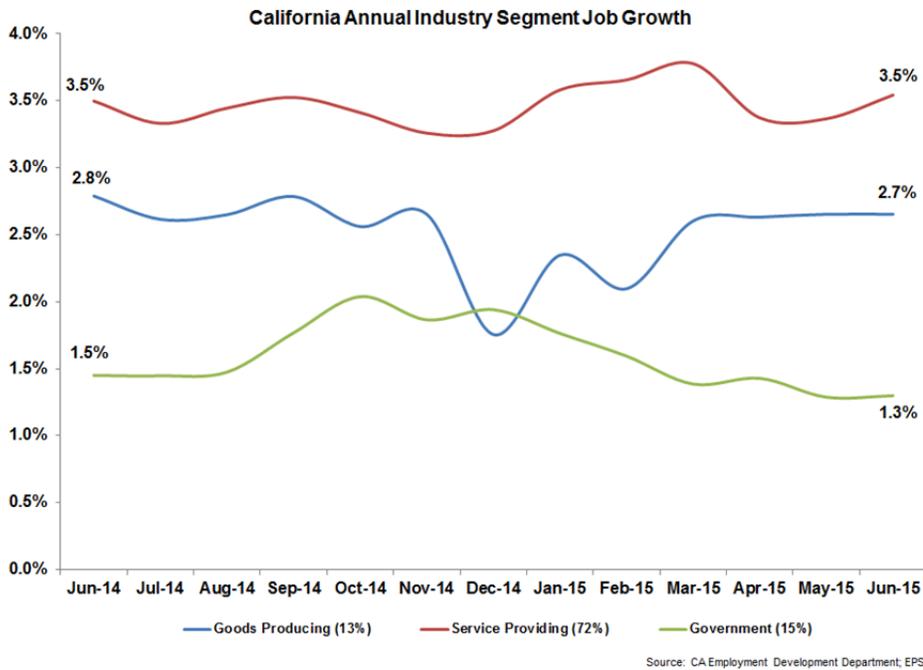
- California's annual job growth rate has recovered, after slowing in the beginning of the quarter, bringing it back to its level from 1 year prior, which is now 0.9 percentage points above the nation.
- Nevada leapfrogged California's annual job growth rate in the past quarter because of stronger growth in Goods-Producing sectors, which also helped Oregon and Washington remain ahead of California.
- Texas fell further behind California as it shed Goods-Producing jobs, while Arizona's loss of Government jobs dipped its annual job growth below the national average.

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 economics consulting firm with expertise in economic development & revitalization, real estate economics, fiscal & economic impact analysis, public finance, land use & transportation, and housing policy. To learn more about EPS, visit www.epsys.com.

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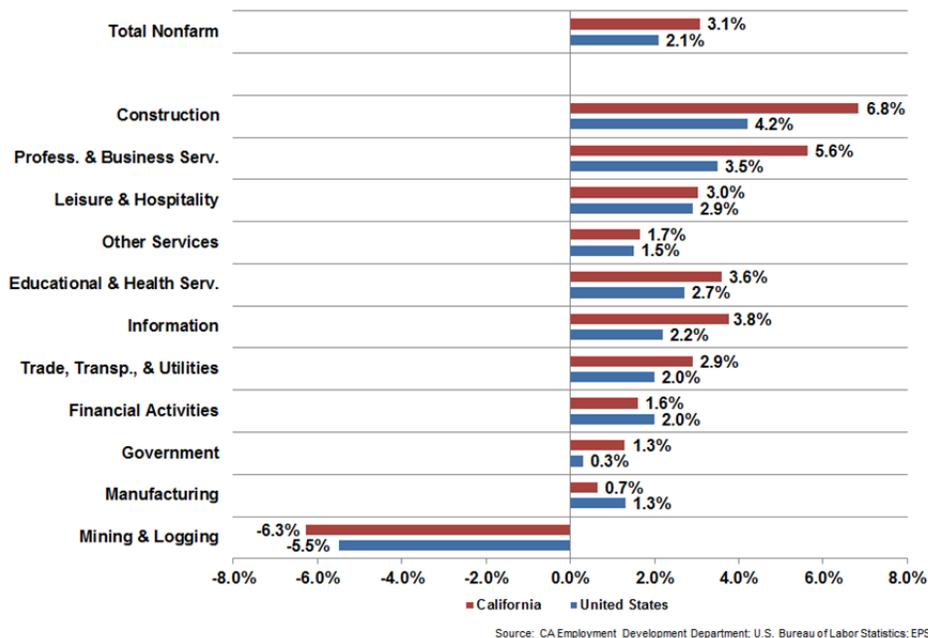
2nd Quarter 2015



Highlights

- California's Service-Providing sectors, comprising 72 percent of Nonfarm jobs, enjoyed the most robust annual job growth, led by Professional & Business Services and Leisure & Hospitality.
- After a volatile first quarter, job growth for Goods-Producing sectors remained steady in the last quarter because of consistent job gains in Construction.
- The growth of Government sectors continued to slow, with local government jobs experiencing the most pronounced slowdown this past quarter.

California and United States Annual Major Sector Job Growth, June-15



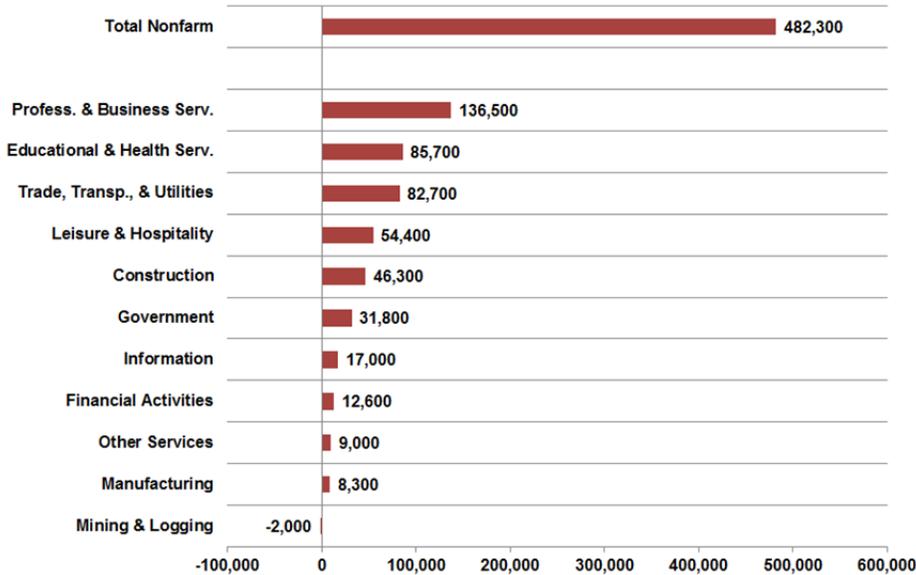
Highlights

- California's annual job growth was positive for every major sector except for Mining & Logging, the one sector that also shed jobs nationally, with a pronounced decline in support activities.
- The state outpaced the national job growth rate in 8 of the 11 major sectors.
- The most robust job growth in both the state and the nation occurred in Construction, Professional & Business Services, and Leisure & Hospitality.
- California trailed the nation's job growth rate in Financial Activities, Manufacturing, and Mining & Logging.

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California Annual Job Gains and Losses, June-15

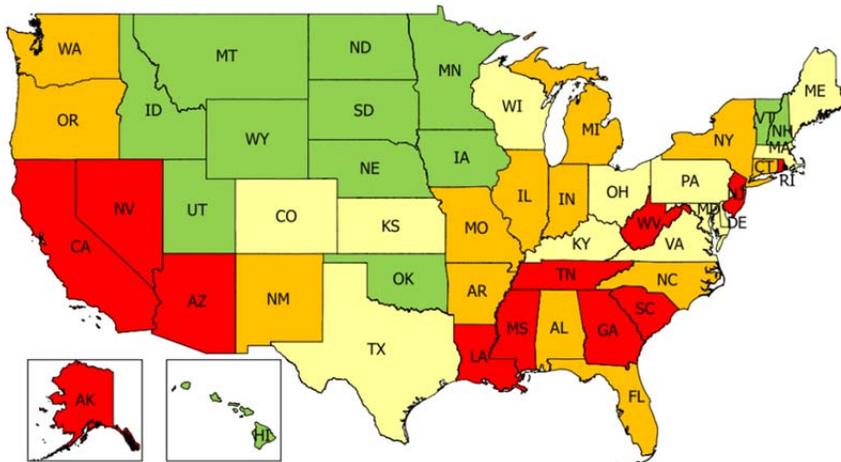


Source: CA Employment Development Department, EPS

Highlights

- More than 482,000 Nonfarm jobs were added in California over the 12 months ending June 2015, totaling more than 16 percent of all job gains in the country.
- California's absolute job gains were strongest in Professional & Business Services, with notable increases in employment services (temporary employment), computer systems services, and consulting services.
- Educational & Health Services experienced the second highest absolute growth, led by ambulatory health care services and nursing & residential care facilities, which combined to account for more than half of the sector's gains.
- The leading job-growth sectors are creating demand for office, medical, and retail space.

State Annual Average Unemployment Rate, June-15



Upper		Upper-Middle		Lower-Middle		Lower	
North Dakota	2.9%	Kansas	4.4%	Indiana	5.6%	Tennessee	6.4%
Nebraska	2.9%	Colorado	4.4%	North Carolina	5.7%	New Jersey	6.4%
South Dakota	3.5%	Texas	4.5%	Missouri	5.8%	Arizona	6.4%
Utah	3.6%	Virginia	4.9%	Arkansas	5.8%	West Virginia	6.6%
Minnesota	3.8%	Wisconsin	5.0%	Florida	5.8%	Georgia	6.6%
Vermont	3.9%	Delaware	5.1%	New York	5.9%	South Carolina	6.6%
New Hampshire	4.0%	Massachusetts	5.1%	Washington	5.9%	Rhode Island	6.7%
Iowa	4.1%	Maine	5.2%	Alabama	6.2%	Alaska	6.7%
Hawaii	4.1%	Ohio	5.3%	Connecticut	6.2%	Louisiana	6.8%
Wyoming	4.2%	Pennsylvania	5.4%	Oregon	6.2%	California	6.9%
Oklahoma	4.2%	Kentucky	5.5%	Illinois	6.2%	Mississippi	7.1%
Idaho	4.3%	Maryland	5.5%	Michigan	6.2%	Nevada	7.2%
Montana	4.3%			New Mexico	6.3%	District of Columbia	7.5%

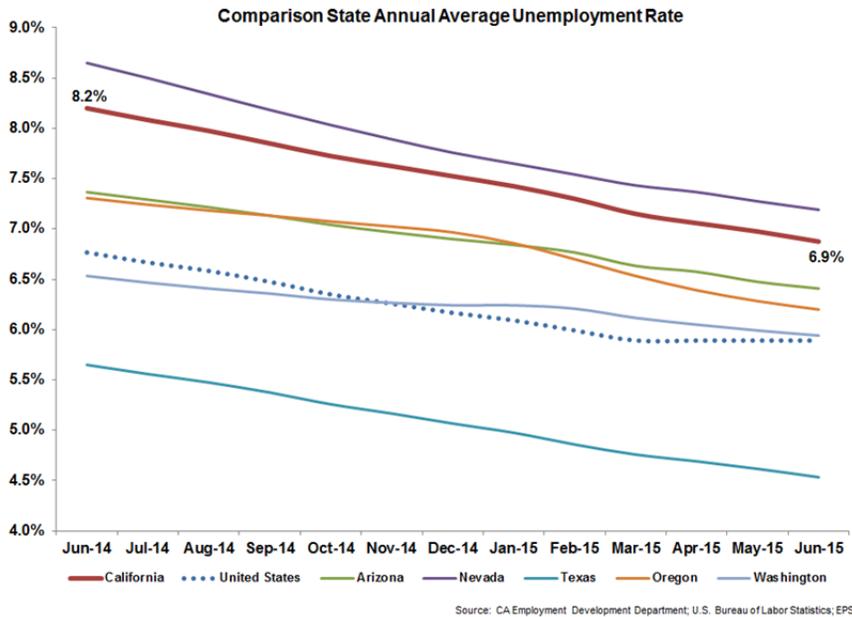
Source: CA Employment Development Department, U.S. Bureau of Labor Statistics, EPS

Highlights

- California's annual average unemployment rate of 6.9 percent, while lower than last quarter, was in the lower tier, lagging all but three states in June 2015.
- North Dakota posted the lowest annual average unemployment rate, despite having one of the lowest job growth rates in the nation, as labor statistics are not fully reflecting the downturn in the mining and energy sectors.
- An annual average of 1.3 million people in California were unemployed in June 2015, accounting for almost 15 percent of all U.S. unemployment.
- Thirty-two percent of California's unemployed have been out of work for more than 27 weeks, a figure that, while on the decline, is still higher than the national average.
- "Real" unemployment in California, which accounts for marginally attached workers and those that are underemployed, was at 14 percent, ahead of the national rate of 11 percent.

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Highlights

- The annual average unemployment rate in California continued to drop in the second quarter, falling 1.3 percentage points in the 12 months ending June 2015.
- While the national annual average unemployment rate stayed flat in the past quarter, California did not gain ground on most of the western states with which California competes for business investment, where unemployment rates also declined steadily.
- The average annual unemployment rate in Texas dropped to 4.5 percent, a rate well below its competitors—a rate this low indicates a tight labor market.

Metropolitan Area and Non-Metropolitan County Annual Nonfarm Job Growth, June-15



Upper		Upper-Middle		Lower-Middle		Lower	
Amador County	5.9%	Glenn County	3.3%	Merced MSA	2.5%	Redding MSA	1.6%
Sierra County	5.6%	Yuba City MSA	3.2%	Mendocino County	2.4%	Oxnard MSA	1.2%
San Jose MSA	5.5%	Fresno MSA	3.2%	Santa Rosa MSA	2.3%	Hanford MSA	1.1%
Lake County	4.9%	San Luis Obispo MSA	3.0%	Sacramento MSA	2.2%	Del Norte County	0.5%
Nevada County	4.7%	Vallejo MSA	3.0%	Tuolumne County	2.2%	Mariposa County	0.5%
Lassen County	4.7%	San Francisco MSA	3.0%	Chico MSA	2.1%	Humboldt County	0.4%
Colusa County	4.1%	San Diego MSA	2.8%	Napa MSA	2.0%	Siskiyou County	0.1%
Riverside MSA	3.7%	Stockton MSA	2.8%	Alpine County	1.8%	Santa Cruz MSA	0.0%
Tehama County	3.7%	Visalia MSA	2.7%	Modoc County	1.7%	Madera MSA	-0.3%
Plumas County	3.6%	Los Angeles MSA	2.7%	Modesto MSA	1.7%	Trinity County	-0.7%
Salinas MSA	3.5%	El Centro MSA	2.6%	Bakersfield MSA	1.6%	Inyo County	-1.3%
Santa Barbara MSA	3.3%	Calaveras County	2.6%			Mono County	-9.0%

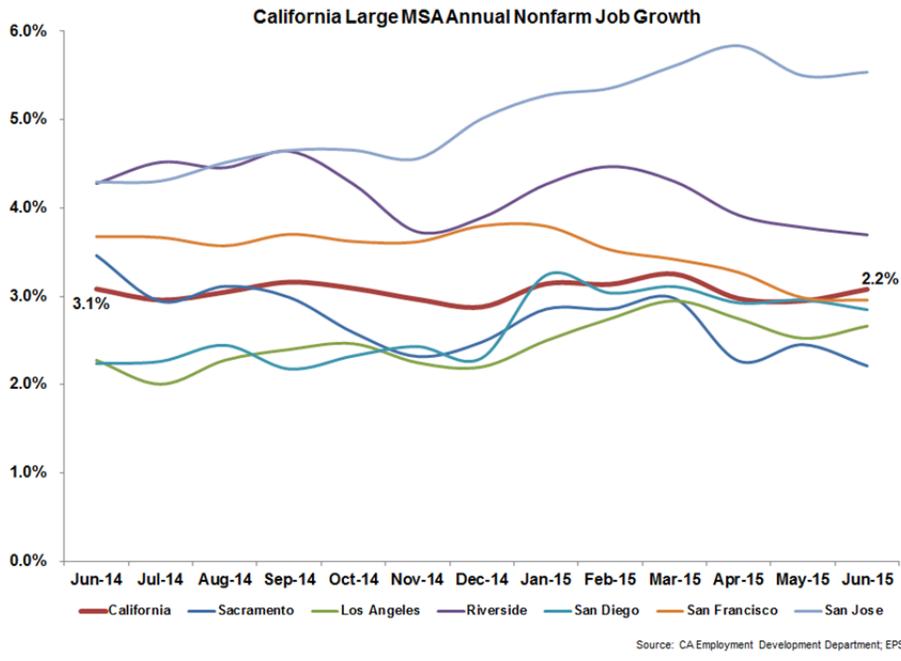
Source: CA Employment Development Department; EPS

Highlights

- The northeastern, non-metropolitan area counties of Amador and Sierra posted the strongest annual job growth (5.9 and 5.6 percent, respectively) in the 12 months ending June 2015, driven by Goods-Producing sectors; combined, these counties added 690 jobs.
- San Jose was the only metropolitan (metro) area posting job growth greater than 5 percent, with notably strong growth in computer systems services; the metro areas of Riverside, Salinas, and Santa Barbara also were in the upper tier for annual job growth.
- The Madera metro area, along with Trinity, Inyo, and Mono Counties, posted negative annual job growth, shedding a combined 810 jobs.
- The San Francisco and Los Angeles metro areas accounted for 45 percent of California's absolute annual job gains, with a combined employment increase of 217,000.

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Highlights

- Annual job growth trended upwards over the past 12 months for half of California's six largest metro areas.
- San Jose eclipsed the other large metro areas, with notably strong tech growth—gains were strong in Information, as well as the computer systems services subsector of Professional & Business Services.
- Sacramento dropped below Los Angeles in the past quarter for last place, where an expanding Retail sector was not enough to offset a steep slowdown in Professional & Business Services.
- San Francisco's job growth rate fell below the state in the last quarter, which largely can be attributed to a slowing Educational & Health Services sector.

Metropolitan Area and Non-Metropolitan County Annual Average Unemployment Rate, June-15



Highlights

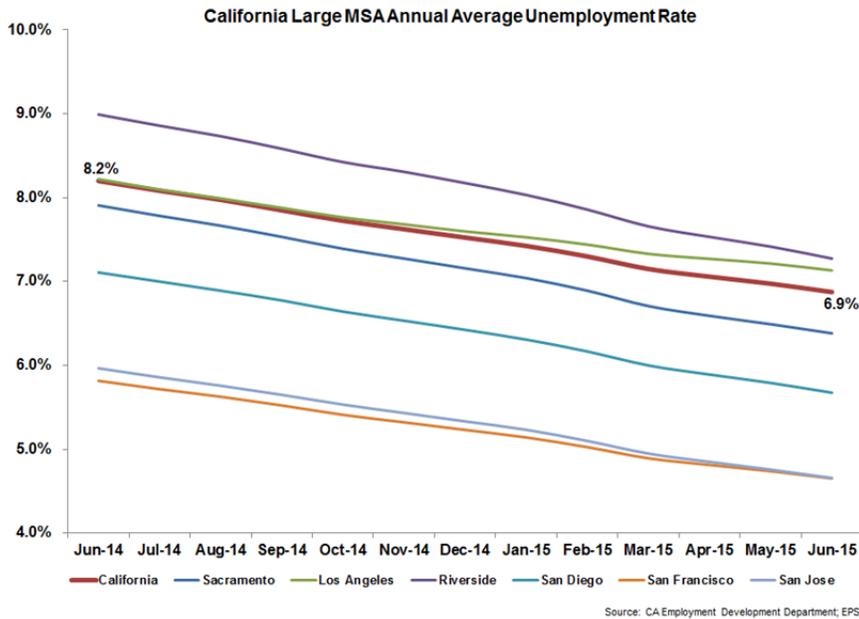
- Twelve markets experienced annual average unemployment rates in excess of 10 percent, a number that continues to fall—the El Centro metro area continued to rank among the highest in the country.
- The San Francisco and San Jose metro areas had the lowest annual average unemployment rates in the state at 4.7 percent, trailed closely by the nearby Bay Area metro areas of Napa and Santa Rosa—these markets are posting rates that are around full employment levels.
- California's annual average unemployment count was 1.3 million in June 2015, 54 percent of whom live in the Los Angeles, Riverside, and San Diego metro areas, with 474,000 in the Los Angeles metro area alone.

Upper	Upper-Middle	Lower-Middle	Lower
San Francisco MSA 4.7%	Sacramento MSA 6.4%	Santa Cruz MSA 8.0%	Bakersfield MSA 10.0%
San Jose MSA 4.7%	Vallejo MSA 6.6%	Alpine County 8.0%	Siskiyou County 10.1%
Napa MSA 5.0%	Mono County 6.7%	Lassen County 8.1%	Modesto MSA 10.2%
Santa Rosa MSA 5.0%	Calaveras County 7.1%	Salinas MSA 8.5%	Madera MSA 10.5%
San Luis Obispo MSA 5.1%	Los Angeles MSA 7.1%	Redding MSA 8.5%	Plumas County 10.7%
Santa Barbara MSA 5.6%	Amador County 7.2%	Tehama County 8.6%	Fresno MSA 10.7%
San Diego MSA 5.7%	Riverside MSA 7.3%	Sierra County 8.8%	Yuba City MSA 10.9%
Nevada County 5.9%	Tuolumne County 7.7%	Trinity County 8.9%	Hanford MSA 11.1%
Oxnard MSA 6.1%	Chico MSA 7.7%	Del Norte County 9.3%	Merced MSA 11.8%
Humboldt County 6.1%	Lake County 8.0%	Modoc County 9.4%	Visalia MSA 12.3%
Mendocino County 6.2%	Mariposa County 8.0%	Glenn County 9.5%	Colusa County 16.1%
Inyo County 6.3%		Stockton MSA 9.6%	El Centro MSA 23.6%

Source: CA Employment Development Department, EPS

California Economic Snapshot

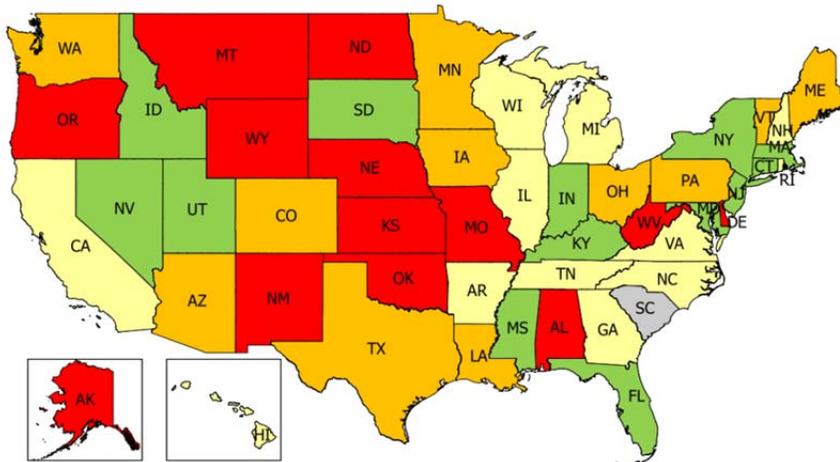
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Highlights

- Annual average unemployment rates for each of California's six largest metro areas declined between 1.1 and 1.7 percentage points over 12 months.
- Riverside posted the strongest annual average unemployment rate decline among the major metro areas, almost catching Los Angeles, where the decline in unemployment has slowed.
- Even the metro areas with the lowest unemployment, San Jose and San Francisco, have seen their rates decline at a pace similar to the other large metro areas.

State Leading Index, June-15



Highlights

- The State Leading Index indicator predicts the 6-month growth rate of the Coincident Index for each state—this index is based on several indicators summarizing current economic conditions.
- California's leading index ranked in the upper-middle tier in June 2015, 15th among all states, a sign of improving economic conditions for the state over the next 6 months.
- While Nevada, Utah, and Idaho fell in the upper tier, other western states fell in the lower two tiers, with Oregon placing among the seven states that are expected to experience worsening economic conditions.
- Some economic trends to follow:

Upper		Upper-Middle		Lower-Middle		Lower	
New Jersey	4.34	Rhode Island	2.19	Washington	1.58	Alabama	0.88
Connecticut	3.67	California	2.18	Louisiana	1.56	Missouri	0.88
South Dakota	3.01	Georgia	2.17	Maine	1.50	Montana	0.87
Florida	2.78	Virginia	2.07	Iowa	1.43	Nebraska	0.51
Nevada	2.77	New Hampshire	1.95	Texas	1.40	Delaware	0.29
New York	2.77	North Carolina	1.95	Pennsylvania	1.31	Kansas	0.12
Maryland	2.70	Tennessee	1.92	Ohio	1.28	Oregon	-0.05
Indiana	2.61	Illinois	1.78	Arizona	1.26	New Mexico	-0.13
Kentucky	2.57	Hawaii	1.77	Vermont	1.22	Wyoming	-0.34
Utah	2.41	Michigan	1.64	Minnesota	1.21	Oklahoma	-0.50
Mississippi	2.38	Arkansas	1.63	Colorado	1.14	West Virginia	-0.85
Massachusetts	2.36	Wisconsin	1.61			North Dakota	-0.99
Idaho	2.24					Alaska	-1.15

Source: Federal Reserve Bank of St. Louis; EPS.
NOTE: Data unavailable for South Carolina.

- *Growth in construction, business investment, and consumer demand has led to strong job recovery.*
- *The housing market is strengthening, though an impending rise in interest rates may temper growth.*
- *Exports, a major contributor to the California economy, have been hurt by a strong dollar, as well as Greek-related euro zone stress and slow growth in China.*