



Unified Strategic Workforce Development Plan

Economic and Workforce Analysis

2020-2023

IN FULFILLMENT OF THE REQUIREMENTS OF THE
WORKFORCE INNOVATION AND OPPORTUNITY ACT
PUBLIC LAW 113-128

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Economic and Workforce Analysis Rubric

Economic Analysis. Include an analysis of the economic conditions and trends in the State, including sub-State regions and any specific economic areas identified by the State. This includes—

- Existing Demand Industry Sectors and Occupations. Provide an analysis of the industries and occupations for which there is existing demand.
- Emerging Demand Industry Sectors and Occupations. Provide an analysis of the industries and occupations for which demand is emerging.
- Employers' Employment Needs. With regard to the industry sectors and occupations identified, provide an assessment of the employment needs of employers, including a description of the knowledge, skills, and abilities required, including credentials and licenses.

Workforce Analysis. Include an analysis of the current workforce, including individuals with barriers to employment. This population must include individuals with disabilities among other groups in the State and across regions identified by the State. This includes—

- Employment and Unemployment. Provide an analysis of current employment and unemployment data, including labor force participation rates, and trends in the State.
- Labor Market Trends. Provide an analysis of key labor market trends, including across existing industries and occupations.
- Education and Skill Levels of the Workforce. Provide an analysis of the educational and skill levels of the workforce.
- Skill Gaps. Describe apparent 'skill gaps'

California's Economy is Big and Growing

- With a real Gross Domestic Product of over \$2.7 trillion in the first quarter of 2019, a labor market with 19.4 million participants, and a nonfarm economy with nearly 17.6 million jobs in October 2019, California has the largest economy of any state in the nation.
- California has experienced nearly a decade of near continuous job growth, which has driven its unemployment rate to a record low level and the number of unemployed Californians to a thirty-year low. However, there is a good possibility California's employment expansion will end sometime during the life of this State Plan.
- California's labor market continues to experience a demographic transformation as the predominantly White and native-born baby boomer generation has aged and begun retiring from the labor force in large numbers, leaving the more racially and ethnically diverse millennial generation to take their place.

California's Employment Expansion

Total Nonfarm Jobs

- California total nonfarm employment finally bottomed out in February 2010, marking the end of the Great Recession and the beginning of the state's current employment expansion.¹ California has experienced nearly continuous job growth since, losing jobs just seven times over the 116-month period from February 2010 through October 2019, and just three times over the 100-month period from June 2011 through October 2019. With a duration of 116 months and counting, California's ongoing employment expansion is the state's longest of the post-World War II era.
- California gained a total of 3,377,900 nonfarm jobs from February 2010 through October 2019, an increase of 23.6 percent. Nonfarm employment grew at an annualized pace of 2.5 percent per year over the entire period.
- In May 2014, California recovered the 1,316,400 nonfarm jobs it lost during the Great Recession from July 2007 through February 2010 and job growth continued thereafter. By October 2019, the state had 2,061,500, or 13.1 percent, more nonfarm jobs than it had at the start of the recession in July 2007.

¹ Whereas U.S. economic business cycles are officially arbitrated and dated by the National Bureau of Economic Research (NBER) based on a basket of economic indicators, no such dating of business cycles occurs at the state level. This document uses peaks and troughs in total nonfarm employment to identify California recessions and employment expansions.

Figure 1



Source: Employment Development Department

Industry Sector Jobs

- California's job gains during the expansion were broad-based across the economy, with 10 of the 11 major industry sectors adding jobs over the February 2010-October 2019 period. The largest job gains were in educational and health services (723,400), followed by professional and business services (698,200). Three additional industry sectors added more than 300,000 jobs over the period: leisure and hospitality (554,400); trade, transportation, and utilities (468,000); and construction (334,500). Two more added more than 100,000 jobs: government (192,200) and information (128,400). Manufacturing (97,300), other services (91,600), and financial activities (90,600) were the remaining industry sectors that added jobs over the course of the expansion. Mining and logging (-700), the state's smallest industry sector with just 22,900 jobs in October 2019, was the only California industry sector that lost jobs over the February 2010-October 2019 period.
- Five California industry sectors grew faster than the overall economy's 23.8 percent pace from February 2010 through October 2019: construction (58.8 percent), leisure and hospitality (37.4 percent), educational and health services (34.2 percent), professional and business services (34.0 percent) and information (30.0 percent). As a group, these five industry sectors encompassed a range of skill and pay levels, with the information and professional and business services sectors having a comparatively large share of high-skill jobs and high pay levels, educational and health services and construction having middle-skill jobs and pay levels, and leisure and hospitality having comparatively low-skill and low pay levels.

- Six of California's 11 major industry sectors added jobs at a slower pace than the overall economy from February 2010 through October 2019. Whereas other services (19.0 percent) and trade, transportation, and utilities (18.0 percent) added jobs at a pace within 6 percentage points of the overall economy's 23.8 percent gain, job growth in financial activities (11.9 percent), government (7.9 percent), manufacturing (7.8 percent), and mining and logging (-3.0 percent) lagged well below that of the overall economy.

Table 1

California Industry Sector Job Changes Over the Course of the Employment Expansion and the Last Year
(October 2019; Seasonally Adjusted Data; Thousands of Jobs)

	February 2010	October 2018	October 2019	Expansion Feb. 2010-Oct. 2019		Year-Over Oct. 2018-Oct. 2019	
				Change in Number	Change in Percent	Change in Number	Change in Percent
Total Nonfarm Jobs	14,189.6	17,259.5	17,567.5	3,377.9	23.8%	308.0	1.8%
Mining and Logging	23.6	22.9	22.9	-0.7	-3.0%	0.0	0.0%
Construction	568.6	868.7	903.1	334.5	58.8%	34.4	4.0%
Manufacturing	1,246.2	1,331.9	1,343.5	97.3	7.8%	11.6	0.9%
Trade, Transportation, and Utilities	2,594.6	3,055.5	3,062.6	468.0	18.0%	7.1	0.2%
Information	427.9	555.1	556.3	128.4	30.0%	1.2	0.2%
Financial Activities	758.7	835.8	849.3	90.6	11.9%	13.5	1.6%
Professional and Business Services	2,054.7	2,690.3	2,752.9	698.2	34.0%	62.6	2.3%
Educational and Health Services	2,112.8	2,745.4	2,836.2	723.4	34.2%	90.8	3.3%
Leisure and Hospitality	1,482.0	1,987.6	2,036.4	554.4	37.4%	48.8	2.5%
Other Services	481.5	571.8	573.1	91.6	19.0%	1.3	0.2%
Government	2,439.0	2,594.5	2,631.2	192.2	7.9%	36.7	1.4%

Source: Employment Development Department, Current Employment Statistics

Regional Job Trends (Regional Planning Units)

- In support of the Workforce Innovation and Opportunity Act (WIOA), California is divided into 14 Regional Planning Units (RPU), or regions, for the purposes of regional economic analysis.²
- California's regions vary greatly in size. The Los Angeles Basin Region, the state's largest, totaled 4.6 million nonfarm jobs in October 2019. Seven additional regions—Bay-Peninsula, Orange, Southern Border, Inland Empire, San Joaquin Valley, East Bay, and Capital—had more than one million jobs. In contrast, Ventura and North State Regions had fewer than 315,000 jobs and Humboldt and Middle Sierra Regions had less than 55,000 nonfarm jobs in October 2019.
- Because regional job totals are not seasonally adjusted, comparing like months of the calendar year is the only way to filter regular and recurring seasonal patterns of employment from the data. Comparing October 2009 job totals to October 2019 totals best captures job gains over the course of the expansion.

² Additional RPU information can be found here: <https://www.labormarketinfo>

- California experienced broad-based regional nonfarm job growth over the course of its employment expansion, with each of the state's 14 regions adding jobs over the October 2009-October 2019 period. Not surprisingly, the largest job gains were in the state's largest regions. Los Angeles Basin Region (665,000) added the most jobs among regions over the 10-year period. Bay-Peninsula region, despite being only about half the size of Los Angeles Basin Region, was a close second, adding 633,000 jobs.
- Bay-Peninsula Region (36.6 percent) had the fastest job growth rate among California regions over the course of the expansion, followed by Inland Empire Region (34.2 percent). These were the only California regions that exceeded the overall economy's not seasonally adjusted 23.0 percent job increase from October 2009 through October 2019. However, seven additional regions, all among the state's largest, had job increases of more than 19 percent: East Bay (22.7 percent), Southern Border (22.6 percent), Orange (22.4 percent), San Joaquin Valley (21.7 percent), Capital (20.9 percent), North Bay (19.8 percent), and Coastal (19.2 percent).

Table 2
Change in Total Nonfarm Jobs in California Regional Planning Units (Regions)
Over the Course of the Expansion and the Last Year
(October 2019; Not Seasonally Adjusted Data; Thousands of Jobs)

	October 2009	October 2018	October 2019	Expansion Oct. 2009-Oct. 2019		Year-Over Oct. 2018-Oct. 2019	
				Change in Number	Change in Percent	Change in Number	Change in Percent
California (Not Seasonally Adjusted)	14,352.3	17,344.3	17,652.6	3,300.3	23.0%	308.3	1.8%
LARGEST REGIONS							
Los Angeles Basin	3,950.3	4,553.6	4,615.3	665.0	16.8%	61.7	1.4%
Bay-Peninsula	1,729.3	2,290.8	2,362.3	633.0	36.6%	71.5	3.1%
Orange	1,375.1	1,663.8	1,682.8	307.7	22.4%	19.0	1.1%
Southern Border	1,287.1	1,547.5	1,578.2	291.1	22.6%	30.7	2.0%
Inland Empire	1,155.3	1,518.8	1,550.7	395.4	34.2%	31.9	2.1%
San Joaquin Valley	1,128.5	1,345.2	1,373.7	245.2	21.7%	28.4	2.1%
East Bay	987.3	1,186.1	1,211.5	224.2	22.7%	25.4	2.1%
Capital	897.5	1,069.1	1,085.3	187.8	20.9%	16.2	1.5%
North Bay	502.3	594.4	601.8	99.6	19.8%	7.5	1.3%
Coastal	475.6	555.6	566.9	91.3	19.2%	11.3	2.0%
SMALLEST REGIONS							
Ventura	275.4	310.3	313.3	37.9	13.8%	3.0	1.0%
North State	219.0	246.5	249.4	30.4	13.9%	2.9	1.2%
Humboldt	47.5	51.8	52.7	5.2	10.9%	0.9	1.7%
Middle Sierra	41.0	45.5	46.8	5.8	14.1%	1.3	2.9%

Source: Employment Development Department, Current Employment Statistics

- Nonfarm job growth over the October 2009-October 2019 period was slower than the overall economy's not seasonally adjusted 23.0 percent increase in five California regions—the state's largest and its four smallest: Los Angeles Basin (16.8 percent), Middle Sierra (14.1 percent), North State (13.9 percent), Ventura (13.8 percent), and Humboldt (10.9 percent).
- A synopsis of the industries sectors that added the most jobs and grew at the fastest pace over the course of the October 2009-October 2019 expansion follows for each region.
 - In Bay-Peninsula Region, professional and business services (204,700) added more jobs than any other sector, with over three-quarters (76.8 percent) of this gain coming from the high-skill and high-paying professional, scientific, and technical services subsector. The next largest job gains were in information (113,200), educational and health services (85,100), and leisure and hospitality (67,800). Information (140.6 percent) was the fastest growing sector, more than doubling in size, followed by professional and business services (59.4 percent), and construction (53.5 percent). These were the only industry sectors that grew at a faster pace than the overall regional economy's 36.6 percent increase, but leisure and hospitality (36.4 percent) and educational and health services (35.3 percent) came close. Both the information and professional and business services have a large high-technology orientation, underscoring the key role that the high technology sector played in driving the regional and California employment expansion.

- In Inland Empire Region, trade, transportation, and utilities (119,900) added the most jobs of any industry sector over the course of the expansion, followed by educational and health services (93,800), leisure and hospitality (52,900), construction (39,000), professional and business services (35,400), and government (30,900). The transportation, warehousing, and utilities subsector accounted for over three-fifths (63.0 percent) of the 10-year job gain in trade, transportation, and utilities. The industry sectors that grew at a faster pace than the overall regional economy's 34.2 percent increase over 10 years were: construction (60.4 percent); educational and health services (57.1 percent); trade, transportation, and utilities (44.7 percent); and leisure and hospitality (44.5 percent). The region's strong job growth in trade, transportation, and utilities underscores the important role it plays in southern California's international trade logistics industry.
- In East Bay Region, five industry sectors added more than 25,000 jobs from October 2009 through October 2019: professional and business services (44,700); educational and health services (43,400); leisure and hospitality (34,700); trade, transportation, and utilities (32,300); and construction (28,700). Construction (54.7 percent), leisure and hospitality (40.8 percent), professional and business services (28.5 percent), educational and health services (27.2 percent), and manufacturing (23.7 percent) grew at a faster pace than the overall regional economy's 22.7 percent increase over the 10-year period.
- Southern Border Region's job gains over the course of the expansion were well-distributed across several industry sectors. Seven industry sectors gained more than 20,000 jobs over the 10 years, including: professional and business services (57,600); educational and health services (55,300); leisure and hospitality (51,600); government (32,400); construction (31,500); trade, transportation, and utilities (25,300); and manufacturing (22,100). Seven industry sectors grew at a faster pace than the overall regional economy's 22.6 percent increase. They were: construction (52.9 percent), leisure and hospitality (33.4 percent), mining and logging (33.3 percent), educational and health services (32.1 percent), professional and business services (28.3 percent), other services (23.6 percent), and manufacturing (22.8 percent).
- In Orange Region, the same four industry sectors that gained the most jobs over the course of the expansion were the same sectors that grew at a faster rate than the overall regional economy's 22.4 percent increase: professional and business services (80,200 jobs; 32.8 percent), educational and health services (62,600 jobs; 37.6 percent), leisure and hospitality (61,700 jobs; 36.4 percent), and construction (40,400 jobs; 56.1 percent).
- In San Joaquin Valley Region, five industry sectors added more than 20,000 jobs from October 2009 through October 2019 period, including: trade, transportation, and utilities (60,300); educational and health services (58,100); government (37,700); leisure and hospitality (33,200); and construction (26,400). Four industry sectors exceeded the overall regional nonfarm economy's 21.7 percent job gain: construction (54.5 percent); leisure and hospitality (33.1 percent); educational and health services (32.9 percent); and trade, transportation, and utilities (26.8 percent).

- In Capital Region, five industry sectors added over 25,000 jobs over the 10-year period ending in October 2019. The largest gain was in educational and health services (47,900), followed by professional and business services (39,000); trade, transportation, and utilities (31,100); construction (28,800); and leisure and hospitality (28,800). Five industry sectors grew at a faster pace than the overall regional economy's 20.9 percent increase: construction (63.6 percent); professional and business services (37.6 percent); educational and health services (36.5 percent); leisure and hospitality (34.5 percent); and trade, transportation, and utilities (21.6 percent).
- In North Bay Region, five industry sectors added more than 13,000 jobs over the course of the expansion. The largest increase was in educational and health services (26,500), followed by construction (17,500); leisure and hospitality (17,500); manufacturing (13,800); and trade, transportation, and utilities (13,100). Five industry sectors added jobs at a faster rate than the overall regional economy's 19.8 percent increase: construction (65.8 percent), mining and logging (38.3 percent), educational and health services (32.7 percent), manufacturing (29.3 percent), and leisure and hospitality (29.2 percent).
- In Coastal Region, four industry sectors added more than 10,000 jobs from October 2009 through October 2019. The largest gain was in leisure and hospitality (21,600), followed by educational and health services (18,200), professional and business services (13,200), and government (11,200). Six industry sectors exceeded the overall regional nonfarm economy's 19.2 percent job increase over 10 years: construction (47.0 percent), leisure and hospitality (31.7 percent), professional and business services (27.1 percent), educational and health services (26.5 percent), manufacturing (23.2 percent), and other services (21.6 percent).
- In Los Angeles Basin Region, four industry sectors added more than 100,000 jobs over the course of the expansion. Educational and health services (182,100) added the most jobs of any sector, followed by leisure and hospitality (165,100); professional and business services (125,100); and trade, transportation, and utilities (116,000). Five industry sectors added jobs at a faster rate than the overall regional nonfarm economy's 16.8 percent increase: construction (44.7 percent), leisure and hospitality (42.9 percent), educational and health services (26.6 percent), professional and business services (24.3 percent), and other services (18.3 percent). Los Angeles Basin's overall job growth during the expansion was dampened by a 39,600-job, or 10.3 percent, loss of manufacturing jobs.
- In Middle Sierra Region, five industry sectors added over 600 jobs from October 2009 to October 2019. Educational and health services (1,050) and trade, transportation, and utilities (1,050) added the most jobs of any sector, followed by construction (960), leisure and hospitality (880), other services (730), and government (620). Seven industry sectors added jobs at a faster rate than the overall regional nonfarm economy's 14.1 percent increase over 10 years: other services (75.3 percent); construction (57.1 percent); professional and business services (25.9 percent); educational and health services (19.5

percent); trade, transportation, and utilities (18.3 percent); manufacturing (15.8 percent); and leisure and hospitality (14.2 percent).

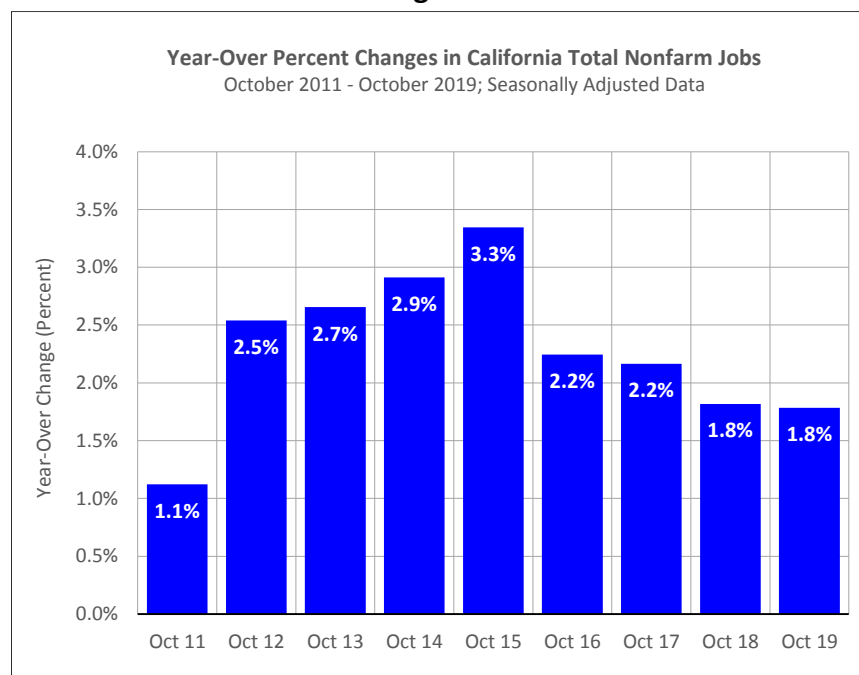
- In North State Region, five industry sectors added 3,500 jobs over the course of the expansion, including: educational and health services (10,230); construction (5,050); professional and business services (4,230); leisure and hospitality (4,120); and trade, transportation, and utilities (3,570). The five industry sectors that added jobs at a faster rate than the overall regional economy's 13.9 percent rate over 10 years were: construction (53.7 percent), professional and business services (28.9 percent), other services (28.6 percent), educational and health services (24.9 percent), and leisure and hospitality (18.2 percent).
- In Ventura Region, five industry sectors added more than 4,000 jobs over the October 2009-October 2019 period. The largest gain by far was in educational and health services (13,500), followed by leisure and hospitality (8,500); trade, transportation, and utilities (6,500); construction (5,400); and government (5,000). Three industry sectors added jobs at a faster pace than the overall regional economy's 13.8 percent increase: construction (43.5 percent), educational and health services (37.9 percent), and leisure and hospitality (28.4 percent). In contrast, financial activities lost 3,300 jobs, which was a 16.3 percent decrease.
- In Humboldt region, five industry sectors added 500 jobs or more from October 2009 through October 2019. The largest job gain was in educational and health services (1,700), followed by government (1,200), leisure and hospitality (800), professional and business services (700), and construction (500). Five industry sectors added jobs at a faster rate than the overall regional economy's 10.9 percent rate over 10 years: construction (26.3 percent), mining and logging (25.0 percent), professional and business services (24.1 percent), educational and health services (22.1 percent), and leisure and hospitality (15.7 percent).

Year-Over Nonfarm Job Growth in California Industry Sectors and Regions

Industry Jobs in California

- California's employment expansion showed few, if any, signs of ending as of October 2019. The state added 308,000 nonfarm jobs over the year ending in October 2019, which was an increase of 1.8 percent. This pace of job growth was below the 2.5 percent per year average for the entire 116-month (February 2010-October 2019) employment expansion. However, it was virtually identical to October 2018's 308,200-job gain, or 1.8 percent, year-over job gain.

Figure 2



Source: Employment Development Department

- California's job growth over the year ending in October 2019 continued to be broad-based across industry sectors, with 10 of the 11 major industry sectors adding jobs and one (mining and logging) showing no change in employment.
- Educational and health services (90,800) had the largest year-over job gain of any sector, followed by professional and business services (62,600), and leisure and hospitality (48,800). Government (36,700) and construction (34,400) added more than 30,000 jobs over the year in October 2019, and financial activities (13,500) and manufacturing added more than 10,000 jobs. Trade, transportation, and utilities (7,100); other services (1,300); and information (1,200) were the remaining California industry sectors that had small year-over gains in October 2019. In contrast, other services (600) had a small year-over job loss.
- Year-over job gains in trade, transportation, and utilities, the state's largest industry sector, slowed from 49,000 jobs in October 2016 to 42,900 in October 2017, to 26,100 jobs in October

2018, to just 7,100 jobs in October 2019. This was largely attributable to weakness in retail trade, which had a year-over job gain of 12,200 jobs in October 2016, a year-over gain of just 1,800 jobs in October 2017, and year-over job losses of 4,100 and 5,500 jobs in October 2018 and October 2019, respectively. Rather than signaling a slowdown in consumer spending, the year-over job losses in retail over the last two years appear to be the result of structural change within industry--namely the expansion of e-commerce and online shopping to the detriment of traditional brick and mortar stores.

Year-Over Nonfarm Job Growth in California Regions

- California's year-over nonfarm job growth over the year ending in October 2019 continued to be broad-based across regions of the state, with every one of California's 14 regions gaining jobs over the period (See Table 2). The largest year-over nonfarm job gain was in Bay-Peninsula Region (71,500), followed by Los Angeles Basin (61,700). Four additional regions had year-over gains of more than 25,000 jobs: Inland Empire (31,900), Southern Border (30,700), San Joaquin Valley (28,400), and East Bay (25,400). Orange (19,000), Capital (16,200), Coastal (11,300), North Bay (7,500), Ventura (3,000), North State (2,900), Middle Sierra (1,300), and Humboldt (900) also had year-over job gains.
- Bay-Peninsula Region's (3.1 percent) had the fastest year-over nonfarm job growth rate among California regions, followed by Middle Sierra (2.9 percent). Five additional regions had year-over gains of 2.0 percent or more: Inland Empire (2.1 percent), East Bay (2.1 percent), San Joaquin Valley (2.1 percent), Coastal (2.0 percent), and Southern Border (2.0 percent). Year-over gains in California's remaining seven regions ranged from a high of 1.7 percent in Humboldt to a low of 1.0 percent in Ventura.
- A synopsis of year-over regional industry nonfarm job growth patterns from October 2018 to October 2019 follows.
 - Eight of Bay-Peninsula Region's 11 major industry sectors added jobs over the year in October 2019, two had small year-over job losses, and one (mining and logging) had no year-over change in employment. The largest year-over job gains were in professional and business services (18,100). Information, educational and health services, government, and leisure and hospitality each had year-over gains of over 8,000 jobs. Information, financial activities, government, professional and business services, leisure and hospitality, and educational and health services grew at a faster rate than the overall regional economy's 3.1 percent pace of year-over job growth. Other services and trade, transportation, and utilities had small year-over job losses.
 - Six of Middle Sierra Region's 11 major industry sectors added jobs over the year in October 2019, two had no change in employment, and three had small job losses. The largest year-over job gain was in government (530). Leisure and hospitality; construction; trade, transportation, and utilities; and other services each added over 100 jobs. Other services, construction, government, and leisure and hospitality added jobs at a faster pace than the 2.9 percent rate of the overall regional economy.

Manufacturing, financial activities, and educational and health services had very small year-over job losses.

- Seven of Inland Empire Region's 11 major industry sectors had year-over job gains in October 2019, three lost jobs, and one (mining and logging) had no change in employment. The largest year-over job gain was in educational and health services (14,200). Government; trade, transportation, and utilities; leisure and hospitality; and professional and business services each gained 3,800 jobs or more. Educational and health services, financial activities, government, professional and business services, and leisure and hospitality added jobs at a faster pace than the 2.1 year-over pace of the overall regional economy. The largest year-over job loss was in construction, followed by other services and manufacturing.
- Seven of East Bay Region's 11 major industry sectors had year-over gains in October 2019, three had year-over job losses, and one (mining and logging) had no change in employment. The largest year-over job gain was in professional and business services (7,900), followed by educational and health services (6,700). Construction; leisure and hospitality; and trade, transportation, and utilities each gained more than 4,000 jobs over the year. Construction, professional and business services, leisure and hospitality, and educational and health services grew at a faster rate than the overall regional economy's 2.1 percent year-over pace. Other services, manufacturing, and information were the industry sectors that had small year-over job losses of 2,200 jobs or less.
- Nine of San Joaquin Valley Region's 11 major nonfarm industry sectors had year-over job gains in October 2019, one (trade, transportation, and utilities) had no change in employment, and one (information) had a small year-over job loss. Government (11,500) had the largest year-over job gain of any sector, followed by educational and health services (9,600). Construction and leisure and hospitality were the only other industry sectors that added more than 2,400 jobs over the year. Educational and health services, construction, and government had a faster pace of year-over job growth than the overall regional economy's 2.1 percent pace.
- Eight of Southern Border Region's 11 major industry sectors had year-over job gains in October 2019 and three had small year-over job losses. Government (8,400) had the largest year-over job gain, followed by professional and business services (7,000), educational and health services (6,000), construction (5,400), and manufacturing (4,200). These same five industry sectors, mining and logging, and other services grew at a stronger year-over pace than the overall regional economy's 2.0 percent pace. However, trade, transportation, and utilities lost 1,900 jobs over the year and financial activities and information had small year-over job losses.
- Eight of Coastal Region's 11 major industry sectors had year-over job gains in October 2019, two had small job losses, and one (mining and logging) had no change in employment. Professional and business services (2,700) and educational and health

services (2,700) had the largest year-over job gains among sectors, followed by government (2,500), leisure and hospitality (1,400), and manufacturing (1,000). These same five industries and financial activities added jobs at a faster year-over pace than the overall regional economy's 2.0 percent pace. Trade, transportation, and utilities; and information each had year-over job losses of 500 jobs or less.

- Six of Humboldt Region's 11 major industry sectors gained jobs over the year in October 2019 and five had no change in employment. Government (500) had the largest year-over job gain of any sector, followed professional and business services (200) and construction (200). These three industry sectors and manufacturing had a faster pace of year-over job growth than the overall regional economy's 1.7 percent pace of job growth.
- Seven of Capital Region's 11 major industry sectors added jobs over the year ending in October 2019, three lost jobs, and one (mining and logging) had no change in employment. The largest job gain was in educational and health services (7,300), followed by construction (4,800), and trade, transportation, and utilities (2,100). These were the only sectors that gained more than 2,000 jobs over the year. Four industry sectors—construction, manufacturing, educational and health services, and financial activities—added jobs at a faster year-over pace than the 1.8 percent rate of the overall regional economy. However, government lost 2,500 jobs over the year, and information and other services had small year-over losses of 600 jobs or less.
- Nine of Los Angeles Basin Region's 11 major industry sectors gained jobs over the year ending in October 2019, one lost jobs, and one (mining and logging) had no change in employment. Educational and health services (34,600) had the largest year-over job gain of any sector, followed by leisure and hospitality (12,100), construction (9,700), professional and business services (7,900), and manufacturing (4,200). Construction, educational and health services, and leisure and hospitality grew at a faster year-over pace than the 1.4 percent rate of the overall regional economy. However, information had a year-over loss of 11,500 jobs, which dampened the region's overall job growth.
- Six of North Bay Region's 11 major industry sectors had year-over job gains in October 2019, four had year-over losses, and one (information) had no change in employment. The largest year-over job gain was in educational and health services (3,100), followed by manufacturing (2,000), construction (1,800), and leisure and hospitality (1,200). These same industries added jobs at a faster year-over rate than the 1.3 percent pace of the overall regional economy. Government; professional and business services; trade, transportation, and utilities; and other services had year-over job losses, none of which exceeded 300 jobs.
- Seven of North State Region's 11 major industry sectors had year-over job gains in October 2019, two lost jobs, and one (trade, transportation, and utilities) had no change in employment. Educational and health services (1,190) had the largest year-over job

gain, followed by construction (640), professional and business services (580), and leisure and hospitality (250). These were the only sectors that had year-over gains of more than 180 jobs. Mining and logging, construction, professional and business services, educational and health services, other services, and financial activities were the industry sectors that grew at a faster year-over pace than the 1.2 percent rate of the overall regional economy. In contrast, manufacturing (120) and information (20) had small year-over job losses.

- Seven of Orange Region's 11 major industry sectors had year-over job gains in October 2019, three had small job losses, and one (mining and logging) had no change in employment. Leisure and hospitality (7,700) had the largest year-over job gain among sectors, followed by construction (4,100), professional and business services (3,700), and financial activities (3,100). No other major industry sector gained more than 900 jobs. Construction, leisure and hospitality, financial activities, and professional and business services grew at a faster pace than the overall regional economy's 1.1 percent rate of year-over growth.
- Six of Ventura Region's 11 major industry sectors gained jobs over the year in October 2019, four had small year-over losses, and one (mining and logging) had no change in employment. The largest job gain was in educational and health services (1,400), followed by leisure and hospitality (900), manufacturing (600), construction (600), and financial activities (400). These same industry sectors grew at a faster year-over pace than the 1.0 percent rate of the overall regional economy. Other services and trade, transportation, and utilities had no change in employment. Professional and business services; information; trade, transportation, and utilities; and other services each had year-over job losses, none of which exceeded 600 jobs.

California Gross Domestic Product

- According to the U.S. Bureau of Economic Analysis, California's real Gross Domestic Product (GDP), as measured in chained 2012 dollars, totaled nearly \$2.8 trillion dollars in the second quarter of 2019. California had by far the largest economy of any state in the country. Texas's nearly \$1.8 trillion GDP ranked a distant second among states. California alone accounted for nearly one-seventh (14.6 percent) of the U.S. GDP, which totaled \$19 trillion in the second quarter of 2019.
- Financial activities contributed the most to California's GDP in the second quarter of 2019, with a 20.1 percent share of total GDP. The real estate and rental and leasing subsector alone accounted for 16.0 percent of total GDP. The professional and business services share of total GDP was 14.2 percent, with the professional, scientific, and technical services subsector on its own contributing a 9.6 percent share to total GDP. Trade, transportation, and utilities; information; manufacturing; and government were the remaining major industry sectors that accounted for more than 10 percent of California's total GDP in the second quarter of 2019.
- From an annual perspective, California's real GDP grew by \$620 billion, or 30.1 percent, from

2010 through 2018. This translates to an increase of \$77 billion, or 3.8 percent, per year. California's economy pretty much sustained this rate of growth in 2017 and 2018, growing by 3.6 and 3.5 percent, respectively. California's real GDP grew by an additional \$81 billion in the first half of 2019, which translates to an annualized pace of growth of 6.0 percent.

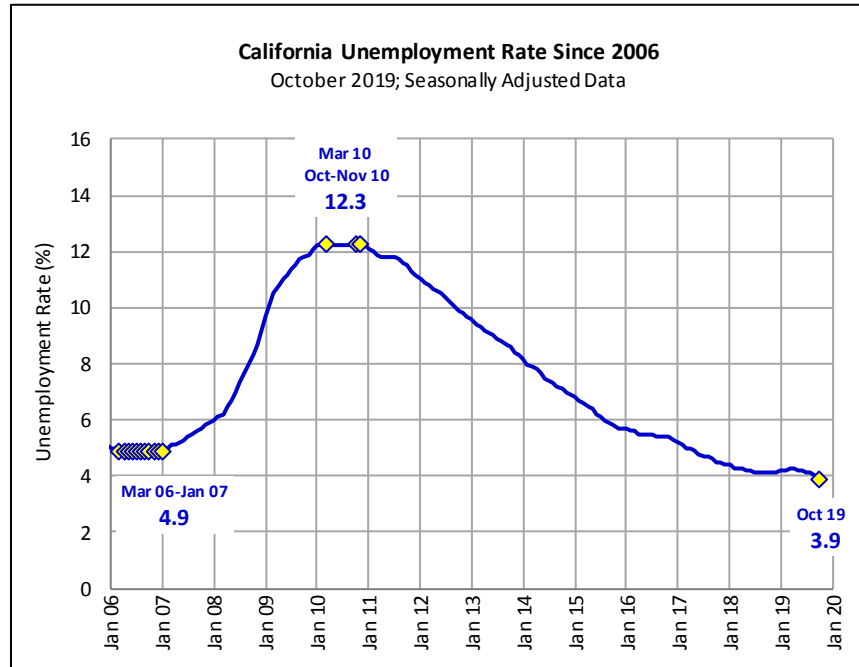
- Information was the leading contributor to the state's overall GDP increase from 2010 through 2018, growing by \$177.6 billion over the period. Professional and business services increased by \$107.8 billion, with two-thirds of this increase coming from the professional, scientific, and technical services subsector. Financial activities increased by \$96.5 billion, with virtually all of the increase coming from the real estate and rental and leasing subsector. Durable goods manufacturing (\$64.9 billion) and health care and social assistance (\$42.0 billion) were the next largest contributors to the eight-year growth in California's total GDP.
- In percentage terms, information (120.9 percent) had the largest increase over the 2010 through 2018 period, followed by management of companies and enterprises (70.8 percent); durable goods manufacturing (50.2 percent); and professional, scientific, and technical services (41.2 percent). Transportation and warehousing (34.9 percent), health care and social assistance (32.7 percent), and construction (32.7 percent) were the other industry sectors or subsectors that grew at a faster pace than overall GDP's 30.1 percent increase from 2010 through 2018.

Unemployment in California

Statewide

- California's unemployment rate rose from a low of 4.9 percent in March 2006 through January 2007 to a peak of 12.3 percent in March 2010 and again in October and November 2010 during the Great Recession. This was a record high unemployment rate for the state in a data series extending back to the beginning of 1976. However, the unemployment rate improved steadily over the course of the employment expansion to a record low of 3.9 percent in October 2019.

Figure 3



Source: Employment Development Department

- California's unemployment rate equaled its pre-recession low of 4.9 percent in May 2017, and two months later in July 2017, tied what had been the record low unemployment rate of 4.7 percent that was established in December 2000. California's unemployment rate fell ever deeper into record low territory thereafter.
- The number of unemployed Californians shot up from a low of 860,000 persons in September and October 2006 to 2,254,000 in October 2010 during the Great Recession. This was an increase of nearly 1.4 million persons. However, civilian unemployment fell steadily over the nine years from October 2010 through October 2019. California civilian unemployment equaled its pre-recession low of 860,000 persons in November 2017 and fell by an additional 95,000 persons to 765,000 persons through October 2019. Fewer Californians were unemployed in October 2019 than in any month since November 1989, a period that was just one month shy of 30 years.

Regional Unemployment Rates

- All regions of the state experienced substantial decreases in their not seasonally adjusted unemployment rates over the course of California's long employment expansion. The unemployment rate fell by 10.0 percentage points or more in the Middle Sierra and Inland Empire Regions from October 2010 through October 2019. The unemployment rate fell by 6.9 percentage points in both the Coastal and Humboldt Regions, which had the smallest nine-year unemployment rate decreases among regions.

Table 3
Unemployment Rates in California Regional Planning Units (Regions)
Over the Course of the Expansion and the Last Year
(October 2019; Not Seasonally Adjusted Data)

	October 2010	October 2018	October 2019	Change During the Expansion: Oct. 2010-Oct. 2019	Year-Over Change: Oct. 2018-Oct. 2019
California (Not Seasonally Adjusted)	11.9%	4.0%	3.7%	-8.2%	-0.3%
LARGEST REGIONS					
Los Angeles Basin	12.4%	4.6%	4.5%	-7.9%	-0.1%
Bay-Peninsula	9.3%	2.4%	2.1%	-7.2%	-0.3%
Orange	9.6%	2.8%	2.5%	-7.1%	-0.3%
Southern Border	11.7%	3.9%	3.7%	-8.0%	-0.2%
Inland Empire	13.7%	4.1%	3.7%	-10.0%	-0.4%
San Joaquin Valley	15.5%	6.2%	5.8%	-9.7%	-0.4%
East Bay	10.7%	3.0%	2.6%	-8.1%	-0.4%
Capital	12.4%	3.7%	3.3%	-9.1%	-0.4%
North Bay	10.4%	2.9%	2.6%	-7.8%	-0.3%
Coastal	10.1%	3.5%	3.2%	-6.9%	-0.3%
SMALLEST REGIONS					
Ventura	10.7%	3.7%	3.3%	-7.4%	-0.4%
North State	13.6%	4.2%	3.8%	-9.8%	-0.4%
Humboldt	9.8%	3.2%	2.9%	-6.9%	-0.3%
Middle Sierra	13.6%	3.9%	3.4%	-10.2%	-0.5%

Source: Employment Development Department, Current Employment Statistics

- Every one of California's 14 regions also had a year-over decrease in its unemployment rate in October 2019. Year-over regional unemployment rate decreases ranged from 0.5 percentage point in Middle Sierra Region to 0.1 percentage point in Los Angeles Basin Region in October 2019.
- In October 2010, regional unemployment rates ranged from a high of 15.5 percent in San Joaquin Valley Region to a low of 9.3 percent in Bay-Peninsula Region. Eleven of California's 14 regions had unemployment rates above 10.0 percent. In October 2019, regional employment rates ranged from a low of just 2.1 percent in Bay-Peninsula Region to a high of just 5.8 percent in San Joaquin Valley Region.
- Five California regions had unemployment rates below 3.0 percent in October 2019. Seven more regions had unemployment rates below 4.0 percent. In fact, the regional unemployment rate situation had improved by so much in October 2019 that every California region except Los Angeles Basin had its lowest unemployment rate on record for the month of October in a data series extending back to the beginning of 1990. Los Angeles Basin Region's 4.5 percent unemployment rate in October 2019 tied October 2017 for the second lowest unemployment rate on record in the month of October.

Unemployment Rates of Demographic Groups in California

- Unemployment rates decreased substantially across all California demographic groups over the course of the employment expansion. The unemployment rates of demographic groups are calculated differently from the official unemployment rate in that they are derived solely from Current Population Survey (CPS) data and calculated on a 12-month average basis in order to minimize the statistical variability associated with California's comparatively small CPS sample size. According to these 12-month average CPS data, California's overall unemployment rate was 12.1 percent in October 2010, when the official unemployment rate was at its recessionary peak, and decreased 8.0 percentage points to 4.1 percent in October 2019. Only 0.1 percentage point of this decrease occurred over the year ending in October 2019.
- Generally speaking, the demographic groups which had the highest unemployment rates at the peak of the recession experienced the largest decrease in their unemployment rates over the nine years ending in October 2019. The largest unemployment rate decrease of any major demographic group was among youths age 16 to 24, whose unemployment rate fell 14.2 percentage points from October 2010 through October 2019, or from 23.3 percent to 9.1 percent. In contrast, the unemployment rate among Californians age 25 and older who had a Bachelor's degree or higher fell by 3.6 percentage points, or from 6.2 percent to 2.6 percent, over the same period. A summary of unemployment trends among key demographic groups follows.
 - The unemployment rate for men fell 8.9 percentage points from October 2010 through October 2019. The rate for women fell 7.0 percentage points over the same period. Whereas the unemployment rate for men ticked up 0.1 percentage point over the year in October 2019, it fell 0.4 percentage point among women.
 - Unemployment rates were strongly correlated with age, with younger workers having substantially higher unemployment rates than older workers. The 19.7 percentage point unemployment rate decrease among teens age 16 to 19 from October 2010 through October 2019 was the largest among age cohorts, followed by the 12.2 percentage point decrease among youths age 20 to 24. In contrast, the unemployment rate for Californians age 65 and older fell by 4.7 percentage points over the same period. The unemployment rate picture over the year ending in October 2019 was more of a mixed bag. Whereas the unemployment rate among those age 65 and older, youths age 20 to 24, and those age 45 to 54 ticked upwards, it fell among the teen, 25 to 34, and 35 to 44 age cohorts.
 - The unemployment rate among native-born Americans tended to be higher than that of foreign-born Californians over the October 2010 through October 2019 period. Among foreign-born Californians, the unemployment rate of naturalized U.S. citizens was consistently lower than that of foreign-born non-citizens. Unemployment rates across national origin groups fell substantially from October 2010 through October 2019, including the last year.

Table 4
Unemployment Rates By Demographic Group in California
(Unemployed As a Percent of the Labor Force; 12-Month Average of Current Population Survey Data)

	October 2010	October 2018	October 2019	Change During Expansion: Oct. 2010 to Oct. 2019	Year-Over Change: Oct. 2018 to Oct. 2019
All Groups, Age 16 and Over	12.1%	4.2%	4.1%	-8.0%	-0.1%
<u>Gender</u>					
Male	12.9%	3.9%	4.0%	-8.9%	0.1%
Female	11.1%	4.5%	4.2%	-6.9%	-0.3%
<u>Age</u>					
16 to 24	23.3%	9.1%	9.1%	-14.2%	0.0%
16 to 19	34.4%	15.6%	14.7%	-19.7%	-0.9%
20 to 24	19.6%	7.1%	7.4%	-12.2%	0.3%
25 to 34	11.9%	4.6%	4.0%	-7.9%	-0.6%
35 to 44	10.5%	3.2%	2.8%	-7.7%	-0.4%
45 to 54	9.8%	3.1%	3.4%	-6.4%	0.3%
55 to 64	9.3%	3.3%	3.3%	-6.0%	0.0%
65 and Over	8.3%	2.8%	3.6%	-4.7%	0.8%
<u>National Origin</u>					
Native-Born	12.4%	4.3%	4.2%	-8.2%	-0.1%
Foreign-Born	11.6%	4.0%	3.8%	-7.8%	-0.2%
Foreign Born, Naturalized U.S. Citizen	9.3%	3.0%	2.8%	-6.5%	-0.2%
Foreign Born, Not a U.S. Citizen	13.6%	5.0%	4.7%	-8.9%	-0.3%
<u>Race</u>					
White	11.9%	4.2%	4.0%	-7.9%	-0.2%
African American	18.7%	6.6%	5.6%	-13.1%	-1.0%
Asian	9.3%	3.2%	3.3%	-6.0%	0.1%
American Indian, Native Alaskan, Hawaiian, or Pacific Islander	16.0%	5.3%	4.4%	-11.6%	-0.9%
More than One Race	16.6%	4.9%	6.2%	-10.4%	1.3%
<u>Ethnicity</u>					
Latino/Hispanic	14.7%	5.1%	4.7%	-10.0%	-0.4%
Non-Hispanic	10.7%	3.7%	3.7%	-7.0%	0.0%
<u>Educational Attainment (Age 25 and Over)</u>					
Less than a high school diploma	15.9%	6.1%	6.0%	-9.9%	-0.1%
High school graduates, no college	13.0%	4.4%	3.9%	-9.1%	-0.5%
Some college, no degree	12.4%	3.5%	3.3%	-9.1%	-0.2%
Associate degree	8.5%	3.4%	3.1%	-5.4%	-0.3%
Bachelor's degree or higher	6.2%	2.5%	2.6%	-3.6%	0.1%
<u>Disability</u>					
Has a Disability	16.2%	7.8%	8.9%	-7.3%	1.1%
Doesn't Have a Disability	12.0%	4.1%	3.9%	-8.1%	-0.2%
<u>Served in Armed Forces</u> (Age 18 and Over)					
Yes	9.2%	2.5%	3.6%	-5.6%	1.1%
No	12.0%	4.1%	4.0%	-8.0%	-0.1%

Source: U.S. Census Bureau; Employment Development Department

- The unemployment rates of African Americans and Latinos tended to be higher than those of Whites and Asians over the October 2010-October 2019 period. However, African Americans and Latinos experienced larger unemployment rate decreases than Whites and Asians over the October 2010-October 2019 period. The unemployment rate among African Americans and Latinos fell by 1.0 and 0.3 percentage point, respectively, over the year in October 2019, and by 0.1 percentage point among Whites. In fact, the 1.0 percentage point year-over rate decrease among African Americans was the largest of any major demographic group. In contrast, the more than one race and Asian unemployment rate ticked up by 1.3 and 0.1 percentage points, respectively.
- Higher unemployment rates were also highly correlated with educational attainment. Groups with less education experienced higher unemployment rates than those with higher educational attainment. From October 2010 through October 2019, the largest unemployment rate decrease occurred among Californians age 25 and over who had not finished high school (9.9 percentage points), followed by those who graduated high school but did not attend college (9.1 percentage points) and those who attended some college but didn't receive a degree (9.1 percent). In contrast, the unemployment rate among Californians with a bachelor's degree or higher fell by 3.6 percentage points over the same nine-year period.
- The unemployment rate among Californians with disabilities fell by 8.4 percentage points from 16.2 percent in October 2010 to 7.8 percent in October 2018, before increasing to 8.9 percent in October 2019. This was one of the highest unemployment rates among demographic groups.
- The unemployment rate among California veterans age 18 and over fell from 9.2 percent in October 2010 to 2.5 percent in October 2018 before rising to 3.6 percent in October 2019.

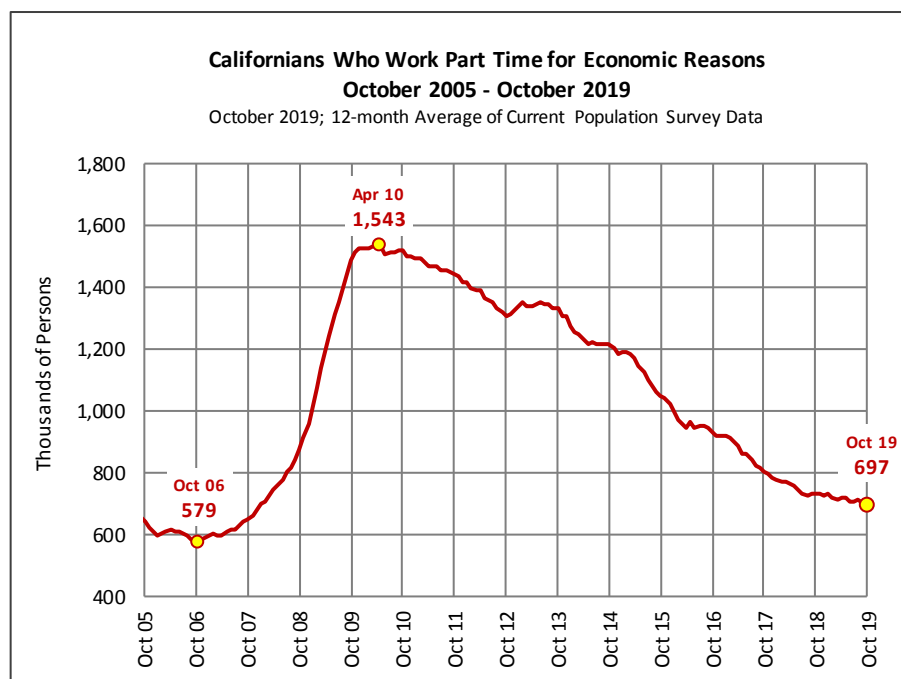
Labor Underutilization in California

Californians Who Work Part-Time for Economic Reasons

- The unemployment rate, while a valuable and widely understood barometer of labor market conditions, is narrowly defined. According to the U.S. Bureau of Labor Statistics (BLS), an unemployed person is someone who did not work at least one hour for pay but actively sought work in the four-week period leading up to the household survey reference week. If an individual is neither employed nor unemployed, by definition he or she is considered to be not in the labor force. As such, the unemployment rate does not capture underemployment within the labor market. Nor does it track individuals who are marginally attached to the labor market. These are individuals who want to work and are available to work and have sought work in the past year, but had not actively sought work in the last four weeks.

- The concept of underemployment has several aspects. Generally speaking, underemployment refers to workers who work part-time hours but desire to work full-time hours or more hours than they are currently working; workers who are working on a temporary basis but desire permanent employment; and workers doing work for which they are overqualified in terms of education, skills, and experience and who desire work which better matches their qualifications. Unfortunately, it is only possible to track the hours worked aspect of underemployment over time using established labor market information tools, namely the Current Population Survey of households.
- The BLS defines workers who work part-time for economic reasons, or involuntary part-time employment, as those workers who work part-time but who desire full-time work. Working 35 hours or more per week is the threshold for full-time work. Working less than 35 hours per week is the threshold for part-time work. Those who work part-time for economic reasons include workers who usually work full-time but have had their hours slashed to part-time status by their employers and workers who desire and are available to work full-time work, but have had to settle for part-time work because that was the best employment option they could find.
- According to 12-month average data from the Current Population Survey, the number of Californians who worked part-time for economic reasons reached a low of 579,000 persons in October 2006 prior to the Great Recession. They accounted for 3.4 percent of all working Californians. The number of persons working part-time for economic reasons shot up during the recession and peaked at 1,543,000 persons in April 2010, when nearly one out of every ten (9.6 percent) employed Californians worked part-time involuntarily.

Figure 4



Source: Employment Development Department

- The number of persons working part-time for economic reasons fell steadily, if gradually, over the course of the California's long employment expansion. In October 2019, 697,000 Californians worked part-time for economic reasons. They accounted for 3.7 percent of all working Californians, which was more or less on par with the pre-recession low.
- However, the data also suggest that involuntary part-time employment in California has increasingly become an issue of workers having to settle for part-time work even though they desire full-time work. Prior to the recession in October 2006, nearly two-fifths (37.8 percent) of the Californians who worked part-time for economic reasons usually worked full-time but had their hours cut by their employers. A little over three-fifths (62.2 percent) usually worked part-time but desired full-time hours. In contrast, one-quarter (25.2 percent) of involuntary part-time workers usually worked full-time but had their hours cut and three-quarters (74.8 percent) were those who desired full-time work but had to settle for part-time work in October 2019.

The U-6 and U-3 Measures of Labor Underutilization

- In acknowledgement that the traditional definition of unemployment is limited in that it does measure underemployment or track marginally attached workers to the labor force, the BLS has devised six alternative measures of labor underutilization, some that are more restrictive than the unemployment rate and some that are more inclusive and broadly defined. The U-3 measure, or official unemployment, is defined as the total number of unemployed as a percent of the civilian labor force (employed and unemployed persons).
- The U-6 rate is the broadest measure of labor utilization. It is calculated as the number of unemployed, plus total number of persons who are employed part-time for economic reasons, plus all persons marginally attached to the labor force as a percent of the labor force plus all persons marginally attached to the labor force.³ Persons who are marginally attached to the labor force are those who currently are neither working nor looking for work but want to work and are available for a job and have looked for work sometime in the last year.⁴
- According to 12-month average Current Population Survey data, the U-3 rate, which corresponds to the official unemployment rate definition, in California reached a low of 4.8 percent in the months of November 2006 through January 2007. The U-3 rate rose to a recessionary peak of 12.2 percent in December 2010, then fell over the course of California's long employment expansion to a low of 4.1 percent in June through October 2019, which was

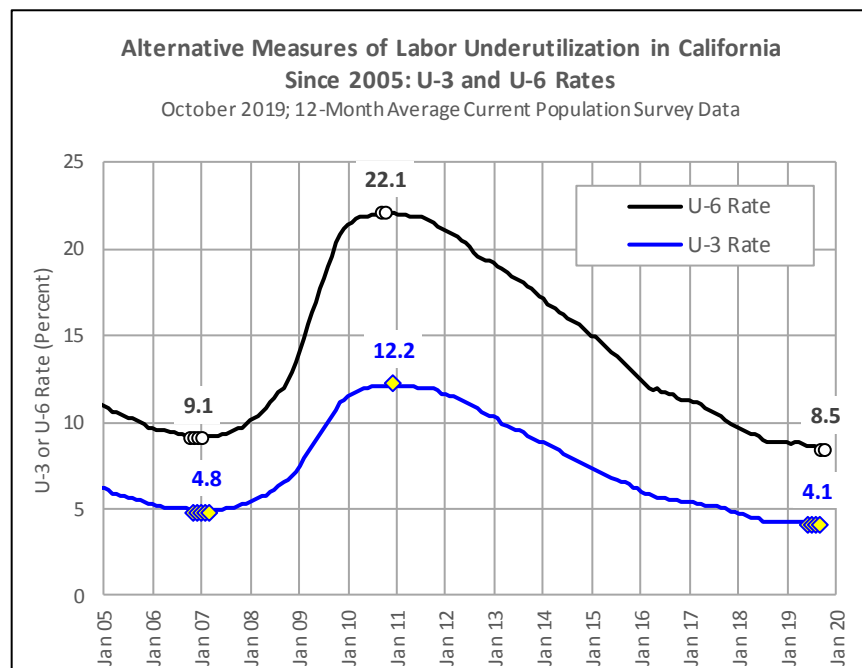
³ Because the U-6 rate includes marginally attached workers who are not currently in the labor force, the labor force denominator must be expanded to include them in calculating the U-6 rate.

⁴ Discouraged workers are a specific subset of marginally attached workers who say they are not actively seeking a job because they don't think they will find one. Twelve-month average Current Population Survey data indicated that there were 48,000 discouraged workers in October 2019. They accounted for one-fifth (20.0 percent) of all California's marginally attached workers.

0.7 percentage point below the pre-recession low.

- The U-6 rate, which is always higher than the U-3 rate because it is more inclusive and broadly defined than the U-3, reached a pre-recession low of 9.1 percent in October 2006 through January 2007. The U-6 rate skyrocketed during the recession, rising 13.0 percentage points to a peak of 22.1 percent in September and October 2010. Expressed differently, the labor of more than one out of every five workers in California was underutilized in the sense that they were either unemployed, underemployed, or not actively participating in the labor market at the height of the recession. The U-6 rate fell steadily over the course of California's employment expansion to a low of 8.5 percent in September and October 2019, which was 0.6 percentage point lower than the pre-recession low. Even though California's unemployment rate was at a record low, the labor of one out of every 12 California workers was underutilized in October 2019.

Figure 5



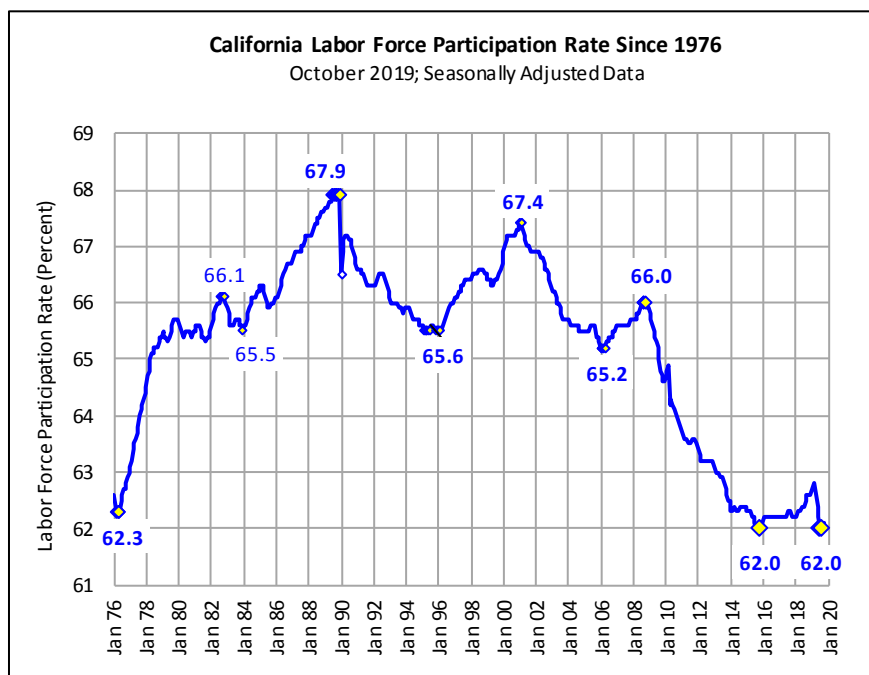
Source: U.S. Census Bureau; Employment Development Department

- The comparison of the U-3 and U-6 rates indicates that the two measures of labor underutilization tend to move together with the business cycle, rising when the economy is weak and falling when it is strong. As such, the official unemployment rate is an effective barometer of labor market conditions. However, it is limited in the sense that it does capture the full effects of the business cycle. When the unemployment rate rises, underemployment rises with it, and increasing numbers of marginally attached workers exit the labor force. When the unemployment rate falls, underemployment falls with it and marginally attached workers are drawn into the labor force.

Labor Force Participation in California

- The labor force participation rate (LFPR) is calculated as the number of persons in the labor force (those who are employed or unemployed but actively seeking work) divided by the working age population. Traditionally, labor force participation has tended to increase during times of economic expansion as increasing employment opportunities draw more people into the labor force and decrease during recessions as individuals with limited employment opportunities exit the labor force. However, labor force participation during the current expansion has behaved differently, with decreasing participation continuing long past the turnaround in total nonfarm employment, before stabilizing and essentially remaining flat at historically low levels over the three years ending in October 2019.
- Multiple factors influence an individual's decision to participate in the labor force or not, most notably perceptions of how likely it is that one will find employment, school attendance, having a disability, having to care for house or family (children or elders), personal choice, and being retired. However, demographics, and particularly retirements among the large and aging baby boomer population, have exerted a key influence on overall labor force participation in the current expansion and will continue to do so over the years to come.

Figure 6



Source: Employment Development Department

Demographic Characteristics of Labor Force Participation

- Men had a higher labor force participation rate than women in October 2019, 70.1 percent to 55.8 percent. The 2.5 percentage point LFPR decrease among women over the six-year period from October 2010 through October 2016 was larger than the 2.0 percentage decrease among

men. In contrast, the LFPR of women increased by 0.8 percentage point over the three years ending in October 2019, but was unchanged among men.

Table 5
Labor Force Participation Rates By Demographic Group in California
(Labor Force As a Percent of Working Age Population; 12-Month Average of Current Population Survey Data)

	October 2010	October 2016	October 2019	Change From Oct. 2010 to Oct. 2016	Change From Oct. 2016 to Oct. 2019
All Groups, Age 16 and Over	64.7%	62.4%	62.8%	-2.3%	0.4%
<u>Gender</u>					
Male	72.2%	70.2%	70.1%	-2.0%	0.0%
Female	57.5%	55.0%	55.8%	-2.5%	0.8%
<u>Age</u>					
16 to 24	51.7%	50.4%	50.0%	-1.3%	-0.4%
16 to 19	29.4%	28.4%	27.0%	-1.1%	-1.3%
20 to 24	69.0%	66.5%	67.9%	-2.5%	1.4%
25 to 34	81.6%	79.9%	81.6%	-1.6%	1.7%
35 to 44	81.3%	79.5%	81.6%	-1.8%	2.1%
45 to 54	81.0%	78.8%	79.7%	-2.3%	1.0%
55 to 64	65.2%	63.6%	64.8%	-1.6%	1.1%
65 and Over	17.1%	20.1%	20.1%	3.0%	0.0%
65-69	31.6%	32.7%	33.7%	1.1%	0.9%
70-74	18.4%	21.5%	19.7%	3.1%	-1.8%
75 and over	6.4%	8.2%	10.3%	1.9%	2.1%
<u>National Origin</u>					
Native-Born	64.7%	62.4%	62.5%	-2.3%	0.1%
Foreign-Born	67.4%	63.1%	63.4%	-4.3%	0.3%
Foreign Born, Naturalized U.S. Citizen	66.5%	61.8%	61.4%	-4.7%	-0.4%
Foreign Born, Not a U.S. Citizen	68.2%	64.5%	65.8%	-3.8%	1.3%
<u>Race</u>					
White	65.2%	62.4%	62.9%	-2.8%	0.5%
African American	60.0%	60.9%	61.1%	0.9%	0.2%
Asian	64.4%	62.6%	62.5%	-1.8%	-0.1%
American Indian, Native Alaskan, Hawaiian, or Pacific Islander	61.4%	65.2%	62.8%	3.9%	-2.4%
More than One Race	67.0%	66.1%	67.1%	-0.9%	1.1%
<u>Ethnicity</u>					
Latino/Hispanic	67.4%	64.7%	66.1%	-2.7%	1.4%
Non-Hispanic	63.4%	61.2%	61.0%	-2.2%	-0.2%
<u>Educational Attainment (Age 25 and Over)</u>					
Less than a high school diploma	55.9%	52.4%	51.0%	-3.5%	-1.4%
High school graduates, no college	63.5%	59.4%	60.8%	-2.6%	1.5%
Some college, no degree	66.7%	64.3%	62.9%	-3.7%	-1.4%
Associate degree	72.3%	67.5%	68.1%	-4.1%	0.7%
Bachelor's degree or higher	75.4%	73.0%	72.9%	-2.5%	-0.1%
<u>Disability</u>					
Has a Disability	20.9%	18.6%	17.2%	-2.4%	-1.3%
Doesn't Have a Disability	69.2%	66.7%	66.8%	-2.5%	0.1%
<u>Served in Armed Forces</u> (Age 18 and Over)					
Yes	51.3%	50.7%	46.6%	-0.7%	-4.0%
No	67.5%	64.7%	64.8%	-2.8%	0.1%

Source: U.S. Census Bureau; Employment Development Department

- Labor force participation among prime working age cohorts, or Californians age 25 through 54, were consistently higher than those of other demographic groups. In October 2019, the 25 to 34, 35 to 44, and 45 to 54 age cohorts all had LFPRs of 79.7 percent or above. Although labor force participation decreased among these age cohorts from October 2010 through October 2016, it rebounded for the most part during the October 2016-October 2019 period. The same was largely true for those age 55 to 64.
- Labor force participation among younger and older workers was a different story. The LFPR among youths age 16 to 24 fell 1.3 percentage point from October 2010 through October 2016, with youths age 20 to 24 experiencing a larger decrease than teens. The LFPR among California youths age 16 to 24 decreased an additional 0.4 percentage point over the three years ending in October 2019. Whereas the LFPR rose 1.4 percentage points among youths age 20 to 24 it decreased 1.3 percentage points among teens. For teens, this was the continuation of a long-term decrease in their LFPR. At the beginning of 2001, the teen LFPR reached as high as 46.9 percent in March 2001, only to steadily decrease thereafter. In October 2019, the teen LFPR was just 27.0 percent. Similarly, the LFPR among youths age 20 to 24 reached as high as 76.4 percent in April 2001. It fell steadily thereafter and was 67.8 percent in October 2019.
- Labor force participation drops off dramatically as people age and retire. Only one out of every five (20.1 percent) Californians age 65 and over participated in the labor force in October 2019. The LFPR among Californians age 65 to 69 was 33.7 percent in October 2019, 19.7 percent among those age 70 to 74, and just 10.3 percent among those age 75 and over. Although labor force participation falls off dramatically among older workers, Californians age 65 and over were the age cohort that experienced an increase in their labor force participation from October 2010 through October 2016. The increase was most pronounced among Californians age 70 and over. Although the overall LFPR among Californians age 65 and older was unchanged over the three years ending in October 2019, it rose 0.9 and 2.1 percentage points respectively among those age 65 to 69 and those over the 75 and over, but fell 1.8 percentage points among those age 70 to 74.
- Foreign-born Californians had a slightly higher rate of labor force participation than native-born Americans in October 2019, despite experiencing a greater decrease in their labor force participation rate from October 2010 through October 2016. This was particularly true for foreign-born noncitizens. The LFPR of native-born Americans rose by just 0.1 percentage point over the three years ending in October 2019. It rose by 0.3 percentage point among foreign-born Californians on the strength of a 1.3 percentage point increase among foreign-born non-citizens.
- Latinos (66.1 percent) had the highest labor force participation rate among racial and ethnic groups in October 2019, followed by Whites (62.9 percent) and Asians (62.5 percent). Although African Americans (61.1 percent) had a lower participation rate, their LFPR increased over the entire October 2010 through October 2019 period, rising 0.9 percentage point from October 2010 through October 2016 period and an additional 0.2 percentage point from

October 2016 through October 2019. Labor force participation among both Latinos and Whites rose from October 2016 through October 2019 after decreasing over the prior six years. The LFPR among Asians fell 0.1 percentage point over the October 2016-October 2019 period.

- Labor force participation was strongly correlated with educational attainment, with less educated groups participating in the labor force at a lower rate than groups with more education. The labor force participation rate among Californians age 25 and older who did not complete high school was just 51.0 percent in October 2019 compared to 72.9 percent among those who had a bachelor's degree or higher. Labor force participation fell across educational attainment groups from October 2010 through October 2016. However, it increased among high school graduates and associate degree holders over the three years ending in October 2019 and was little changed among those with a bachelor's degree or higher. Labor force participation continued to decrease among those who had attended some college but had not earned a degree and those who had not completed high school over the October 2016-October 2019 period.
- Less than one out of every five (17.2 percent) Californians with a disability participated in the labor force in October 2019. The LFPR among those with a disability decreased over the course of the entire October 2010 through October 2019 period. However, having a disability is strongly associated with advancing age. In October 2019, over three-fifths (61.9 percent) of the nearly 2.9 million Californians with a disability was age 60 and older and nearly one-third was age 75 and older. In contrast, just one out of every seven (14.1 percent) Californians with a disability was less than 40 years of age.
- The labor force participation rate among California veterans age 18 and older fell by a modest 0.7 percentage point from October 2010 through October 2016, but fell 4.0 percentage points from October 2016 through October 2019. Less than half (46.6 percent) of Californian veterans participated in the labor force in October 2019. However, veterans overall are an aging demographic group with the majority of California veterans having served in the Vietnam War era or earlier. Over three-fifths (62.9 percent) of California's 1.5 million veterans were 60 years or older in October 2019 and close to half (45 percent) were age 70 and older. In contrast, a little more than one out of every five (22.0 percent) of California's veterans was under the age of 50.

Aging Baby Boomers

- The baby boom generation refers to the large number of people who were born immediately after the end of World War II in 1946 through 1964. In 2010, the age of baby boomers ranged from 46 to 64. As discussed previously, labor force participation rates in this age range tend to be comparatively high. In contrast, baby boomers ranged in age from 55 to 73 in 2019. As baby boomers age and enter their retirement years, they also enter into those age cohorts in which labor force participation rates plunge. As they age past 70, their labor force participation rates will plunge further.

- Baby boomers leaving the labor force appears to be dampening overall labor force participation in California.
 - According to 12-month average wage data from the CPS, the population of Californians age 65 and older grew by a little over one million from October 2010 through October 2016, or by about 170,000 persons each year. Whereas the number of people age 65 and older in the labor force grew by nearly 350,000, or by 55,000 persons each year, the number of persons age 65 and older who did not participate in the labor force rose by nearly 700,000, or 116,000 per year.
 - Over the three years ending in October 2019, the number of Californians age 65 and older grew by 640,000 persons, or by an average of over 210,000 persons each year. The number of older workers in the labor force grew by around 125,000, or 42,000 persons a year. In contrast, the ranks of people age 65 and older who were not in the labor force grew by 513,000, or an average of 171,000 persons a year.
- The CPS tracks the reasons why people do not participate in the labor force, including: whether or not a person was disabled, in school, taking care of house or family, in retirement, ill, or something other. Retirement is typically the most frequent reason for not being in the labor force, followed by taking care of house or family, attending school, and having a disability. Illness and something other are typically much less frequently cited.
 - From October 2010 through October 2016, the number of Californians not in the labor force grew by a little over 1.5 million persons. The number of people in retirement grew by 820,000 persons, the large majority of whom were age 55 and older. The number of persons not in the labor force due to school grew by 289,000 persons, primarily among youths age 16 to 24. The number of persons taking care of house or family grew by 238,000, primarily among prime working age persons, and the number of disabled grew by 190,000, with the increase occurring across age groups.
 - In contrast, the number of Californians not in the labor force grew by 233,000 over the October 2016-October 2019 period. The number of persons not in the labor fell for every reason except retirement: in school decreased by 178,000, taking care of house or family by 117,000, and having a disability by 111,000. In sharp contrast, the number of persons not in the labor force due to retirement increased by 678,000, of whom nearly 600,000 was age 65 and older.
 - The number of Californians not in the labor force increased by 34,000 persons over the year ending in October 2019. Once again, the number fell across all reason categories except in retirement, which increased by 187,000 persons. The number of those not in the labor force age 65 and older increased by 196,000 persons. A narrower age breakdown revealed that the number of Californians age 65 to 69 who were not in the labor force due to retirement fell by 51,000 persons over the year, but the number of those age 70 and older in retirement grew by 233,000 persons.

- The data for those not in the labor force suggest that California's strong economy did in fact draw more marginally attached workers into the labor force over the three years ending in October 2019, which is what one would expect in a labor market with record low unemployment and an ongoing 116-month employment expansion. However, the gathering wave of retiring baby boomers that averaged about 200,000 persons per year dampened overall labor force participation.
- The wave of retiring baby boomers will continue and possibly strengthen over the years to come. A rough estimate of how many baby boomers will leave the labor force from 2019 through 2024 can be derived by taking the October 2019 population of persons in the age 55 to 59, 60 to 64, 65 to 69, and 70 to 74 age cohorts, the full range of which captures the baby boom population, and multiplying that by the labor force participation rate of the next oldest five-year age cohort. For example, the population of 55 to 59 age cohort is multiplied by the LFPR of the 60 to 64 age cohort, the 60 to 64 population is multiplied by 65 to 69 LFPR, and so on. Applying this method yields an estimate that 2,666,000 baby boomers will participate in the labor market in five years' time compared to 3,924,000 in October 2019. In other words, around 1,250,000 baby boomers, or 250,000 persons per year, may be expected to leave the California labor force over next five years due to the normal interaction between of aging and retirement on labor force participation alone.
- Although this estimate of how many baby boomers will exit the labor force over the next five years will be lower if the recent trend of increasing labor force participation among older workers continues, the sheer numbers of retiring baby boomers will dampen overall labor force participation in the years to come. At the same, their departure from the labor force will also mean that establishments will have to replace many of their work functions, creating demand for replacement workers.

Demand and Growth Industries

- Demand industries within the economy are identifiable by determining which industries added the most jobs over a specified time period. However, it is inherently difficult to identify emerging industries under the existing North American Industry Classification System (NAICS). Essentially an industry must already have emerged to receive its own unique NAICS classification. As a result of this limitation, this section identifies the fastest growing industries in California as those industries that added jobs at a rate that was at least 11.4 percent, or twice that of total nonfarm employment, over the three years ending in October 2019. This three-year period was chosen to capture more recent trends within the labor market.
- Individual and family services, which includes in-home health supportive services jobs, was the California industry that added the most jobs from October 2016 through October 2019, followed by limited-service eating, or fast food, eating places. Both of these industries are characterized by comparatively low skill and low wage jobs. Although individual and family services was among California's fastest growing industries over the October 2016-October 2019 period, limited-service eating places was not, but did grow at a faster rate than overall

total nonfarm employment.

Table 6
California's Fastest Growing Industries From October 2016 Through October 2019
(Not Seasonally Adjusted Data)

Industries That Gained the Most Jobs (Three-Year Change in Number)		Industries That Grew the Fastest (Three-Year Change in Percent)	
Individual and Family Services	98,700	Motor Vehicle Manufacturing	105.2%
Limited-Service Eating Places	64,000	Other Information Services	40.9%
Other Information Services	38,400	Other Heavy and Civil Engineering Construction	32.9%
Computer Systems Design and Related Services	37,100	Data Processing, Hosting and Related Services	32.0%
Local Government Education	33,600	Warehousing and Storage	25.7%
Employment Services	31,900	Software Publishers	23.1%
Warehousing and Storage	31,000	Industrial Machinery Manufacturing	20.6%
Outpatient Care Centers	27,700	Other Schools and Instruction (Private)	20.0%
Building Equipment Contractors	26,600	Residential Building Construction	20.0%
Scientific Research and Development Services	23,800	Building Foundation and Exterior Contractors	19.6%
Management of Companies and Enterprises	22,700	Highway, Street, and Bridge Construction	19.5%
Building Foundation and Exterior Contractors	22,300	Scientific Research and Development Services	18.6%
State Government Education	22,000	Nonresidential Building Construction	17.3%
Residential Building Construction	20,900	Electronic Computer Manufacturing	17.1%
Architectural, Engineering and Related Services	18,400	Spectator Sports	16.0%
Investigation and Security Services	17,800	Couriers and Messengers	16.0%
General Medical and Surgical Hospitals	17,200	Individual and Family Services	15.8%
Accommodation	17,000	General Freight Trucking	15.8%
General Merchandise Stores	16,900	Commercial and Industrial Machinery Rental and Leasing	15.4%
Software Publishers	15,900	Special Food Services	15.0%
Services to Buildings and Dwellings	15,600	Offices of Other Health Practitioners	14.7%
Building Finishing Contractors	14,500	Outpatient Care Centers	14.1%
Other Schools and Instruction	13,200	Electronic Instrument Manufacturing	13.8%
General Freight Trucking	13,100	Beverage and Tobacco Product Manufacturing	13.2%
Data Processing, Hosting and Related Services	13,000	Specialty (not Psychological or Substance Abuse) Hospitals	12.9%
Couriers and Messengers	12,900	Social Advocacy Organizations	12.9%
Offices of Other Health Practitioners	12,800	Architectural and Structural Metals Manufacturing	12.7%
Nonresidential Building Construction	12,700	Computer Systems Design and Related Services	12.4%
Colleges, Universities and Professional Schools (Private)	12,200	Personal and Household Goods Repair	12.2%
State Government Excluding Education	11,700	Air Transportation	12.2%
Electronic Instrument Manufacturing	11,500	Investigation and Security Services	12.2%
County Government	11,100	Building Equipment Contractors	11.9%
City Government	11,000	Waste Management and Remediation Services	11.8%
Special Food Services	10,900	Hardware, Plumb and Heating Merchant Wholesalers	11.5%
Elementary and Secondary Schools (Private)	10,700	Home Health Care Services	11.4%
Activities Related to Real Estate	10,500	Elementary and Secondary Schools (Private)	11.4%
Electronic Computer Manufacturing	10,300		
Motor Vehicle Manufacturing	10,200		
Accounting, Tax Preparation and Bookkeeping Services	10,100		

Source: Employment Development Department

- Three of the California industries that added more than 20,000 jobs from October 2016 through October 2019 were high-skill and high-paying sectors with a high technology orientation, including: other information services, computer systems design and related services, and scientific research and development services. Architectural, engineering, and related services; software publishers; data processing, hosting and related services; electronic instrument manufacturing, and electronic computer manufacturing were among the other high technology industries that added more than 10,000 jobs over the period. These same high

technology industries were among California's fastest growing industries over the October 2016-October 2019 period with the exception of architectural, engineering, and related services, which nevertheless grew at a faster pace than overall total nonfarm employment but not at over twice its pace.

- Several of California's existing demand industries were in the educational sector, including local government education (public schools); state government education; other schools and instruction; private colleges, universities, and professional schools; and private elementary and secondary schools. Of these industries, only other schools and instruction and elementary and secondary schools, both of which were in the private sector, were among California's fastest growing.
- Several of California's existing demand industries were in the health care sector, including: outpatient care centers; general medical and surgical hospitals; and offices of other health practitioners. Outpatient care centers, offices of health practitioners, specialty (not psychological or substance abuse) hospitals, and home health care services were among California's fastest growing. The job growth rate in general medical and surgical hospitals lagged well below that of total nonfarm employment.
- The construction industry played a key role in California's employment expansion and construction workers were in strong demand over the October 2016-October 2019 period. The construction industries that added the most jobs and grew at the fastest pace included: building equipment contractors, building foundation and exterior contractors, residential building construction, and nonresidential building construction. In addition, other heavy and civil engineering construction grew at the third fastest pace among California industry sectors, and highway, street, and bridge construction was among the fastest growing industries. Building finishing contractors was also a strong demand industry and its 10.9 percent growth rate only narrowly missed the fastest growing list.
- Warehousing and storage, couriers and messengers, and general freight trucking were among the California industries that added the most jobs and grew at the fastest pace. This presumably reflected the continued rapid growth in e-commerce and online shopping.
- Several of the industries that added the most jobs over the October 2016-October 2019 period were in professional and business services' administrative and support and waste services subsector, which tends to have lower skill and paying jobs. Employment services, investigation and security services, and services to buildings and dwellings were among the industries that added the most jobs over the period. Investigation and security services, and waste management and remediation services were among California's fastest growing.

Union Affiliation by Industry Sector

- According to the U.S Bureau of Labor Statistics, 2.5 million California workers were members of a union in 2019. They comprised 15.2 percent of California's nearly 16.5 million wage and

salary. In contrast, just 10.3 percent of wage and salary workers in the nation as a whole were members of a union in 2019.⁵ California had the seventh highest rate of union affiliation among states in 2019.

- According to 12-month average Current Population Survey data, half (50.3 percent) of all union members in California worked in the public sector in October 2019. Government also had the highest rate of union affiliation, with over half (52.4 percent) of all government workers being members of a union. Nearly three-fifths (58.4 percent) of local government workers were members of a union, as were over half (51.3 percent) of state government workers, and three out of every 10 (30.8 percent) federal government workers.

Table 7
Union Membership By Major Industry Sector in
California: October 2019

(12-Month Average Current Population Survey; Percent of
Workers in Sector Who Were Members of a Union)

<u>Industry Sector</u>	<u>Share (%) of Workers</u>
Total, All Industries	15.2%
Government, Total	52.4%
Local Government	58.4%
State Government	51.3%
Federal Government	30.8%
Private Sector, All Sectors	8.8%
Construction	18.2%
Transportation and Utilities	16.3%
Educational and Health Services	16.0%
Information	15.6%
Mining	8.8%
Manufacturing	7.6%
Wholesale and Retail Trade	7.6%
Leisure and Hospitality	4.8%
Other Services	3.9%
Agriculture, Forestry, Fishing, and Hunting	3.9%
Financial Activities	3.6%
Professional and Business Services	2.6%

Source: U.S. Census Bureau; Employment Development Department

- In contrast, just one out of every 11 (8.8 percent) wage and salary workers in California's private sector was a member of a union. Construction (18.2 percent) was the major industry sector with the highest share of union members in its workforce, followed by transportation and utilities (16.3 percent), educational and health services (16.0 percent), and information

⁵ [U.S. Bureau of Labor Statistics Union Member Summary](#)

(15.6 percent). Professional and business services had the lowest rate of union affiliation at 2.6 percent). A total of five major industry sectors in the private sector had union membership rates below five percent.

- A detailed comparison of the earnings of union and non-union members in major California industry sectors is beyond the scope of this report. That said, the BLS estimated that at the national level, the median weekly earnings of full-time wage and salary union members was \$1,095 in 2019, compared to \$892 for non-union members. This was a difference of \$203 a week, or 22.7 percent.⁶

Future Job Growth Projections

Industry Employment Projections

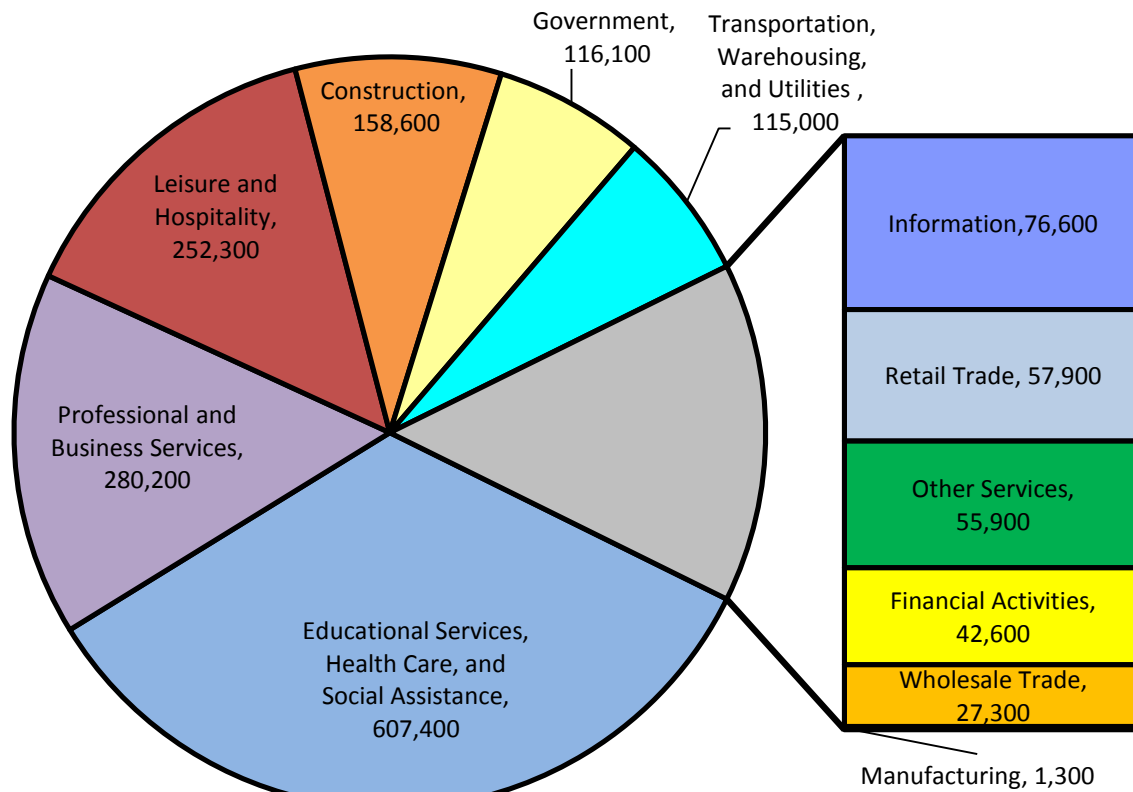
- Information about future labor market trends is critical for developing programs that help meet employer needs and help residents get a job, a better job and an upward career pathway. Industry and occupational employment projections are provided for the nation by the Department of Labor's (DOL), Bureau of Labor Statistics (BLS) and translated into projections for the state and metro areas by the Employment Development Department's Labor Market Information Division (LMID).
- Total industry employment in California, which includes self-employment, private household workers, farm employment, and nonfarm employment, is expected to reach 20,022,700 by 2026, an increase of 10.7 percent during the 10-year projection period. Total nonfarm employment is projected to add 1,789,600 jobs during the period. Nearly 73 percent of projected nonfarm growth is concentrated in four sectors: educational services (private), health care, and social assistance; professional and business services; leisure and hospitality; and construction.
- The major industry sectors projected to have the largest job growth is educational services (private), health care, and social assistance, accounting for 33.9 percent of the projected growth. The projected growth for the sector is 607,400 jobs during the 2016-2026 projection period (see Figure 7). The greatest concentration of job gains is projected to occur in the following educational services (private), health care, and social assistance subsectors:
 - Social assistance (246,300)
 - Ambulatory health care services (213,400)
 - Educational services (private) (62,000)
- The educational services (private), health care, and social assistance is also expected to be the fastest growing industry sector with an expected growth rate of 23.9 percent (see Figure 8). As the population grows and demographics change, the demand for workers in this sector will

⁶ A more detailed breakdown of median weekly earnings of full-time wage and salary workers by union affiliation in the United States in 2019 by industry and occupation may be found here: <https://www.bls.gov/news.release/union2.t04.htm>.

remain high.

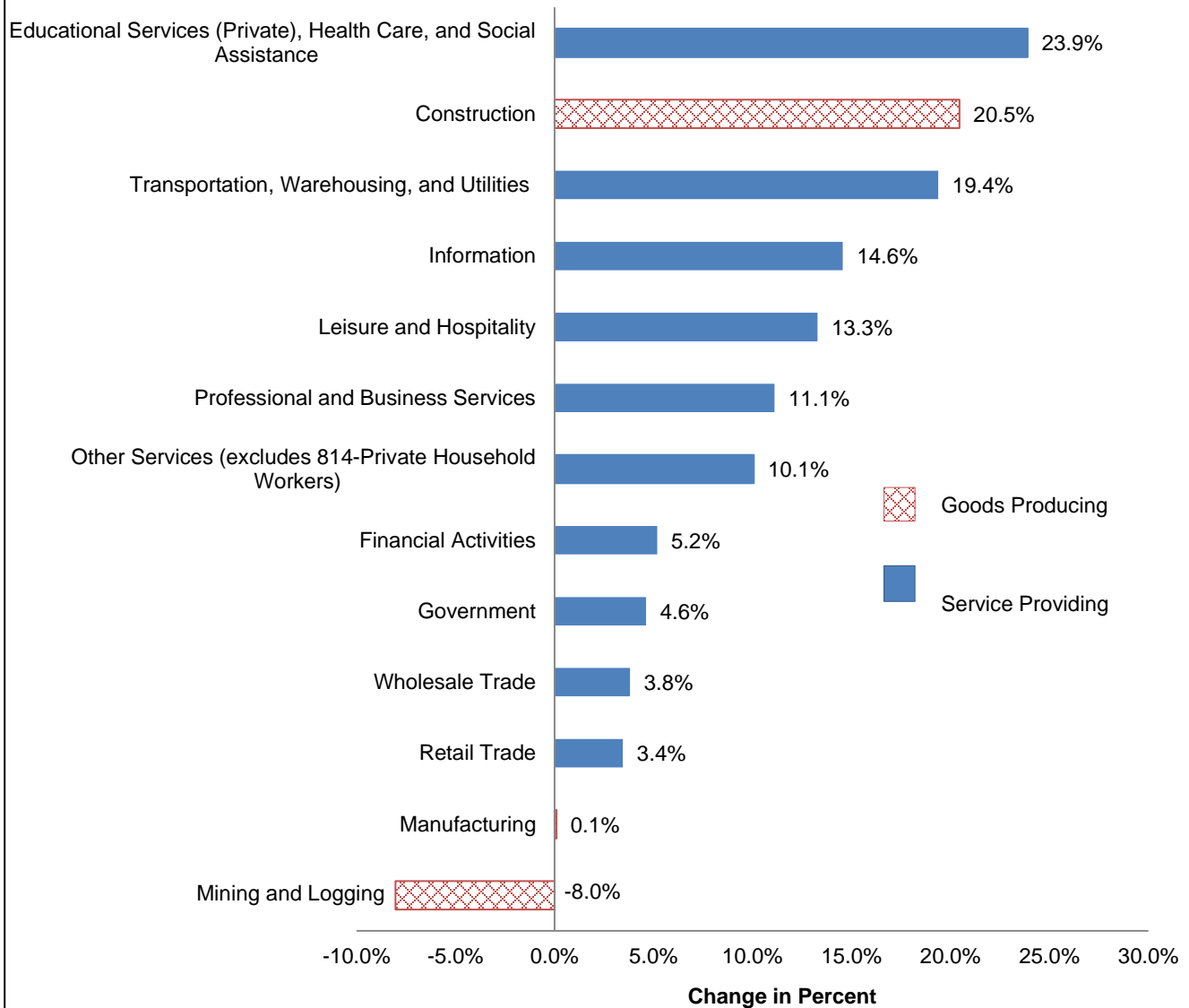
- The top 25 industry groups that are expected to generate the most employment are projected to account for 1,222,500 jobs during the 2016-2026 projection period (see Table 8).
 - Eight of the top 25 industry groups generating the most employment are within the health care and social assistance subsector. They are expected to generate 487,200 jobs during the 10-year projection period.
 - Individual and family services tops the list with a projected employment growth of 235,700 jobs during the 10-year projection period.
- The top 25 industry groups by percentage growth are expected to grow a combined 35.5 percent (782,500 jobs) during the 2016-2026 projection period.
 - Eight of the top 25 fastest growing industry groups are within the health care and social assistance subsector.
 - Motor vehicle manufacturing top the list with an expected growth rate of 103.1 percent during the 10-year projection period.

Figure 7.
Projected Job Growth by Nonfarm Industry Sector Between 2016-2026



Source: Employment Development Department

Figure 8. Projected Employment Percent Change by Nonfarm Industry Sectors Between 2016-2026



Source: Employment Development Department

Table 8: California Nonfarm Industry Groups With the Largest Projected Job Growth from 2016-2026

Industry Title	Projected 2016-2026 Job Growth	Industry Title	Projected 2016-2026 Job Growth (Percent)	Projected 2016-2026 Job Growth
Individual and Family Services	235,700	Motor Vehicle Manufacturing	103.1%	9,900
Full-Service Restaurants	100,300	Other Information Services	59.3%	53,900
Limited-Service Eating Places	85,500	Warehousing and Storage	58.2%	63,800
Outpatient Care Centers	66,800	Home Health Care Services	51.2%	40,100
Warehousing and Storage	63,800	Electronic Shopping and Mail-Order Houses	49.1%	21,900
Computer Systems Design and Related Services	55,100	Software Publishers	42.0%	28,000
Other Information Services	53,900	Data Processing, Hosting, and Related Services	41.0%	16,400
Local Government Education	48,900	Individual and Family Services	39.1%	235,700
Building Equipment Contractors	43,300	Specialty (except Psychiatric and Substance Abuse) Hospitals	36.8%	5,000
Management, Scientific, and Technical Consulting Services	42,800	Continuing Care Retirement Communities and Assisted Living Facilities for the Elderly	35.1%	31,700
Offices of Physicians	40,500	Outpatient Care Centers	34.8%	66,800
Home Health Care Services	40,100	Medical and Diagnostic Laboratories	34.8%	11,900
Employment Services	36,400	Offices of Other Health Practitioners	30.7%	26,000
Continuing Care Retirement Communities and Assisted Living Facilities for the Elderly	31,700	Other Ambulatory Health Care Services	26.6%	7,500
Other Local Government	31,500	Other Schools and Instruction	26.2%	17,100
Colleges, Universities, and Professional Schools	28,200	Utility System Construction	25.6%	11,100
Software Publishers	28,000	Other Personal Services	25.4%	12,500
Offices of Other Health Practitioners	26,000	Nonresidential Building Construction	23.5%	16,900
Building Finishing Contractors	25,000	Other Heavy and Civil Engineering Construction	22.7%	1,700
State Government Education	24,900	Personal Care Services	22.5%	17,700
General Merchandise Stores, including Warehouse Clubs and Supercenters	23,600	Management, Scientific, and Technical Consulting Services	22.2%	42,800
Nursing Care Facilities (Skilled Nursing Facilities)	23,500	Residential Building Construction	21.5%	22,200
General Medical and Surgical Hospitals	22,900	Used Merchandise Stores	21.2%	3,900
Residential Building Construction	22,200	Other Specialty Trade Contractors	20.6%	12,800
Electronic Shopping and Mail-Order Houses	21,900	Grantmaking and Giving Services	20.2%	5,200
Total	1,222,500	Total		782,500

Source: Employment Development Department

Middle-Skill Occupations Employment Projections

- Middle-skilled occupations are those that require more than a high school education but less than a four-year degree. The top 25 middle-skilled occupations (see Table 8) are expected to generate 162,460 average annual job openings during the 2016-2026 period. These openings include approximately 67,750 due to those exiting the labor force, 77,990 transferring to a different occupation, and 16,760 due to job growth.
 - Bookkeeping, accounting, and auditing clerks top the list with 22,450 average annual job openings during the 2016-2026 period.
 - Seven of the top 25 occupations are in a health care related field and are expected to generate 47,130 average annual job openings during the ten-year period.
 - Median annual salaries range from \$25,782 for manicurists and pedicurists to \$104,295 for dental hygienists.
 - Sixteen out of the top 25 middle-skill occupations are at or above the median hourly and median annual wage for all occupations in California.
 - Nine out of the top 25 middle-skill occupations are below the median hourly and median annual wage for all occupations in California.

Table 9: California's Top 25 Middle-Skilled Occupations with the Most Job Openings (2016-2026)

For the table below, middle-skilled occupations are defined as occupations that require some college, a postsecondary non-degree award, or an associate's degree as defined by education levels provided by the BLS in 2018.

SOC Code*	Occupational Title	Average Annual Job Openings				2019 First Quarter Wages [5]	
		Exits [1]	Transfers [2]	Numeric Change [3]	Total Jobs [4]	Median Hourly**	Median Annual**
43-3031	Bookkeeping, Accounting, and Auditing Clerks	12,600	9,780	80	22,450	\$22.82	\$47,465
53-3032	Heavy and Tractor-Trailer Truck Drivers	6,630	9,820	1,760	18,200	\$22.82	\$47,482
25-9041	Teacher Assistants	8,990	7,470	1,250	17,710	N/A	\$35,182
31-1014	Nursing Assistants	6,720	5,590	1,580	13,890	\$16.41	\$34,131
31-9092	Medical Assistants	4,270	5,970	2,480	12,720	\$17.90	\$37,238
49-3023	Automotive Service Technicians and Mechanics	2,420	4,640	550	7,610	\$22.32	\$46,431
39-5012	Hairdressers, Hairstylists, and Cosmetologists	3,500	2,620	930	7,040	\$12.74	\$26,483
15-1151	Computer User Support Specialists	1,540	3,910	1,130	6,580	\$30.11	\$62,611
31-9091	Dental Assistants	2,710	3,050	810	6,570	\$19.23	\$39,983
29-2061	Licensed Practical and Licensed Vocational Nurses	2,660	2,620	1,180	6,450	\$27.28	\$56,741
25-2011	Preschool Teachers, Except Special Education	2,510	3,110	530	6,160	\$16.93	\$35,202
39-5092	Manicurists and Pedicurists	1,920	1,630	600	4,150	\$12.40	\$25,782
31-9011	Massage Therapists	2,020	1,110	780	3,900	\$16.96	\$35,277
23-2011	Paralegals and Legal Assistants	1,080	2,170	540	3,790	\$28.03	\$58,287
49-9021	Heating, Air Conditioning, and Refrigeration Mechanics and Installers	870	2,100	560	3,530	\$26.85	\$55,851
49-2022	Telecommunications Equipment Installers and Repairers, Except Line Installers	1,170	2,500	-150	3,520	\$28.50	\$59,275
15-1134	Web Developers	570	1,560	590	2,720	\$38.17	\$79,399
17-3023	Electrical and Electronics Engineering Technicians	810	1,340	180	2,330	\$31.88	\$66,295
33-2011	Firefighters	680	1,290	140	2,110	\$37.07	\$77,097
27-2011	Actors	940	980	50	1,970	\$21.30	N/A
31-9097	Phlebotomists	640	850	370	1,860	\$21.83	\$45,391
27-4011	Audio and Video Equipment Technicians	520	1,140	190	1,850	\$23.03	\$47,920
43-4161	Human Resources Assistants, Except Payroll and Timekeeping	700	1,110	30	1,840	\$20.74	\$43,133
15-1152	Computer Network Support Specialists	430	1,100	240	1,770	\$35.00	\$72,796
29-2021	Dental Hygienists	850	530	360	1,740	\$50.14	\$104,295
	Total	67,750	77,990	16,760	162,460		

Source: Employment Development Department

Notes:

*The Standard Occupational Classification (SOC) system is used by government agencies to classify workers into occupational categories for the purpose of collecting, calculating, or disseminating data.

**Cells highlighted in green are at or above the median hourly and median annual wage for all occupations in California. Cells highlighted in red are below the median hourly and median annual wage for all occupations in California. The median hourly wage for all occupations in California was \$20.86 and the median annual wage for all occupations in California was \$43,388 for the first quarter of 2019.

[1] Exits are the projected number of workers leaving an occupation and exiting the labor force entirely. Labor force exits are more common at older ages as workers retire, but can occur at any age. Labor force exits are not necessarily permanent exits from the labor force; for example, some workers exit the labor force to pursue additional education with the intention of returning to the labor force. They do represent permanent separations from an occupation.

[2] Transfers are the projected number of workers leaving an occupation and transferring to a different occupation. Transfers represent permanent separations from an occupation, not temporary movements where the worker is expected to return to the same occupation in the future.

[3] Numeric change measures the projected number of job gains or losses in an occupation for the projection period.

[4] Total job openings are the sum of exits, transfers, and numeric change.

[5] Median hourly and annual wages are the estimated 50th percentile of the distribution of wages; 50 percent of workers in an occupation earn wages below, and 50 percent earn wages above the median wage. The wages are from 2019 first quarter and do not include self-employed or unpaid family workers. An estimate could not be provided for wages listed as N/A.

Economic Inequality

Demographic Inequality

- Unemployment rates by demographic group were discussed previously to demonstrate how labor market conditions in California improved across all demographic groups over the course of the employment expansion. Not only did the unemployment rates of all demographic groups fall substantially, but the gap between demographic groups with the highest and lowest unemployment rates also shrank considerably. At the outset of the expansion in October 2010, teens had the highest unemployment rate at 34.4 percent and persons age 25 and older who had a bachelor's degree or higher had the lowest unemployment rate at 6.2 percent, which was a difference of 28.2 percentage points. In October 2019, after nine years of expansion, the teen unemployment rate was still the highest at 14.7 percent and the 2.6 percent unemployment rate among persons with a bachelor's degree or higher degree holders was still the lowest. However, the gap between the two rates had narrowed to 12.1 percentage points.
- Despite this improvement, some demographic groups faced larger obstacles in the labor market than others in October 2019. This is seen in comparing the October 2019 unemployment rates of major demographic groups in California.
 - According to 12-month average data from the CPS, California's overall unemployment rate was 4.1 percent in October 2019.
 - The unemployment rate among youths age 16 to 24 was more than double the overall rate at 9.1 percent. The unemployment rate among teens (14.7 percent) was higher than that among youths age 20 to 24 (7.4 percent), but the rates of both groups were comparatively high.
 - The unemployment rate among Californians with disabilities was also more than double the overall rate at 8.9 percent.
 - Two major demographic groups had unemployment rates that were 1.5 percentage points or higher than the overall rate: Californians 25 and older who had not obtained a high school diploma (6.0 percent) and African Americans (5.6 percent).

- Latinos (4.7 percent) and foreign-born non-citizens (4.7 percent) were the other major demographic groups with rates that were higher than the overall unemployment rate.
- The demographic groups with the highest unemployment rates in October 2019 are the groups who will be most vulnerable should economic conditions in California change and the economy tip into a recession. Based on an analysis of unemployment rates over the October 2010-October 2019 period, younger workers, and particularly youths, would likely fare worse than older workers if a recession were to occur, persons with disabilities would likely fare worse than those without disabilities, less well educated groups would like fare worse than more educated groups, African Americans and Latinos would likely fare worse than Whites and Asians, and foreign-born noncitizens would likely fare worse than native born Americans and naturalized U.S. citizens.

Long-Term Unemployment

- According to 12-month average CPS data, just over one million of California's 2.2 million unemployed persons had been unemployed for 27 weeks or more in October 2010. The number of long-term unemployed fell by 828,000 persons to 189,000 from October 2010 through October 2019. The share of the long-term unemployed in total unemployment fell from 46.0 percent to 23.9 percent over the same period.
- Although small sample issues complicate any analysis of the long-term unemployed in October 2019, younger workers and less well-educated workers appear to have comprised a disproportionately high share of total long-term unemployment. Over two-fifths (44.6 percent) of long-term unemployed Californians was either under the age 35 or had a attained a high school diploma or less (43.3 percent). This suggest that inexperienced persons with low educational attainment and undifferentiated skills face particularly large obstacles in the labor market.

Industry Wages

- Average monthly employment and average weekly pay data for California industries for the first quarter of 2019 are available from the Quarterly Census of Employment and Wages (QCEW). This section compares average weekly pay in major industry sectors and subsectors, or two-digit NAICS industries. The health care and social assistance subsector has been further subdivided into health care and social assistance components because of their large discrepancy in pay. High, middle, and low paying jobs are loosely defined with respect to the average weekly pay total for all industries and what seem to be natural break points in the data. Subsector data are provided because major industry sectors such as professional and business services and educational and health services have a mix of high, middle, and low paying jobs.

Table 10
Average Weekly Pay in California Industry Sectors and
Subsectors: First Quarter of 2019
(Quarterly Census of Employment and Wages Data)

Major Industry Sector	Average Weekly Pay	Industry Subsectors	Average Weekly Pay
Total, all industries	\$1,405	<u>Highest Pay</u>	
		Management of Companies and Enterprises	\$3,066
<u>Highest Pay</u>		Finance and Insurance	\$3,062
Information	\$3,847	Utilities	\$2,943
Mining	\$2,606	Professional, Scientific, and Technical Services	\$2,512
Financial Activities	\$2,496	<u>Middle Pay</u>	
Manufacturing	\$1,930	Wholesale Trade	\$1,614
Professional and Business Services	\$1,905	State Government	\$1,581
		Federal Government	\$1,542
<u>Middle Pay</u>		Real Estate and Rental and Leasing	\$1,473
Government	\$1,378	Transportation and Warehousing	\$1,329
Construction	\$1,346	Health Care	\$1,326
Trade, Transportation, and Utilities	\$1,094	Local Government	\$1,304
Education and Health Services	\$1,014		
		<u>Lowest Pay</u>	
<u>Lowest Pay</u>		Educational Services	\$1,037
Other Services	\$798	Arts, Entertainment, and Recreation	\$924
Agriculture, Forestry, Fishing & Hunting	\$630	Administrative and Support and Waste Services	\$915
Leisure and Hospitality	\$565	Retail Trade	\$725
		Accommodation and Food Services	\$498
		Social Assistance	\$396

Source: Employment Development Department

- Information (\$3,847) had the highest average weekly pay among major industry sectors in California in the first quarter of 2019, followed by mining (\$2,606), financial activities (\$2,496), manufacturing (\$1,930), and professional and business services (\$1,905).
 - In the professional and business services sector, the management of companies and professional, scientific, and technical services subsectors were among California's highest paying sectors and subsectors. However, the administrative and support and waste services subsector was among the lowest paying sectors and subsectors. This subsector accounted for two-fifths (39.4 percent) of all professional and business services jobs.
 - In the financial activities sector, the finance and insurance subsector was among California's highest paying sectors and subsectors, but the real estate and rental and leasing sector was among the middle-paying industry sectors and subsectors.
- The government; construction; trade, transportation, and utilities; and educational and health services sectors were classified as middle pay range industry sectors. However, there were differences in pay in some subsectors.
 - In the trade, transportation, and utilities sector, utilities had high average pay, wholesale trade and transportation and warehousing fell in the middle average pay range, and retail

trade fell in the low range.

- In the educational and health services sector, health care fell within the middle average pay range sectors and subsectors, and educational services and social assistance fell within the low paying sectors. Educational services had the highest average weekly pay of all low paying sectors and subsectors.
- Other services; agriculture, forestry, fishing, and hunting; and leisure and hospitality had the lowest average weekly pay among California sectors in the first quarter of 2019.
- According to first quarter of 2019 employment totals from the Quarterly Census of Employment and Wages (QCEW), 4.1 million of California's nearly 17.4 million jobs were in high paying industry sectors and subsectors. These high paying sectors accounted for less than one-quarter (23.4 percent) of all California's jobs. Over three-quarters (76.6 percent) of all California's jobs were in middle and low paying industry sectors and subsectors.
- The number of middle and low paying jobs was roughly equal in the first quarter of 2019. Employment totaled 6.7 million jobs in low average pay sectors and subsectors 6.5 million jobs middle pay ones. Jobs in low-paying and middle-paying industry sectors and subsectors accounted for 38.8 and 37.8 percent, respectively, of total all industry jobs.

Median Wages by Major Occupational Group

- Occupational wage data are available for the first quarter of 2019 from the Occupational Employment Statistics (OES) Survey, as are occupational employment estimates from May 2018. According to the OES, the median hourly wage for all occupations in California was \$20.86 in the first quarter of 2019. Thirteen of California's 22 major occupational groupings had median hourly wages above the median and nine had median hourly wages that were below it.
- Employment in those occupational groups with hourly wages above the overall median wage totaled 7.3 million jobs in May 2018, compared to 9.7 million jobs in occupational groups with hourly wages that were below it. Expressed differently, 57.0 percent of Californians were employed in occupational groups that paid less than the overall median wage in the first quarter of 2019 compared to 43.0 percent who were employed in occupational groups that paid more.
- Differences in occupational wage levels were even more pronounced if one accounts for the seven major occupational groups that had median hourly wages above \$36 an hour, or more than \$15 an hour above the overall median hourly wage, in the first quarter of 2019. They were: management occupations; computer and mathematical operations occupations; legal occupations; architectural and engineering occupations; healthcare practitioners and technical occupations; life, physical, and social science occupations; and business and financial operations occupations. Employment in these seven occupational groups totaled 4.1 million jobs in May 2018, accounting for just under one-quarter (24.2 percent) of total employment.

Table 11
Median Hourly Wages By Occupational Group in California:
First Quarter of 2019

(Occupational Employment Statistics (OES) Survey Results)

Major Occupational Group	Median Hourly Wage
Total, all occupations	\$20.86
<u>Wages Above the Median</u>	
Management Occupations	\$58.54
Computer and Mathematical Occupations	\$50.53
Legal Occupations	\$49.59
Architecture and Engineering Occupations	\$46.65
Healthcare Practitioners and Technical Occupations	\$43.35
Life, Physical, and Social Science Occupations	\$38.84
Business and Financial Operations Occupations	\$36.31
Arts, Design, Entertainment, Sports, and Media Occupations	\$28.88
Education, Training, and Library Occupations	\$27.59
Construction and Extraction Occupations	\$27.02
Community and Social Services Occupations	\$25.20
Installation, Maintenance, and Repair Occupations	\$24.51
Protective Service Occupations	\$23.22
<u>Wages Below the Median</u>	
Office and Administrative Support Occupations	\$19.38
Healthcare Support Occupations	\$17.61
Production Occupations	\$16.82
Transportation and Material Moving Occupations	\$16.32
Sales and Related Occupations	\$15.48
Building and Grounds Cleaning and Maintenance Occupations	\$15.22
Food Preparation and Serving-Related Occupations	\$12.60
Personal Care and Service Occupations	\$12.49
Farming, Fishing, and Forestry Occupations	\$11.95

Source: Employment Development Department

- In contrast, eight major occupational groups had median hourly wages of less than \$18 an hour⁷, including: healthcare support occupations, production occupations, transportation and material moving occupations, sales and related occupations, building and grounds cleaning and maintenance occupations, food preparation and serving-related occupations, personal care and service occupations, and farming, fishing, and forestry occupations. Employment in these eight major occupational groups totaled nearly 7.3 million jobs in May 2018, accounting for over two-fifths (42.6 percent) of total employment.

⁷ The minimum wage in California rose to \$12 an hour on January 1, 2019.

Regional Inequalities: Coastal and Inland Areas of California

- California's labor market is characterized by regional inequalities, and more particularly, coastal and inland areas of the state. Coastal areas are narrowly defined as those California counties that border the Pacific Ocean or San Francisco Bay, and inland areas include those counties that do not. As such, coastal areas include large metropolitan areas such as San Diego, Los Angeles, San Jose, San Francisco, and Oakland. The Sacramento and Inland Empire metropolitan areas are included among inland areas even though their economies are interconnected with and share many of the same characteristics of the large, urban coastal areas of the state.
- According to annual average data from the Quarterly Census of Employment and Wages (QCEW), 12.4 million, or nearly three-quarters (73.3 percent), of California's nearly 17 million wage and salary jobs were in coastal areas of California in 2018. Employment in inland areas totaled 3.7 million jobs, of which close to two-fifths were in the Riverside-San Bernardino and Sacramento metropolitan areas combined.
- Inland areas experienced slightly faster job growth than coastal areas from 2010 through 2018. Whereas wage and salary jobs in inland areas grew by 21.7 percent over this eight-year period, they grew by 19.5 percent in coastal areas. Inland areas excluding the Riverside-San Bernardino and Sacramento metropolitan areas grew at a slightly slower rate of 20.2 percent.
- Annual average pay levels were much higher in coastal areas than inland areas of the state over the 2010 through 2018 period. The average annual pay in coastal areas was \$75,100 in 2018, compared to \$48,400 in inland areas. The pay discrepancy was even wider in inland areas if the Riverside-San Bernardino and Sacramento metropolitan areas are omitted from inland areas. Average annual pay in inland areas excluding these two areas was just \$33,100 in 2018. That said, the cost of living, and more particularly housing and lodging, tend to be much higher in coastal areas than inland areas of the state.
- Wages and salaries grew at a faster rate in coastal areas than inland areas over the 2010-2018 period. Average annual pay increased by \$18,000, or 31.5 percent, in coastal areas from 2010 through 2018, compared to \$7,700, or 18.8 percent, in all inland areas, and \$4,800, or 17.2 percent, in inland areas excluding the Sacramento and Riverside-San Bernardino metropolitan areas.

Comparative Unemployment by Industry Sector and Occupation

- In October 2010, when unemployment was near its peak, unemployment rates ranged from a high of 23.8 percent in construction to a low of 3.8 percent in public administration. This was a range of 20.0 percentage points. Unemployment rates improved across industry sectors over the October 2010-2019 period. In October 2019, unemployment rates ranged from a high of 13.5 percent in agriculture, forestry, and hunting to a low of 2.0 percent in financial activities. This was a range of 11.5 percentage points. The range was even narrower in nonfarm

industries, from a high of 5.1 percent in mining to a low of 2.0 percent in financial activities, a difference of just 3.1 percentage points.

- In October 2010, seven industry sectors had unemployment rates higher than 10.0 percent. In contrast, the very seasonal agriculture, forestry, and hunting sector (13.5 percent) was the only industry sector that had an unemployment rate of over 10.0 percent in October 2019. Four nonfarm industry sectors had unemployment rates of 4.0 percent or higher: mining (5.1 percent), wholesale and retail trade (4.4 percent), construction (4.3 percent), and manufacturing (4.0 percent). Five nonfarm sectors had unemployment rates below 3.0 percent: other services (2.8 percent), public administration (2.7 percent), educational and health care services (2.6 percent), information (2.5 percent), and financial activities (2.0 percent).
- A comparison of October 2010 and October 2019 industry sector unemployment rates suggest that workers in goods producing industry sectors such as construction and manufacturing or consumer-spending sensitive industries such as leisure and hospitality and wholesale and retail trade are among the most vulnerable in times of recession.
- In October 2010, occupational unemployment rates ranged from a high of 27.0 percent in construction and extraction occupations to a low of 6.7 percent in professional and related occupations. This was a range of 20.3 percentage points. Unemployment rates improved across occupational groups over the October 2010-2019 period. In October 2019, occupational unemployment rates in the nonfarm economy ranged from a high of 5.6 percent in construction and extraction occupations to a low of 2.0 percent in management, business, and financial occupations, which was a difference of 3.6 percentage points.
- In October 2010, eight of the ten major occupational groups had unemployment rates higher than 10.0 percent. In contrast, farming, fishing, and forestry occupations (17.9 percent), which tend to be highly seasonal in nature, was the only occupational group with an unemployment rate over 10.0 percent in October 2019. Four additional occupational groups had unemployment rates of 4.0 percent or more: construction and extraction occupations (5.6 percent), transportation and material moving occupations (5.2 percent), production occupations (4.1 percent), and sales and related occupations (4.0 percent). In contrast, three occupational groups had unemployment rates below 3.0 percent: installation, maintenance, and repair occupations (2.9 percent); professional and related occupations (2.7 percent); and management, business, and financial occupations (2.0 percent). Generally speaking, unemployment rates were higher in lower-skill occupations and lower in higher skill ones.

Educational Attainment and the Labor Market

- Educational attainment plays a key role in determining labor market outcomes. Unemployment rates tend to be strongly correlated with educational attainment. As a rule, groups with lower educational attainment are more susceptible to unemployment than are more highly educated groups. Unemployment rates tend to get progressively higher the lower

one's educational attainment and progressively lower the higher one's educational attainment. Those with lower educational attainment tend to cluster in low-wage and low-skill industry sectors and more highly educated persons cluster in higher paying and high-skill industries and occupations.

- In October 2010, when unemployment was near its peak, the highest unemployment rate of Californians age 25 and older⁸ was among those who had not completed high school at 15.9 percent, followed by 13.0 percent among high school graduates who did not attend college, and 12.4 percent among those who had attended some college but had not earned a degree. In contrast, the unemployment rate among those with an associate degree was 8.5 percent and 6.2 percent among those who had a bachelor's degree or higher.
- The range between the educational attainment groups with the highest and lowest unemployment rates was 9.7 percentage points in October 2010. The unemployment rates of all educational attainment groups fell substantially over the course of the expansion to the point where just 3.4 percentage points separated the highest and lowest unemployment rates of the major educational attainment groups in October 2019. Nevertheless, those with less educational attainment experienced progressively higher unemployment rates than those with more educational attainment in October 2019. The unemployment rates of those who did not complete high school and those who were high school graduates only were 6.0 and 3.9 percent, respectively, in October 2019. In contrast, the unemployment rates of those with an associate Degree and those who had obtained a bachelor's degree or higher were 3.1 and 2.6 percent, respectively.
- About one-third (32.8 percent) of working Californians over the age of 25 had either not completed high school or had a high school diploma only in October 2019. These workers were clustered in six industry sectors. Wholesale and retail trade (14.1 percent) employed the largest share of workers with a high school diploma or less, followed by construction (13.3 percent), educational and health services (11.0 percent), professional and business services (10.9 percent), leisure and hospitality (10.9 percent), and manufacturing (10.8 percent). As a group, these six industry sectors employed 71.0 percent of all workers who had a high school diploma or less.
- Retail trade employed four-fifths of the workers with a high school diploma or less in the wholesale and retail trade sector. In the professional and business services sector, three-quarters of the workers with a high school diploma or less were employed in the low-wage administrative and support and waste services subsector. Although agricultural, forestry, fishing, and hunting employed just 5.6 percent of those with a high school diploma or less in October 2019, nearly four-fifths (78.3 percent) of the workers in this sector had a high school diploma or less. About half of the workers in this sector over the age of 25 had not completed high school.

⁸ Persons under the age of 25 are excluded from the analysis to filter those who are still attending school from the analysis.

- Nearly half (49.2 percent) of California workers age 25 and over with an associate degree or higher worked in either the professional and business services or educational and health care services sectors. The high wage financial activities and information sectors employed an additional 11.8 percent of all workers with an associate degree or higher. Four-fifths of the workers with an associate degree or higher in the professional and business services sector were employed in the high-wage professional, scientific, and technical services sector. Within educational and health services, 46.2 percent of workers with an associate degree or higher worked in the health care industries, and 44.6 percent worked in educational services.

Outlook

- California's employment, unemployment, and GDP data painted a picture of a strong economy with healthy labor markets as of October 2019, with employment continuing to grow at a solid pace and unemployment continuing to fall. The state's year-over job growth was broad-based across regions and most industries, with little signs of weakening in any particular industry or region. Similarly, GDP data from the second quarter of 2019 showed that the prevailing trend of economic growth in California was continuing.
- Nevertheless, a growing number of economists were warning of increasing risks that the U.S. economy, and the California economy with it, would slow or even tip into recession in late 2020 or in 2021, citing a slowing global economy, weak business spending, and trade policy uncertainty as specific concerns. In other words, the economic outlook was more opaque than available labor market data might suggest.
- At 116 months of age, California's February 2010-October 2019 employment expansion was already the state's longest of the post-World War II era, exceeding the 113-month expansion that occurred during the 1960s. The third and fourth longest employment expansions in California lasted 92 and 91 months, respectively. Each economic downturn is caused by a unique combination of economic factors and not by its duration. However, if history serves as a guide, there would appear to be a significant possibility that the California economy will slow and even enter a downturn during the lifespan of this State Plan.

Workforce Analysis: Demographics and Target Populations

This section provides an overview of California's population, and more particularly its working age population, and the target populations that the WIOA is intended to serve.

Total Population

- According to 12-month average data from the CPS, California's population totaled 39.2 million in October 2019, making it the most populous state in the nation.
- Women made up over half (50.6 percent) of the state's population and men just 49.4 percent. Women made up 55.4 percent of Californians age 65 and over, compared to just 44.6 percent

who were men.

- Whites, including Hispanics who self-identify as White, were the largest racial group, making up 72.2 percent of California's population in October 2019. Asians (16.0 percent) were the second largest racial group in October 2019, followed by African Americans (6.3 percent), persons with two or more races (3.5 percent), and American Indians, Alaskan Natives, Native Hawaiians, and Pacific Islanders (2.0 percent).
- Younger Californians tended to be much more racially and ethnically diverse than older Californians. Whites made up 75.7 percent of Californians age 65 and over, compared to 70.7 percent of youths age 16 to 24 and 72.4 percent of those age 0 to 15. Persons of two or more races made up 6.1 percent of the 0 to 15 age cohort, 5.7 percent of the 16 to 24 age cohort, and 3.2 percent of Californians age 25 to 34. In contrast, just 1.4 percent of persons age 65 and over was of mixed race. The share of African Americans was more or less consistent across age cohorts, as was the share among Asians, apart from the 0 to 15 age cohort, which had a lower (13.1 percent) share than those age 16 and over (16.8 percent).
- Nearly two-fifths (38.7 percent) of Californians were of Hispanic ethnicity, but there were large differences between younger and older workers. Latinos made up over half (51.8 percent) of all Californians age 0 to 15, nearly half (47.8 percent) of youths age 16 to 24, and two-fifths of those age 25 to 44. In contrast, only one out of five (19.7 percent) Californians age 65 and over was Latino as were 29.4 percent of those age 55 to 64.
- QuickFacts from the U.S. Census indicate that non-Hispanic Whites made up just 36.8 percent of Californians total population in July 2018.
- Asians were the fastest growing racial or ethnic group in California over the five year-period from October 2014 through October 2019. The Asian population grew by just over one million persons over this period, which was an increase 19.3 percent. In October 2014, 13.8 percent of Californians were Asian. This share rose to 16.0 percent in October 2019. People of more than one race were the next fastest segment of the population, growing by 11.4 percent (140,000 persons), followed by Hispanics at 3.2 percent (475,000), and African Americans at 1.7 percent (40,000 persons). In contrast, the number of White Californians fell slightly by 0.1 percent (34,000 persons) over the five-year period.
- California's foreign-born population totaled nearly 10.3 million persons in October 2019. One out of every four (26.2 percent) Californians was foreign-born. Over half (52.4 percent) of foreign-born Californians were naturalized U.S. citizens, compared to 47.6 percent who were not citizens. The population of foreign-born persons of Central American origin totaled around 4.8 million, making up 46.5 percent of all California's immigrants. The population of Mexican-born persons alone totaled around 4 million in October 2019, comprising nearly two-fifths (38.6 percent) of all foreign-born Californians. The population of persons of Asian and Middle Eastern origin totaled a little over 4 million, accounting for nearly two-fifths (39.1 percent) of California's foreign-born.

Table 12
Demographic Characteristics of Californians By Age
(October 2019; 12-Month Average of Current Population Survey Data)

	<u>All Ages</u> <u>Number</u>	<u>0 to 15</u> <u>Number</u>	<u>16 to 24</u> <u>Number</u>	<u>25 to 34</u> <u>Number</u>	<u>35 to 44</u> <u>Number</u>	<u>45 to 54</u> <u>Number</u>	<u>55 to 64</u> <u>Number</u>	<u>65 and over</u> <u>Number</u>
All Demographic Groups	39,203,000	7,949,000	4,556,000	5,916,000	5,295,000	5,050,000	4,657,000	5,781,000
Male	19,349,000	4,063,000	2,311,000	2,970,000	2,668,000	2,510,000	2,249,000	2,580,000
Female	19,854,000	3,886,000	2,245,000	2,946,000	2,628,000	2,540,000	2,408,000	3,201,000
Native-Born	28,951,000	7,949,000	4,556,000	5,916,000	5,295,000	5,050,000	4,657,000	5,781,000
Foreign-Born	10,253,000	7,645,000	4,008,000	4,380,000	3,221,000	2,787,000	2,944,000	3,967,000
Naturalized Citizen	5,375,000	304,000	547,000	1,536,000	2,074,000	2,264,000	1,713,000	1,814,000
Not a Citizen	4,877,000	54,000	149,000	480,000	942,000	1,272,000	1,109,000	1,369,000
White only	28,309,000	5,759,000	3,219,000	4,085,000	3,834,000	3,624,000	3,415,000	4,373,000
African American only	2,475,000	500,000	269,000	477,000	286,000	313,000	326,000	303,000
Asian only	6,279,000	1,040,000	709,000	1,027,000	915,000	902,000	739,000	947,000
American Indian, Alaskan Native, Hawaiian, Pacific Islander	773,000	166,000	99,000	136,000	128,000	84,000	82,000	78,000
More than One Race	1,366,000	483,000	259,000	191,000	132,000	128,000	95,000	79,000
Hispanic/Latino	15,165,000	4,118,000	2,178,000	2,395,000	2,141,000	1,823,000	1,371,000	1,139,000
Non-Hispanic	24,038,000	3,831,000	2,377,000	3,521,000	3,154,000	3,227,000	3,285,000	4,642,000
	<u>All Ages</u> <u>Age Cohort</u> <u>Share (%)</u>	<u>0 to 15</u> <u>Age Cohort</u> <u>Share (%)</u>	<u>16 to 24</u> <u>Age Cohort</u> <u>Share (%)</u>	<u>25 to 34</u> <u>Age Cohort</u> <u>Share (%)</u>	<u>35 to 44</u> <u>Age Cohort</u> <u>Share (%)</u>	<u>45 to 54</u> <u>Age Cohort</u> <u>Share (%)</u>	<u>55 to 64</u> <u>Age Cohort</u> <u>Share (%)</u>	<u>65 and over</u> <u>Age Cohort</u> <u>Share (%)</u>
All Demographic Groups	–	–	–	–	–	–	–	–
Male	49.4%	51.1%	50.7%	50.2%	50.4%	49.7%	48.3%	44.6%
Female	50.6%	48.9%	49.3%	49.8%	49.6%	50.3%	51.7%	55.4%
Native-Born	73.8%	96.2%	88.0%	74.0%	60.8%	55.2%	63.2%	68.6%
Foreign-Born	26.2%	3.8%	12.0%	26.0%	39.2%	44.8%	36.8%	31.4%
Naturalized Citizen	13.7%	0.7%	3.3%	8.1%	17.8%	25.2%	23.8%	23.7%
Not a Citizen	12.4%	3.1%	8.7%	17.9%	21.4%	19.6%	13.0%	7.7%
White only	72.2%	72.4%	70.7%	69.1%	72.4%	71.8%	73.3%	75.7%
African American only	6.3%	6.3%	5.9%	8.1%	5.4%	6.2%	7.0%	5.2%
Asian only	16.0%	13.1%	15.6%	17.4%	17.3%	17.9%	15.9%	16.4%
American Indian, Alaskan Native, Hawaiian, Pacific Islander	2.0%	2.1%	2.2%	2.3%	2.4%	1.7%	1.8%	1.4%
More than One Race	3.5%	6.1%	5.7%	3.2%	2.5%	2.5%	2.0%	1.4%
Hispanic/Latino	38.7%	51.8%	47.8%	40.5%	40.4%	36.1%	29.4%	19.7%
Non-Hispanic	61.3%	48.2%	52.2%	59.5%	59.6%	63.9%	70.6%	80.3%

Source: Employment Development Department

- Two-fifths (40.3 percent) of all Californians age 35 to 64 were foreign-born in October 2019, with persons in the 45 to 54 age cohort having the highest share of foreign-born at 44.8 percent. Persons over the age of 55 were slightly less likely to be foreign-born. The foreign-born share of persons in the 55 to 54 and 65 and over age cohorts was 36.8 and 31.4 percent, respectively. Younger Californians were less likely to be foreign-born. The foreign-born share among those age 0 to 15 was just 3.8 percent, 12.0 percent among youths age 16 to 24, and

26.0 percent in the 25 to 34 age cohort.

- California's foreign-born population grew faster than the native-born population over the five-year period from October 2014 through October 2019. Whereas the number of foreign-born grew by 598,000 persons, or 6.2 percent, over this period, the number of native-born Americans grew by 549,000, or 1.9 percent.

Educational Attainment

- Nearly two-fifths (37.5 percent) of Californians age 25 and older had a bachelor's degree or higher in October 2019 and an additional 9.1 percent had earned an associate degree. In numerical terms, nearly 10 million Californians had earned a bachelor's degree or higher and 1.3 million had earned an associate degree.
- In contrast, a little less than one-quarter (23.5 percent) of Californians over the age of 25 ended their education with a high school diploma and one out of every seven (14.2 percent) never graduated high school. The combined share of those who had not completed high school or graduated high school only was 37.4 percent in October 2019, or nearly identical to that of those with a bachelor's Degree or higher (37.5 percent).
- Educational attainment patterns varied considerably between racial and ethnic groups in October 2019.
 - Asians tended to have the highest educational attainment among California racial and ethnic groups. Two-thirds (66.2 percent) of California Asians over the age of 25 had an associate degree or higher. Nearly three-fifths (58.4 percent) had a bachelor's degree or higher.
 - Hispanics tended to have the lowest educational attainment among California racial and ethnic group, in large part due to immigration patterns. Over three-fifths (62.2 percent) of California Hispanics age 25 or older had not graduated high school or had only graduated high school. The shares of those who never completed high school (32.1 percent) and high school diploma holders (30.1 percent) were roughly similar.

Table 13
Demographic Characteristics of Californians By Educational Attainment (Age 25 and Over)
(October 2019; 12-Month Average of Current Population Survey Data)

	All Educational Attainment Groups	Did Not Complete High School	High School Diploma, No College	H.S. Graduate, Some College	Associate Degree	Bachelor's Degree or Higher
	<u>Number</u>	<u>Number</u>	<u>Number</u>	<u>Number</u>	<u>Number</u>	<u>Number</u>
All Demographic Groups	26,689,000	3,785,000	6,184,000	4,303,000	2,419,000	9,997,000
Male	12,954,000	1,842,000	3,111,000	2,082,000	1,083,000	4,836,000
Female	13,734,000	1,943,000	3,073,000	2,221,000	1,336,000	5,162,000
White only	19,321,000	3,109,000	4,724,000	3,222,000	1,738,000	6,527,000
African American only	1,708,000	147,000	422,000	406,000	206,000	527,000
Asian only	4,528,000	367,000	715,000	448,000	353,000	2,645,000
American Indian, Alaskan Native, Hawaiian, Pacific Islander	507,000	73,000	181,000	105,000	62,000	87,000
More than One Race	624,000	89,000	143,000	122,000	60,000	211,000
Hispanic/Latino	8,862,000	2,843,000	2,667,000	1,322,000	652,000	1,823,000
Non-Hispanic	17,826,000	942,000	3,517,000	2,981,000	1,767,000	3,227,000
Native-Born	16,949,000	956,000	4,002,000	3,384,000	1,799,000	6,807,000
Foreign-Born	3,829,000	2,066,000	1,046,000	301,000	149,000	268,000
Mexico	3,829,000	2,066,000	1,046,000	301,000	149,000	268,000
Central America/Caribbean	820,000	319,000	232,000	97,000	57,000	114,000
Rest of the World	5,091,000	443,000	904,000	521,000	415,000	2,808,000
	All Educational Attainment Groups	Did Not Complete High School	High School Diploma, No College	H.S. Graduate, Some College	Associate Degree	Bachelor's Degree or Higher
	<u>Share (%) of Demographic Group</u>	<u>Share (%) of Demographic Group</u>	<u>Share (%) of Demographic Group</u>	<u>Share (%) of Demographic Group</u>	<u>Share (%) of Demographic Group</u>	<u>Share (%) of Demographic Group</u>
All Demographic Groups	--	14.2%	23.2%	16.1%	9.1%	37.5%
Male	--	14.2%	24.0%	16.1%	8.4%	37.3%
Female	--	14.1%	22.4%	16.2%	9.7%	37.6%
White only	--	16.1%	24.5%	16.7%	9.0%	33.8%
African American only	--	8.6%	24.7%	23.8%	12.1%	30.9%
Asian only	--	8.1%	15.8%	9.9%	7.8%	58.4%
American Indian, Alaskan Native, Hawaiian, Pacific Islander	--	14.4%	35.6%	20.7%	12.2%	17.2%
More than One Race	--	14.2%	22.9%	19.5%	9.6%	33.8%
Hispanic/Latino	--	32.1%	30.1%	14.9%	7.4%	15.6%
Non-Hispanic	--	5.3%	19.7%	16.7%	9.9%	48.4%
Native-Born	--	5.8%	23.6%	19.9%	10.5%	40.2%
Foreign-Born	--	29.7%	22.5%	9.1%	6.4%	32.4%
Mexico	--	54.0%	27.3%	7.9%	3.9%	7.0%
Central America/Caribbean	--	39.0%	28.3%	11.8%	7.0%	13.9%
Rest of the World	--	8.7%	17.8%	10.2%	8.1%	55.2%

Source: Employment Development Department

- The share of Whites and African Americans over the age of 25 who had an associate degree or higher were nearly identical at 42.8 and 42.9 percent, respectively, but a slightly higher share of Whites than African Americans had a bachelor's degree or higher and a slightly higher share of African Americans than Whites had an associate degree.
- Native-born Americans tended to have higher educational attainment than foreign-born immigrants, but the story is much more complex below the surface. A little over half of native-born Americans over the age of 25 had an associate degree or higher. Two-fifths had a bachelor's degree or higher. In contrast, just 29.3 percent of native-born Americans had never completed high school or graduated high school only. In sharp contrast, over half (52.8 percent) of foreign-born Californians had either never completed high school or was a high school graduate only. Three out of every 10 (29.7 percent) had never completed high school. Yet at the same time, nearly two-fifths (38.7 percent) had an associate degree or higher.
- More detailed analysis shows that the existence of a land bridge from an immigrant's country of origin to the California plays an influential role in determining the educational attainment status of immigrant groups. The high costs associated with having to cross an ocean to enter California is a barrier to entry for lower educational attainment groups.
 - Over four-fifths (81.3 percent) of foreign born Californians over the age of 25 who were born in Mexico had a high school diploma or less in October 2019, compared to just 10.9 percent who held an associate degree or higher. Over half of Mexican-born Californians had not completed high school. Similarly, over two-thirds (67.3 percent) of foreign-born Californians of Central American or Caribbean origin had a high school diploma or less.
 - In sharp contrast, over three-fifths (63.3 percent) of Californians over the age of 25 who were born in the rest of the world (Asia, Middle East, Europe, South American and Africa) had an associate degree or higher in October 2019. Those with a bachelor's degree or higher accounted for 55.2 percent of these immigrants. A little more than one-quarter (26.5 percent) had a high school diploma or less. Less one-tenth (8.7 percent) had not completed high school.
- The number of Californians age 25 and over who had a bachelor's degree or higher grew by nearly 1.5 million, or 3.0 percent, over the five-year period from October 2014 through October 2019. This was the largest increase in both number and percent among the five major educational attainment share. The share of holders of a bachelor's degree or higher amongst Californians age 25 and older grew from 34.5 percent in October 2014 to 37.5 percent in October 2019. The share of high school graduates with no college and associate degree holders each grew by 0.2 percentage point over the same five-year period.
- In contrast, the number of Californians age 25 and over who never completed high school fell by 152,000 persons, or 1.7 percent, from October 2014 through October 2019. Those who had graduated high school and had attended some college but did not receive a degree experienced a comparable decrease. Their number fell by 154,000 persons, or 1.8 percent,

over the same five-year period.

Target Populations

Veterans

- According to the U.S. Census Bureau, 1.6 million veterans resided in California in October 2019. The state of California accounted for 8.5 percent of the nation's 18.9 million veterans. In terms of year-over trends, the state experienced a decrease of roughly 121,000 veterans from October 2018 to October 2019.
- In October 2019, two out of every three veterans in the Golden State were 55 years and older. Two-fifths were age 70 and older. In contrast, 362,000 (22.7 percent) of the state's veterans were between the ages of 35 and 54. The 18 to 34 age group made up the smallest share of the state's veterans, numbering 157,000 (9.9 percent).
- Thirty percent (482,000) of California's veterans served during the Vietnam era (August 1964 to April 1975). About one-third of the state's veterans served in one of the two Gulf wars, including 228,000 veterans who served in the first Gulf War I (August 1990 to August 2001) and 297,000 who served in the second Gulf War and Afghanistan era (September 2001 or later). In addition, nearly 282,000 California veterans served between May 1975 and July 1990.
- California's 143,000 women veterans made up 9.0 percent of the state's veterans population in October 2019. Over one-third (34.5 percent) of women veterans served in the second Gulf War and over one-fifth (21.4 percent) served in the second Gulf War and Afghanistan era. Nine out of every ten military veterans in California were men in October 2019.

Immigrant (Foreign-Born) Workers

- California's civilian labor force included 6.3 million foreign-born workers in October 2019. The number of employed immigrants grew by 392,000 persons over the five-year period from October 2014 to October 2019), which was a byproduct of the state's current economic expansion. In addition, the number of unemployed immigrants fell 164,000 persons over the same five-year period and their unemployment rate dropped from 6.6 percent to 3.8 percent.
- The industry sectors and subsectors that employed the largest numbers of foreign-born workers in October 2019 were health care and social assistance, professional and technical services, accommodation and food services, and construction, each of which employed over 500,000 foreign-born workers. One out of every five (20.3 percent) foreign-born workers was employed in either the health care and social assistance (11.4 percent) or accommodation and food services (8.9 percent) subsectors. The retail trade; durable goods manufacturing; management, administrative and waste services; transportation and warehousing; other services; and educational services subsectors each employed over 300,000 foreign born workers as well.
- Six occupational groups employed more than 400,000 foreign-born workers held in October

2019, including: management occupations (553,000), office and administrative support occupations (514,000), building and grounds maintenance occupations (460,000), construction and extraction occupations (455,000), transportation and material moving occupations (453,000), and sales and related occupations (449,000). Nearly half (47.9 percent) of California's foreign-born workers held jobs in these six occupational groups combined. The types of jobs included in these occupational groups ranged from public relations manager to building cleaning workers to construction trades workers) to sales representatives to metal or plastic machinist workers, to name just a few.

- Four additional occupational groups employed over 300,000 foreign-born workers: production occupations (389,000), food preparation and serving related occupations (370,000), computer and mathematical science occupations (368,000), and personal care and service occupations (360,000). One-quarter (24.7 percent) of the state's foreign-born workers held jobs in one of these four occupational groups.

Californians with Disabilities

- The federal government, adopting the definition set forth in the Americans with Disabilities Act (ADA), defines a person with a disability as any person who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such impairment; or is regarded as having such an impairment. Examples of major life activities include: walking, talking, seeing, breathing, performing manual tasks, or caring for oneself.
- According to 12-month average data from the Current Population Survey, there were 2.9 million people with a disability in the state of California in October 2019. They comprised 9.3 percent of California's working age population.
- Persons with disabilities can have more than one type of disability. The most commonly cited type of disability was having difficulty walking or climbing stairs (1,736,000 persons) was the most commonly cited type of disability in October 2019, followed by difficulty doing errands (1,253,000 persons), having difficulty remembering or making decisions (964,000 persons), deafness or serious difficulty hearing (787,000 persons), difficulty dressing or bathing (692,000), and blindness or difficulty seeing without glasses (408,000).
- The likelihood that a person has a disability is strongly correlated with advancing age. For example, only one out of every 25 (4.1 percent) of working age Californians under the age of 55 reported that they had a disability in October 2019 compared to one out of every five (19.5 percent) Californians age 55 and over. Nearly two-fifths (38.2 percent) of Californians age 75 and over had a disability.
- One-third (32.5 percent) of Californians with a disability were age 75 and over in October 2019. Over half (52.1 percent) of all Californians with a disability were age 65 and over, and seven out of every 10 (70.5 percent) were age 55 and over. In contrast, just one out every nine (11.3 percent) Californians who had a disability was less than 35 years of age, and less than one-fifth (18.4 percent) were less than 45.

Table 14
Californians With Disabilities by Age and Type of Disability
 (October 2019; 12-Month Average Current Population Survey Data)

	<u>All Ages Number</u>	<u>16 to 24 Number</u>	<u>25 to 34 Number</u>	<u>35 to 44 Number</u>	<u>45 to 54 Number</u>	<u>55 to 64 Number</u>	<u>65 to 74 Number</u>	<u>75 and Over Number</u>
All Persons	31,254,000	4,566,000	5,903,000	5,282,000	5,036,000	4,653,000	3,355,000	2,461,000
Doesn't Have a Disability	28,356,000	4,401,000	5,740,000	5,075,000	4,715,000	4,118,000	2,787,000	1,520,000
Has a Disability	2,898,000	164,000	163,000	207,000	321,000	535,000	568,000	941,000
Share (%) of Age Cohort Having a Disability	9.3%	3.6%	2.8%	3.9%	6.4%	11.5%	16.9%	38.2%
<u>Type of Disability</u>								
Difficulty Walking or Climbing Stairs	1,736,000	36,000	52,000	105,000	181,000	344,000	369,000	648,000
Difficulty Doing Errands	1,253,000	87,000	70,000	86,000	130,000	195,000	196,000	490,000
Difficulty Remembering or Making Decisions	964,000	121,000	84,000	96,000	113,000	163,000	122,000	266,000
Deafness or Serious Difficulty Hearing	787,000	15,000	20,000	30,000	50,000	109,000	161,000	403,000
Difficulty Dressing or Bathing	692,000	35,000	25,000	41,000	68,000	124,000	114,000	286,000
Blindness or Difficulty Seeing Without Glasses	408,000	9,000	16,000	19,000	41,000	78,000	73,000	171,000

Age Distribution of Persons Who Have a Disability

	<u>All Ages Share (%)</u>	<u>16 to 24 Share (%)</u>	<u>25 to 34 Share (%)</u>	<u>35 to 44 Share (%)</u>	<u>45 to 54 Share (%)</u>	<u>55 to 64 Share (%)</u>	<u>65 to 74 Share (%)</u>	<u>75 and Over Share (%)</u>
All Types of Disabilities	100.0%	5.7%	5.6%	7.1%	11.1%	18.5%	19.6%	32.5%
<u>Type of Disability</u>								
Difficulty Walking or Climbing Stairs	100.0%	2.1%	3.0%	6.0%	10.4%	19.8%	21.3%	37.4%
Difficulty Doing Errands	100.0%	6.9%	5.5%	6.9%	10.3%	15.5%	15.6%	39.1%
Difficulty Remembering or Making Decisions	100.0%	12.6%	8.7%	9.9%	11.7%	16.9%	12.6%	27.6%
Deafness or Serious Difficulty Hearing	100.0%	1.9%	2.5%	3.8%	6.3%	13.8%	20.4%	51.2%
Difficulty Dressing or Bathing	100.0%	5.0%	3.5%	5.9%	9.9%	17.9%	16.5%	41.3%
Blindness or Difficulty Seeing Without Glasses	100.0%	2.1%	4.0%	4.6%	10.0%	19.2%	17.9%	42.0%

Source: U.S. Census Bureau; Employment Development Department

- The strong relationship between advancing age and the incidence of having a disability held true across types of disability, but was most pronounced among those who were deaf or had serious difficulty hearing. Over half (51.2 percent) of the Californians who had serious difficulty hearing were age 75 or over, and 85.5 percent were age 55 and over. Persons age 65 and over comprised over half of those with a disability for every other type of disability except having difficulty remembering or making decisions. Just two-fifths of Californians who had difficulty remembering or making decisions were age 65 and over.

- Some types of disabilities were more prevalent among younger Californians age 16 to 45 than were others. Nearly one-third (31.2 percent) of Californians who had difficulty remembering or making decisions was less than 45, as were one-fifth (19.4 percent) of those who had difficulty doing errands, and about one out every seven (14.5 percent) of those who had difficulty dressing or bathing.
- Based on a 12-month average of CPS data, the unemployment rate for persons with disabilities in California's civilian labor force was 8.9 percent in October 2019, which was more than twice as high as the 3.9 percent rate among persons who did not have a disability. However, the unemployment rate for persons with disabilities decreased over the last six years, from 15.9 percent in October 2013 to 8.9 percent in October 2019. This was a decrease of 7.0 percentage points.
- Persons who had difficulty remembering or making decisions had the highest unemployment rate at 17.7 percent in October 2019, followed by those who had difficulties doing errands (11.6 percent), and those who had difficulty dressing or bathing (9.5 percent). Unemployment rates among persons with other types of disability were lower than the 8.9 percent rate for all Californians having a disability. The unemployment rate among those who had difficulty walking or climbing stairs was 8.2 percent in October 2019; 6.7 percent among those who were blind or had difficulty seeing without glasses; and 5.5 percent among those who were deaf or had serious difficulty hearing.
- In October 2019, 42.9 percent people with disabilities persons over the age of 25 who participated in California's civilian labor force had an associate degree or higher. Nearly one-third (31.9 percent) had a bachelor's degree compared to 11.0 percent who had attained an associate degree. Persons with disabilities and those without in California's civilian labor force had comparable levels of educational attainment, with the largest difference being between the shares of those with a bachelor's degree or higher. The shares of persons with disabilities and those without them age 25 and above and who had a bachelor's degree or higher were 35.2 and 31.9 percent, respectively, which was a difference of 3.3 percentage points.
- Although people with disabilities often face unique challenges, particularly in rural areas, in getting to work due to limited transportation options, data that document the scope of this problem this are hard to come by. That said, the U.S. Census Bureau's American Community Survey (ACS) has limited transportation-to-work data that are available.
- According to the ACS, nearly four-fifths (78.8 percent) of Californians with disabilities got to work by car, truck, or van in 2017. In contrast, over four-fifths (84.4 percent) of persons without a disability did so. Persons with disabilities were more apt than those who did not have disability to work at home (8.2 to 5.9 percent), take a bus or trolley to work (5.0 percent to 3.1 percent), or walk to work (3.0 percent to 2.4 percent).
- There were only subtle differences in travel times to work among persons with disabilities and

those who did not have them. Over half of the persons in both groups who did not work at home got to work in less 30 minutes, although the share of persons having a disability (56.5 percent) was slightly higher than those without a disability (55.9 percent). At the same time, a slightly higher share of persons with disabilities (13.7 percent) took more than one hour to get to work than persons without a disability (12.6 percent).

Youth Employment Trends

- According to 12-month average CPS data from October 2019, workers between the ages of 16 and 24 made up 11.6 percent of California's civilian labor force. The youth age cohort's percent share of the labor force decreased by 2.0 percentage points over the five-year period from October 2014 to October 2019. This decline was the result of the increased shares of other age cohorts actively participating in the state's labor force.
- The unemployment rate for 16 to 24 year olds was 9.1 percent in October 2019. The youth unemployment rate was 10.6 percent in January 2007, which was before the start of the recession, it rose steeply during the recession and peaked at 23.4 percent in September 2010, after which it fell steadily over the course of the expansion. In October 2019, the youth unemployment rate was 14.3 percentage points lower than its recessionary peak.
- Two-fifths (40.3 percent) of California's 2.0 million working youths were employed in either the accommodation and food services (438,000 or 21.3 percent) or retail trade (388,000 or 18.9 percent) subsectors in October 2019. Younger workers were generally a good fit for the jobs in these subsectors such as retail salespersons, cashiers, or recreation attendants because they acquired basic skills in mathematics and effective communication before entering the workforce.
- From an occupational perspective, close to half (48.7 percent) of California's younger workers held jobs in just three major occupational groups, each of which employed over 300,000 youths in October 2019. Office and administrative support occupations (16.7 percent) employed the largest share of youths, followed by sales and related occupations (16.5 percent), and food preparation and serving related occupations (15.5 percent). The types of jobs in these occupational groups included office assistants, cashiers, and fast food workers.
- Among the 2.3 million youth that did not participate in the state's labor force in October 2019, over four-fifths (83.4 percent) chose to attend school instead. An additional 6.4 percent cited the need to take care of house or family as the reason why they did not participate in the labor force. Less than five percent cited disability as the reason why they did not actively participate in the labor force.

In-Migration

- Migration is defined as the movement of people from one location to another permanent place of residence. The reasons why people migrate are due to push and pull factors. Push factors such as retirement, movement of a business, or lack of work often drive people from

their current place of residence. A healthy economy and a pleasant climate are examples of pull factors that attract people to new locations.

- According to the most current data available from the U.S. Census Bureau's American Community Survey, 523,100 people migrated out of California in 2017 and 661,026 migrated in from another state. The number of people migrating out of the state increased by 8,400 people from 2016 to 2017. Migration into the Golden State increased 3,300 persons, from 657,700 in 2016 to 661,000 in 2017.
- In 2017, the Californians that moved out of the state tended to gravitate towards Texas (41,000), New York (34,300), and Washington (33,100). One out of every five (20.7 percent) Californians that migrated out of the state moved to one of these three states.
- California attracted 661,000 residents from across the country in 2017, the largest numbers of whom previously resided in the states of Texas (63,200), Arizona (59,200), Washington (52,500), and Oregon (50,100). One out of every three persons (34.0 percent) that migrated into California that year came from one of these four states.

Justice Involved Individuals

- Barriers to employment refer to the attributes of job candidates such as their skills, experience, and work history that may hinder their chances of finding gainful employment. The challenging barriers that California's justice involved individuals often must overcome include a limited education, a lack of work experience, and negative stigmas when they try to find a job in today's economy.
- The Center for Economic and Policy Research contends that time behind bars often leads to a reduction in a worker's human capital. In particular, it limits a worker's ability to attain a formal education, gain on-the-job experience, and acquire and use soft skills such as customer relations in a work environment.
- In addition to these barriers, justice involved individuals who seek a job often lack the social networking skills that are necessary to acquire employment. Moreover, a criminal record often subjects justice involved individuals to legal restrictions that limit employment within specific industries as well as their ability to acquire professional licenses. Occupations that are often legally closed to justice involved individuals typically include those that require contact with children, certain healthcare professions, and jobs that provide security services.
- The U.S. Bureau of Justice Statistics estimated that there were 1.5 million prisoners under jurisdiction of state or federal authorities in the United States in 2017. Just over 1.4 million of these prisoners were men (92.5 percent) and 111,400 (7.5 percent) were women. Among the 1.3 million prisoners under state jurisdiction, 131,000, or one out of ten was in the state of California.

- Data from the California's Department of Corrections and Rehabilitation (CDCR) for persons on parole provides insight into the number of persons released from confinement in state prisons. This information helps to gauge the number of justice involved individuals that may have sought entry into the state's labor force within a given year. According to the latest data from CDCR, the total active parolee population increased from 43,814 to 47,370 from June 2016 to June 2018.
- According to the CDCR, nearly one out of every five (18.7 percent) persons on parole in California was 25 to 29 years old in June 2018. Persons on parole between the ages of 18 and 44 made up 70 percent of the active parolee population. Two out of every five persons on parole in the state were Hispanic in June 2018.
- The counties that had the largest concentrations of the state's 47,370 persons on parole in June 2018 were: Los Angeles (28.6 percent), San Bernardino (7.3 percent), Riverside (6.4 percent), San Diego (6.2 percent), Orange (5.9 percent), and Sacramento (4.2 percent). All other counties in the state combined accounted for 41.4 percent of the parolee population.

Homelessness

- The U.S. Public Health Service Act defines a homeless individual as an individual who lacks housing (without regard to whether the individual is a member of a family), including any individual whose primary residence during the night is a supervised public or private facility such as a shelter that provides temporary living accommodations, or is a resident in transitional housing.
- The U.S. Department of Housing and Urban Development (HUD) estimated that there were 553,800 homeless individuals in the U.S. in 2018, of whom 64.8 percent (358,400) were sheltered and 35.2 percent (194,500) were unsheltered. Seven out of every ten (71 percent) of nation's homeless, or 392,900 persons, were over the age of 24. Between 2010 and 2018, the total number of homeless persons in the U.S. decreased by 13.2 percent, or 84,200 persons, from 2010 to 2018.
- HUD estimated that California's homeless population was 129,970 in 2018, of whom 89,540 were unsheltered and 40,430 were sheltered. California accounted for 23.5 percent of the nation's homeless population. Nearly half (46.0 percent) of all unsheltered homeless people in the U.S. were in California. The counties in the state that had the largest concentrations of homeless persons includes: Los Angeles (49,960), San Diego (8,580), and Santa Clara (7,250).
- According to HUD estimates, California's 1,560-person decrease in the number of homeless persons from 2017 to 2018 was the largest decrease of any state in the nation. Florida (1,160), Michigan (700), Hawaii (690), and Georgia (680) had the next largest year-over decreases.
- HUD estimated that in 2018, 33 out of every 10,000 people in the state of California had experienced homelessness. Among this population, 109,000 were individuals and 20,960 were

people in families with children. In addition, 10,840 were veterans and 32,660 were chronically homeless individuals. Chronically homeless individuals are persons with a disability who have been continuously homeless for one year or more or have experienced at least four episodes of homelessness in the last three years where the combined length of time being homeless in those occasions is at least twelve months.

Skill Gaps

While state level labor market data can provide helpful insight into employer needs and potential workforce skill gaps at a macro level, due to the sheer complexity of California's economy, skills gap assessments are most accurate and reflective of the diversity of the state when conducted at the regional level.

For this reason, Local Boards are required to engage with other core program partners and employers within their RPUs to conduct a regional analysis of economic conditions as a part of the WIOA Regional Planning process. This analysis must include, but is not limited to, the following:

- An analysis of the regional workforce which includes current labor force employment and unemployment data;
- Information on labor market trends;
- Educational and skill levels of the workforce, including individuals with barriers to employment.

California believes that conducting these assessments as part of a meaningful regional planning effort drives regional sector career pathways that are comprised of the following components: multiple on-ramps to enter and exit with industry recognized credentials; active participation by employers for training and placement; innovations in program content and delivery for upskilling; and integrated support services, including academic and safety-net resources.