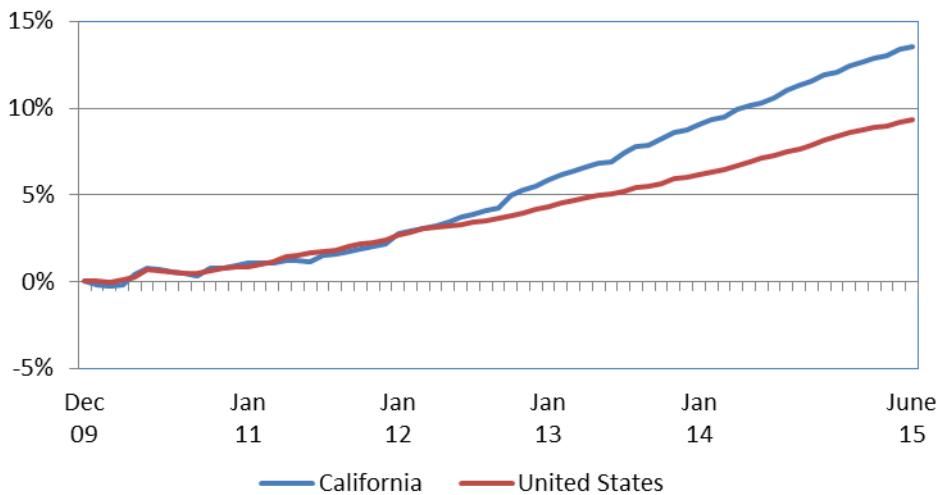


July 2015

## The June Jobs Report—California Adds Jobs, Brings People Back into the Workforce and Outpaces the Nation

California added 22,900 jobs in June and a total of 461,800 (+3.0%) for the past 12 months. Since the recession ended, California job levels have grown by 13.5% (1.9 million) compared to the nation’s 9.4% job recovery. June job growth was slower than in May but continued the pattern of steady moderate growth.

### Job Growth Dec 2009--June 2015



The strong jobs recovery has brought people back into the workforce while simultaneously reducing the number of unemployed residents. The June unemployment rate fell to 6.3%, still higher than the U.S. rate of 5.3%. At the same time the number of people in the workforce but unemployed fell by 217,000 to the lowest level since March 2008.

#### California Workforce Trends

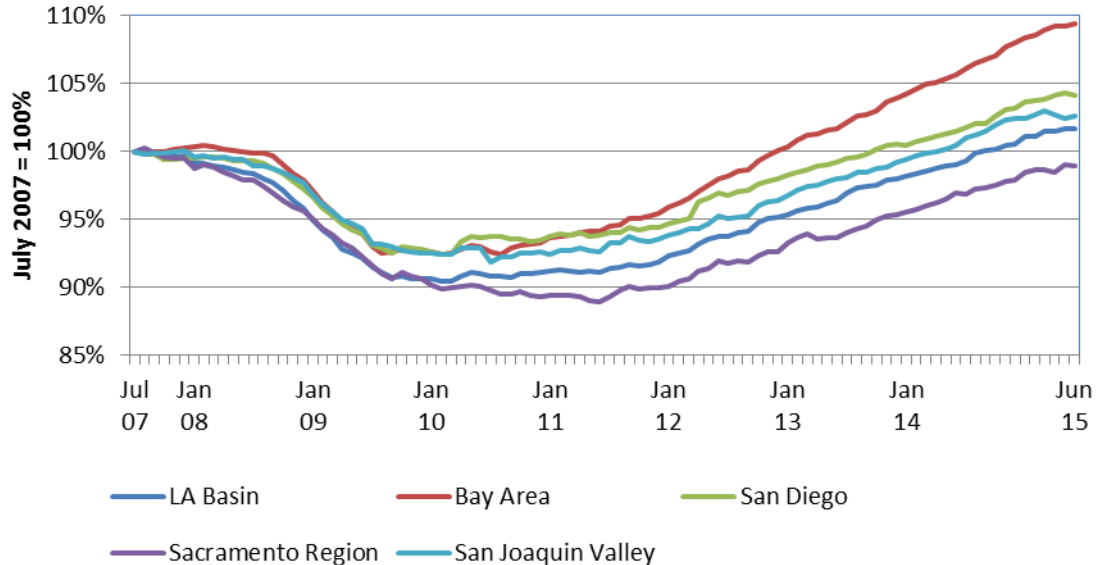
	June 14	June 15	Change
Labor Force	18,777,000	19,043,000	266,000
Employment	17,365,000	17,848,000	483,000
Unemployment	1,412,000	1,195,000	-217,000
Unemployment Rate	7.5%	6.3%	-1.2%

Source: California Employment Development Department

All regions of the state except the Sacramento region have regained all the jobs lost during the recovery and moved into positive territory. Bay Area job levels are now 9.4% above pre-recession peaks and San Diego County has a 4.1% gain. Southern California job levels are 1.6% above pre-recession levels and rising at

more than 200,000 jobs a year. The San Joaquin Valley, despite the drought, has also surpassed pre-recession job levels.

## Job Trends: A Regional Perspective

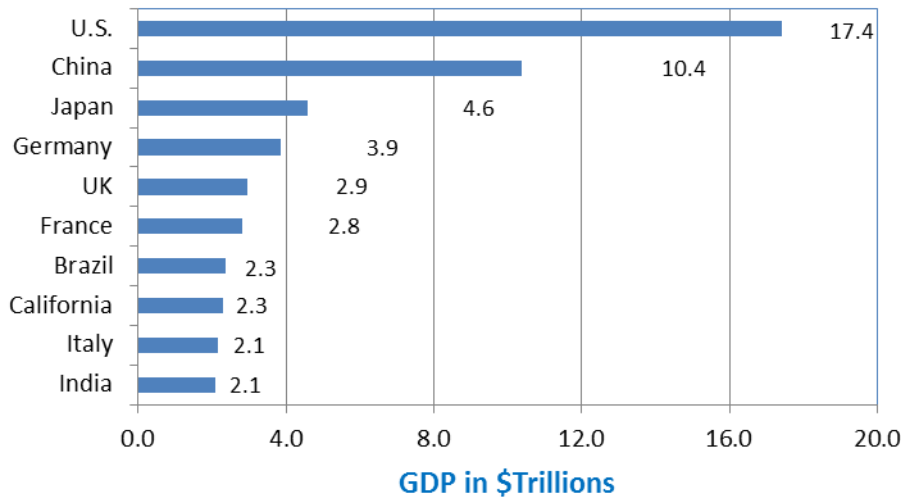


The industry pattern of state job growth remains positive for future growth. Construction was the state's fastest growing sector for the past 12 months with a 7.0% increase followed by Professional and Business Services with a 5.5% increase. Government jobs are growing again (+1.1%) as teachers and police are being rehired from the growing local revenues.

In June the leading sectors were Professional and Business Services (+12,700) followed by Education and Health Services (+6,900). Finance and Manufacturing each added more than 3,000 jobs in June.

Last month new rankings for world economies were released by the World Bank. California remained the world's 8<sup>th</sup> largest economy but is almost certain to pass Brazil and move into 7<sup>th</sup> place either in revised 2014 estimates or in 2015. California also moved closer to France, Germany and the U.K. India joined the top ten for the first time.

## Top World Economies in 2014



Many challenges remain. The state faces a housing shortage and rent and home price increases that far outpace income growth. There are signs of increased plans to build new housing but they are still below the level needed to match current population growth much less to reduce the existing shortages.

While recent growth has added to middle and high wage jobs, jobs in low wage sectors continue to grow and real wages are below 2007 levels in many occupations.

Infrastructure needs in transportation, water and other areas remain far above current funding levels. Additional housing and infrastructure construction are the most immediate and effective ways to increase middle wage jobs.

State and local revenues are growing and this year's state budget allocated substantial additional funding for education. Still, the growth of retirement benefits for public employees remains a challenge for finding shared responsibility solutions.

The future of California depends on our children, their education and opportunities. The state budget has made progress in funding education with an emphasis on at risk students and the state is exploring ways to reduce the cost of higher education. But these children's success will determine our future and we need to keep them uppermost in our minds.

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