

# Fast Facts on the California Economy

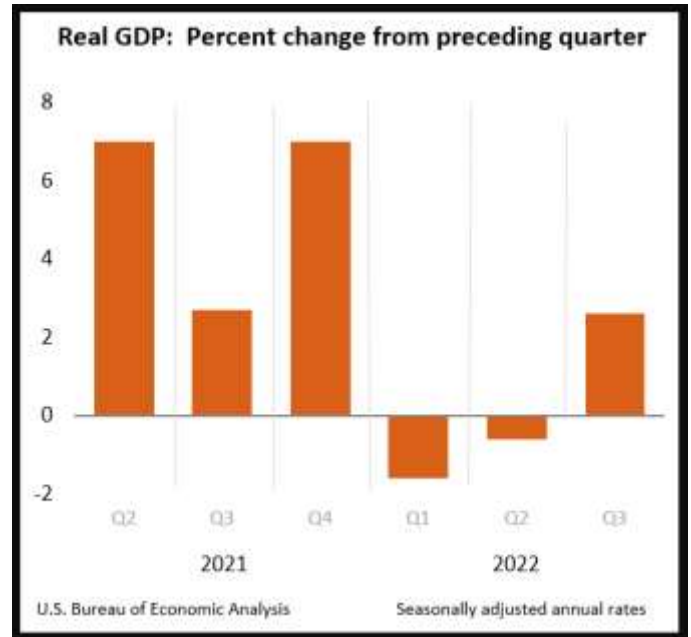
Compiled by: Assembly Committee on Jobs, Economic Development, and the Economy  
Assemblymember Sabrina Cervantes, Chair

## California Gross Domestic Product (GDP)

- California had a \$3.3 trillion economy in 2021, representing 14.5% of US GDP. Real GDP increased in all 50 states and DC in 2021. Compared to GDP of nations, California's 2020 GDP of \$3.1 trillion ranks as 5<sup>th</sup> largest in the world.<sup>1</sup> Bloomberg reports that in the 2021 rankings, California would be the 4<sup>th</sup> largest economy in the world. The chart below show US GDP from 2021 through third quarter 2022.<sup>2</sup> Third quarter data shows real GDP increased at an annual rate of 2.6% in contrast to a decrease of 0.6% in the second quarter of 2022. "The increase primarily reflected increases in exports and consumer spending that were partly offset by a decrease in housing investment."

## Businesses, Employment, and Income

- 2018 Data by Establishments: There were 3,453,769 establishments in California that had no employees in 2018, representing 78.3% of all establishments in California (4,408,401 in total). Nonemployer businesses received \$189.3 billion in revenues. There were 954,632 establishments that employed 15,223,664 workers and paid over \$1 billion for payroll in 2018.<sup>3</sup> In 2020, there were 981,369 employer establishments.<sup>4</sup> The most current combined nonemployer and employer data is 2018.
- 2018 Data by Firm (one firm may have multiple establishments) – is the most recent data available by state and size of business by employment. Of the 779,825 employer firms (including 954,632 total establishments), 62.2% had less than 5 employees, 88.7% had less than 20 employees, 97.4% had less than 100 employees, and 99.1% had less than 500 employees (federal small business definition). Approximately 6,439 firms in California had 500 employees or more.<sup>5</sup>
- There were 19.2 million workers in the California labor force in September 2022 with 18.5 million individuals employed, a month-over decrease of 20,000 (0.1%). This represents an increase of 755,000 jobs (4.2%) over the prior 12-month period.<sup>6</sup>
- Nonfarm payroll increased in 10 of 11 industry sectors between September 2021 and September 2022. Year-over percent increases are as follows: 8.7% increase for the leisure and hospitality sector; 7.4% increase for the other services sector; 4.2% increase for the information sector; 4.9% increase for the professional and business services sector; 3.9% increase for the trade, transportation, and utilities; 4.5% increase for the education and health services sector; 5.1% increase for the construction sector; 2.7% increase for the manufacturing sector; 1.1% increase for the government sector; 2.1% increase for the mining and logging sector; and 1.3% for the financial activities sector. Year over data shows employment in mining and logging was unchanged.<sup>7</sup>
- California exported \$175.1 billion in goods in 2021 to over 220 foreign markets, representing 12.3% of total US exports (\$1.7 trillion).<sup>8</sup> California's largest export market in 2021 was Mexico (\$27.2 billion), followed by China and Hong Kong (\$23.4 billion), and Canada (\$17.8 billion).<sup>9</sup> California imported \$470.7 billion in products from other countries, accounting for 16.6% of total US imports (\$2.8 trillion) in 2021. China (\$145.9 billion) and Mexico (\$57.6 billion) are the state's largest import markets.<sup>10</sup>



- Over 39.5 million people live in California, according to the 2020 Census. California’s median household income was \$78,672 for all households (\$64,994 for US) and \$50,894 for nonfamily households. Twelve percent (12.6%) of Californians (12.8% in the US) lived on incomes at or below the federal poverty designation in 2020.<sup>11</sup> Using the federal Supplemental Poverty Measure, which accounts for the cost of living using a range of family needs and resources, 15.4% of Californians (11.2% for US) had income insufficient to meet their basic housing needs in 2020.<sup>12</sup> An estimated 161,548 individuals experienced homelessness in 2020 and 57,468 in 2021. Due to COVID-19, 2021 data only includes individuals in shelters and transitional housing.<sup>13</sup>

### **September 2022 Unemployment** *(most recent data)*

- In September 2022, the California seasonally adjusted unemployment rate was 3.9%, down 0.2% from the prior month. This unemployment rate represents approximately 746,000 unemployed people (-38.8% from September 2021).<sup>14</sup> Over the same period, the comparable national unemployment rate was 3.5%.<sup>15</sup>
- The unemployment rate decreased in all 58 California counties between August 2022 and September 2022. The county with the highest non-seasonally adjusted unemployment was Imperial (16.0%). The lowest unemployment rates in California in September 2022 were San Mateo (1.9%), Marin (2.2%), San Francisco (2.1%), and Santa Clara (2.1%). The comparable state (not seasonally adjusted) overall unemployment rate for September 2022 was 3.7%.<sup>16</sup>
- The highest non-seasonally adjusted 12-month moving average unemployment rates in September 2022 by race and ethnicity were among individuals identified as black (7.7%), Hispanic (4.8%), and white (4.3%). The comparable state unemployment rate (not seasonally adjusted 12-month moving average) was 4.5%.<sup>17</sup>
- The majority (82.7%) of employed individuals in September 2022 (12-month moving average) reported working full time. There were 694,000 (3.8%) employees in California who worked part time involuntarily during the survey week, which is down -22.2% from September 2021.<sup>18</sup> The Labor Force Participation Rate was 62.3%. Individuals not in the labor force but wanting a job decreased by -7,000 (-0.8%) from the prior month and decreased by -143,000 (-13.6%) to 907,000 individuals since September 2021.<sup>19</sup>
- By age group, the highest unemployment group (not seasonally adjusted 12-month moving average) in September 2022 were workers 16 to 19 years of age (11.6%), followed by 20 to 24 year old workers (7.5%).<sup>20</sup> The largest group of unemployed persons when sorted by duration were job losers, which comprised 450,000 individuals (52.3% of all unemployed). Labor force re-entrants accounted for the next largest group, comprising 260,000 (30.2%) of unemployed individuals.<sup>21</sup>

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<sup>1</sup> DOF, “Economic Output by State” & “Comparison to Other Major Countries” <https://dof.ca.gov/forecasting/Economics/economic-indicators/gross-state-product/> accessed July 18, 2022

<sup>2</sup> US Bureau of Economic Analysis, <https://www.bea.gov/news/glance>, accessed 11-8-22

<sup>3</sup> US Census Bureau, “2018 CBP and NES Combined Report,” <https://www.census.gov/data/tables/2018/econ/nonemployer-statistics/2018-combined-report.html>, accessed November 2021

<sup>4</sup> US Census Bureau, 2020 Economic Surveys Business Patterns <https://data.census.gov/cedsci/table?g=0400000US06&tid=CBP2020.CB2000CBP> accesses 7-18-22

<sup>5</sup> US Census Bureau, “2018 County Business Patterns,” <https://www.census.gov/data/datasets/2018/econ/cbp/2018-cbp.html>, accessed November 2021

<sup>6</sup> EDD, “Labor Market Review,” September 2022, <https://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed Nov 15, 2022

<sup>7</sup> EDD, “Labor Market Review,” September 2022, <https://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed Nov 15, 2022

<sup>8</sup> ITA, “2021 Exports of NAICS Total All Merchandise” & “2021 NAICS Total All Merchandise Exports from California,” <https://www.trade.gov/tradestats-express-national-and-state-trade-data>, accessed March 4, 2022

<sup>9</sup> ITA, “2021 NAICS Total All Merchandise Exports from California,” <https://www.trade.gov/tradestats-express-national-and-state-trade-data>, accessed 3-4-2022

<sup>10</sup> ITA, “2021 NAICS Total All Merchandise Imports from California,” and “2021 Imports of NAICS Total All Merchandise,” <https://www.trade.gov/tradestats-express-national-and-state-trade-data>, accessed March 4, 2022

<sup>11</sup> US Census, “Household Income: 2020 ACS 5-year estimates,” <https://data.census.gov/cedsci/profile?g=0400000US06>, accessed July 18, 2022.

<sup>12</sup> US Census, “Supplemental Poverty Rate 2020” based on 3-year ACS, <https://www.census.gov/library/publications/2021/demo/p60-275.html> accessed 7-18-22

<sup>13</sup> US HUD, [https://files.hudexchange.info/reports/published/CoC\\_PopSub\\_State\\_CA\\_2020.pdf](https://files.hudexchange.info/reports/published/CoC_PopSub_State_CA_2020.pdf) & [https://files.hudexchange.info/reports/published/CoC\\_PopSub\\_State\\_CA\\_2021.pdf](https://files.hudexchange.info/reports/published/CoC_PopSub_State_CA_2021.pdf), accessed -7-18-22

<sup>14</sup> EDD, “Labor Market Review,” September 2022, <https://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed Nov 15, 2022

<sup>15</sup> EDD, “Labor Market Review,” September 2022, <https://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed Nov 15, 2022

<sup>16</sup> EDD, “Labor Market Review,” September 2022, <https://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed Nov 15, 2022

<sup>17</sup> EDD, “Labor Market Review,” September 2022, <https://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed Nov 15, 2022

<sup>18</sup> EDD, “Labor Market Review,” September 2022, <https://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed Nov 15, 2022

<sup>19</sup> EDD, “Labor Market Review,” September 2022, <https://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed Nov 15, 2022

<sup>20</sup> EDD, CA Demographic Labor Force Summary, [https://www.labormarketinfo.edd.ca.gov/specialreports/CA\\_Employment\\_Summary\\_Table.pdf](https://www.labormarketinfo.edd.ca.gov/specialreports/CA_Employment_Summary_Table.pdf), accessed 11-15-22

<sup>21</sup> EDD, “Labor Market Review,” September 2022, <https://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>, accessed Nov 15, 2022