

# California Payroll Data for September 2016

## Summary

California has added 30,000 new jobs in September creating 2,363,100 positions since the recovery began in February 2010. The state has added 379,800 jobs or 2.3 percent increase from a year ago. The August gain was revised down to 48,400 from the preliminary report of 63,100. The CA unemployment rate stayed at 5.5 percent in September compared to the national rate of 5.0 percent. The CA unemployment rate a year ago was 6.0 percent. Local government, professional-scientific-technical services, leisure and hospitality, construction, educational and health services, etc. added jobs. Manufacturing, trade and financial services reduced employment.

## Analysis

A healthy sign of California's labor market is that labor force continues to rise at a hefty pace since the summer months. In September, labor force rose 118,000 from the previous month or 380,000 from a year ago. The word is out that there are both high- and low-paying jobs to be had out there causing people to flock to the job market. This is the main reason the unemployment rate has remained stable for about a year and the ranks of the unemployed rose to 1,070,000 up 9,000 from August.

California continues to be where the action is accounting for 19.2 percent of all the jobs created in the country on the heels of 29.0 percent in August.

The muscle industries in the Golden State include professional and business services, education and health, leisure hospitality, etc., while mining and financial services are not that attractive places to look for jobs.

After the August pop, primarily due to seasonal adjustment issues related to teacher hiring, the September numbers were more moderate. As the state approaches full employment, it is difficult to find skilled workers. In Silicon Valley, for example, skilled labor shortages are as bad as it was during the tech boom around the year 2,000. Home builders have a hard time finding carpenters, masons, plumbers, etc. Nevertheless, the private sector employment in the Golden State remains healthy.

Housing-related activities including construction, fueled by employment and population growth as well as very low interest rates, have been another major source of employment and economic growth for the state.

The Bay area and Southern California continue to be job-creation machines. Southern California includes vibrant industries including motion pictures, music, tourism, etc. Southern California is also the home for people in arts, design, entertainment, sports and media; these area have fared relatively well. The Bay Area, with its high concentration of high technology, have been the leader in the state's job growth in this recovery.