

## Fast Facts on the California Economy

Compiled by: Assembly Committee on Jobs, Economic Development, and the Economy  
V. Manuel Pérez, Chair

California's economy is one of the ninth largest in the world with a 2011 gross state product (GDP) of \$1.95 trillion.<sup>1</sup> In August 2012, the California unemployment rate decreased to 10.6%.<sup>2</sup> The figure represented a 12,000 job increase over the prior month, leaving 1.9 million unemployed workers.<sup>3</sup> The national unemployment rate decreased to 8.1% over the same period.<sup>4</sup>

### California's Global Economy

- In 2011, California's total GDP was \$1.95 trillion, as compared to the U.S. total GDP of \$15 trillion.<sup>5</sup>
- If California were a country, its 2011 GDP would place it 9<sup>th</sup> in the worldwide GDP ranking as follows: United States (\$15 trillion), China (\$7.29 trillion), Japan (\$5.86 trillion), Germany (\$3.57 trillion), France (\$2.77 trillion), Brazil (\$2.47 trillion), United Kingdom (2.43 trillion), Italy (\$2.19 trillion), India (\$1.86 trillion), the Russian Federation (\$1.85 trillion), and Spain (\$1.49 trillion).<sup>6</sup>
- There were nearly 2.7 million home foreclosures across the U.S. in 2011, a 34% reduction from the prior year. California registered the 3<sup>rd</sup> highest foreclosure rate in the country with 1 in every 31 housing units having at least one foreclosure filing during the year. Ten of the top metro areas were in California, led by Stockton (2<sup>nd</sup> nationally) with 1 in 18 housing units with at least one foreclosure filing in the year. Other California metro areas significantly impacted include Modesto (3<sup>rd</sup> nationally), Vallejo-Fairfield (4<sup>th</sup> nationally), Riverside San Bernardino (5<sup>th</sup> nationally), Merced (7<sup>th</sup> nationally), Bakersfield (9<sup>th</sup> nationally), Sacramento (10<sup>th</sup> nationally), Fresno (11<sup>th</sup> nationally), Visalia (13<sup>th</sup> nationally), and Ventura (16<sup>th</sup> nationally).<sup>7</sup>

### Job Market in July 2012

- California civilian employment in August 2012 was down by 38,000 workers from the prior month with 16,404,000 persons holding jobs. The number of unemployed workers dropped by 243,000 from August 2011, with 40,000 persons no longer being counted within the civilian labor force.<sup>8</sup>
- Highest unemployment by race and ethnicity was among blacks 18.4%, Hispanics 13.2%, and then whites 10.6%. By age, the highest unemployment was among workers 16 to 19 (35.4%). Highest percentage of workers were unemployed more than 52 weeks, representing more than 700,000 persons (35.1%). Persons not in the labor force, but who wanted jobs increased by 27,000 (0.3 percent) in August to 10,700,000.<sup>9</sup>
- From August 2011 to August 2012, nonfarm jobs rose in all eleven major industry sectors with the greatest increase in jobs in professional and business services (+103,200); education and health services (+57,500); leisure and hospitality (+56,400); trade, transportation and utilities (+36,600); and construction (+33,000).<sup>10</sup>

**Unemployment September 2012.** *The following figures are not seasonally adjusted (as compared to the seasonally adjusted unemployment number above.) Monthly unemployment numbers by their nature are not seasonally adjusted.*<sup>11</sup>

- |                         |                             |                   |
|-------------------------|-----------------------------|-------------------|
| • Statewide: 10.4%      | • Imperial County: 29.9%    | • Sonoma: 8.3%    |
| • Alameda County: 9.3%  | • Los Angeles County: 11.2% | • Tulare: 15.0%   |
| • Colusa County: 15.2 % | • Riverside County: 12.7%   | • Tuolumne: 11.3% |
| • Contra Costa: 9.0%    | • Sacramento County: 10.7%  |                   |
| • Fresno County: 14.0%  | • San Diego: 9.0%           |                   |

All but one of California's 58 counties recorded decreases in unemployment rate between July and August 2012.

### Foreign Investment & U.S. Based Subsidiaries

- California has the highest rate of employment by U.S. subsidiaries of foreign companies.<sup>12</sup>
- In 2009, insourcing companies employed 594,100 Californians and accounted for 4% of the state's total private sector employment.<sup>13</sup> More than 32% of all subsidiaries in California are in the manufacturing industry and account for 193,300 jobs.<sup>14</sup>

### **Energy Market**

- In 2010, California produced 12% of the natural gas, 71% of the electricity, and 38.11% of the crude oil it consumes.<sup>15</sup> The remaining electricity and natural gas was purchased from Canada, the Pacific Northwest, the Rocky Mountain States and the Southwest. Remaining crude oil was imported from Alaska and abroad.<sup>16</sup>
- In 2010, 53.4% of California's electricity came from burning natural gas, 15.7% from nuclear energy, 14.6% was generated in large hydroelectric dams, 14.6% from renewable sources, and 1.7% came from coal.<sup>17</sup>
- Since 1978, energy efficient building and appliance standards have saved \$66 billion in electricity and natural gas costs. The 2013 Energy Efficient Standards will result in 25% less energy for lighting, heating, cooling, ventilation, and water heating than the 2008 standards. Additionally, the Standards will save 200 million gallons of water per year (equal to more than 6.5million wash loads) and avoid 170,500 tons of greenhouse gas emissions per year.<sup>18</sup>
- The West Coast price for Alaskan North Slope crude oil peaked at \$125.48 per barrel on April 29<sup>th</sup>, but has since decreased to \$115.30 per barrel as of July 13, 2011. This is \$37.80 higher than July 2010.<sup>19</sup>
- Reformulated gasoline production in California for the week ending July 8<sup>th</sup> decreased 6.5% from the previous week to 6.6 million barrels, remaining within the five-year range and 4% higher than a year ago. Inventories for California reformulated gasoline decreased 3.4% but remains within the five-year range.<sup>20</sup>

### **California's Innovation Economy**

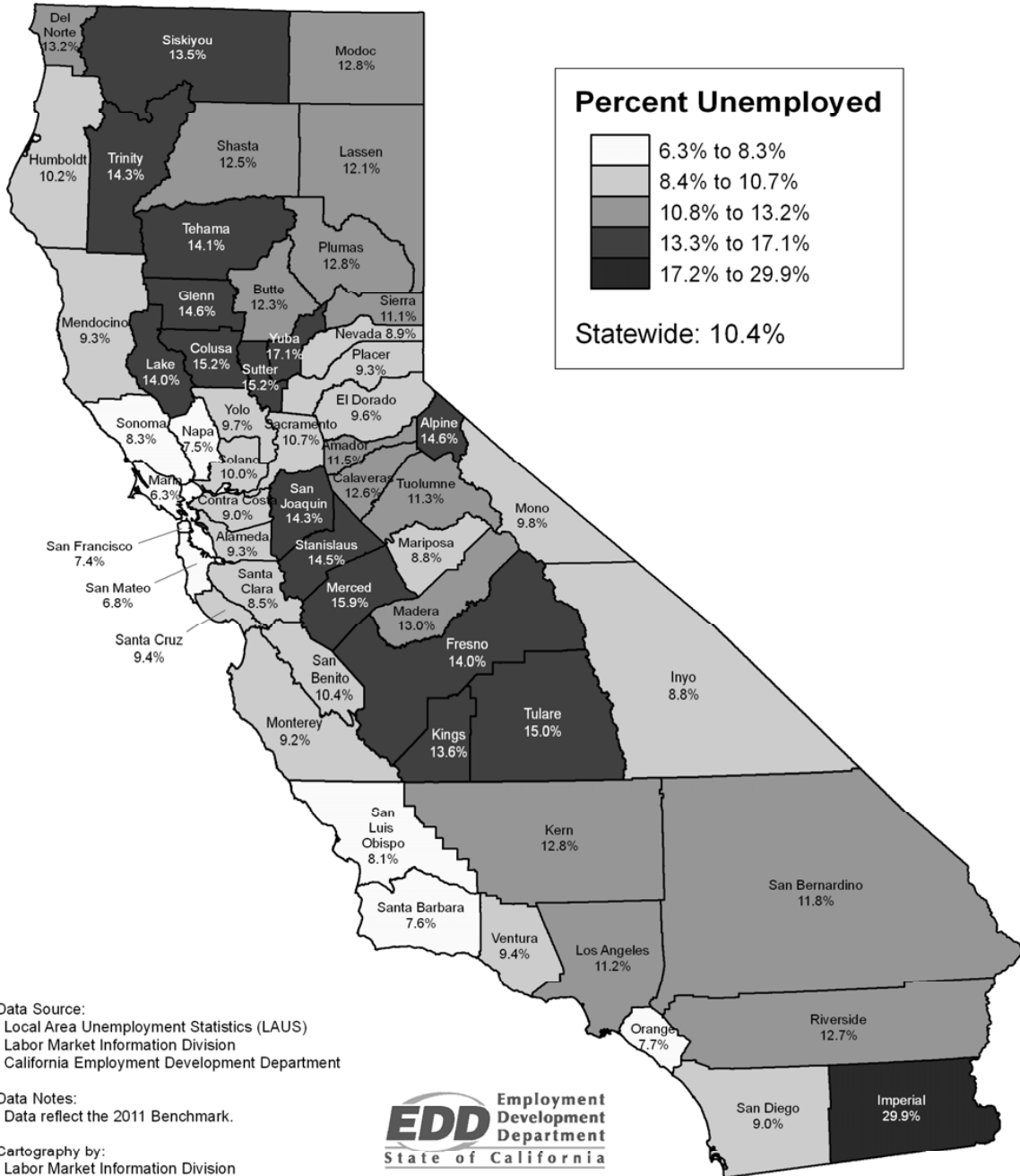
- California ranks 4<sup>th</sup> among the 50 states in science and technology. Other top states include Massachusetts (1<sup>st</sup>), Maryland (2<sup>nd</sup>), Colorado (3<sup>rd</sup>), Utah (5<sup>th</sup>), Washington (6<sup>th</sup>), and New Hampshire (7<sup>th</sup>). The Milken Science and Technology index ranks states based on research and development dollars, number of patents issued, venture capital investment, and business starts.<sup>21</sup>
- California ranked 1<sup>st</sup> among 50 states in patents issued in 2010 with 30,080 patents granted. Other top performing states include New York (8,095 patents), Texas (8,027 patents), Washington (5,810 patents), and Massachusetts (5,261 patents).<sup>22</sup>
- California ranks 3<sup>rd</sup> in start-ups and 1<sup>st</sup> in new branches in high-tech manufacturing. Other top ranking states include Florida, Texas, and Washington for start-ups and Texas, Florida, and Washington for new branches.<sup>23</sup>
- The Milken Institute ranks the University of California System first in technology transfer and commercialization among all U.S. universities. The California Institute of Technology and Stanford University are ranked among the top ten.<sup>24</sup>

### **California Trade and Foreign Investment Activity**

- California exported \$159 billion in products in 2011. This is up from 2010 (\$143.1billion).<sup>25</sup>
- California's largest export market is Mexico, where the value of exports totaled \$26 billion in 2011. After Mexico, California's top export markets in 2011 were: Canada (\$17.1billion), China (\$14.1 billion), Japan (\$13 billion), and South Korea (\$8.4 billion).<sup>26</sup>
- California's top five exports in 2011 were: Computer & Electronic Products (\$46 billion); Transportation Equipment (\$14.9 billion); Machinery, Except Electrical (\$14.7 billion); Miscellaneous Manufactured Commodities (\$13 billion) Chemicals (\$12.4 billion)<sup>27</sup>
- China is the largest source of imports into California; the 2011 value of Chinese imports was \$120 billion. China is followed by Japan (\$39.7 billion); Mexico (\$33.6 billion); Canada (\$20.4 billion); and South Korea (\$11.7 billion).<sup>28</sup>
- California's top five imports in 2011 were: Computer & Electronic Products (\$107.6 billion); Transportation Equipment (\$48.8 billion); Oil & Gas (\$30 billion); Miscellaneous Manufactured Commodities (\$19.1 billion); and Apparel & Accessories (\$18.9 billion).<sup>29</sup>
- As global demand recovered from the financial crisis, increased trade volumes in 2010 compensated for nearly all losses in 2009, according to the Kyser Center for Economic Research.<sup>30</sup>
- Exports to China have grown more rapidly than those to Japan. In the first quarter of 2011, state exports to China (\$3.4 billion) exceeded those to Japan (\$3.2 billion) for the first time in California trade history. Exports to Japan have grown by \$200 million over the past year (\$3 billion in 2010 to \$3.2 billion in 2011).<sup>31</sup>
- California's export of goods totaled \$13.2 billion in May 2011, up \$1.3 billion from May 2010, marking the eighteenth consecutive month of year-over-year increases in California trade, according to an analysis of today's U.S. Commerce Department trade figures by Beacon Economics.

# County Unemployment Rates

August 2012 (Not Seasonally Adjusted)



Data Source:  
Local Area Unemployment Statistics (LAUS)  
Labor Market Information Division  
California Employment Development Department

Data Notes:  
Data reflect the 2011 Benchmark.

Cartography by:  
Labor Market Information Division  
California Employment Development Department  
<http://www.labormarketinfo.edd.ca.gov>  
September 2012



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- <sup>2</sup> <http://www.calmis.ca.gov/file/1fmonth/calmr.pdf> EDD "California Labor Market Review" August 2012, accessed September 26, 2012
- <sup>3</sup> <http://www.calmis.ca.gov/file/1fmonth/calmr.pdf> EDD "California Labor Market Review" August 2012, accessed September 26, 2012
- <sup>4</sup> <http://www.calmis.ca.gov/file/1fmonth/calmr.pdf> EDD "California Labor Market Review" August 2012, accessed September 26, 2012
- <sup>5</sup> [http://www.dof.ca.gov/HTML/FS\\_DATA/LatestEconData/FS\\_Misc.htm](http://www.dof.ca.gov/HTML/FS_DATA/LatestEconData/FS_Misc.htm) ; California's World Ranking 2011 GDP, accessed August 6, 2012
- <sup>6</sup> [http://www.dof.ca.gov/HTML/FS\\_DATA/LatestEconData/FS\\_Misc.htm](http://www.dof.ca.gov/HTML/FS_DATA/LatestEconData/FS_Misc.htm) ; California's World Ranking 2011 GDP, accessed August 6, 2012
- <sup>7</sup> <http://www.realtytrac.com/content/foreclosure-market-report/2011-year-end-foreclosure-market-report-6984> RealtyTrac Accessed May 11, 2012
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- <sup>9</sup> <http://www.calmis.ca.gov/file/1fmonth/calmr.pdf> EDD "California Labor Market Review" August 2012, accessed September 26, 2012
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- <sup>11</sup> <http://www.calmis.ca.gov/file/1fmonth/calmr.pdf> EDD "California Labor Market Review," August 2012, accessed September 26, 2012
- <sup>12</sup> <http://www.ofii.org/jobs/ca>; Organization for International Investment, accessed August 6, 2012
- <sup>13</sup> <http://www.ofii.org/jobs/ca>; Organization for International Investment, accessed 07/18/11
- <sup>14</sup> <http://www.ofii.org/jobs/ca>; Organization for International Investment, accessed 07/18/11
- <sup>15</sup> [http://energyalmanac.ca.gov/overview/energy\\_sources.html](http://energyalmanac.ca.gov/overview/energy_sources.html) ; California Energy Commission, "Total Electricity System Power" accessed August 6, 2012
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- <sup>17</sup> [http://energyalmanac.ca.gov/overview/energy\\_sources.html](http://energyalmanac.ca.gov/overview/energy_sources.html); California Energy Commission, "California's Major Sources of Energy Sources," accessed August 6, 2012
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- <sup>31</sup> <http://tse.export.gov/TSE/MapDisplay.aspx> ; Office of Trade and Industry Information (OTII), Manufacturing and Services, International Trade Administration, U.S. Department of Commerce, "2010 NAICS Total All Merchandise Exports from California"; accessed 07/18,11