Marin Economic CONSULTING

SF Bay Area Employment Report

Alameda, Contra Costa, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma Counties

October, 2016

Monthly Summary for October, 2016

Category	Current Value	Change From: Last Month	2 Months Ago	Last Year
Total Employment	4,052,906	8,948	28,942	121,434
Nonfarm Employment	3,844,607	6,964	18,307	101,349
Labor Force	4,217,032	5,715	27,166	115,737
Number Unemployed	166,544	−2,343	804	−4,759
Unemployment Rate	3.9	−0.1	−0.0	−0.2

Source: EDD, Marin Economic Consulting
Based on MEC Seasonal Adjustments

Sub-Regional Summary for October, 2016

Nonfarm Employment Changes

Mix of MEC and EDD Seasonal Adjustments

Category	Current Value	Change From: Last Month	2 Months Ago	Last Year
Napa MSA	74,200	600	1,000	2,700
Oakland-Hayward-Berkeley Metro Div	1,132,600	4,200	3,700	29,300
San Francisco MD - MEC	1,092,593	3,049	6,357	25,602
San Jose-Sunnyvale-Santa Clara MSA	1,090,900	4,800	6,600	34,400
San Rafael - MEC	118,162	670	811	3,862
Santa Rosa MSA	201,800	−1,100	−1,600	3,500
Vallejo-Fairfield MSA	137,100	100	1,100	3,000
Bay Area - MEC	3,847,355	12,318	17,968	102,364

Source: EDD, Marin Economic Consulting

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Key Observations for California & the Bay Area

- California generated about 60%, or 90,900 of the 161,000 jobs created nationwide in October. At about 14% of the overall U.S. economy, California is growing significantly faster than the nation. Growth in the Bay Area, however, has started to slow. Over the last quarter, employment growth in the Bay Area has been slower than in the state as a whole.
- The most recent month's growth was 2.2%, significantly slower than in September, leaving the quarterly growth rate at 2.3% (on an annualized basis). Over the last 6 months, growth has been slower than over the last 1, 3, or even 5 years. The last month's growth should be discounted and put into the broader perspective of the last 6 months.
- Business and Professional Services, Education and Health Services, and Leisure and Hospitality accounted for the bulk of the growth in October. Information Services, Retail Trade, and Financial Activities also grew quickly. Growth was broad based but relatively slow in October, with declines concentrated in Manufacturing and Construction.
- The reversal of fortune in the Construction industry is quite striking. After growing in excess of 10% in September.

Overall Summary

- This report supports other reports in recent months that suggested that growth in the Bay Area is slowing. September exhibited relatively fast growth, with growth in October being significantly slower.
- The unemployment rate in the region did decline slightly, but more due to a slower increase in the rate of labor force participation.
- The unemployment in the region continues to be significantly lower than in the state as a whole (3.9% vs 5.5%).

Key Observations for Major Bay Area Regions

San Francisco (MD)

- Overall growth in San Francisco in October (3.4%) was slower than growth over the last 3 or 5 years than recent months or the last year, but it was the fastest growing major geography in the Bay Area. Only Marin and Napa Counties grew more quickly (7.1% and 4.3%, respectively).
- The only significant contributors to growth were Accommodations and Food Services (2,199 jobs) and Professional, Scientific, and Technical services (942 jobs).
- Other professional services categories, in particular Administrative and Support Services (-1,054) offset much of these gains. Construction and Manufacturing also fell in this region, though the job losses were relatively small.

San Jose (MSA)

- The San Jose MSA grew very modestly (1.0% annualized), which reflects a continuing slowing trend over the last year.
- Contrary to other regions, the Goods Producing sector, which includes Construction and Manufacturing, grew - including growth in both sub categories.
- The only other sectors providing growth were Information (419 jobs), Retail Trade (1,063 jobs) and Health Care (428 jobs).

Oakland (MD)

- Employment growth in the East Bay continues to grow, but more slowly than in September (3.1% vs 4.3% annualized).
- Growth was primarily concentrated in Professional and Business Services (+18.4%), with additional growth in Health Care and Social Services. Offsetting this growth was significant declines in both Construction and Manufacturing. The Goods Producing sector lost more than 3,000 jobs in October and declined at a 22% annual rate.

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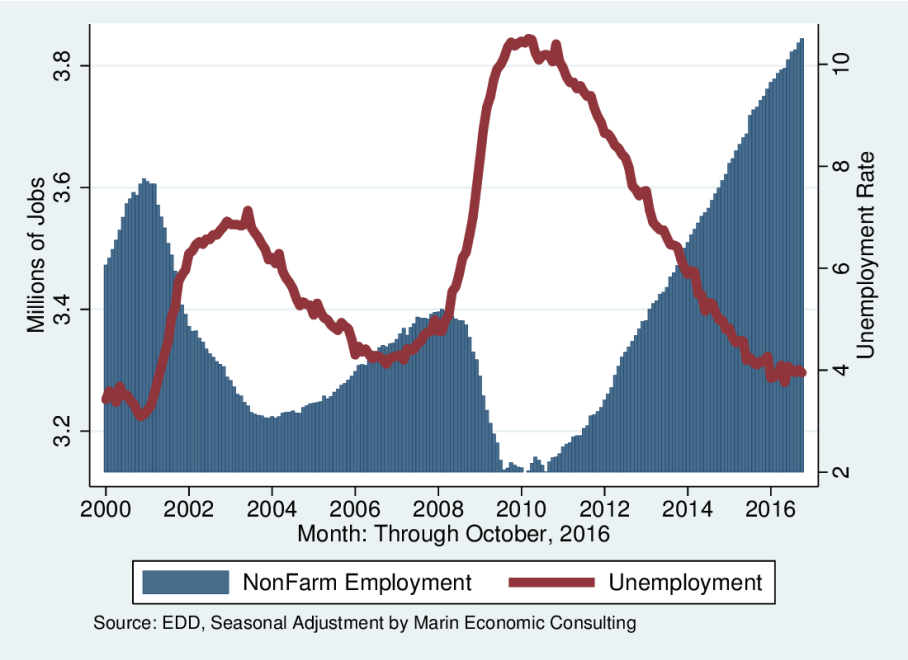
Historical Employment and Unemployment



Employment Growth by Industry in SF Bay Area for October, 2016 , Seasonally Adjusted

Industry	Employment	Share	Empl Growth	Monthly Month	% Growth - Annualized Rate Qtr	6mo	1yr	3yr	5yr
Total Nonfarm	3,844,607	100.0	6,963.6	2.2	2.3	2.7	2.7	3.6	3.8
Total Private	3,368,804	87.6	6,016.5	2.2	2.6	2.8	2.9	3.9	4.3
Goods Producing	530,516	13.8	−2,347.2	−5.2	0.3	0.2	2.0	3.9	3.7
Mining, Logging and Construction	196,066	5.1	−523.7	−3.2	6.1	3.5	6.5	8.0	8.9
Manufacturing	334,525	8.7	−1,499.4	−5.2	−2.3	−1.5	−0.5	1.8	1.5
Service Providing	3,314,384	86.2	8,903.2	3.3	2.8	3.1	2.8	3.5	3.8
Trade, Trans & Utilities	592,943	15.4	1,145.2	2.3	1.8	1.1	1.5	2.3	2.8
Wholesale Trade	128,903	3.4	180.9	1.7	0.6	−1.6	0.2	1.6	2.8
Retail Trade	353,153	9.2	1,569.0	5.5	1.4	1.5	1.6	2.0	2.3
Information	171,230	4.5	730.9	5.3	4.3	1.1	1.9	7.8	7.6
Financial Activities	182,966	4.8	971.8	6.6	5.3	3.0	1.3	1.4	1.6
Professional & Business Srvcs	759,320	19.8	1,936.4	3.1	4.8	5.1	4.4	5.4	6.2
Educational & Health Srvcs	584,470	15.2	1,723.8	3.6	4.6	5.5	4.4	3.9	4.2
Leisure & Hospitality	423,865	11.0	1,739.8	5.1	1.2	2.7	3.5	4.2	4.8
Other Srvcs	124,766	3.2	−365.8	−3.5	−0.1	−0.1	−0.1	1.8	2.4
Government	474,813	12.4	382.8	1.0	1.0	1.2	1.1	1.4	1.0
Federal	47,840	1.2	−77.7	−1.9	3.6	2.0	1.7	0.6	−0.7
State	95,895	2.5	117.8	1.5	−1.8	−0.0	−0.8	1.0	0.5
Local	331,065	8.6	355.9	1.3	1.1	1.4	1.5	1.6	1.3
County	64,793	1.7	265.9	5.1	3.3	3.5	2.8	3.1	2.7
City	78,162	2.0	129.0	2.0	1.6	3.0	2.8	2.2	1.2
Local Government Education	158,286	4.1	151.2	1.2	1.6	0.4	0.6	0.9	0.8

Source: EDD, Marin Economic Consulting

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Employment Growth by Region in California: October, 2016

Region/MSA	Employment	Monthly Growth	% Growth - Annualized Basis					
			Month	Qtr	6mo	1yr	3yr	5yr
California	16,586,800	31,200.0	2.3	2.8	2.4	2.4	2.9	2.9
Bay Area	3,844,607	6,963.6	2.2	2.3	2.7	2.7	3.6	3.8
Oakland	1,132,543	2,913.0	3.1	1.8	3.2	2.5	2.8	3.0
San Francisco (MD)	1,092,593	3,048.6	3.4	2.9	2.3	2.4	4.3	4.5
San Jose	1,088,547	928.0	1.0	2.2	2.8	3.2	4.1	4.3
Santa Rosa	201,967	−960.3	−5.5	−1.0	1.1	2.1	3.0	4.0
Vallejo	136,928	106.1	0.9	2.7	2.2	2.3	3.1	2.9
San Rafael	118,162	669.8	7.1	6.5	4.0	3.4	2.5	3.1
Napa	73,867	258.3	4.3	4.7	3.6	3.5	3.2	3.8
Southern California	9,144,869	3,072.1	0.4	1.0	1.4	1.9	2.4	2.6
Los Angeles (MD)	4,376,992	5,257.7	1.5	0.7	0.8	1.6	1.9	2.1
Orange County	1,597,157	−2,964.6	−2.2	2.3	2.5	2.5	3.0	3.0
San Diego	1,428,140	531.1	0.4	0.7	2.1	2.1	2.5	2.8
Inland Empire	1,388,790	−276.4	−0.2	0.7	1.4	1.8	3.7	4.0
Oxnard	300,032	763.9	3.1	1.5	1.4	1.5	1.1	1.6
El Centro	53,757	−239.7	−5.2	1.0	1.7	2.6	1.8	2.0
Central Coast	540,770	1,522.1	3.4	2.1	1.6	1.8	2.4	2.8
Santa Barbara	186,114	510.9	3.4	2.1	2.3	2.2	2.1	2.6
Salinas	135,287	715.0	6.6	0.3	−1.4	−0.2	2.0	1.9
San Luis Obispo	117,811	260.2	2.7	2.1	2.2	2.5	3.1	4.0
Santa Cruz	101,558	36.0	0.4	4.4	3.4	2.9	2.6	3.1
North Central Valley	1,359,009	−1,298.9	−1.1	1.6	2.6	2.2	2.7	2.8
Sacramento	948,536	−1,360.2	−1.7	2.7	3.8	2.6	2.9	2.8
Stockton	225,005	−101.7	−0.5	−2.0	−0.2	1.6	3.0	3.2
Chico	80,016	−140.1	−2.1	2.8	2.6	1.8	2.1	3.2
Redding	64,065	385.2	7.5	0.2	−0.7	−0.0	1.7	1.9
Yuba City	41,387	−82.1	−2.4	−3.8	−2.2	−0.5	2.0	1.9
South Central Valley	1,032,986	758.8	0.9	0.1	0.9	1.8	2.4	2.5
Fresno	332,686	−1,789.0	−6.2	−2.7	−0.4	1.0	3.1	2.9
Bakersfield	262,785	−1.5	−0.0	−0.2	0.3	1.2	1.4	2.1
Modesto	173,550	1,696.4	12.5	3.2	3.0	3.9	3.2	2.8
Visalia	122,476	551.2	5.6	4.0	4.0	2.6	2.6	2.4
Merced	65,124	102.0	1.9	1.3	0.5	1.7	2.4	2.1
Madera	38,244	61.3	1.9	2.8	2.5	6.0	2.3	2.7
Hanford	38,120	138.4	4.5	−4.1	−3.4	−1.7	1.0	0.9

Source: EDD, Marin Economic Consulting

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Unemployment by Region in California: October, 2016

Category	Current Value	Change From: Last Month	2 Months Ago	Last Year
California	5.5	0.0	0.0	−0.4
Bay Area	3.9	−0.1	−0.0	−0.2
Oakland	4.4	−0.1	−0.0	−0.2
San Francisco (MD)	3.2	−0.1	−0.0	−0.2
San Jose	3.9	−0.0	0.0	−0.2
Santa Rosa	4.0	−0.0	−0.0	−0.3
Vallejo	5.5	−0.1	−0.1	−0.4
San Rafael	3.3	−0.1	−0.0	−0.1
Napa	4.1	−0.0	−0.0	−0.5
Southern California	5.2	−0.1	0.0	−0.6
Los Angeles (MD)	5.1	−0.0	0.2	−0.9
Orange County	4.0	−0.0	0.0	−0.3
San Diego	4.7	−0.1	−0.0	−0.3
Inland Empire	6.0	−0.2	−0.2	−0.3
Oxnard	5.2	−0.1	−0.0	−0.2
El Centro	21.1	−1.9	−1.5	−2.4
Central Coast	5.8	−0.1	−0.1	−0.4
Santa Barbara	4.8	−0.1	−0.1	−0.3
Salinas	7.4	−0.1	−0.1	−0.3
San Luis Obispo	4.1	−0.1	−0.0	−0.3
Santa Cruz	6.8	−0.2	−0.1	−0.4
North Central Valley	6.2	−0.1	−0.0	−0.4
Sacramento	5.2	−0.1	−0.1	−0.4
Stockton	8.1	−0.2	−0.1	−0.5
Chico	6.7	−0.1	0.0	−0.3
Redding	7.0	−0.2	−0.1	−0.5
Yuba City	9.4	−0.1	−0.0	−0.4
South Central Valley	9.9	−0.1	−0.0	−0.2
Fresno	9.7	−0.0	0.1	−0.1
Bakersfield	10.3	−0.1	−0.1	0.1
Modesto	8.5	−0.2	−0.1	−0.7
Visalia	11.3	−0.1	0.0	−0.0
Merced	10.6	−0.1	−0.1	−0.6
Madera	9.1	−0.1	−0.1	−1.0
Hanford	9.8	−0.3	−0.3	−0.6

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