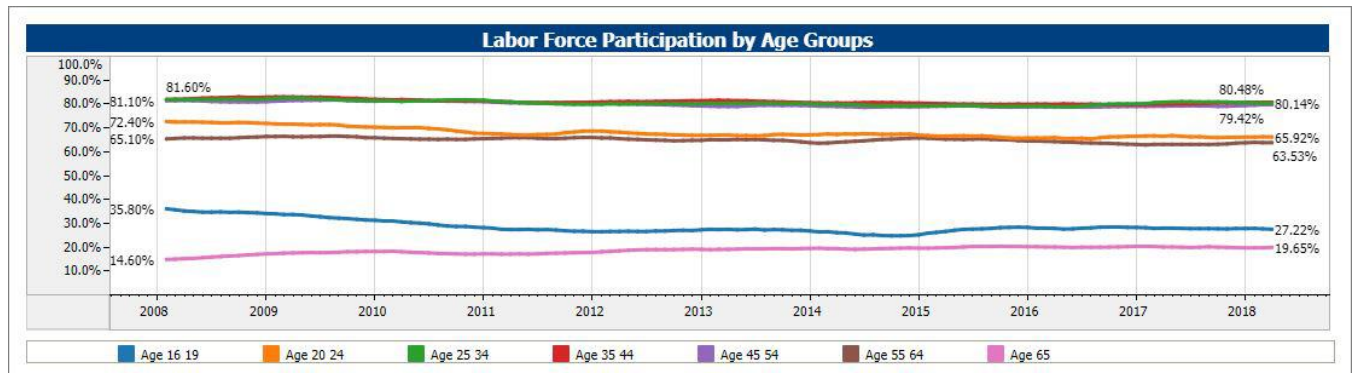


STATE OF CALIFORNIA EMPLOYMENT DEVELOPMENT DEPARTMENT (EDD) LABOR MARKET MONTHLY

RELEASE: Statewide Labor Market Review <http://www.labormarketinfo.edd.ca.gov/>

CA NSA = 3.7%
US NSA = 3.6%



Month-over Job Gains

Four of California's eleven industry sectors added a total of 12,900 jobs in May. **Leisure and hospitality** reported the largest increase with a gain of 7,900 jobs, followed by **professional and business services** (up 2,500), information (up 2,200) and other services (up 300). **Manufacturing** reported no change over the month.

Month-over Job Losses

Six of California industries reported job losses over the month. Construction reported the largest decrease with a loss of 2,900 jobs, followed by trade, transportation and utilities (down 1,800) and educational and **health services** (down 1,100). Other industries with job declines over the month were **financial activities**, government and mining and logging.

Year-over Job Gains

In a year-over-year comparison (May 2017 to May 2018), nonfarm payroll employment in California increased by 306,000 jobs (a 1.8 percent increase). Ten of California's eleven industry sectors added a total of 307,600 jobs over the year. The largest job gains were in educational and **health services**, up 74,100 jobs (a 2.8 percent increase), **leisure and hospitality**, up 51,300 (a 2.6 percent increase) and construction, up 50,000 (a 6.2

percent increase). Other sectors adding jobs over the year were **professional and business services**, trade, transportation and utilities, government, **information, manufacturing, financial activities** and mining and logging.

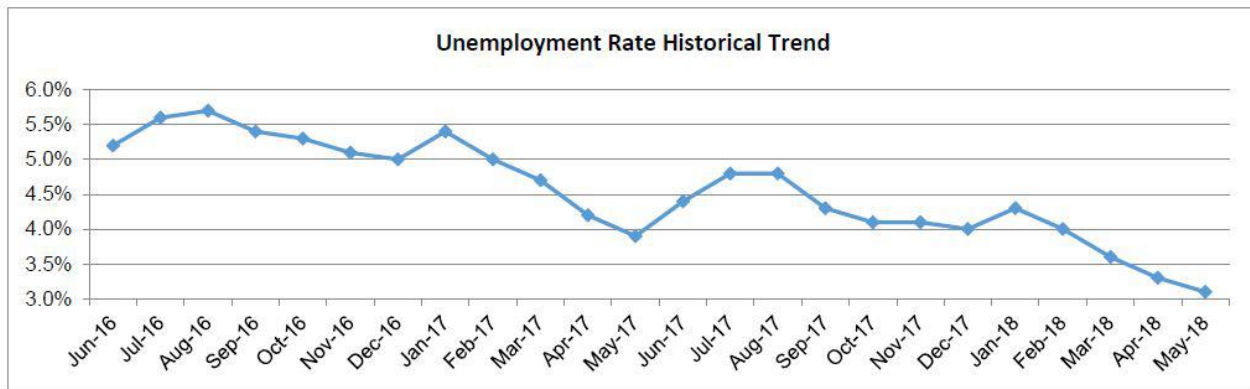
Year-over Job Losses

Only one industry sector posted job declines over the year, other services, down a total of 1,600 jobs.

LABOR MARKET INFORMATION DIVISION MONTHLY RELEASE Ventura County:

[http://www.calmis.ca.gov/file/lfmonth/vent\\$pds.pdf](http://www.calmis.ca.gov/file/lfmonth/vent$pds.pdf)

The unemployment rate in the Ventura County was 3.1 percent in May 2018, down from a revised 3.3 percent in April 2018, and below the year-ago estimate of 3.9 percent. This compares with an unadjusted unemployment rate of 3.7 percent for California and 3.6 percent for the nation during the same period.



UNITED STATES DEPARTMENT OF LABOR - UNEMPLOYMENT INSURANCE WEEKLY CLAIMS REPORT:

Weekly national tracking of insured unemployment statistics comparing current week to previous week, month and year. DOL Claims Report - <http://www.dol.gov/ui/data.pdf>

UNEMPLOYMENT INSURANCE DATA FOR REGULAR STATE PROGRAMS

WEEK ENDING	June 9	June 2	Change	May 26	Prior Year ¹
Initial Claims (SA)	218,000	222,000	-4,000	223,000	240,000
Initial Claims (NSA)	213,698	191,523	+22,175	202,846	234,652
4-Wk Moving Average (SA)	224,250	225,500	-1,250	222,750	244,000

WEEK ENDING	June 2	May 26	Change	May 19	Prior Year ¹
Insured Unemployment (SA)	1,697,000	1,746,000	-49,000	1,720,000	1,945,000
Insured Unemployment (NSA)	1,555,894	1,573,324	-17,430	1,574,003	1,783,314
4-Wk Moving Average (SA)	1,726,250	1,730,000	-3,750	1,742,000	1,937,250
<u>Insured Unemployment Rate (SA)²</u>	1.2%	1.2%	0.0	1.2%	1.4%
<u>Insured Unemployment Rate (NSA)²</u>	1.1%	1.1%	0.0	1.1%	1.3%

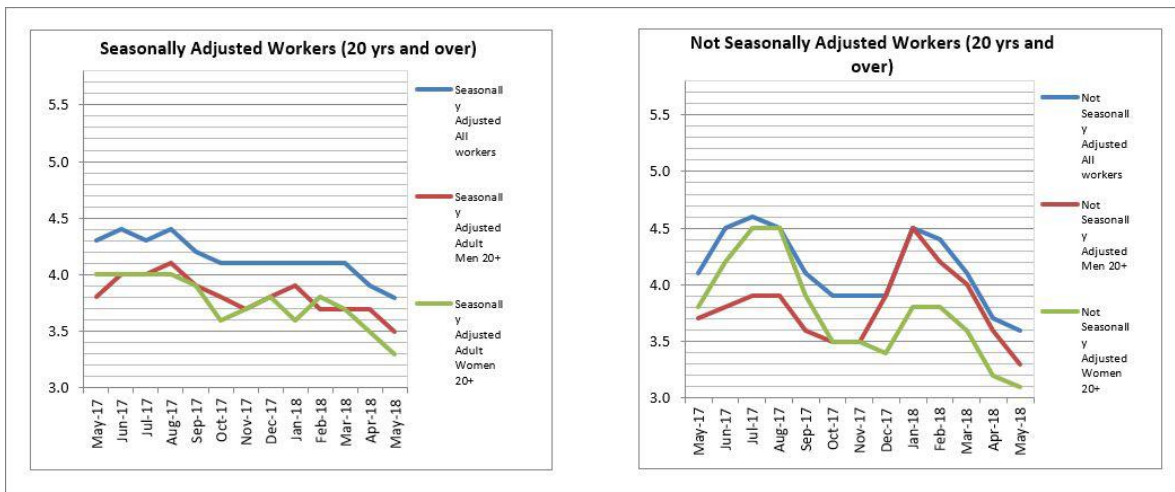
UNITED STATES DEPARTMENT OF LABOR – THE EMPLOYMENT SITUATION: MAY 2018

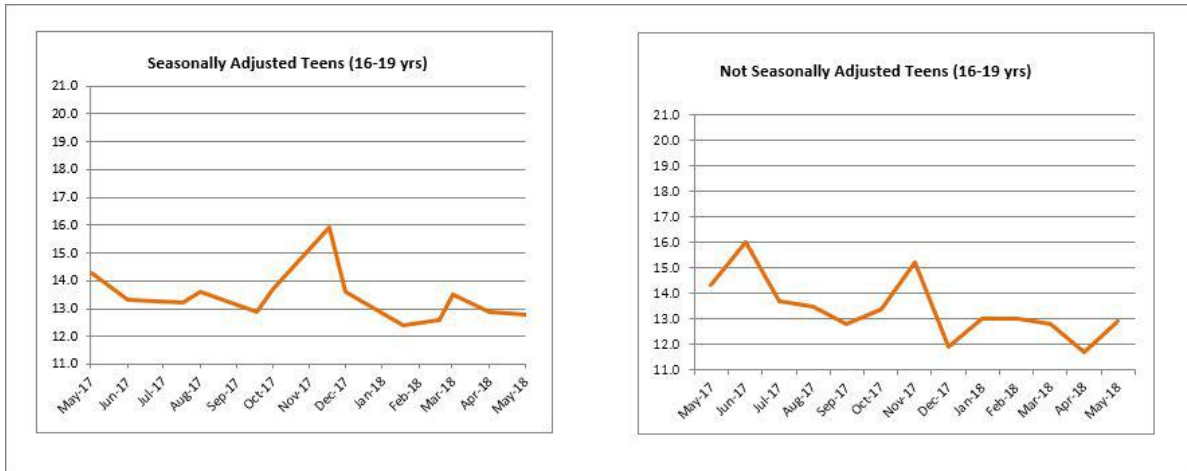
Monthly national data by industry on employment, hours, and earnings of workers on the payrolls of nonfarm establishments. DOL Release - <http://www.bls.gov/news.release/pdf/empst.pdf>

Summary Statement:

Total nonfarm payroll employment increased by 223,000 in May, and the unemployment rate edged down to 3.8 percent, the U.S. Bureau of Labor Statistics reported today. Employment continued to trend up in several industries, including retail trade, health care, and construction.

- Total nonfarm payroll employment increased by 223,000 in May, compared with an average monthly gain of 191,000 over the prior 12 months. Over the month, **employment continued to trend up** in several industries, including retail trade, **health care**, and construction.
- In May, retail trade added 31,000 jobs, with gains occurring in general merchandise stores (+13,000) and in building material and garden supply stores (+6,000). Over the year, retail trade has added 125,000 jobs.
- Employment in **health care** rose by 29,000 in May, about in line with the average monthly gain over the prior 12 months. **Ambulatory health care services** added 18,000 jobs over the month, and **employment in hospitals continued to trend up** (+6,000).
- Employment in **construction** continued on an upward trend in May (+25,000) and has risen by 286,000 over the past 12 months. Within the industry, nonresidential specialty trade contractors added 15,000 jobs over the month.
- Employment in **professional and technical services** continued to trend up in May (+23,000) and has risen by 206,000 over the year.
- **Manufacturing** employment continued to expand over the month (+18,000). Durable goods accounted for most of the change, including an increase of 6,000 jobs in machinery. **Manufacturing employment has risen** by 259,000 over the year, with about three-fourths of the growth in durable goods industries.
- In May, employment changed little in other major industries, including wholesale trade, **information, financial activities, leisure and hospitality**, and government.
- The **average workweek for all employees** on private nonfarm payrolls was unchanged at 34.5 hours in May. In **manufacturing, the workweek decreased** by 0.2 hour to 40.8 hours, and overtime edged down by 0.2 hour to 3.5 hours. The average workweek for **production and nonsupervisory employees** on private nonfarm payrolls remained at 33.8 hours.
- In May, **average hourly earnings for all employees** on private nonfarm payrolls rose by 8 cents to \$26.92. Over the year, average hourly earnings have increased by 71 cents, or 2.7 percent. Average hourly earnings of private-sector **production and nonsupervisory employees** increased by 7 cents to \$22.59 in May.





CONFERENCE BOARD - HELP WANTED ONLINE DATA SERIES MAY 2018 REPORT

Measures the number of new, first-time online jobs and jobs reposted from the previous month for over 16,000 Internet job boards, corporate boards and smaller job sites that serve niche markets and smaller geographic areas. <https://www.conference-board.org/data/helpwantedonline.cfm>

Region	Number of unemployed people per online job posted
USA	1.34
California	1.51
Los Angeles	1.61

- Online advertised vacancies decreased 51,000 to 4,699,500 in May, according to *The Conference Board Help Wanted OnLine® (HWOL) Data Series* released today.
- The April Supply/Demand rate stands at 1.34 unemployed for each advertised vacancy, with a total of 1.6 million more unemployed workers than the number of advertised vacancies. The number of unemployed was approximately 6.35 million in April.

Sector/Occupational Changes for the Month of May:

In May, three of the largest ten online occupational categories posted increases and seven declined.

Computer and math ads increased 5,000 to 566,500. The supply/demand rate lies at 0.18, i.e. 5 advertised openings per unemployed job-seeker.

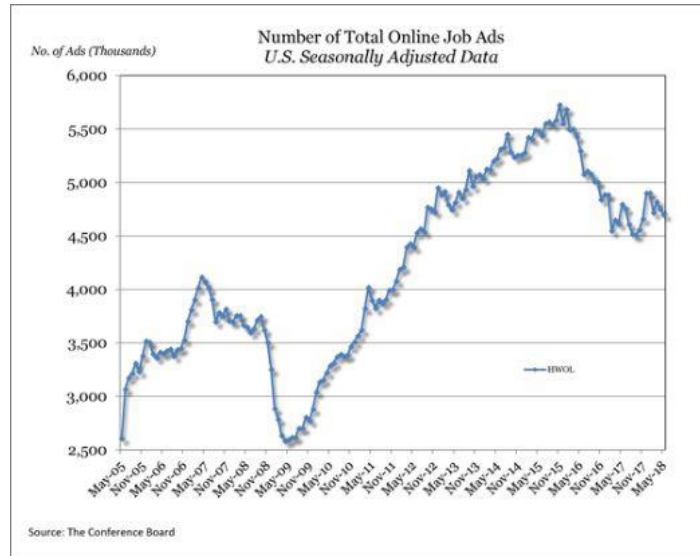
Management ads decreased 5,900 to 426,900. The supply/demand rate lies at 0.65, i.e. 1 advertised opening per unemployed job-seeker.

Education, training, and library ads decreased 8,400 to 168,800. The supply/demand rate lies at 1.80, i.e. over 1 unemployed job-seeker for every advertised available opening.

Sales and related ads decreased 4,500 to 445,200. The supply/demand rate lies at 1.51, i.e. over 1 unemployed job-seeker for every advertised available opening.

Protective service ads increased 5,100 to 58,000. The supply/demand rate lies at 1.52, i.e. over 1 unemployed job-seeker for every advertised available opening.

Transportation ads decreased 27,200 to 357,000. The supply/demand rate lies at 1.22, i.e. 1 unemployed jobseeker for every advertised available opening.



THE CONFERENCE BOARD - EMPLOYMENT TRENDS INDEX – MAY 2018

This report offers a short-term, forward look at employment on its own. It gives economists and investors a new forecasting tool. It also helps business executives sharpen their short- to medium-term hiring and compensation planning. <http://www.conference-board.org/press/>

- The Conference Board Employment Trends Index™ (ETI) decreased in May, after five consecutive monthly gains. The index now stands at 107.69, down from 108.00 (a downward revision) in April. The change represents a 3.9 percent gain in the ETI compared to a year ago.
- “The decline in the Employment Trends Index in May is probably a reversion to trend after the very rapid increases in recent months,” said Gad Levanon, Chief Economist, North America, at The Conference Board. “With the economy growing well above trend, we expect solid job growth to continue despite the difficulty in filling job openings.”

RELEVANT NEWS ARTICLES

June 13, 2018, “Fed lifts interest rates and aims for another pair of increases later this year.”

By Greg Robb & Jeffrey Bartash, *MarketWatch*

<https://www.marketwatch.com/story/fed-hikes-interest-rates-now-sees-4-moves-this-year-2018-06-13>

- The Federal Reserve on Wednesday raised a key U.S. interest rate and signaled a somewhat more aggressive stance in 2018, underscoring the central bank’s confidence in a steadily growing economy but acknowledging the recent rise in inflation.
- The bank as expected lifted its benchmark federal funds rate by a quarter-percentage point — to a range of 1.75% to 2%. Yet the Fed also signaled a small shift in its thinking by projecting a total of four rate increases in 2018 instead of three as previously planned.
- The move did not reflect a major departure, however, in the Fed’s strategy of gradually raising interest rates to keep the economy on an even keel. The “dot plot” shows only one official switched to a slightly higher interest-rate path.
- Beyond this year, the Fed predicts it will raise rates three times in 2019 and one time in 2020 to push its benchmark rate up to 3.4%. Eventually the rate is expected to slip back to around 3% or a touch less.

May 31, 2018, “Job growth is expected to be robust in May, but workers are still looking for a pay raise.”
By Patti Domm, *CNBC*

<https://www.cnbc.com/2018/05/31/job-growth-robust-in-may-but-workers-still-looking-for-pay-raise.html>

- Companies hired at a robust pace in May, but workers are still not expected to have seen much change in their pay checks.
- Economists expect there were 188,000 jobs created and unemployment held steady at 3.9 percent in May, according to Thomson Reuters. But the pace of wage growth likely was at about 0.2 percent, or a year over year gain of 2.7 percent.
- "Vacancies are very high relative to the unemployment rate. It does suggest there's a kind of skills mismatch to some degree. I think the fact that overall productivity rates are low limits what companies are willing to pay," he said.

May 31, 2018, “U.S. job growth surges, unemployment rate falls to 3.8 percent.”

By Lucia Mutikani, *Reuters*

<https://www.reuters.com/article/us-usa-economy/u-s-job-growth-accelerates-unemployment-rate-drops-to-3-8-percent-idUSKCN1IW1NX>

- U.S. job growth accelerated in May and the unemployment rate dropped to an 18-year low of 3.8 percent, pointing to rapidly tightening labor market conditions, which could stir concerns about inflation.
- The closely watched employment report released by the Labor Department on Friday also showed wages rising solidly, cementing expectations that the Federal Reserve will raise interest rates this month. The bullish report also raises the possibility that the economy could overheat.
- Overall, the U.S. economy looks strong,” said Paul Ashworth, chief economist at Capital Economics in Toronto. “In that environment, we still expect the Fed to hike interest rates an additional three times this year.”

May 30, 2018, “U.S. companies keen on hiring, but they see fewer candidates.”

By Neil Amato, *Journal of Accountancy*

<https://www.journalofaccountancy.com/news/2018/may/us-hiring-outlook-201819068.html>

- Two indicators of the nation’s economic strength are colliding: demand for employees at a time when the labor pool is almost dry.
- But there’s a hiring hurdle. The nation’s unemployment rate was 3.9% in April — its lowest point since 2000. With less available talent, companies might need to spend more time and money to compete for employees.
- “We are always recruiting,” said Charles Copp, CPA, CGMA, the company’s CFO. “We’re looking for welders, fabricators, salespeople. We are trying to be proactive and increase [pay rates] to keep people that are good.”
- Thirty percent of respondents to the second-quarter Business & Industry Economic Outlook Survey say they don’t have enough workers and plan to hire. That’s up from 24% in the same period last year and 19% in the second quarter of 2016