



For Release: Wednesday, September 05, 2018

18-1420-SAN

WESTERN INFORMATION OFFICE: San Francisco, Calif.

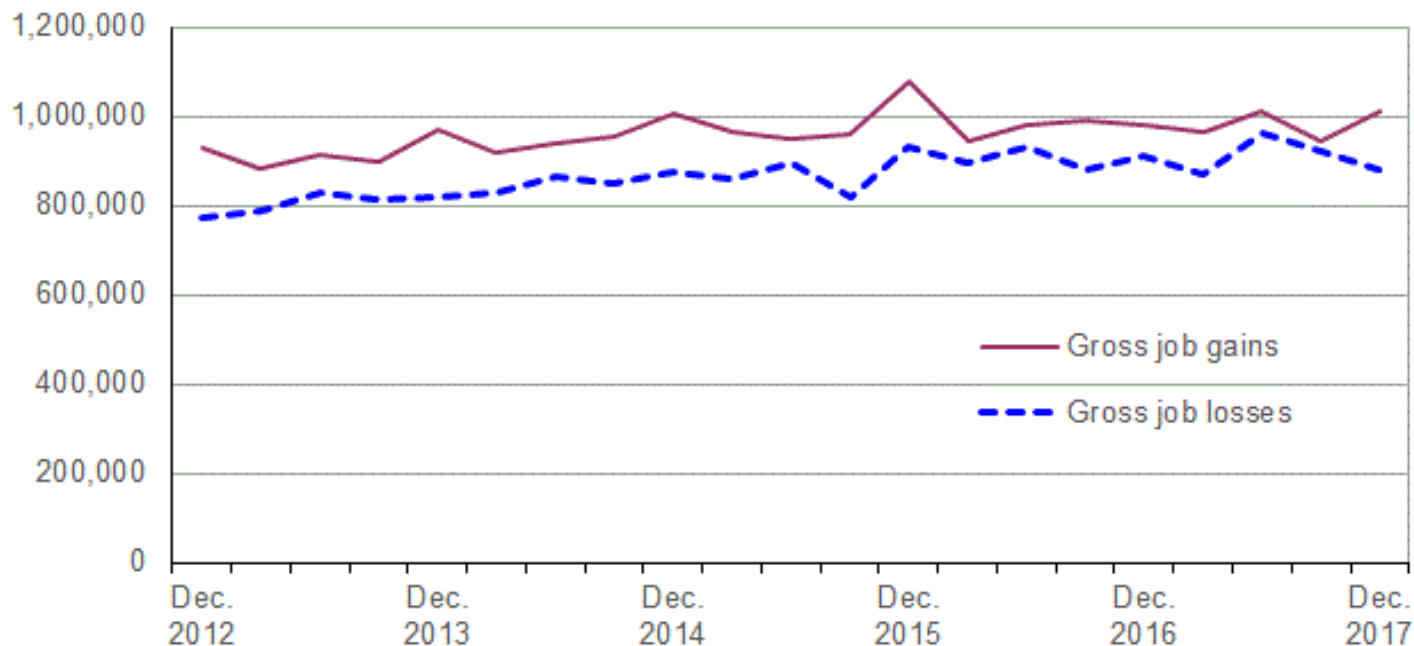
Technical information: (415) 625-2270 BLSinfoSF@bls.gov www.bls.gov/regions/west

Media contact: (415) 625-2270

Business Employment Dynamics in California – Fourth Quarter 2017

From September 2017 to December 2017, gross job gains in California totaled 1,012,893, while gross job losses numbered 878,611, the U.S. Bureau of Labor Statistics reported today. Richard Holden, the Bureau's Assistant Commissioner for Regional Operations, noted that gross job gains exceeded gross job losses by 134,282. During the previous quarter, gross job gains exceeded gross job losses by 24,333.

Chart 1. Private sector gross job gains and losses in California, December 2012–December 2017, seasonally adjusted



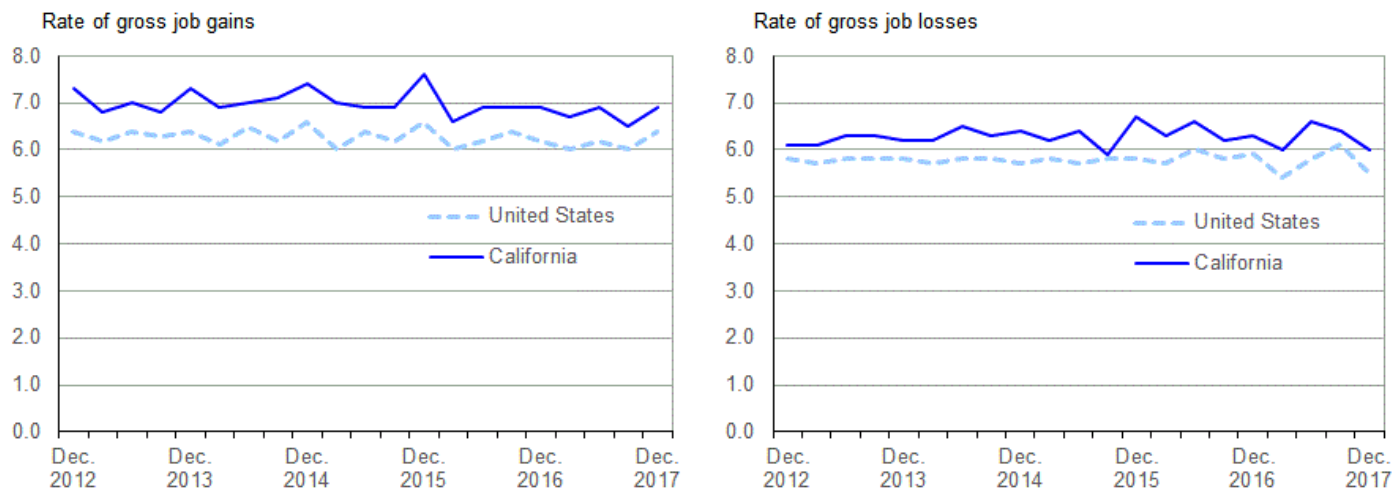
Source: U.S. Bureau of Labor Statistics.

The change in the number of jobs over time is the net result of increases and decreases in employment that occur at all businesses in the economy. Business Employment Dynamics (BED) statistics track these changes in employment at private business establishments from the third month of one quarter to the third month of the next. Gross job gains are the sum of increases in employment from expansions at existing establishments and the addition of new jobs at opening establishments. Gross job losses are the result of contractions in

employment at existing establishments and the loss of jobs at closing establishments. The difference between the number of gross job gains and the number of gross job losses is the net change in employment. (See the [Technical Note](#) for more information.)

The number of gross job gains in December exceeded 1.0 million for the second time in the past three quarters, and was the largest increase since December 2015. (See [chart 1.](#)) California’s gross job gains have remained above 900,000 each quarter since December 2013. Gross job losses declined for the second consecutive quarter in December 2017. Job losses most recently peaked in March 2009, when more than 1.1 million jobs were lost.

Chart 2. Private sector gross job gains and losses as a percent of employment, United States and California, December 2012–December 2017, seasonally adjusted



Source: U.S. Bureau of Labor Statistics.

Gross job gains represented 6.9 percent of private sector employment in California in the quarter ended December 2017, while nationally gross job gains accounted for 6.4 percent of private employment. (See [chart 2.](#)) The rate of gross job gains in California has been above the U.S. rate each quarter since data became available in 1992.

During the fourth quarter 2017, gross job gains exceeded gross job losses in nine industry sectors in California. For example, within transportation and warehousing, gross job gains exceeded gross jobs losses by 26,405. While 26,227 jobs were lost in closing and contracting establishments in the industry, 52,632 jobs were created by opening and expanding establishments in the 3 months ended in December 2017. In professional and business services, 175,578 jobs were created in opening and expanding establishments, while 152,920 jobs were lost in closing and contracting establishments. (See [table 1.](#))

Two industry sectors in California had net job losses during the latest quarter. Within retail trade, gross job losses exceeded gross job gains by 3,528. In other services, gross job losses exceeded gross job gains by 2,628.

Additional statistics and other information

BED data for the states have been included in [table 2](#) of this release. For more information on the Business Employment Dynamics data, visit the BED web site at www.bls.gov/bdm/.

The Business Employment Dynamics release for First Quarter 2018 is scheduled to be released on Wednesday, November 7, 2018.

Technical Note

The Business Employment Dynamics (BED) data are a product of a federal-state cooperative program known as Quarterly Census of Employment and Wages (QCEW). The BED data are compiled by the U.S. Bureau of Labor Statistics (BLS) from existing QCEW records.

Most employers in the U.S. are required to file quarterly reports on the employment and wages of workers covered by unemployment insurance (UI) laws and to pay quarterly UI taxes. The QCEW is based largely on quarterly UI reports which are sent by businesses to the State Workforce Agencies (SWAs). These UI reports are supplemented by two additional BLS data collections to render administrative data into economic statistics. Together these data comprise the QCEW and form the basis of the Bureau's establishment universe sampling frame.

In the BED program, the QCEW records are linked across quarters to provide a longitudinal history for each establishment. The linkage process allows the tracking of net employment changes at the establishment level, which in turn allows the estimation of jobs gained at opening and expanding establishments and jobs lost at closing and contracting establishments.

The change in the number of jobs over time is the net result of increases and decreases in employment that occur at all businesses in the economy. BED statistics track these changes in employment at private business establishments from the third month of one quarter to the third month of the next. Gross job gains are the sum of increases in employment from expansions at existing establishments and the addition of new jobs at opening establishments. Gross job losses are the result of contractions in employment at existing establishments and the loss of jobs at closing establishments. The difference between the number of gross jobs gained and the number of gross jobs lost is the net change in employment.

Gross job gains and gross job losses are expressed as rates by dividing their levels by the average of employment in the current and previous quarters. The rates are calculated for the components of gross job gains and gross job losses and then summed to form their respective totals. These rates can be added and subtracted just as their levels can. For instance, the difference between the gross job gains rate and the gross job losses rate is the net growth rate.

The formal definitions of employment changes are as follows:

Openings. These are either establishments with positive third month employment for the first time in the current quarter, with no links to the prior quarter, or with positive third month employment in the current quarter following zero employment in the previous quarter.

Expansions. These are establishments with positive employment in the third month in both the previous and current quarters, with a net increase in employment over this period.

Closings. These are either establishments with positive third month employment in the previous quarter, with no employment or zero employment reported in the current quarter.

Contractions. These are establishments with positive employment in the third month in both the previous and current quarters, with a net decrease in employment over this period.

Information in this release will be made available to sensory impaired individuals upon request. Voice phone: (202) 691-5200; Federal Relay Service: (800) 877-8339.

Table 1. Private sector gross job gains and losses by industry, California, seasonally adjusted

Category	Gross job gains and job losses (3 months ended)					Gross job gains and job losses as a percent of employment (3 months ended)				
	Dec. 2016	Mar. 2017	June 2017	Sept 2017	Dec. 2017	Dec. 2016	Mar. 2017	June 2017	Sept 2017	Dec. 2017
Total private ⁽¹⁾										
Gross job gains	980,183	962,840	1,008,489	945,420	1,012,893	6.9	6.7	6.9	6.5	6.9
At expanding establishments	769,675	778,664	803,960	769,491	807,863	5.4	5.4	5.5	5.3	5.5
At opening establishments	210,508	184,176	204,529	175,929	205,030	1.5	1.3	1.4	1.2	1.4
Gross job losses	910,192	872,313	963,220	921,087	878,611	6.3	6.0	6.6	6.4	6.0
At contracting establishments	720,440	693,778	784,603	738,067	693,959	5.0	4.8	5.4	5.1	4.7
At closing establishments	189,752	178,535	178,617	183,020	184,652	1.3	1.2	1.2	1.3	1.3
Net employment change ⁽²⁾	69,991	90,527	45,269	24,333	134,282	0.6	0.7	0.3	0.1	0.9
Construction										
Gross job gains	75,594	78,871	79,632	73,520	75,984	9.7	10.0	9.9	9.0	9.3
At expanding establishments	63,584	68,500	66,202	62,606	65,400	8.2	8.7	8.2	7.7	8.0
At opening establishments	12,010	10,371	13,430	10,914	10,584	1.5	1.3	1.7	1.3	1.3
Gross job losses	71,338	66,494	69,669	70,629	64,323	9.2	8.4	8.6	8.8	7.8
At contracting establishments	56,780	54,756	56,491	57,253	52,023	7.3	6.9	7.0	7.1	6.3
At closing establishments	14,558	11,738	13,178	13,376	12,300	1.9	1.5	1.6	1.7	1.5
Net employment change ⁽²⁾	4,256	12,377	9,963	2,891	11,661	0.5	1.6	1.3	0.2	1.5
Manufacturing										
Gross job gains	48,272	48,464	55,297	50,062	51,084	3.7	3.7	4.2	3.9	3.9
At expanding establishments	42,802	44,683	50,134	45,371	46,679	3.3	3.4	3.8	3.5	3.6
At opening establishments	5,470	3,781	5,163	4,691	4,405	0.4	0.3	0.4	0.4	0.3
Gross job losses	52,331	54,179	50,654	50,640	50,200	4.0	4.1	3.9	3.9	3.8
At contracting establishments	44,065	45,854	42,857	42,562	43,206	3.4	3.5	3.3	3.3	3.3
At closing establishments	8,266	8,325	7,797	8,078	6,994	0.6	0.6	0.6	0.6	0.5
Net employment change ⁽²⁾	-4,059	-5,715	4,643	-578	884	-0.3	-0.4	0.3	0.0	0.1
Wholesale trade										
Gross job gains	34,289	31,740	36,732	31,763	35,535	4.7	4.4	5.1	4.4	4.9
At expanding establishments	28,976	28,007	31,117	27,867	30,601	4.0	3.9	4.3	3.9	4.2
At opening establishments	5,313	3,733	5,615	3,896	4,934	0.7	0.5	0.8	0.5	0.7
Gross job losses	33,706	33,845	31,523	33,119	32,164	4.7	4.7	4.4	4.6	4.4
At contracting establishments	25,999	26,625	24,844	26,567	24,869	3.6	3.7	3.5	3.7	3.4
At closing establishments	7,707	7,220	6,679	6,552	7,295	1.1	1.0	0.9	0.9	1.0
Net employment change ⁽²⁾	583	-2,105	5,209	-1,356	3,371	0.0	-0.3	0.7	-0.2	0.5
Retail trade										
Gross job gains	97,373	97,610	98,351	99,607	94,633	5.9	5.8	5.8	5.9	5.7
At expanding establishments	84,508	87,020	84,427	88,528	84,922	5.1	5.2	5.0	5.2	5.1
At opening establishments	12,865	10,590	13,924	11,079	9,711	0.8	0.6	0.8	0.7	0.6
Gross job losses	96,840	94,623	100,709	101,552	98,161	5.8	5.7	6.0	6.0	5.8
At contracting establishments	82,672	81,690	87,210	88,589	85,914	5.0	4.9	5.2	5.2	5.1
At closing establishments	14,168	12,933	13,499	12,963	12,247	0.8	0.8	0.8	0.8	0.7
Net employment change ⁽²⁾	533	2,987	-2,358	-1,945	-3,528	0.1	0.1	-0.2	-0.1	-0.1
Transportation and warehousing										
Gross job gains	51,247	29,107	32,035	34,370	52,632	9.6	5.4	5.9	6.3	9.2
At expanding establishments	46,423	26,053	28,259	31,093	45,806	8.7	4.8	5.2	5.7	8.0
At opening establishments	4,824	3,054	3,776	3,277	6,826	0.9	0.6	0.7	0.6	1.2
Gross job losses	24,974	38,677	29,017	26,058	26,227	4.7	7.1	5.3	4.8	4.6
At contracting establishments	20,608	34,917	24,987	21,286	21,547	3.9	6.4	4.6	3.9	3.8
At closing establishments	4,366	3,760	4,030	4,772	4,680	0.8	0.7	0.7	0.9	0.8
Net employment change ⁽²⁾	26,273	-9,570	3,018	8,312	26,405	4.9	-1.7	0.6	1.5	4.6
Information										
Gross job gains	31,142	28,576	36,482	39,121	36,808	6.0	5.4	7.2	7.4	6.9
At expanding establishments	26,334	25,843	31,077	35,987	31,392	5.1	4.9	6.1	6.8	5.9
At opening establishments	4,808	2,733	5,405	3,134	5,416	0.9	0.5	1.1	0.6	1.0
Gross job losses	31,712	31,786	57,217	29,213	28,853	6.1	6.1	11.2	5.5	5.4

Note: See footnotes at end of table.

Table 1. Private sector gross job gains and losses by industry, California, seasonally adjusted - Continued

Category	Gross job gains and job losses (3 months ended)					Gross job gains and job losses as a percent of employment (3 months ended)				
	Dec. 2016	Mar. 2017	June 2017	Sept 2017	Dec. 2017	Dec. 2016	Mar. 2017	June 2017	Sept 2017	Dec. 2017
At contracting establishments	26,942	28,119	53,689	24,782	24,292	5.2	5.4	10.5	4.7	4.5
At closing establishments	4,770	3,667	3,528	4,431	4,561	0.9	0.7	0.7	0.8	0.9
Net employment change ⁽²⁾	-570	-3,210	-20,735	9,908	7,955	-0.1	-0.7	-4.0	1.9	1.5
Financial activities										
Gross job gains	44,073	37,899	42,157	40,284	43,138	5.3	4.6	5.2	4.9	5.2
At expanding establishments	33,286	31,411	33,448	32,214	33,374	4.0	3.8	4.1	3.9	4.0
At opening establishments	10,787	6,488	8,709	8,070	9,764	1.3	0.8	1.1	1.0	1.2
Gross job losses	41,773	39,611	39,215	42,657	40,843	5.1	4.8	4.7	5.2	4.9
At contracting establishments	31,423	29,859	30,897	32,134	30,130	3.8	3.6	3.7	3.9	3.6
At closing establishments	10,350	9,752	8,318	10,523	10,713	1.3	1.2	1.0	1.3	1.3
Net employment change ⁽²⁾	2,300	-1,712	2,942	-2,373	2,295	0.2	-0.2	0.5	-0.3	0.3
Professional and business services										
Gross job gains	165,331	155,143	171,902	164,838	175,578	6.5	6.1	6.7	6.4	6.8
At expanding establishments	134,764	136,292	143,484	141,585	147,767	5.3	5.4	5.6	5.5	5.7
At opening establishments	30,567	18,851	28,418	23,253	27,811	1.2	0.7	1.1	0.9	1.1
Gross job losses	164,301	146,861	169,973	167,255	152,920	6.5	5.8	6.7	6.6	6.0
At contracting establishments	128,550	115,672	136,413	134,424	117,950	5.1	4.6	5.4	5.3	4.6
At closing establishments	35,751	31,189	33,560	32,831	34,970	1.4	1.2	1.3	1.3	1.4
Net employment change ⁽²⁾	1,030	8,282	1,929	-2,417	22,658	0.0	0.3	0.0	-0.2	0.8
Education and health services										
Gross job gains	136,230	132,899	145,546	139,813	134,377	5.4	5.3	5.7	5.5	5.2
At expanding establishments	93,495	97,998	105,341	101,952	95,990	3.7	3.9	4.1	4.0	3.7
At opening establishments	42,735	34,901	40,205	37,861	38,387	1.7	1.4	1.6	1.5	1.5
Gross job losses	126,149	112,398	132,632	124,020	123,922	5.1	4.5	5.2	4.8	4.8
At contracting establishments	89,365	77,945	96,247	87,051	86,288	3.6	3.1	3.8	3.4	3.3
At closing establishments	36,784	34,453	36,385	36,969	37,634	1.5	1.4	1.4	1.4	1.5
Net employment change ⁽²⁾	10,081	20,501	12,914	15,793	10,455	0.3	0.8	0.5	0.7	0.4
Leisure and hospitality										
Gross job gains	138,025	133,228	138,550	123,426	130,115	7.2	7.0	7.1	6.3	6.7
At expanding establishments	104,963	107,137	107,228	99,571	109,159	5.5	5.6	5.5	5.1	5.6
At opening establishments	33,062	26,091	31,322	23,855	20,956	1.7	1.4	1.6	1.2	1.1
Gross job losses	125,109	123,769	137,556	145,427	124,982	6.5	6.5	7.1	7.5	6.5
At contracting establishments	97,969	97,552	112,130	118,019	96,773	5.1	5.1	5.8	6.1	5.0
At closing establishments	27,140	26,217	25,426	27,408	28,209	1.4	1.4	1.3	1.4	1.5
Net employment change ⁽²⁾	12,916	9,459	994	-22,001	5,133	0.7	0.5	0.0	-1.2	0.2
Other services ⁽³⁾										
Gross job gains	34,381	33,597	37,409	34,824	30,662	7.0	6.8	7.5	7.0	6.1
At expanding establishments	26,062	27,659	29,351	28,556	25,603	5.3	5.6	5.9	5.7	5.1
At opening establishments	8,319	5,938	8,058	6,268	5,059	1.7	1.2	1.6	1.3	1.0
Gross job losses	34,598	34,040	35,401	35,576	33,290	7.1	7.0	7.2	7.1	6.7
At contracting establishments	25,412	24,849	27,445	27,515	24,943	5.2	5.1	5.6	5.5	5.0
At closing establishments	9,186	9,191	7,956	8,061	8,347	1.9	1.9	1.6	1.6	1.7
Net employment change ⁽²⁾	-217	-443	2,008	-752	-2,628	-0.1	-0.2	0.3	-0.1	-0.6

Footnotes:

(1) Includes unclassified sector not shown separately.

(2) The net employment change is the difference between total gross job gains and total gross job losses. See the Technical Note for further information.

(3) Except public administration.

Table 2. Private sector gross job gains and losses as a percent of total employment by state, seasonally adjusted

Category	Gross job gains as a percent of employment (3 months ended)					Gross job losses as a percent of employment (3 months ended)				
	Dec. 2016	Mar. 2017	June 2017	Sept. 2017	Dec. 2017	Dec. 2016	Mar. 2017	June 2017	Sept. 2017	Dec. 2017
United States(1)	6.2	6.0	6.2	6.0	6.4	5.9	5.4	5.8	6.1	5.5
Alabama	5.8	6.1	5.5	6.0	6.0	5.8	5.2	5.6	5.8	5.4
Alaska	9.8	9.4	11.0	8.5	9.4	10.0	9.8	9.9	10.5	10.2
Arizona	6.0	5.8	6.2	6.6	6.2	5.5	5.4	5.7	5.3	5.3
Arkansas	5.9	5.6	5.2	5.7	5.9	5.4	5.0	5.6	5.5	5.0
California	6.9	6.7	6.9	6.5	6.9	6.3	6.0	6.6	6.4	6.0
Colorado	6.6	6.8	7.1	6.6	6.8	6.5	6.2	6.3	6.4	6.1
Connecticut	5.1	5.5	5.7	5.2	5.3	5.2	5.1	5.1	5.7	5.1
Delaware	6.2	6.6	6.6	6.5	7.1	6.2	5.9	7.0	6.6	6.4
District of Columbia	5.6	5.7	5.7	5.4	5.7	5.6	4.7	5.6	5.3	5.0
Florida	6.7	6.1	6.6	5.6	8.1	6.1	5.5	6.1	7.5	5.2
Georgia	6.6	6.3	6.2	6.1	6.9	5.8	5.8	6.1	6.2	5.5
Hawaii	5.0	5.1	5.2	5.4	5.1	5.0	4.8	5.4	5.3	4.9
Idaho	7.5	7.9	7.3	6.7	7.4	6.7	6.3	6.6	6.6	6.4
Illinois	6.1	5.8	5.7	5.6	6.0	5.6	5.4	5.5	6.0	5.3
Indiana	5.4	5.7	5.7	5.5	5.7	5.2	5.1	5.5	5.5	5.1
Iowa	5.7	6.1	5.6	5.4	5.9	5.9	5.5	5.7	5.7	5.3
Kansas	5.9	5.8	5.5	6.3	6.1	5.7	5.6	6.6	5.7	5.2
Kentucky	6.1	5.7	6.1	5.9	6.0	5.8	5.4	5.9	5.8	5.4
Louisiana	5.9	6.4	6.2	6.1	6.2	6.5	5.9	6.5	6.1	6.0
Maine	7.4	7.2	7.7	6.5	7.1	7.1	6.4	7.7	7.5	6.7
Maryland	6.6	6.1	6.4	6.1	6.2	6.2	5.9	6.2	6.2	6.2
Massachusetts	5.6	5.5	6.1	5.5	5.7	5.4	5.1	5.2	5.6	5.6
Michigan	5.5	5.6	5.7	5.3	5.6	5.4	5.0	5.3	6.0	5.5
Minnesota	5.7	5.8	5.7	5.4	5.8	5.7	4.7	5.3	5.7	5.6
Mississippi	6.3	5.7	5.9	5.7	6.3	5.6	5.9	6.0	5.9	5.5
Missouri	5.7	5.9	5.6	5.9	5.6	5.6	4.9	5.6	5.9	5.4
Montana	7.8	8.1	7.9	7.2	8.5	7.5	7.1	7.7	8.0	7.4
Nebraska	5.7	5.9	5.6	5.9	6.2	6.2	5.2	6.1	5.9	5.5
Nevada	6.2	6.6	6.3	6.3	6.5	5.6	5.2	6.0	5.8	5.2
New Hampshire	6.3	5.7	6.6	5.6	6.6	5.9	5.6	5.9	6.5	5.9
New Jersey	6.4	5.5	6.7	6.0	6.5	5.9	5.8	5.5	6.2	5.6
New Mexico	6.6	6.4	6.7	6.5	6.3	6.5	6.2	6.3	6.3	6.0
New York	6.1	6.2	6.5	6.2	6.1	5.9	5.7	5.7	6.1	5.8
North Carolina	6.3	6.2	6.3	6.0	6.3	5.7	5.5	5.9	6.0	5.5
North Dakota	6.7	7.6	6.8	6.7	6.8	7.7	6.7	6.9	6.8	6.7
Ohio	5.7	5.7	5.8	5.1	5.6	5.4	5.1	5.4	5.6	5.2
Oklahoma	6.5	6.3	6.6	6.5	6.4	6.3	6.5	5.9	6.0	5.8
Oregon	6.6	6.9	6.5	6.5	6.8	6.3	5.7	5.9	6.3	6.0
Pennsylvania	5.4	5.2	5.5	5.4	5.5	5.1	5.0	5.2	5.2	4.9
Rhode Island	5.7	6.3	6.5	5.9	6.6	5.8	5.9	5.9	6.3	6.0
South Carolina	6.5	6.0	6.1	5.7	6.9	5.4	5.6	6.0	6.4	5.1
South Dakota	6.0	6.4	6.3	5.7	6.4	6.1	5.9	6.3	6.0	5.7
Tennessee	5.8	5.1	5.4	5.4	5.8	5.1	4.9	5.1	5.2	4.9
Texas	5.9	5.8	5.8	5.9	6.3	5.4	5.2	5.4	5.7	5.3
Utah	6.8	7.7	6.8	6.8	7.0	6.4	6.1	6.2	6.3	5.8
Vermont	7.0	6.6	7.9	6.7	7.2	7.0	6.8	6.8	7.8	6.4
Virginia	6.2	6.0	6.2	5.8	6.3	5.9	5.6	5.9	6.2	5.5
Washington	7.1	6.8	7.1	6.3	6.9	6.7	5.6	6.1	6.3	5.8
West Virginia	6.4	6.3	6.4	6.9	6.3	6.2	6.4	6.5	6.5	6.1
Wisconsin	5.5	5.9	5.6	5.0	5.6	5.3	4.8	5.5	5.7	5.0
Wyoming	8.8	8.8	8.5	8.7	8.8	8.7	8.1	9.0	7.9	8.3
Puerto Rico	5.8	5.1	5.2	4.1	7.1	5.4	5.7	5.2	6.2	11.7
Virgin Islands	6.0	5.3	6.2	4.2	8.4	6.0	5.5	4.7	8.3	24.1

Note: See footnotes at end of table.

Footnotes

(1) Totals for the United States do not include data for Puerto Rico or the Virgin Islands.