



Manpower Employment Report

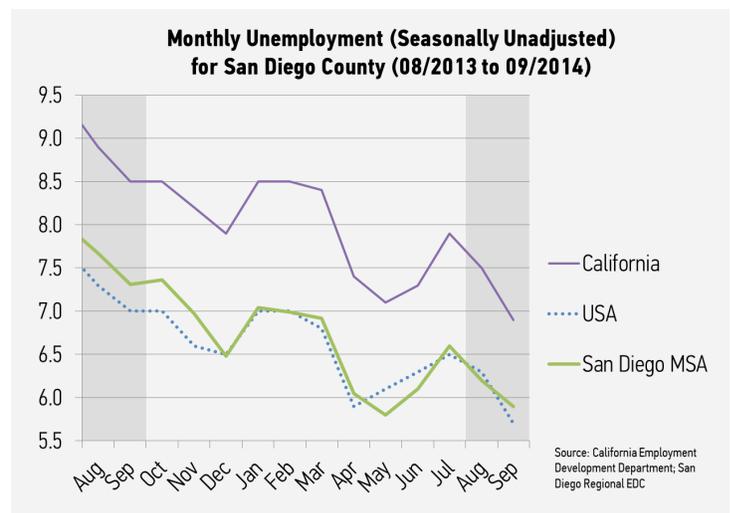
“We’re seeing San Diego’s creative makers and thinkers come together. The unemployment rate is back below six percent again and the region’s innovation sectors continue to drive economic growth.”

**Phil Blair, President and CEO
Manpower San Diego**

HIGHLIGHTS

- Monthly data for September is highly susceptible to seasonal changes, so month-to-month employment changes should be viewed in that context.
- At 5.9 percent, San Diego’s unemployment rate fell in September by 0.3 percentage points from August. In addition, unemployment was down 1.4 points from September 2013.
- San Diego’s unemployment rate was lower than the California average, and slightly above the U.S. average.
- The region lost 2,800 seasonal jobs from August to September, but added 33,300 jobs since last year.
- Seasonal effects limited monthly employment growth in most private industries, but manufacturing, education services and professional and business services added jobs in September.
- Staffing services grew by 4.7 percent since last year and nearly two percent this month, indicating demand for hiring services.
- San Diego’s traded economies (Innovation, Defense and Tourism) continued to drive annual employment growth.

The California Employment Development Department (EDD) released statewide county employment data today for the September 2014 period. At 5.9 percent, San Diego County’s unemployment rate dropped 0.3 points from August to September, and fell by 1.4 points from this time last year. The unemployment rate in the region remained a full point below California’s 6.9 percent rate and tracked just above the U.S. average of 5.7 percent. While the region experienced a decline of more than 11,000 in its labor force, much of this can be pinned on seasonal effects, as temporary summer workers fall out of the labor force. Since September of last year, the labor force gained 11,100 people, 33,900 more people have identified as employed, and 22,200 less people have identified as unemployed, indicating positive momentum in the labor market.



When looking at employment changes, September seasonal effects played a role here as well. From August to September, the region’s total employment fell by 2,800 jobs, with the private sector falling by 7,400 jobs. Private sector losses were partially offset by 4,500 public sector education workers returning to their jobs. While these numbers appear threatening, it can be almost entirely pinned on seasonal losses in common summer growth industries like construction and tourism. When looking at year-over-year growth, we see that San Diego added 33,300 jobs, 32,400 of which are from the private sector. San Diego continued to out-pace national growth as well. Employment from September 2013 to 2014 grew by approximately 2.5 percent overall and three percent in the private sector, while the U.S. grew by about a half point slower.



San Diego's traded economies continued to drive much of the region's employment growth. Professional, scientific and technical services (PST), heavily associated with innovation, was one of the few industries to add jobs in the down season. The industry added 600 jobs since August 2014. More importantly, PST added 8,900 jobs since September 2013, a growth rate of 7.2 percent, which is nearly three times the economy-wide 2.5 percent growth rate. PST includes subsectors like scientific research and development services, which is a key driver of our life sciences. This subsector grew by 4.6 percent over the year.

San Diego's tourism industry continued its normal seasonal decline, losing 5,700 jobs from August to September. However, the industry added 3,700 jobs since September 2013, indicating that the industry is still performing well.

San Diego's goods producers continued their steady employment growth, despite experiencing a seasonal drop like most industries in the region. Goods producers accounted for more than 27 percent of the annual job growth. The construction industry, despite losing 1,400 jobs last month, added 6,300 jobs from September 2013 to 2014, a 10.2 percent increase. Manufacturing was one of the few industries to grow this month, adding 600 jobs from August to September. This industry has added 2,500 jobs since September 2013,

Other substantial annual growth industries include ship and boat building, which grew by more than 11 percent and is a critical component of our maritime cluster. San Diego's movers of goods have also been growing rapidly, as transportation and warehousing employment grew 7.5 percent over the year.

While the apparent seasonal effects in this month's report may grab the headlines, San Diego is performing well so far in 2014. San Diego's key driving industries have had an outstanding year, at least in terms of job growth, and the region has continued to add middle-to-high paying jobs in industries like manufacturing, construction and PST services. San Diego continued to out-pace the U.S. in job growth, while seeing a healthy decline in the unemployment rate. With one quarter remaining, San Diego's labor market has exceeded many expectations.

