



Manpower Employment Report

"When an influx of people join the labor force and begin seeking employment, you generally see a lag before they find jobs. In October, a substantial amount of people joined the labor force, but reported as unemployed. In November, it appears as though those people found jobs, as we saw no change in the labor force, but a significant reduction in unemployment."

**Phil Blair, Executive Officer
Manpower San Diego**

The California Employment Development Department (EDD) released statewide county employment data today for the November 2015 period. This month's data indicates that San Diego is showing strong signs of growth in the local economy as we near the end of 2015.




The unemployment rate fell to 4.8 percent in November, down 0.2 points from the previous month. In October, the region experienced a large jump in the labor force without a large jump in employment, which caused the unemployment rate to rise back to 5.0 percent. The labor force stayed virtually the same in November, but higher employment and lower unemployment brought the rate back down to 4.8 percent. The number of unemployed fell by 2,000 from October to November, indicating that the fall in unemployment was healthy and not due to a reduction in the labor force.

The rate is now 1.2 points lower than the previous year and on par with the national unemployment rate at 4.8. The region remains much lower than the statewide unemployment rate of 5.7 percent. The unemployment rate is now expected to end the year in the mid-four percent range in December, resulting in an annual average of about 5.0 percent for 2015, down substantially from the 2014 average of 6.4 percent.

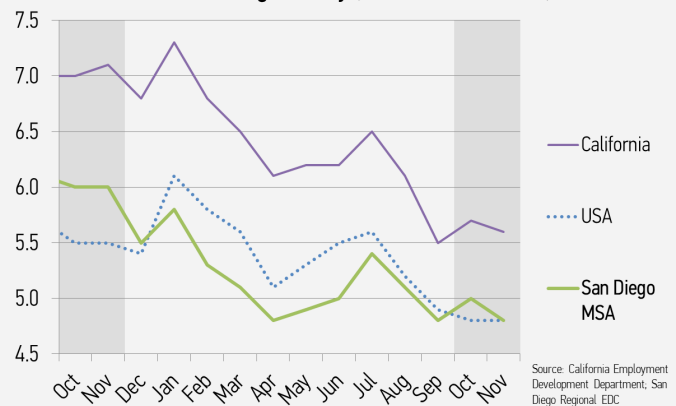
The region's overall year-over-year employment grew, but below the 2015 average of 3.1 percent. San Diego's total non-farm employment grew by 37,800 jobs from November 2014 to November 2015—2.7 percent growth. San Diego's growth rate was again much higher than the 1.9 percent national rate. The San Diego region is still expected to average 3.1 percent annual growth in 2015, compared to only 2.3 percent in 2014.

Year-over-year private sector growth continued to drive the economy, as private employment drove 92.1 percent of all employment growth. The total private sector grew by 3.1 percent, out-pacing the private U.S. growth rate of 2.2 percent. Private growth was driven largely by service

HIGHLIGHTS

-  **EMPLOYMENT** grew by **37,800 jobs** or 2.7 percent from the previous year.
-  **UNEMPLOYMENT** fell to 4.8 percent and is still **1.2 points lower** than November 2014.
-  **PRIVATE SECTOR** employment grew by **3.1 percent** from November 2014.
-  **SHIP AND BOAT BUILDING** grew by **10.3 percent** from the previous year.
-  **HEALTH CARE** accounted for **one-quarter of all employment growth** since November 2014.

**Monthly Unemployment (Not Seasonally Adjusted)
for San Diego County (10/2014 to 11/2015)**



providers, but goods producers experienced a particularly strong month. Goods producers like manufacturers and construction companies drove 24.1 percent of annual private job growth. This was due to both strong growth in those industries and uncharacteristically weak growth in service providing industries like professional and business services and trade.

From November 2014 to November 2015, the manufacturing industry added 2,400 jobs—a 2.5 percent growth rate. The ship and boat building industry continued to grow at an outstanding rate of 10.3 percent. Meanwhile, the construction industry added 6,000 jobs and grew by 9.4 percent. Continued growth in goods producing industries remains a positive sign for the region, as these jobs tend to be accessible and pay above the median wage for the region.

Professional, Scientific, and Technical (PST) services, which is strongly associated with the region's innovation economy, grew by 5.5 percent and was one of the highest growth industries in the region. PST services accounted for roughly one fifth of all private annual job growth in San Diego. The national PST sector grew by only 3.6 percent. Scientific research and development services, a subsector of PST that represents many cleantech and life science companies, grew at a relatively low 3.3 percent compared to previous months.

Other key drivers for growth included the region's healthcare sector, which added 8,600 jobs and accounted for roughly one quarter of the region's private job growth. Tourism experienced a major seasonal hit last month, but rebounded slightly in November. The industry added 1,100 jobs from the previous month and 3,700 overall since last November. The annual growth rate in the industry has slowed in the latter half of the year, but still growing, particularly in food service and drinking places.

November's employment numbers included more positive signs for the region's economy, particularly when compared to the year before. The region has 13,200 more people in the labor force, 17,000 fewer unemployed, and has added more than 37,000 jobs. The growth rates have slowed in recent months, which may be a reflection of slowing national trends, an indication of mounting issues in the economy, or a brief blip in an otherwise outstanding year. Annual growth rates have varied throughout the year, but have consistently remained above state and national trends, with growth concentrated in high-tech and high-wage sectors. With one month of data remaining in 2015, all signs point to a solid overall year for the region's economy.

