

Full California Jobs Report for August 2024

The Center for Jobs and the Economy has released our full analysis of the August Employment Report from the California Employment Development Department. For additional information and data about the California economy visit www.centerforjobs.org/ca.

GDP Growth

- California's Real GDP grew by 2.8% in the second quarter of 2024, below the 3.0% US average and ranked 27th among the states.
- The Information sector, including high-tech and media, remains a significant contributor but its impact has declined over the past three quarters.
- Manufacturing and Health Care sectors also played key roles in the recent GDP growth.
- Seven industries experienced contraction, with Accommodation & Food Services being the hardest hit.
- Texas has outpaced California in cumulative growth since 2022, with a 12.9% increase compared to California's 3.8%.

Personal Income

- California's Personal Income grew by 6.5%, exceeding the national average of 5.3% and placing California fourth among all states.
- A significant part of the income growth came from Medi-Cal transfer payments, which saw substantial increases due to program expansion.
- The other two components of Personal Income--net earnings and dividends, interest, and rent-- grew 5.0% in the 2nd Quarter, close to the national average.

Employment Trends

- Future job growth potential is slowing as employers reduce hiring plans.
- The number of unfilled job openings in California decreased by 1.7%, reflecting levels seen during the height of the pandemic in 2020.
- California's unemployment-to-job-opening ratio is 1.6, one of the worst in the nation, compared to the US ratio of 0.9.
- Companies, including Astellas Gene Therapies and Canoo, continue to move operations or headquarters out of California to states like Texas and North Carolina.
- These relocations reflect a broader trend of businesses seeking more cost-effective locations.

Unemployment Insurance (UI) Debt

- California's Unemployment Insurance Fund debt surpassed \$20 billion, making it one of the last two states, alongside New York, still carrying pandemic-era debt.

- California's UI program accounts for 19.9% of all state unemployment payments despite representing only 11.4% of the national workforce, reflecting the state's generous benefits system.

[Employers added 254,000 jobs in September, reflecting surprising growth in the labor market as consumers kept spending this summer](#)

The September report by the Bureau of Labor Statistics adds more evidence that the labor market is healthy enough to allow the Federal Reserve to lower interest rates more gradually.

https://www.washingtonpost.com/business/2024/10/04/september-jobs-unemployment-labor-market/?utm_source=alert&utm_medium=email&utm_campaign=wp_news_alert_revere&location=alert

[August sees slight dip in construction spending](#)

August saw a 0.1% decline in construction spending, bringing the total to \$2.132 trillion, according to the Associated General Contractors of America's monthly analysis of federal data. The downtick was mainly due to a downturn in single- and multifamily residential building, although some nonresidential sectors showed gains. Many federally funded projects are still pending, affecting overall spending. Private residential construction dropped by 0.3%, with multifamily projects declining for the eighth month in a row. Public construction, however, increased by 0.3%, driven by highway and street projects. AGC officials called for faster federal permitting and more flexibility in Buy America rules to boost project commencements. **Full Story:** [Associated General Contractors of America](#)

[August construction jobs up YOY in 68% of metro areas](#)

Construction employment increased in 245 of 358 metropolitan areas from August 2023 to August 2024, according to an analysis by the Associated General Contractors of America. AGC notes that construction firms are raising wages more rapidly than other sectors. **Full Story:** [Associated General Contractors of America](#)

[FHWA sends \\$62B to states for infrastructure](#)

The Federal Highway Administration is distributing \$62 billion across the country for 12 infrastructure formula programs provided under the bipartisan infrastructure law. The fiscal 2025 funding goes to all 50 States, the District of Columbia and Puerto Rico. It will help state and local entities "rebuild roads and bridges, implement new and innovative transportation solutions, strengthen our supply chains and create good-paying jobs nationwide," says Transportation Secretary Pete Buttigieg. **Full Story:** [The Construction Broadsheet](#) (10/3)

[Aging dam infrastructure buckling under climate change](#)

Dams play a critical role in water reliability, irrigation and hydropower, yet many across the country are in a state of disrepair. Rain events are increasing in frequency and intensity as climate change accelerates, making the risk of a catastrophic failure more likely. The Inflation Reduction Act contains \$2 billion for upgrades and decommissioning, but the Association of State Dam Safety Officials estimates that \$75.7 billion is needed to upgrade the 97% of dams in the US that aren't under federal oversight. **Full Story:** [Bloomberg](#)

[Kiewit fully removes dams from Klamath River](#)

California Gov. Gavin Newsom has announced the completion of the Klamath River dam removal project, which is said to be the largest river restoration endeavor in US history. The project, carried out by Kiewit, was finished ahead of schedule and within budget. The work restores nearly 400 miles of salmon habitat and marks a significant victory for tribal communities and environmental groups, allowing fish to swim freely for the first time in more than a century. **Full Story:** [Hydro Review magazine Office of the California Governor](#)

[Report underscores importance of conflict resolution with trades](#)

Contractors engage in an average of 17 interactions daily, with nearly half of these involving conflicts, particularly among specialty trade contractors who often struggle with communication and resolution, according to a report by Dodge Construction Network and Dusty Robotics. The report suggests that improving communication tools could enhance project performance, as only 11% of field personnel consistently have access to essential information, while interest in automated layout solutions is growing, with 34% of contractors willing to consider them despite relatively low usage currently. **Full Story:** [Building Design+Construction](#)

[House lawmakers question FEMA strategy on building codes](#)

FEMA is advocating for the adoption of disaster-resilient building codes through its Public Assistance and Building Resilient Infrastructure and Communities programs, emphasizing that stronger codes can save lives and reduce property losses during disasters. However, some lawmakers have concerns about whether FEMA's approach diverts funds from more impactful projects and whether communities can keep up with frequent code updates, suggesting that focus should also shift to improving the resilience of existing housing stock. **Full Story:** [Smart Cities Dive](#)

[Courts review government contracting preference programs](#)

On September 23, the U.S. District Court for the Eastern District of Kentucky granted the plaintiffs' request for a preliminary injunction partially halting certain aspects of the U.S. Department of Transportation's (DOT) Disadvantaged Business Enterprise (DBE) program. Specifically, DOT is

temporarily blocked from mandating the use of race- and gender-based “rebuttable presumptions” for contracts impacted by DBE goals upon which the plaintiffs bid. [Learn more](#) about the legal challenges to DBE and 8(a) programs and AGC's response.

[L.A. contractors navigate sluggish market](#)

Hensel Phelps Construction Company maintained the top spot on The Real Deal's Los Angeles contractor rankings, with 67 permits valued at \$722.5 million, largely driven by work at Los Angeles International Airport. The upcoming 2028 Olympics and government interventions, such as Opportunity Zone tax incentives and California's fast-tracking of certain projects, are expected to bring more resources and stimulate future development. Despite challenges, the market outlook remains positive, particularly for infrastructure and multifamily projects. **Full Story:** [The Real Deal](#)

[Nev. DOT gets \\$3B for Vegas-to-SoCal high-speed rail](#)

The Nevada Department of Transportation has received a \$3 billion grant from the Federal Railroad Administration for continued work on a 218-mile high-speed rail line between Las Vegas and Southern California. Brightline West previously received \$3 billion from the federal infrastructure law for the project. **Full Story:** [Daily Press \(Victorville, Calif.\)](#)