CALIFORNIA BUDGET PROJECT

economy brief

SEPTEMBER 2013

UNEVEN PROGRESS: WHAT THE ECONOMIC RECOVERY HAS MEANT FOR CALIFORNIA'S WORKERS

California's job market is experiencing a sustained increase in employment as the state continues to emerge from the Great Recession. However, even with unemployment falling, California's job market recovery has not reached large segments of California's workers. After more than three years of job growth, the pace of the recovery has been on par with that of previous recoveries in the state, which is bad news for California's workers given the historic severity of job losses during the Great Recession. A majority of California counties still have unemployment rates in the double digits, and long-term unemployment remains a serious concern: More than two in five unemployed Californians have been searching for work for at least six months. And for those who do have work, this recovery has not yet produced the mix of jobs that would lead to broad-based economic growth. California's recovery has disproportionately relied on low-wage service industries for job growth, and jobs generally have not returned in occupations that tend to pay wages in the middle of the earnings distribution. These weaknesses in the current recovery mean that challenges facing California even *before* the recession began, such as wage stagnation and widening inequality, continue today. Absent actions that bolster the economy and ensure stronger investments in our workforce, low- and middle-income Californians will continue to struggle amid current economic conditions and potentially well into the future.

What Does California's Job Market Look Like Today?

California has experienced job gains and declining unemployment over the past three-plus years. Between February 2010 and June 2013, nearly 770,000 new jobs were created, and the unemployment rate declined from 12.4 percent – the highest rate since official state employment records began – to 8.5 percent, the lowest rate in nearly five years.[1] This unemployment rate means that California thus far in 2013 has outpaced earlier projections, a positive sign for the state's economy.[2]

Overall Job Growth Is in Line With That of Previous Periods of Economic Recovery

The pace of California's current jobs recovery is similar to that of previous periods of post-recession economic expansion. Overall, the number of jobs in California grew by 5.6 percent between February 2010 and June 2013.[3] In an equivalent period of job growth following the recession of the early 1990s, California's payrolls grew by 6.3 percent, outpacing the current recovery. In the period following the 2001 recession, jobs grew by 5.2 percent, putting the current recovery in between previous recoveries in terms of the rate of job growth.

It May Be More Than Two Years Before California Regains All the Jobs Lost in the Recession

A typical recovery means that California may not recover the jobs lost during the Great Recession for more than two more years. Even after three years of job growth at a pace comparable to that of prior recoveries, there were still 598,600 fewer jobs in June 2013 than there were before the recession began, putting the number of jobs 3.9 percent below the pre-recession level.[4] This is due to the severity of the Great Recession, which saw the loss of 1.4 million jobs in California and represented a much deeper hole in the job market than had been created by the two prior recessions (Figure 1). At the same point during the recovery from the early-1990s recession, there were already 1.5 percent more jobs than when that recession began, and there were 3.0 percent more jobs at a similar point following the 2001 recession.

If California's job market continues to grow as it has over the past year, the state will not recover the jobs lost due to the Great Recession until January 2016.[5] Moreover, this understates how long it will actually take for the job market to reach pre-recession strength: California's working-age population continued to grow throughout the Great Recession and the subsequent years of recovery, so the state's economy will need to add even more jobs to put California back to where it was in 2007 in terms of the share of the state's population that has work.[6]

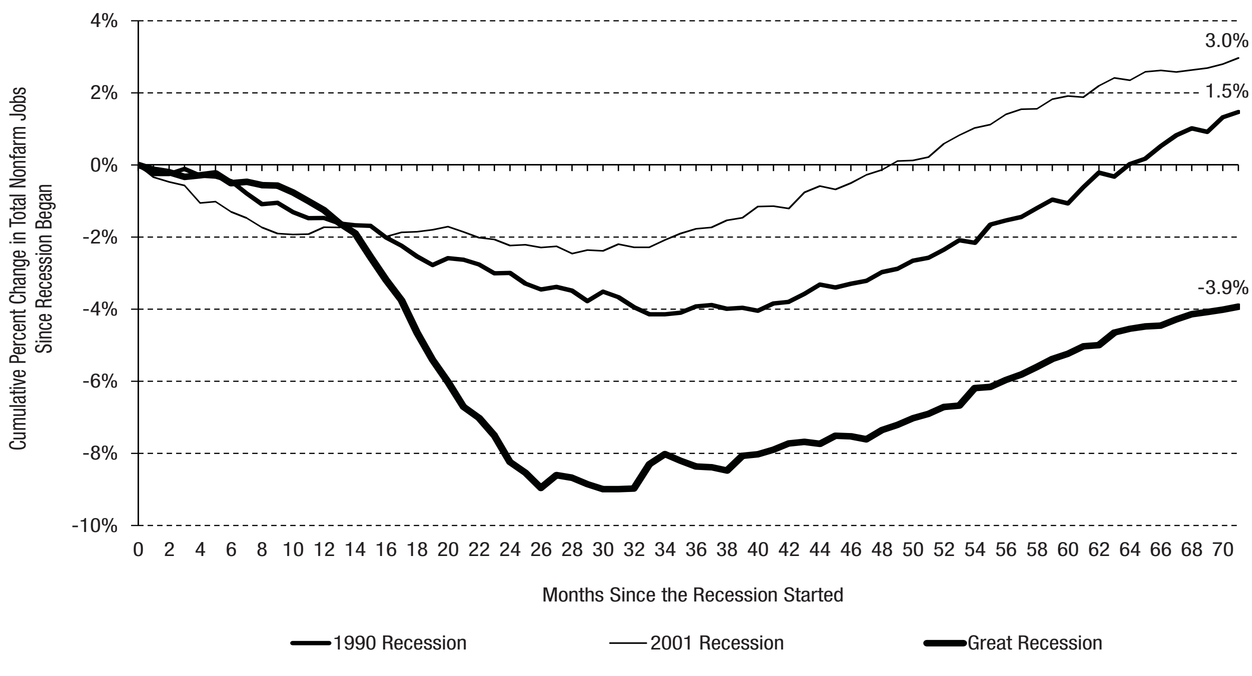
Unfortunately, job growth during the past year – between June 2012 and June 2013 – was actually *slower* than in the year prior. On average, California added 18,300 jobs per month between June 2012 and June 2013, down from the 28,200 jobs per month the state had added the prior year.[7] Because the most recent jobs data are initial reports, it is too early to tell if job growth in actuality slowed over the past year.[8] Still, the initial data indicate that the economy will not recover the jobs lost during the Great Recession anytime soon.

The Share of Californians Who Are Employed Remains Low

In June 2013, 57.5 percent of Californians were employed.[9] This share is an increase from 55.8 percent in July 2011 – the lowest level on record – but is still lower than at any point *prior* to the recession in decades.[10] The last time the state's employment rate was this low prior to the Great Recession was in February 1977.

The state's low employment rate may be partly explained by older workers retiring and exiting the labor force.[11] However, employment among prime-working-age adults is also low relative

Figure 1: Job Losses in California During the Great Recession Were Far More Severe Than in Recent Downturns



Source: US Bureau of Labor Statistics

Figure 2: The Share of Unemployed Californians Who Have Been Out of Work for At Least Half a Year Remains Near a Record High

Note: Data reflect 12-month averages ending in the month displayed.
Source: Employment Development Department

to where California was before the Great Recession. In June 2013, the employment rate among adults ages 25 to 54 was 73.5 percent. This employment rate for prime-working-age adults is 1.1 percentage points higher than a year earlier (June 2012), but remains 4.5 percentage points below the rate of 78.0 percent in June 2007.[12]

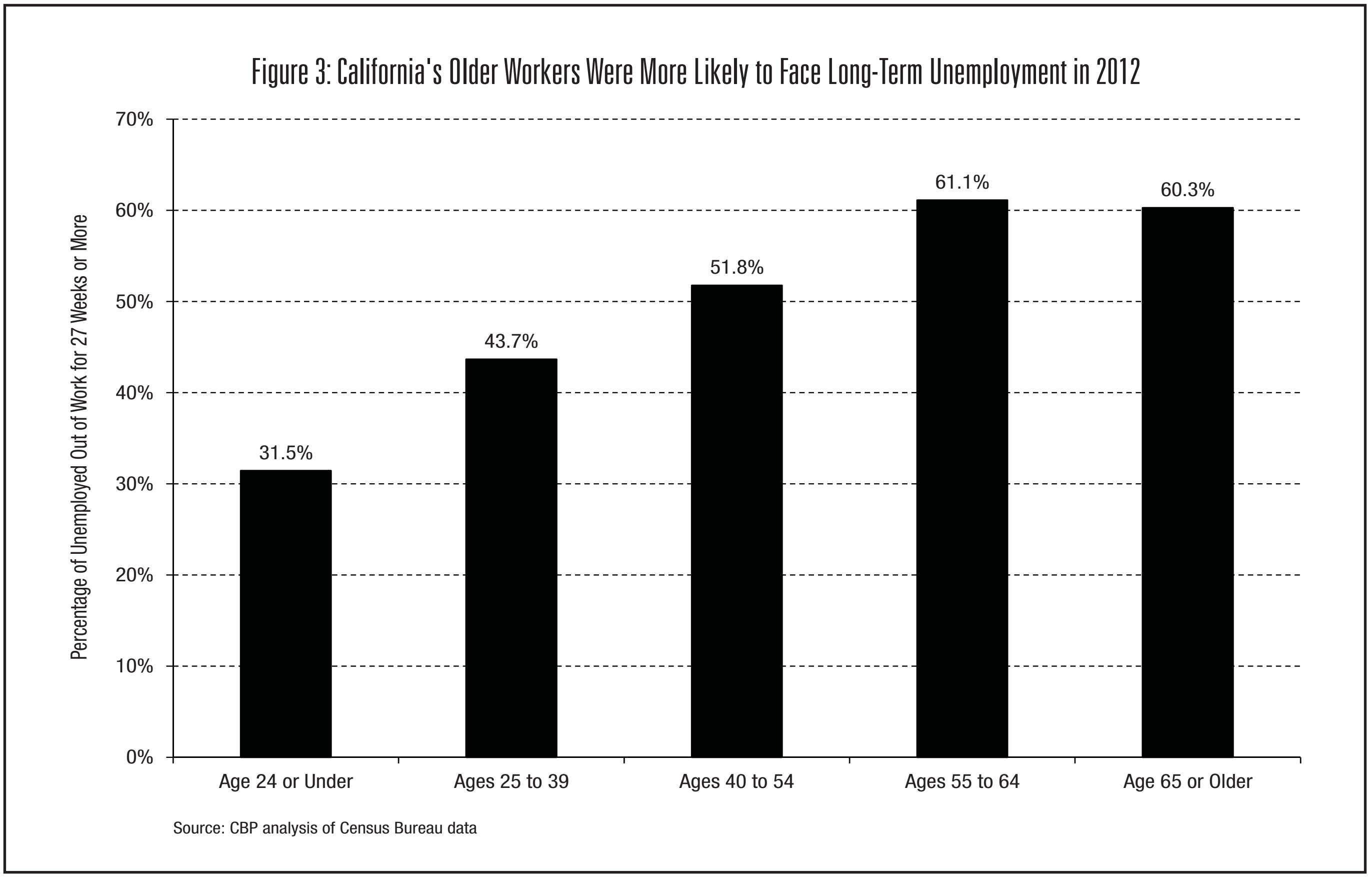
Employment Gains Have Been Uneven

The share of Californians who are employed has increased during the recovery, but these employment gains have been uneven across both gender and geography. Specifically:

- **Men have seen faster employment gains than women have.** Between June 2010 and June 2013, the share of prime-working-age men who were employed increased by 2.7 percentage points to 82.2 percent.[13] During this same period, the employment rate among prime-working-age women actually declined 0.8 percentage points, falling to 64.8 percent. Because men experienced much larger declines in employment during the Great Recession, their employment rate this past June was still 5.0 percentage points below the pre-recession level of June 2007. Comparatively, women's employment rate was 3.9 percentage points below its pre-recession level.
- **Unemployment is still high in most California counties.** In the first six months of 2013, 34 out of California's 58 counties had an average unemployment rate above 10 percent, and 31 of these high-unemployment counties – all but three – were inland counties.[14] Overall, the unemployment rate in inland counties was 11.6 percent, while it was 8.2 percent for coastal counties. The lowest county unemployment rate in the state was 5.1 percent in Marin County, and the highest was 24.5 percent in Imperial County.

Long-Term Unemployment Remains High

A pressing concern for California's economy is the prevalence of long-term unemployment among the state's job seekers. In June 2013, 761,000 of the state's unemployed reported that they had been searching for work for six months or longer.[15] While this is down more than one-quarter from 1.0 million in February 2011, 43.1 percent of the state's unemployed in June 2013 had been seeking work for six months or more – below the record high seen in March 2011, but still historically high (Figure 2). This is an indication that even with the labor market improving, some Californians still are having difficulty finding work. Furthermore, 546,000 workers in June 2013 had been seeking employment



at least a year, accounting for 30.9 percent of California's unemployed that month. In other words, nearly one in three California job seekers has been looking for work for at least a year.

Older Workers Are More Likely to Face Long-Term Unemployment

Unemployment is lower for older workers overall, but they are more likely than younger workers to face chronic unemployment when they lose their jobs. This suggests that older workers have greater difficulty than other workers in securing new employment. In 2012, 31.5 percent of unemployed workers under the age of 25 were out of work for six months or more, while far larger shares of older unemployed workers – 51.8 percent of those ages 40 to 54 and 61.1 percent of those ages 55 to 64 – had been without work for that long (Figure 3).[16]

Not only are older workers more likely to experience long-term unemployment, but there has been little relief for them during California's economic recovery. Between the years 2010 and 2012 (the last full year for which data are available), the number of long-term unemployed ages 55 to 64 fell by only 4.7 percent, even while that number fell by 23.6 percent for workers ages 25 to 39 and by 21.9 percent for workers ages 40 to 54.

California Has a High Rate of Underemployment

Even for unemployed workers who do find jobs, the weak economy can pose significant challenges. One way this is manifested is through underemployment, when the employed cannot obtain enough work. One key indicator of underemployment is the prevalence of involuntary part-time work, when workers cannot get a full-time schedule even though they want one. As of June 2013, over 1.3 million California workers – or 8.0 percent of workers – were employed part-time involuntarily, down from a high of 1.5 million workers – or 9.6 percent – in April 2010 (Figure 4).[17] However, between June 2012 and June 2013, there was a smaller decline in the number of involuntary part-time workers than in the prior year. The number of these workers declined by 0.5 percent between June 2012 and June 2013, compared to a 7.4 percent decline the year before. Moreover, California has a higher incidence of involuntary part-time work than the nation as a whole. In June, the share of California's employed that were involuntary part-time (8.0 percent) was nearly 1.4 times higher than the United States average (5.6 percent), a wider margin than five years ago.[18]

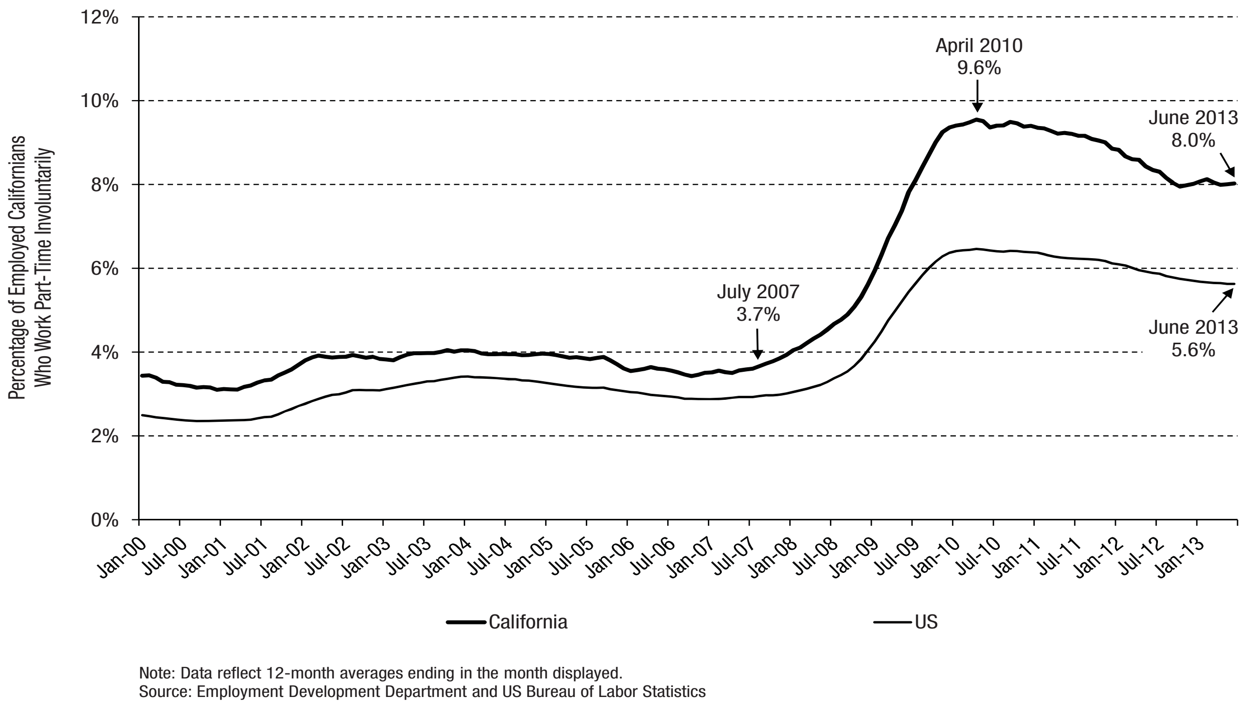
Long-Term Unemployment Has a Lasting Impact on Workers and Their Families

Long-term unemployed workers often face an uphill battle in securing new jobs and regaining their economic footing. Unemployment can create a stigma that makes employers reluctant to hire these workers, and those who are unemployed for long periods of time have difficulty getting back to work even as the number of job vacancies increases.[19] Extended spells of unemployment can also have significant financial consequences for workers and their families.[20]

Additionally, even among those who do find work, many will continue to face economic strain. When workers lose their jobs, many of them return to work earning less than they did before being unemployed. Nationally, nearly 44 percent of workers who were rehired at the start of 2012 were earning less than they were before losing their jobs, and more than one-quarter were earning at least 20 percent less.[21] For the long-term unemployed, an extended period without work followed by lower earnings can mean economic difficulties that continue even after they secure a new job.

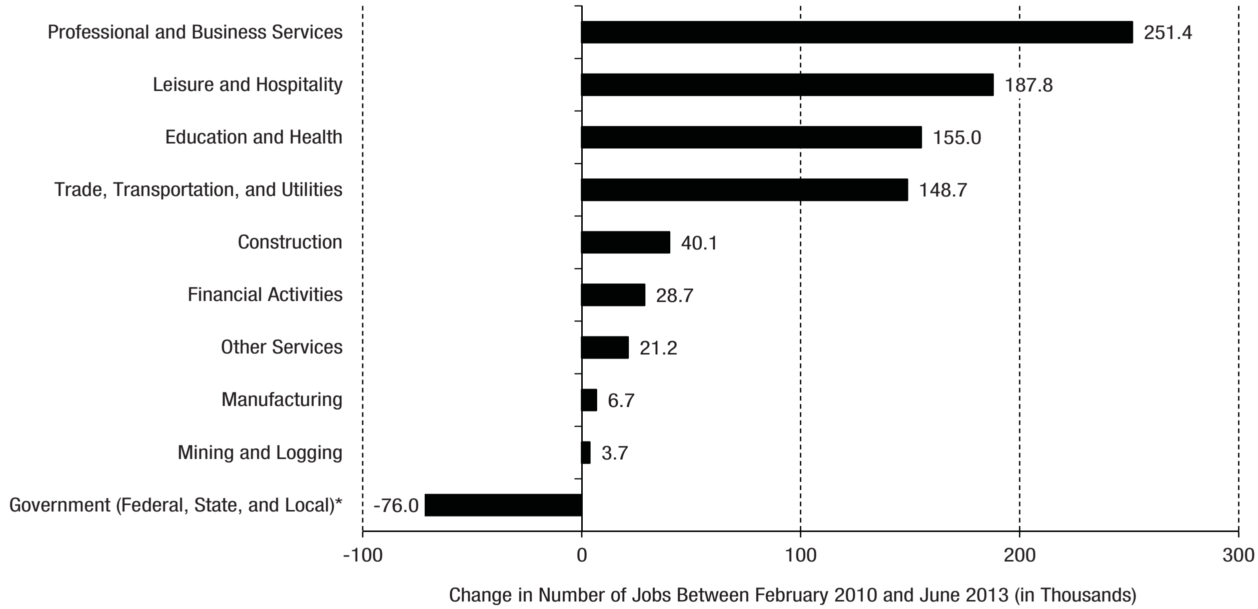
Unfortunately, budget cuts and other policy decisions at the federal level have weakened the support available for workers confronting long periods without work. The federal Emergency Unemployment Compensation (EUC) program provides additional support to unemployed workers on top of what states already provide. As a result of sequestration, the automatic federal program cuts implemented as part of the 2011 Budget Control Act, federal unemployment insurance benefits were cut by 17.7 percent in April 2013 for thousands of Californians.[22] Furthermore, these federal benefits will be cut entirely at the end of the year without Congressional renewal, worsening financial hardship for many of the state's unemployed.

Figure 4: The Share of Californians Who Work Part-Time Involuntarily Remains More Than Twice the Level Prior to the Recession



Note: Data reflect 12-month averages ending in the month displayed.
Source: Employment Development Department and US Bureau of Labor Statistics

Figure 5: Professional and Business Services, Leisure and Hospitality, and Education and Health Have Added the Most Jobs During the Economic Recovery



* Local government includes jobs in public education as well as with cities and counties.
Note: Excludes information services
Source: US Bureau of Labor Statistics

Most Involuntary Part-Time Workers Are Single Parents

Single parents represent a majority of involuntary part-time workers, and the lack of access to full-time work can have a lasting financial impact on these workers and their families. Part-time work is shown to increase the risk of falling into poverty, especially if the part-time worker is the household's primary earner, as with a single parent.[23] In 2012, more than half (53.1 percent) of those working part-time involuntarily in California were single parents.[24] For these working parents, the inability to find full-time work presents significant economic challenges. By one national estimate, one in four involuntary part-time workers lived in poverty in 2012 compared to one in 20 full-time workers.[25]

Where Are the Jobs Coming From?

California's jobs recovery following the Great Recession has thus far been heavily reliant on key service industries. The number of jobs in three service industries – leisure and hospitality, professional and business services, and education and health – grew by nearly 600,000 between February 2010 and June 2013 and constituted more than three-quarters of the state's total job growth during that period.[26] In contrast, these three industries together accounted for just over one-third (35.7 percent) of the state's jobs prior to the recession and well below one-quarter (16.5 percent) of job losses during the recession.[27]

Professional and business services, which includes jobs in legal firms and accounting as well as work through temporary work agencies and office administrative services, to name a few, added the most jobs of any industry between February 2010 and June 2013.[28] The industry added 251,400 jobs in this period and constituted 32.7 percent of total job growth (Figure 5). This contribution to job growth is generally on par with professional and business services' share of the job gains in previous recoveries.[29]

Low-Wage Services Play a Bigger Role in Job Creation

The industry composition of the job growth following the Great Recession has differed from that in previous post-recession recoveries. Of particular note is the current recovery's greater reliance on service industry growth that typically pays lower wages. One possible reason for this is that in a weak recovery, job seekers may often opt for low-paying work that is available rather than waiting for other, higher-wage jobs.

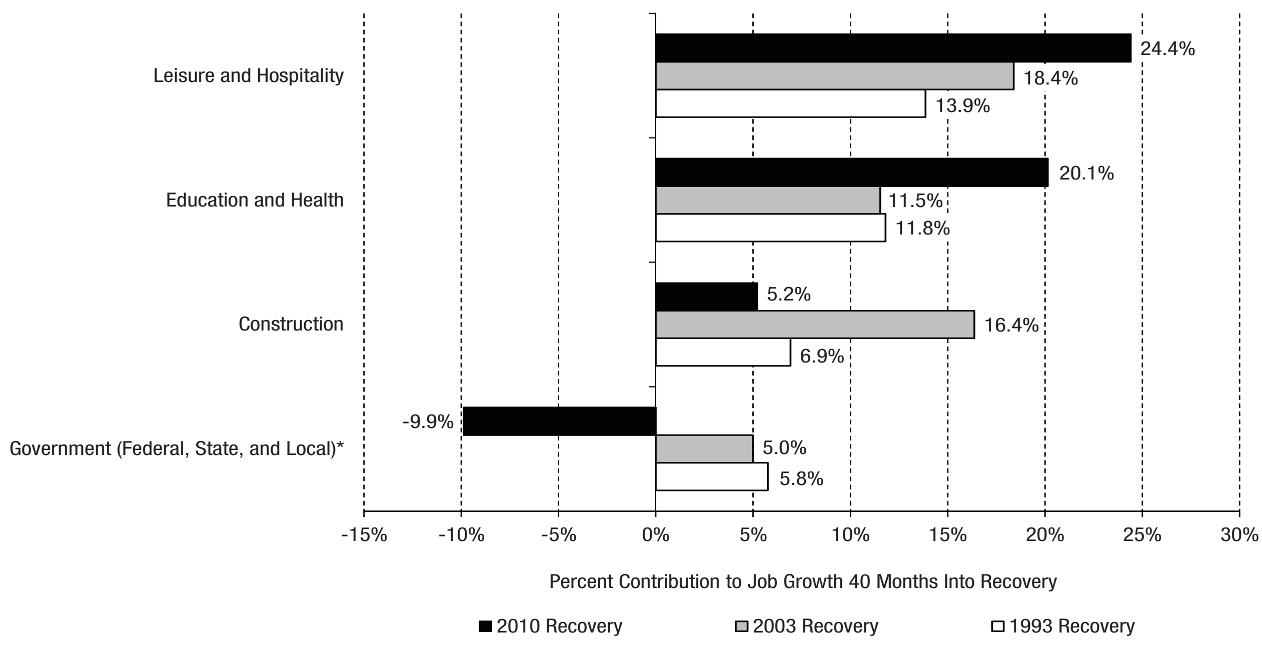
The leisure and hospitality industry, which accounted for only 5.9 percent of job losses during the Great Recession, constituted nearly one-quarter (24.4 percent) of total job growth in California between February 2010 and June 2013. This is a larger contribution to overall job growth than leisure and hospitality provided at a similar point in the economic recoveries following the 1990s and 2001 recessions, when the leisure and hospitality industry contributed 13.9 percent and 18.4 percent of new jobs, respectively (Figure 6).

Employment in California's leisure and hospitality industry tends to be low-wage work. In 2012, the median hourly wage for a worker in this industry was $11.20, about 50 cents more than what the 20th percentile of workers in California earned that year.[30]

The food and accommodation industry, which represents the bulk of the jobs within leisure and hospitality, has also outpaced the job growth of other service industries during the recovery but typically pays low wages. Between February 2010 and June 2013, food and accommodation payrolls increased by 12.6 percent, more than double the 5.2 percent job growth for other types of service industries.[31] In 2012, the median hourly wage in this industry was $10.06, below the wage for the 20th percentile of California workers.[32]

At the same time, industries such as construction and government – which typically pay wages above the middle of the earnings distribution – are contributing far *less* to overall job growth than in previous economic recoveries. Between February 2010 and June 2013, job growth in the construction industry accounted for 5.2 percent of new jobs, while government had a negative contribution overall (-9.9 percent). In an equivalent period of job growth following the 2001 recession, new construction jobs, fueled by an emerging housing boom, contributed 16.4 percent of new jobs, and government contributed 5.0 percent. These diminished contributions to California's current overall job growth mean fewer new jobs in industries that pay above the median hourly wage. The typical 2012 wage for someone employed in the government sector was $24.08, and it was $22.96 for someone employed in the construction industry. These are both higher than the 2012 California median hourly wage of $19.07.[33] While the growing strength of the education and health services industry – with a median wage of $20.15 in 2012 – means new jobs paying around the statewide median, the growth of this sector thus far has not made up for the relative weakness of the government and construction industries compared to previous recoveries.[34]

Figure 6: This California Recovery Has Been More Reliant on Leisure and Hospitality and Education and Health Jobs, and Less Reliant on Construction and Government Jobs



* Local government includes jobs in public education as well as with cities and counties.
Source: US Bureau of Labor Statistics

Employment Continues to Decline in Mid-Wage Occupations

While California's jobs recovery has relied disproportionately on lower-paying industries, employment in the types of jobs that typically pay around the middle of the wage distribution has declined during both the recession *and* the recovery.

Between 2006 and 2010, employment in mid-wage occupations declined by 10.7 percent, and it continued to decline another 1.6 percent between 2010 and 2012 (Figure 7).[35] These types of jobs, which include community and social service occupations, educators, librarians, and construction and repair jobs, typically paid between $16.40 and $25.20 an hour in 2012.

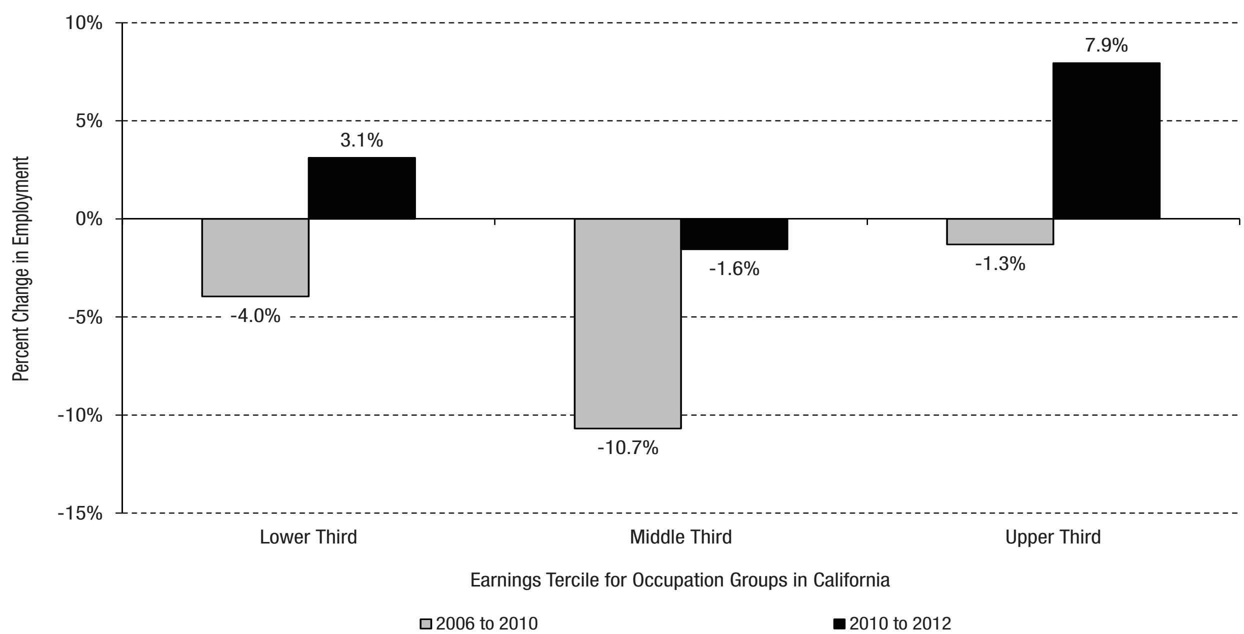
Meanwhile, low- and high-wage occupations experienced smaller employment losses during the recession and were major drivers of employment increases between 2010 and 2012. Among high-wage occupations, positions in business operations and management have seen the largest growth, with employment in these two occupations increasing 16.6 percent and 11.7 percent, respectively. Both occupations had a typical hourly wage above $29 in 2012. Food service and personal care service occupations – whose typical wages in 2012 were well below the state median at $9.95 and $10.15, respectively – also saw significant employment growth in the first two years of California's economic recovery. Employment in food service occupations grew by 5.2 percent and personal care service occupations by 6.5 percent between 2010 and 2012. Among lower-paying occupations, transportation and material moving occupations, which had a median hourly wage of $14.40 in 2012, experienced the largest increases in employment in this period, growing by 12.0 percent.

These recent patterns of employment growth within occupation types continue a troubling longer-term trend: the decline of mid-wage jobs in California. Even prior to the Great Recession, job growth was concentrated in jobs that tended to have earnings at the lower and higher ends of the distribution. Between 1999 and 2005, most new jobs had typical earnings below the 20th percentile of wages or above the 60th percentile.[36]

In California's Emerging Recovery, the Long-Term Trend of Growing Wage Inequality Persists

California's economy faced a number of major challenges even prior to the start of the Great Recession. In particular, California's low- and mid-wage earners experienced decades-long wage stagnation, while the state's high-wage earners continued to see

Figure 7: Mid-Wage Occupations Experienced the Steepest Decline in Employment During the Great Recession, and This Decline Has Continued During the Recovery



Note: Occupation groups are sorted into terciles based on 2006 median hourly earnings, weighted by employment in each group.
Source: CBP analysis of US Census Bureau Data

gains in the purchasing power of their wages. Wage inequality persisted even during periods of economic growth. Between 1979 and 2006, the year before the Great Recession began, California's low-wage workers saw their inflation-adjusted hourly wage decline by 7.2 percent, and California's median wage increased by only 1.3 percent.[37] Meanwhile, in this same period California's high-wage earners saw the purchasing power of their wages increase by 18.2 percent.

Only High-Wage Earners Have Seen Substantial Wage Growth in Recent Years

Many Californians continued to earn less per hour in 2012 than similar workers had earned prior to the start of the Great Recession. Even with modest gains in the purchasing power of wages for the typical California worker between 2011 and 2012, only high-wage earners experienced gains large enough to place their earnings close to where they were prior to the recession (Figure 8), continuing the long-term trend of growing wage inequality that was evident before the Great Recession began.

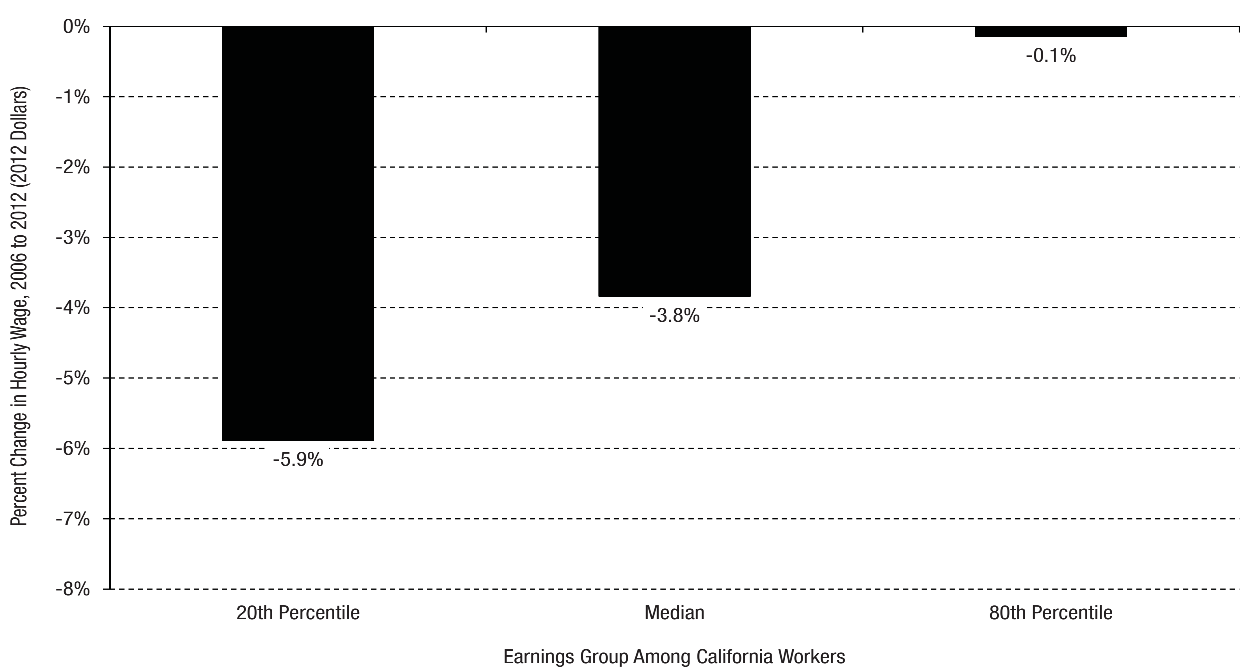
- **Low-wage workers – those with earnings at the 20th percentile – continued to experience the steepest decline in earnings relative to their pre-recession value.** Between 2011 and 2012, the inflation-adjusted hourly wage for low-wage workers remained virtually unchanged, leaving their hourly wage still 5.9 percent below its 2006 value. In dollar terms, this decline in earnings is about equivalent to a $1,370 cut in inflation-adjusted annual pay for a full-time worker.

- **Mid-wage workers – workers with earnings exactly at the middle of the distribution – also experienced a decline in earnings.** While the typical California worker did see her wages increase very modestly – by 0.6 percent – between 2011 and 2012, the purchasing power of this wage remained 3.8 percent below the pre-recession level.

- **Only high-wage workers – those with earnings at the 80th percentile – came close to seeing earnings catch up to pre-recession purchasing power.** In 2012, California's high-wage earners saw a 1.1 percent gain in their inflation-adjusted hourly earnings compared to 2011. These workers' wages are nearly back to their pre-recession purchasing power, at just 0.1 percent below their 2006 level.

The faster pace of wage growth among high-wage earners continues a decades-long trend that has led to widening wage inequality in California. Between 1979 and 2012, inflation-

Figure 8: Inflation-Adjusted Earnings of High-Wage Workers Have Nearly Returned to Their Pre-Recession Level, While Those of Low- and Mid-Wage Workers Remain Lower Than They Were in 2006



Source: CBP analysis of US Census Bureau data

adjusted hourly wages fell by 12.7 percent for low-wage workers and by 2.6 percent for the mid-wage California earner, while high-wage workers saw their hourly wages increase by 18.0 percent. Inflation-adjusted hourly wages for the typical California earner not only fell during this period, but did so while wages increased for the nation as a whole. California's median hourly wage fell by 2.6 percent, while the typical hourly wage increased by 3.4 percent nationally.

The Wage Gap Between Higher-Wage Workers and Everyone Else Continues to Grow

As a result of weak wage growth for low- and mid-wage workers and stronger wage gains for high-wage workers, California's wage gap has continued to increase. In 2012, California's high-wage earners earned $3.27 for every dollar a low-wage worker earned (Figure 9). This is the widest gap on record and is 35.1 percent wider than it was in 1979, the first year for which data are available. California's wage gap in 2012 was greater than the national gap: Across the US, high-wage workers earned $2.84 for every dollar a low-wage worker earned.

The wage gap is also increasing between high- and *mid-wage* workers. Between 1979 and 2012, the ratio of the inflation-adjusted hourly earnings of a high-wage worker to those of the typical California earner rose 21.2 percent from $1.51 to $1.83.

The Minimum Wage Has Lost Purchasing Power

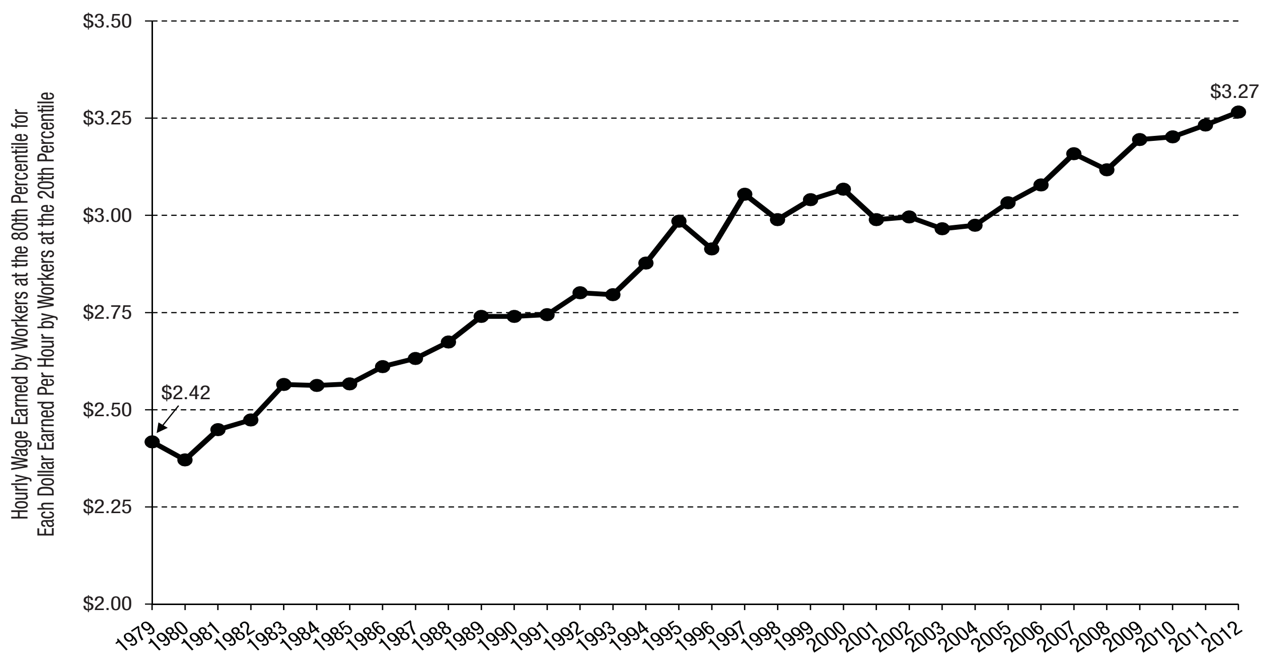
In the context of widening inequality and the long-term wage stagnation for most California workers, the state's minimum wage has not kept up with the cost of living. California's minimum wage continues to lose purchasing power because it fails to keep pace with inflation. Today, the purchasing power of the state's minimum wage is 31.3 percent below its value in 1968.[38]

Conclusion

The Great Recession was the steepest economic downturn in generations. California's uneven and insufficient recovery following the recession highlights the need for strategic actions that support workers and families and that help foster widely shared economic gains over the long term.

One key is to avoid policy decisions that actually impede job growth and hurt workers. Budget cuts at the federal level have been harmful, as the across-the-board spending reductions – known as "sequestration" – have cut important services and

Figure 9: The Gap Between the Hourly Earnings of California's High- and Low-Wage Workers Has Continued to Expand and in 2012 Was the Widest Ever Recorded



Source: CBP analysis of US Census Bureau data

supports for workers and their families. For example, cuts to federal unemployment benefits have placed a financial strain on workers, while scaled-back funding for the Head Start Program has damaged a core support for working parents and their children.

At the state level, considerable policy intervention is needed to ensure that California's economic recovery is broad-based and benefits low- and middle-income Californians. Raising the minimum wage would help reverse the decline in the purchasing power of workers' wages. Other policies could help individuals and families find and keep jobs and move up the economic ladder. These include ensuring access to child care services and preschool programs that not only help parents participate in the workforce but also foster healthy child development. Similarly, greater investments in the California Work Opportunity and Responsibility to Kids (CalWORKs) Program, which provides modest cash assistance and job-related services for struggling low-income families with children, can support participation and mobility in the labor force.

Over the longer term, robust state support for the foundations of a strong economy will be essential. Reinvesting in education across the spectrum – early education, K-12, colleges and universities, adult education – is a top priority, while strategic investments in infrastructure and other building blocks of economic growth can help foster broadly shared prosperity and strengthen pathways to opportunity.

Luke Reidenbach prepared this Economy Brief. *The CBP was established in 1995 to provide Californians with a source of timely, objective, and accessible expertise on state fiscal and economic policy issues. The CBP engages in independent fiscal and policy analysis and public education with the goal of improving public policies affecting the economic and social well-being of low- and middle-income Californians. General operating support for the CBP is provided by foundation grants, subscriptions, and individual contributions. Please visit the CBP's website at www.cbp.org.*

ENDNOTES

1 US Bureau of Labor Statistics. Unless otherwise specified, the number of jobs refers to nonfarm jobs. The national recession began in December 2007 and ended in June 2009, according to the National Bureau of Economic Research. In California, however, the recession began earlier and ended later. The Employment Development Department uses the month when the total number of jobs in the state peaked and bottomed out to indicate the start and end of downturns in California. The state's total number of jobs peaked in July 2007, and this report uses February 2010 as the end of the recession in California since that is when the total number of nonfarm jobs bottomed out.

2 The Legislative Analyst's Office (LAO) estimated in May 2013 that California's unemployment rate would decline to an average 9.3 percent in 2013. Legislative Analyst's Office, *The 2013-14 Budget: Overview of the May Revision* (May 17, 2013), p. 8. Earlier 2013 forecasts by UCLA's Anderson School of Management and the Department of Finance projected an average 2013 unemployment rate of 9.6 percent and 9.4 percent, respectively. In the first six months of the year, the unemployment rate averaged 9.2 percent.

3 US Bureau of Labor Statistics. Equivalent periods are 40 months from when total nonfarm jobs bottomed out, which is the amount of time between February 2010 and June 2013, the last month used for this analysis. Unless otherwise noted, comparisons across economic recoveries will use this 40-month timeframe.

4 US Bureau of Labor Statistics.

5 This estimate assumes the average monthly job growth over the 12 months ending in June 2013.

6 See California Budget Project, *Waiting For Recovery* (September 2012) for additional discussion of the jobs gap and population growth.

7 US Bureau of Labor Statistics.

8 The US Bureau of Labor Statistics' Current Employment Statistics (CES) data are revised in March of each year as the government receives more detailed information from employers. These "annual benchmarks" can result in revised estimates of the number of jobs for the previous year.

9 Employment Development Department. The employment rate reflects the current weakness in the job market better than the unemployment rate does. Jobless individuals are included in the unemployment rate only if they looked for work within the prior four weeks. As such, the unemployment rate can understate the weakness in the job market when individuals who want jobs become discouraged and give up searching for work, as many have done in recent years.

10 Employment Development Department. Official state employment records began in 1976.

11 For a national perspective on these trends, see Heidi Shierholz, *Labor Force Participation: Cyclical Versus Structural Changes Since the Start of the Great Recession* (Economic Policy Institute: May 24, 2012) and Heidi Shierholz, Natalie Sabadish, and Hilary Wething, *The Class of 2012: Labor Market for Young Graduates Remains Grim* (Economic Policy Institute: May 3, 2012).

12 Employment Development Department. The employment rate is averaged over the 12 months ending in June.

13 Employment Development Department. The employment rate is averaged over the 12 months ending in June.

14 Employment Development Department.

15 Employment Development Department. The number of unemployed workers by duration of unemployment is averaged over the 12 months ending in June.

16 CBP analysis of US Census Bureau, Current Population Survey data.

17 Employment Development Department. The number of involuntary part-time workers is averaged over the 12 months ending in June.

18 Employment Development Department and US Bureau of Labor Statistics. To make national data comparable to California data, nonseasonally adjusted estimates of involuntary part-time work are averaged over the 12 months ending in June.

[19] For an overview of the labor market issues facing the long-term unemployed, see Congressional Budget Office, *Understanding and Responding to Persistently High Unemployment* (February 2012), and Rand Ghayad and Williams Dickens, *What Can We Learn by Disaggregating the Unemployment-Vacancy Relationship?* (Federal Reserve Bank of Boston: 2012).

[20] Richard Johnson and Alice G. Feng, *Financial Consequences of Long-Term Unemployment During the Great Recession and Recovery* (Urban Institute: April 2013).

[21] CBP analysis of US Bureau of Labor Statistics' Displaced Workers data.

[22] Employment Development Department.

[23] H. Luke Shaefer, *Part-Time Workers: Some Key Differences Between Primary and Secondary Earners* (US Bureau of Labor Statistics' Monthly Labor Review: October 2009).

[24] CBP analysis of US Census Bureau, Current Population Survey data.

[25] Rebecca Glauber, *Wanting More but Working Less: Involuntary Part-time Employment and Economic Vulnerability* (University of New Hampshire's Carsey Institute: Summer 2013).

[26] US Bureau of Labor Statistics.

[27] US Bureau of Labor Statistics.

[28] For more detailed information on individual industries, see US Bureau of Labor Statistics' *Industries at a Glance* at http://www.bls.gov/iag/tgs/iag_index_naics.htm.

[29] During an equivalent 40-month period, job growth in this industry accounted for 31.6 percent of new jobs following the 1990s recession and one-quarter of new jobs following the 2001 recession.

[30] CBP analysis of US Census Bureau, Current Population Survey data.

[31] US Bureau of Labor Statistics.

[32] CBP analysis of US Census Bureau, Current Population Survey data.

[33] CBP analysis of US Census Bureau, Current Population Survey data.

[34] CBP analysis of US Bureau of Labor Statistics data and US Census Bureau, Current Population Survey data.

[35] CBP analysis of US Census Bureau, Current Population Survey data. Occupation types are grouped into terciles according to their median wage in 2006 and are weighted by the number of employed workers in each occupation. Terciles do not equal exactly 33 percent because of occupational groupings. 2010 is the year that the total number of employed Californians bottomed out.

[36] See California Budget Project, *A Generation of Widening Equality: The State of Working California, 1976 to 2006* (August 2007) for more detailed analysis of this issue.

[37] CBP analysis of US Census Bureau, Current Population Survey data.

[38] CBP analysis of Department of Finance and Department of Industrial Relations data.