

CENTER FOR CONTINUING STUDY OF THE CALIFORNIA ECONOMY

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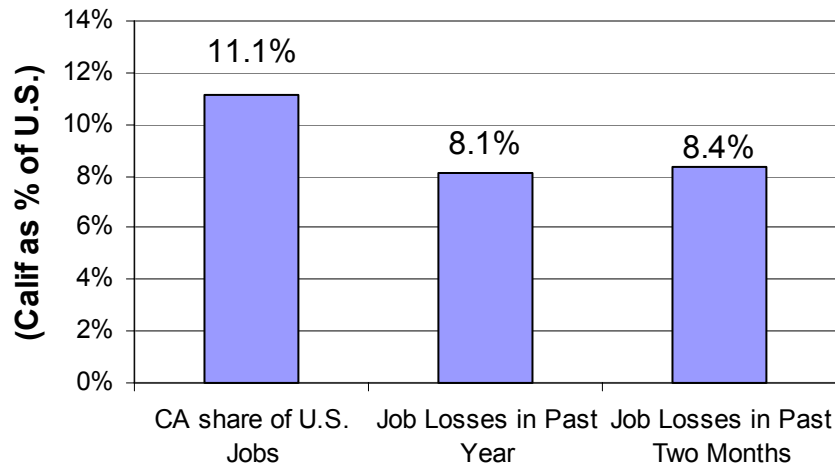
**California Economy Remains Weak,
But Fares Better than Nation**

Today's job and unemployment report shows that the California economy remains in a "jobless recovery" – still participating in what is the weakest national jobs recovery since World War II. The unemployment rate fell by 0.1% - the same as in the nation, and seasonally adjusted nonfarm wage and salary jobs fell by 1,900.

Nonfarm Wage and Salary Jobs (Thousands)						
	August 2002	June 2003	July 2003	August 2003	Aug 03 vs 02	June-Aug 03
California	14,479.3	14,453.5	14,443.5	14,441.6	-37.7	-11.9
United States	130,224.0	129,903.0	129,854.0	129,761.0	-463.0	-142.0
CA Share of U.S.	11.1%	11.1%	11.1%	11.1%	8.1%	8.4%

During the past year, California lost 37,700 nonfarm jobs or 8.1% of the nation's 463,000 job decline. California, which has 11.1% of the nation's job base, actually fared better than the nation, with job levels falling by 0.3% versus the nation's 0.4% decline.

California Job Losses Below National Average



California and the nation continued to lose manufacturing jobs in August. For the past year, California lost 3.4% of the state's manufacturing jobs compared to a loss of 4.2% in the nation.

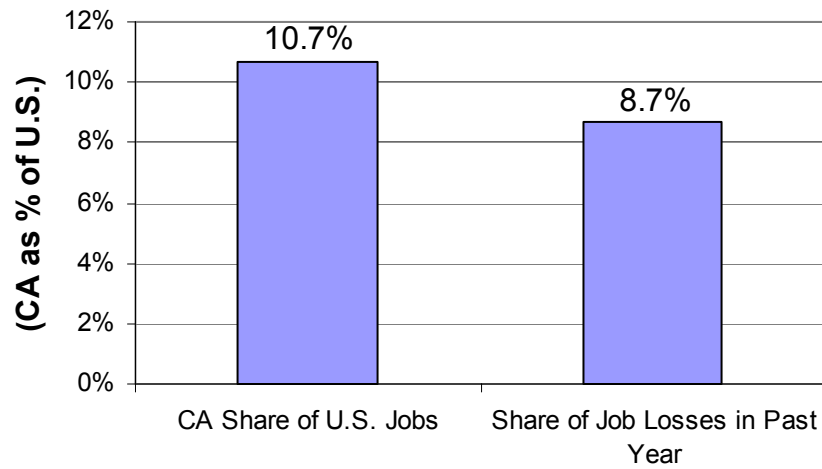
Manufacturing Jobs (Thousands)			
	August 2002	August 2003	Aug 03 vs 02
California	1,629.6	1,573.7	-55.9
United States	15,233.0	14,589.0	-644.0
CA Share of U.S.	10.7%	10.8%	8.7%

California, which has 10.7% of the nation's manufacturing jobs, had only 8.7% of the manufacturing job losses during the past year.

In the last month's recall campaign debate, a figure was cited about California having 50% of the nation's job losses. Today's estimates, which include a revision to the July job estimate, show a more representative picture of how the state and nation compare.

"The real tragedy of the recall debate is that it is distracting attention from the serious national job problem. High productivity growth and outsourcing and national trends represent difficult national challenges", said Stephen Levy, CCSCE's Director.

California Manufacturing Job Losses Below National Average



”Nearly all the nation’s job losses are in manufacturing and these jobs have either disappeared as a result of productivity gains or moved overseas to take advantage of lower labor costs” Levy continued. “Governors would do better for their economies by banding together to address a shared national challenge than in trying to shift jobs from state to state.”