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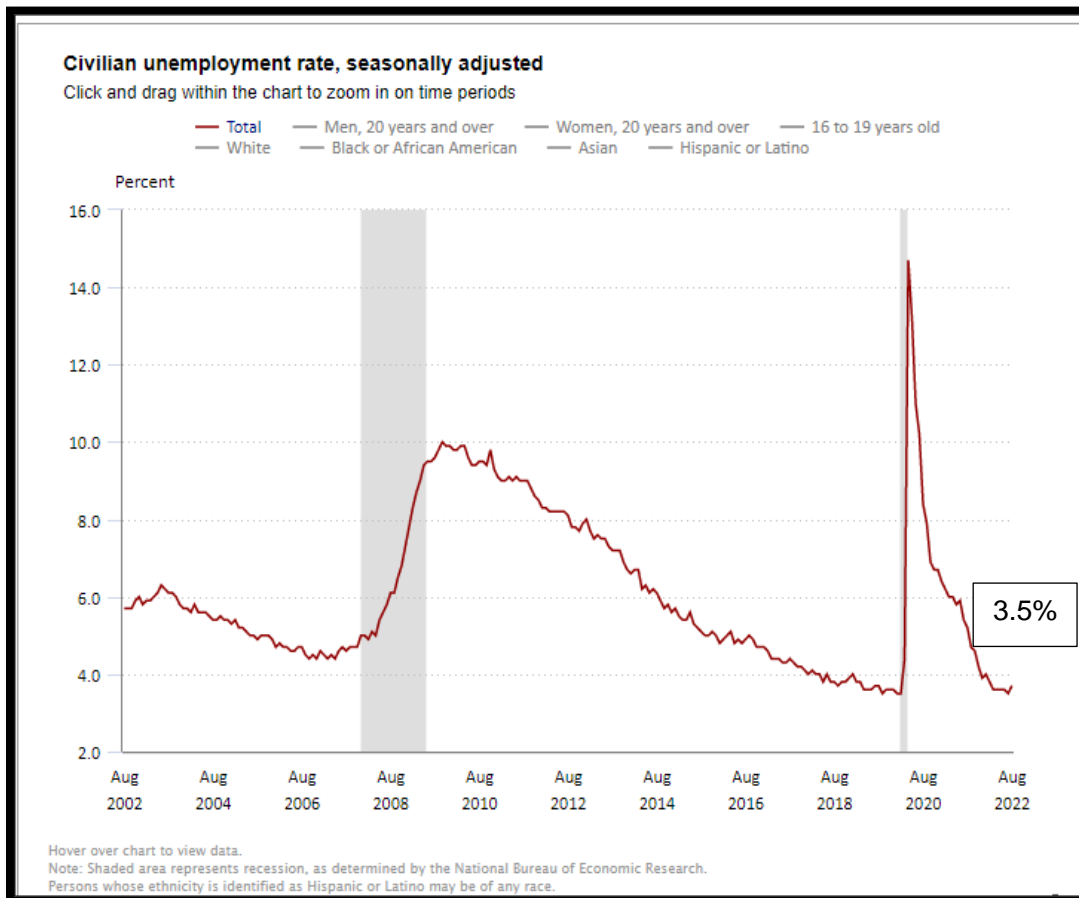
This is the **second** in a series of memorandums that discuss the state of the economy, with an emphasis on California, San Diego and real estate. I trust that you will find it interesting and informative.

Alan Nevin
October 2022

4th Quarter and the Hometown is Winning

Overall, the Nation, California and San Diego County have a lot to be thankful for and continue to be economically healthy and expanding.

The Nation is back to where it was prior to COVID, in terms of its unemployment rate, a crowd pleasing 3.5%.



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There are two other factors that are worth discussing: **ethnicity** and **educational attainment**. Both are on the right track.

Traditionally, Hispanic and Black **unemployment rates** lag well behind the Asian and Caucasian rates. Now it's almost a level playing field. That's good news!

Unemployment Rate Ethnicity United States		
Attainment	Aug-21	Aug-22
Asian	4.6	2.8
Non-Hispanic Caucasian	4.6	3.2
Hispanic	5.3	3.9
Black	9.1	6.4

Source: BLS

The other factor to consider is the unemployment rate based on **educational attainment**. Those pieces of paper that show off your degree are worth gold in today's world. For all intents and purposes, there is a 0% unemployment rate for those with a college degree. Be sure to show this to your kids.

Unemployment Rate Educational Attainment United States		
Attainment	Aug-21	Aug-22
Less than High School	7.0	6.2
High School Degree	5.9	4.2
Some College	5.3	2.9
Bachelor's Degree or Higher	3.1	1.9

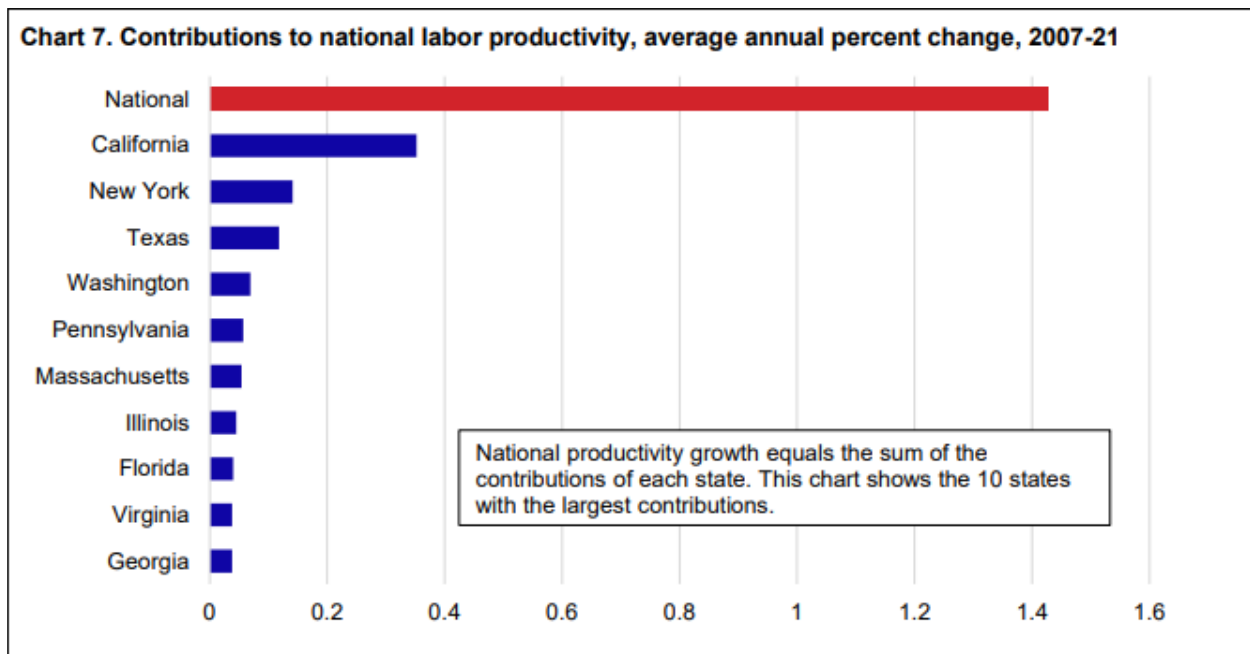
Source: BLS

Labor Productivity

Labor productivity isn't a subject that dominates cocktail party talk, but it is highly important when studying the Nation on a state-by-state basis.

Definition: **Labor Productivity** describes the relationship between real output and the labor hours involved in its production. It reflects, among other things, changes in **technology, capital investment and managerial skills**.

The Bureau of Labor Statistics has tabulated the contributions to national labor productivity, calculating the average annual percent change in the **2007-2021** timeframe. It is notable that **California is in 1st place**, with the largest contribution. Texas – not even close.



Let me conclude this newsletter with an exhibit on San Diego County's employment situation. Note that two of the major drivers of the economy are doing very, very well:

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Employment Changes San Diego County August 2021-August 2022

Category	Aug-21	Aug-22	Change	% Change
Leisure & Hospitality	179,800	205,100	25,300	14.1%
Professional & Business Services	265,500	279,800	14,300	5.4%
Government	230,700	237,000	6,300	2.7%
Trade, Transportation & Utilities	216,200	220,600	4,400	2.0%
Construction	84,600	88,700	4,100	4.8%
Education & Health Services	215,400	218,500	3,100	1.4%
Manufacturing	115,000	113,700	(1,300)	-1.1%

Source: BLS

May the 4th quarter prove to be eventful and profitable!

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