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California Must Be Doing Something Right in Trump's America.

The president loves to hate on the Golden State, but the proof is in the profits.

Just about every policy Donald Trump imposes to make his America great is opposed by the world's fifth-largest economy. That would be California, which is growing faster and outperforming the U.S. in job growth, manufacturing, personal income, corporate profits and the total return of its bonds. The most populous U.S. state, with 39.5 million people, supplanted the U.K. as No. 5 in the world with an equivalent gross domestic product of more than $2.7 trillion, increasing $127 billion last year, according to data compiled by Bloomberg.

Trump attributes the prosperity of the U.S. economy during his 17 months as president to his evisceration of environmental regulations and other consumer protections, abandoning the Paris climate accord, aggressively deporting undocumented immigrants, prohibiting people from certain nations (mostly majority Muslim) from emigrating to the U.S., prosecuting sanctuary cities for protecting immigrants, cutting taxes most for corporations and the rich, and appointing a Supreme Court justice who just wrote the 5-4 decision limiting the rights of tens of millions of workers.

Jerry Brown, California's longest-serving governor, takes the opposite approach, and his state thrives. California is the global leader among governments committed to safeguarding the planet from climate change. Corporate California's revenues from clean energy companies dwarf those of the other 49 states or any country. The state's auto emissions law, now contested by the Trump administration, is the nation's most stringent. The legislature voted to become a sanctuary state, preventing police from participating in federal enforcement or asking people about their immigration status. The same assembly also made California the first state to declare a $15-an-hour minimum wage and to require solar panels on new homes. Its citizens approved Proposition 30, temporarily raising personal income and sales taxes to fund education.

California's 4.9 percent increase in GDP last year was more than twice the gain for the U.S. and enabled the state's jobless rate to slide to 4.2 percent, the lowest on record since such data was compiled in 1976. Per capita income since 2013 grew 20.5 percent, making California the perennial No. 1. Among the biggest states sharing the Trump agenda, Texas remains an also-ran with less than a third of California's $31.8 billion in receipts from agriculture, forestry and fishing and $63 billion less than California's $289 billion in equivalent GDP as the nation's largest manufacturer, according to data compiled by Bloomberg. While the Texas unemployment rate is lower at 4.1 percent, California's is falling faster and its total workforce of 17 million is 37 percent greater and has increased 2 million during the past five years, more than any other state.

Investors also make California the best-performing state, with 462 native companies in the Russell 3000 index producing a 587 percent total return (income plus appreciation) during the past decade, 262 percent the past five years, 76 percent the past two years, and 27 percent the past year — easily surpassing the Russell 3000's total return of 371 percent, 154 percent, 59 percent, and 22 percent, respectively. In the market for state and local government debt, California also is superior,

representing more than 20 percent of the No. 1 BlackRock Strategic Municipal Opportunities Fund, according to data compiled by Bloomberg.

Although the president said climate change is a Chinese hoax, California takes warming seriously. No country or state has more companies that derive at least 10 percent of their revenue from clean energy, energy efficiency or green technology, according to Bloomberg New Energy Finance. (California has 24 such companies.) The average annual revenue from clean energy companies is 11.8 percent of the sales from the state's major companies, up from 4.5 percent five years ago.

The average revenue of California clean energy companies is 140 percent of their domestic peers' average sales. Only five years ago, the ratio was 49 percent. Their revenue grew 33 percent last year when their counterparts throughout the U.S. reported less than half that increase.

Trump and his enablers in the Republican Party fail to grasp the reality that clean energy increasingly is good for business, especially in California. "He can't distinguish the white horse of victory from the pale horse of death, to quote the Apocalypse," said Brown during an interview at his Sacramento office last week. "He's riding a dead horse. That will become obvious to more and more people."

Brown said that the market forces driving California ahead of other states are inexorable: "China also appears to be ready to adopt ever increasing requirements for zero emissions vehicles. That's the biggest market. That is the market, and they have to sell into it with electric cars and California is trying to do the same thing as well as the states that follow us. It can't be resisted. It's too powerful a force."

Investors already are benefiting from the trend, reflected in analyst estimates compiled by Bloomberg showing the sales of California clean companies rising 29 percent, 16 percent and 11 percent in 2018, 2019 and 2020, compared to 17 percent, 8 percent and 6 percent for similar out-o--state firms.

Shares of California's clean companies, which spend twice as much on research and development as their out-of-state peers, gained an average of 70 percent the past two years, or 23 percentage points more than the average return for the rest of the country. At the same time, California's clean companies created twice as many jobs as their counterparts elsewhere. Productivity also is unsurpassed in California, where the revenue per employee of clean companies rose 7 percent last year, while it fell 3 percent outside the state, according to data compiled by Bloomberg.

The new California law mandating that new homes be built with solar energy is a boon for the renewable industry. San Francisco-based Sunrun Inc., whose shares appreciated 122 percent the past 12 months, will report sales growth of 36 percent in 2018, according to analysts surveyed by Bloomberg. The same analysts predict Sunrun will appreciate another 21 percent by December.

That's another way of saying companies have a better chance of becoming greater when they make their business in California.

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— With assistance by Shin Pei

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