



ECONOMIC  
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# THE LATEST ECON 411

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May 17, 2019, Labor Market Report for April 2019

The California Labor Market Information Division released its April 2019 report earlier today, showing an extraordinary improvement in our unemployment rate, moving from 4.0% in February all the way to 3.2% in April. That's a near historic low for Ventura County, bettered only once, in May 2018, then at 3.1%. We remain ahead of California's unadjusted rate, at 3.9%, and have also moved ahead of the U.S., at 3.3% unadjusted. For the current data, go to [www.labormarketinfo.edd.ca.gov/file/lfmonth/vent\\$pd.pdf](http://www.labormarketinfo.edd.ca.gov/file/lfmonth/vent$pd.pdf).

**Labor Force:** As good as the unemployment rate news may be, there's a continuing weakness apparent in the April data. That is, our improvement is due not only to solid job creation—a net increase of 6,700 jobs—but also owing to a stunning decline by 3,800 workers in the labor force.

We've reported on this in the past, commenting in some detail last month on this enduring trend. A decline in the labor force provides an artificial boost to performance in the unemployment rate calculation, by reducing the denominator—the total of folks both working and looking for work. With fewer people in that equation, we find an improvement in the ratio of the unemployed (the numerator) to the labor force (the denominator, apologies for the math terms), but actually what happens is we suffer a loss in incomes and productivity across the economy.

To repeat a bit of our report last month, what's concerning is that at a current level of 425,000, we're actually down from a decade ago, at 433,100 in April 2009. For a bit more context, our labor force was considerably higher even five years ago, in 2014, at 431,100. Our labor force topped out, early in the recovery from recession, in March 2012, with fully 14,000 more workers in the economy, at 439,300.

The causes for the decline are reasonably well known, though difficult to assign specific values to each:

- weakness in job creation and retention, especially for high wage occupations, creating little motivation for marginal workers to get off the sidelines, seek employment;
- working age individuals and families leaving the region, owing to the high cost of housing and shortage of high wage jobs;
- an aging population, with fewer young workers available to replace retirees.
- a cultural and political climate hostile to immigration, so fewer new workers arriving to replace the retirees and out-migration of workers.

None of these factors are unique to Ventura County, but our high prevalence of each places us at a particularly high risk for continued economic stagnation.

## Industry Sector Growth:

That all noted, there's very good news in this month's industry sector data, with gains in just about every major sector. We're up by a total of 6,700 jobs, 3,900 in the Farm sector, 2,600 in all other private sectors combined, and 200 in Government, the latter all in Local Education. For a bit more detail on these gains:

- The Farm sector growth puts us up 1,300 jobs year-over-year, to 29,500. That's a solid number for the sector, though actually a bit under our usual spring season high point of some thirty to thirty-one thousand jobs.
- Construction was up another 700 jobs in April, up 900 year-over-year, for a total of 17,700.
- Wholesale Trade and Transportation & Warehousing all together gained 200 jobs, good news for a very fundamental component of the economy, though our larger Trade, Transportation & Utilities super sector is down 300 on the year, owing almost entirely to losses in its Retail Trade component.
- Admin & Support & Waste Services gained 400 jobs, putting us back just positive year-over-year in

- the larger Professional & Business Services super sector, by 100 jobs.
- Private Education & Health Services is up 800 jobs, putting us back up by 1,700 year-over-year, a positive and anticipated gain, after several months of unusual decline.
- Leisure & Hospitality gained 600 jobs, though up only 600 year-over-year. Actually, the relatively slow growth in this sector isn't a problem, as the sector has been growing by leaps and bounds over the last several years, so a little slowing doesn't concern us.

**Unemployment Rate in the Statewide Context:** After a few months of positive movement, Ventura County's position among the state's 58 counties remained unchanged, still in 14<sup>th</sup>, as our gains largely paralleled statewide improvement. While Ventura County improved month-over-month from 4.0% to 3.2%, the state as a whole moved from 4.4% to 3.9%.

Looking at our surrounding counties, Santa Barbara at 3.5% moved up a bunch, now at 16<sup>th</sup> in April from 25<sup>th</sup> in March. San Luis Obispo also improved, at 2.6%, moving from 6<sup>th</sup> to 5<sup>th</sup> statewide. By contrast, Kern fell back four spots, now at 52<sup>nd</sup> and 8.4%, and Los Angeles fell from 19<sup>th</sup> to 26<sup>th</sup>, at 4.0%. Orange County held its position, tied with San Luis in 5<sup>th</sup>, at 2.6%.

With the exception of San Luis Obispo and Orange (tied for 5<sup>th</sup>), the top performing counties remain all in the Bay Area, with San Mateo continuing in first at 1.9%, San Francisco and Marin tied for 2<sup>nd</sup> at 2.1%, and Santa Clara 4<sup>th</sup> at 2.3%. Sonoma, Napa, Alameda and Contra Costa round out the top 10.

The bottom five are Imperial at 16.2%, Colusa at 15.7%, Plumas at 9.9%, Tulare at 9.8% and Merced at 9.0%. Though of course there are exceptions, it remains safe to say that California's economy remains largely defined by a west/east, or coast/inland divide.

This month's detail on unemployment rates statewide can be viewed at [www.labormarketinfo.edd.ca.gov/file/lfmonth/1904pcou.pdf](http://www.labormarketinfo.edd.ca.gov/file/lfmonth/1904pcou.pdf) or go to [www.labormarketinfo.edd.ca.gov/file/lfmonth/lf\\_geomaps\\_color.pdf](http://www.labormarketinfo.edd.ca.gov/file/lfmonth/lf_geomaps_color.pdf) for the mapping tool.

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