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September 20, 2019, Labor Market Report for August 2019

The California Labor Market Information Division released its August 2019 report earlier today, showing no change to our unemployment rate, steady at 3.9% and just ahead of one year ago, then at 4.0%. For the current data, go to [www.labormarketinfo.edd.ca.gov/file/lfmonth/vent\\$pds.pdf](http://www.labormarketinfo.edd.ca.gov/file/lfmonth/vent$pds.pdf).

Continuing Decline in the Labor Force: Our primary concern for several years now is our declining total labor force, which undermines any encouragement we might draw from the low unemployment rate. As of August 2019, our labor force is 417,300, the lowest it's been since 2005, fully 14 years ago. Our unemployment rate is low not so much because we're adding jobs—a paltry year-over-year gain of only 600 private sector jobs, or only 0.2%—rather it's because we have a steadily declining number of players in the labor force, that is, in the total number of the employed and unemployed.

We have summarized the causes behind the decline in our total labor force in several prior monthly reports, but repeat them here for quick reference:

- Weakness in job creation and retention, especially for high wage occupations, creating little motivation for marginal workers to get off the sidelines, seek employment; in other words, we just have fewer people even bothering to look for work.
- 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 Employment: The industry employment data for the month is typical for the end of summer, showing little change by sector.

- Month-over-month we're down by a total of 1,800 jobs, up only 300 on net from one year ago.
- The largest share of our decline was in the volatile Farm sector, down 1,900 jobs in August and down 100 year-over-year.
- Government jobs were unchanged in August, at a total of 44,100, off 200 from a year ago.
- On the upside, we gained 100 jobs in Construction, 500 in Professional & Business Services and 400 in Health Services.
- On the downside, we lost 100 jobs in Manufacturing, 200 in Retail Trade and

600 in Leisure & Hospitality.

For a longer look at trends, we continue to shed jobs in Retail Trade and, more disturbingly, are showing losses or no gains in what had been for several years two of our largest drivers—Health Services and Leisure and Hospitality. More positively, we continue to see steady and encouraging growth in Construction, up 900 jobs year-over-year, or by 5%.

Unemployment Rate in the Statewide Context: Our position among California's 58 counties fell by six slots in August, from 18th in July to our current 24th place, at 3.9%. This is our lowest standing since October 2018 and the same position we were in last August.

We continue to remain ahead of the state as a whole, which is at an unadjusted 4.2%, and ahead of Los Angeles County, which fell back four slots in August, to 38th place, at 4.7%. By contrast, we trail Santa Barbara, which is in 15th at 3.4%.

The Bay Area continues to lead in the unemployment measure, holding 8 of the top 10 positions, with only Orange, in 7th at 3.0% and San Luis Obispo in 8th at 3.1%.

This month's detail on unemployment rates statewide can be viewed at www.labormarketinfo.edd.ca.gov/file/lfmonth/1908pcou.pdf or go to www.labormarketinfo.edd.ca.gov/file/lfmonth/lf_geomaps_color.pdf for the mapping tool.

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