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March 22, 2019, Labor Market Report for February 2019

The California Labor Market Information Division released its February 2019 report earlier today, showing a strong improvement in our unemployment rate, now at 4.0%, down from 4.4% in January. This keeps us ahead of both the state and nation, at 4.4% and 4.1%, respectively, using calculations unadjusted for seasonality. That improvement notwithstanding, the underlying numbers continue to reflect a slow growing local economy, with a year-over-year net increase by only 500 jobs, and those largely concentrated in only a few sectors. For more on the unemployment rate and industry sector changes, see our comments below. 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).

Unemployment Rate: First, it's worth repeating that 4.0% unemployment is an extraordinarily low number. Prior to the Great Recession, now almost a decade ago, four percent was thought to be close to full employment. But labor markets change, and while the low number is good, we need to recall that unemployment remains low largely because fewer and fewer of our total population are working or looking for work. In the context of that circumstance, four percent is no longer so much a full employment number, and the larger story is that we continue to have slow job growth and a declining labor force participation. The result of all that is a slow growing economy, creating little in new opportunity, especially for workers and families with lower skills and incomes.

Industry Sector Growth and Decline:

The good news from February is we gained a net 2,100 jobs. The bad news is that the gains were narrowly distributed, with 1,400 of new jobs concentrated in the Farm sector alone. Even with that growth in Farm, that sector is down 1,300 jobs, year-over-year.

Our net gain of 700 jobs in February in the Non-Farm sectors was concentrated in two primary sectors:

- Leisure & Hospitality led all sectors, gaining 600 jobs. The sector was also our strongest year-over-year, up 900, to total of 38,100.
- Local Government Education came in just behind, up 800 jobs in February, essentially though just a seasonal change, with the month's data catching up to the post-holiday return to work.

Three sectors showed some significant losses, two of them wholly expected, the other not. Among the expected:

- Construction was down 300 jobs in February, almost certainly tied to rainy weather. The good news is the sector is up 800 jobs year-over-year, our second strongest for the year following Leisure & Hospitality.
- Retail Trade was down 800, likely a mix of a lag in reporting post-holiday layoffs and the continuing downward trend in bricks and mortar retail employment, neither of those causes a surprise.

For the unexpected, Health Services was down again, this month by only 100 jobs, but for a sector that had been driving the regional economy until sometime mid last year, still a surprise. The sector is now up only 200 jobs year-over-year. We continue to anticipate that growth will re-materialize in Health Services, but for every month it doesn't we become more anxious. Without growth in this sector there are few others to generate new jobs in the region.

Unemployment Rate in the Statewide Context: For those inclined to competition, here's where we find February's best news. Ventura County leapt from 19th in January to 15th in February, our highest monthly standing in a long while. And as noted above, for data unadjusted

for seasonality, at 4.0% we remain ahead of the state, at 4.4%, and ahead of the nation, at 4.1%. As usual, the Bay Area continues to dominate the top slots, with only two non-Bay Area counties—Orange at number 5 and 3.0% and San Luis Obispo at number 8 at 3.2%—breaking into the top ten. San Mateo continues at number 1, at 2.3%, followed closely by San Francisco at 2.4% and Marin at 2.5%

Looking at our immediate neighbors, Santa Barbara is 26th at 4.8% and Los Angeles, much improved this month, picked up from 24th and 4.9% in January to 17th and 4.2% in February. Inland, Kern holds at 48th and 9.3%, or about the middle of the pack for the larger San Joaquin Valley.

All considered, February was a decent month for Ventura County, not particularly strong in local performance, but still pulling ahead a bit of our statewide and national competition. This month's detail on unemployment rates statewide can be viewed at www.labormarketinfo.edd.ca.gov/file/lfmonth/1902pcou.pdf or go to www.labormarketinfo.edd.ca.gov/file/lfmonth/lf_geomaps_color.pdf for the mapping tool.

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