



ECONOMIC  
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# THE LATEST ECON 411

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July 19, 2019, Labor Market Report for June 2019

The California Labor Market Information Division released its June 2019 report earlier today, showing an increase in our unemployment rate, from 3.0% in May to 3.6% in June. A jump of that scale in unemployment is typical for June—with the transition into summer and schools in recess—though the larger collection of underlying numbers are a bit dismaying, as discussed below. 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).

**Civilian Employment, Unemployment and Labor Force:** The most disconcerting data points for June are our decline by 6,400 employed workers, an increase of 2,600 *unemployed* workers and another drop in the total labor force by 3,700 workers.

Notwithstanding the seasonal change, all of those point to a decline in overall economic activity and productivity. Our labor force is down by 6,400 workers year-over-year and down by 13,000 since June 2009, then in the depths of the Recession.

Repeating our oft-told story, there are several reasons for the decline in the labor force. While not easy to define precisely, the causes include:

- Weakness in job creation and retention, especially for high wage occupations, creating little motivation for marginal workers to get off the sidelines and 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 concentration of each places us at a high risk for continued economic stagnation.

**Industry Employment:** The industry employment data for the month doesn't appear quite as negative as the labor force data. That noted, we did lose 2,700 jobs in June, with 1,500 of those in the Farm sector. Even with that loss, Farm is up by 200 jobs year-over-year, at a relatively strong 27,800. In the Nonfarm sectors, we lost a total of 1,200 jobs, with the largest concentration in Local Government Education, which shed 1,000 jobs with the summer recess. We'll see more decline in this sector next month too.

Just about every other sector was flat or moved up or down by just 100 jobs, with the exception of Educational & Health Services, which dropped by 400. The total of 48,000 jobs in this sector are primarily in Health Services, with the Educational component being private schools. While the data for Ventura County isn't differentiated between the two components of Educational and Health Services, we think it's a safe bet that most of the 400 jobs lost in this sector are in education.

What's more troubling is our year-over-year job creation rate, which is at an anemic 0.4% for all industries and 0.3% for the private sector.

**Unemployment Rate in the Statewide Context:** Our position among California's 58 counties is unchanged in June, with our unemployment rate of 3.6% putting us in the 15<sup>th</sup> slot. Our movement in relation to the rest of the state has been fairly stable so far in 2019, consistently around 15<sup>th</sup> position.

Looking at our surrounding counties, all of them experienced the seasonal increase, more or less at the same scale. Santa Barbara stayed just ahead of us at 3.5% and 14<sup>th</sup>. San Luis Obispo and Orange Counties remained tied, in 7<sup>th</sup> place, at 3.0%. Kern County remained in 54<sup>th</sup>, at 8.0%. Los Angeles fell back a bit, from 29<sup>th</sup> to 31<sup>st</sup>, with 4.6% unemployment.

The statewide story remained the same as well, with the Bay Area dominating the top slots, with eight of California's top ten counties, led by San Mateo at 2.2%, San Francisco at 2.3%, Marin at 2.4%, Santa Clara at 2.6% and Napa and Sonoma both at 2.8%. Orange and San Luis Obispo are tied for 7<sup>th</sup> at 3.0%. Completing the top ten are Alameda in 9<sup>th</sup> at 3.1% and Contra Costa, at 3.2%.

This month's detail on unemployment rates statewide can be viewed at [www.labormarketinfo.edd.ca.gov/file/lfmonth/1906pcou.pdf](http://www.labormarketinfo.edd.ca.gov/file/lfmonth/1906pcou.pdf).

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