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THE LATEST ECON 411

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December 20, 2019, Labor Market Report for November 2019

The California Labor Market Information Division released its November 2019 report earlier today, with data largely as expected, characterized by a fairly solid showing in holiday retail hiring with little movement across the other major private sector industries. Our unemployment rate ticked slightly upward, from 3.3% in October to 3.4% in November. Our year-over-year movement in unemployment continues to improve, down from 3.7% a year ago, though few other indicators show improvement in the region's economy. For more commentary on that, see 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).

Labor Force continues to be one of our County's most troubling measures of economic well-being. Labor Force is the total of employed workers and unemployed workers looking for employment. It's a measure of the region's labor capacity for producing goods and services and for earning incomes by our labor. The troubling point for Ventura County is that our Labor Force continues to decline. We're down year-over-year by 3,800 workers and down over five years by 7,300. You have to go all the way back to 2006 to find a November with smaller Labor Force in Ventura County, a period over which we've gained more than 50,000 residents.

To repeat ourselves, we have summarized the causes behind this decline in several prior reports, but show them here again for reference:

- 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. In other words, we have fewer people bothering to look for work given the limited prospects.
- Working age individuals and families are leaving the region, owing to the high cost of housing and shortage of high wage jobs.
- We have an aging population, with fewer young workers available to replace retirees.
- Nationally we suffer from a cultural and political climate hostile to immigration, so fewer new workers are 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: Ventura County gained a net of 1,400 jobs in November, a mix of 2,000 in the Nonfarm sectors and a loss of 600 jobs in

Farm. The decline in Farm is likely seasonal. On a year-over-year look we're up 100 jobs in Farm, to an even 23,000.

For the Nonfarm sectors, we saw gains in four of the major sectors, as follows:

- Construction up by 200, and up 800 year-over-year. Looking at both statewide and national comparatives, this continues to be one of our highest performing sectors, though still making up for jobs lost during the Great Recession. Our historical high mark for a November was 19,600 Construction jobs in 2006; for November 2019 we're up to 18,000, continuing to narrow that gap.
- Retail Trade up 1,500, a solid though average showing for pre-holiday hiring, though still down 500 year-over-year.
- Private Educational & Health Services up 100 and our largest concentration of year-over-year growth, up 1,100 since November 2018.
- Public Sector Education up 800, likely mostly a quirk in the data, catching up to earlier month hiring. For Government sector Education the monthly data tends to show some volatility, so we think it best to look at longer term trends. On that front there's fairly good news, as we're up 1.3%, especially encouraging considering the fact that we're not seeing increases in student enrollments in the public schools.

All other major sectors were either flat or down marginally, with the two declines as follows:

- Manufacturing was down by 100 jobs, but up 700 year-over-year.
- Leisure & Hospitality dropped 400 jobs, but also up 700 year-over-year.

Our overall job creation rate remains disturbingly low, at 0.83%, lagging behind the state and nation.

Unemployment Rate in the Statewide Context: Looking at the total 58 counties in California, we ranked 21st in November, continuing a couple of months of improvement, from 24th in October and 27th in September. Still, our preferred position—justified a bit in expectation, based on historical data—is more in the low to mid-teens. We've been occasionally there over the last few years, but decreasingly so.

Ventura County's 3.4% keeps us ahead of California's unadjusted rate of 3.7% but drops us just behind the U.S. at 3.3%. Santa Barbara County is at 3.1%, San Luis Obispo 2.5%, Los Angeles 4.2%, Orange 2.5% and Kern is at 6.4%. San Mateo continues to lead the state at 1.8%, Marin right behind at 2.0%, with the balance of the Bay Area all in the top ten and all well below 3.0%.

Unemployment rates by county are nicely and variously displayed in the state's mapping tool at www.labormarketinfo.edd.ca.gov/data/interactive-labor-market-data-tools.html. For the table display on October unemployment rates, go to

www.labormarketinfo.edd.ca.gov/file/lfmonth/1911pcou.pdf

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