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THE LATEST ECON 411

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March 13, 2020, Labor Market Report for January 2020

The California Labor Market Information Division released its January 2020 report earlier today, as usual for January every year, about a month delayed to accommodate the annual recalibrating of the data.

Before taking a deeper dive into that data, however, it's important to acknowledge the current crisis that is already having an enormous impact on the economy. While our primary concern is for individual and public health, we're also very concerned about the wellbeing of our businesses. At the same time as we adhere to safe practices in hygiene, we also encourage everyone to keep spending with our local businesses, contributing to their survival and investing in our economic resilience. In service to our economic development mission, we have posted to our website an up-to-date COVID-19 Business Resource Guide, at www.edcollaborative.com. We will continue to update it as new information and resources become available. As always, and moving forward, please refer to us any business you know that may need any assistance.

Back to the release of the January data, the EDD's annual adjustment appears to deliver good news for Ventura County, with our year-over-year performance in job growth now registering about 1.6%, compared to 0.6% as measured in December. What's even more encouraging for year-over-year performance, is that we're registering the 1.6% annual growth, even while we lost a total of 5,400 jobs in January. That 1.6% increase moves us from the bottom quintile of California's 58 counties, where we had languished for some time, to the middle fifth. We'll have to see whether that one-month improvement turns into a trend over the next several months. For the January data go to [www.labormarketinfo.edd.ca.gov/file/lfmonth/vent\\$pds.pdf](http://www.labormarketinfo.edd.ca.gov/file/lfmonth/vent$pds.pdf); for more commentary, see below.

Unemployment Rate: The Ventura County unemployment rate rose five-tenths of a percent in January, to a still very low 3.9%. The increase in January was wholly expected, occurring just about every January following the end of the holiday season. For another encouraging point, and a bit of context, 3.9% is half a point better than we were in January 2019, then at 4.4%. At least for this indicator, our movement is in the right direction.

Labor Force: For this indicator we remain decidedly less enthusiastic. We show a year-over-year gain of only 200 workers, now at 423,600. That's down by 6,500 since January 2009, more than a decade ago. We not only have fewer workers over that time, but also fewer high paying jobs, meaning less money in wages circulating through the economy. The point remains that we're not driving a low unemployment rate by employing more people, rather by having fewer people working or actively looking for work.

Industry Employment: Ventura County dropped a total of 5,400 jobs in January, 300 in Farm and 5,100 distributed across just about every major industry sector. While that looks bleak, as noted above, we're actually up 5,300 jobs *year-over-year*—with 4,000 of those jobs in the non-farm private sector.

- While down 300 in January, likely seasonal, the **Farm sector** is up by 500 jobs year-over-year.

- **Construction** dropped 500 jobs in January, also likely a seasonal change. It may also be that this sector is levelling off a bit in growth, having been our fastest growing sector over the last several years.

- **Manufacturing** had no change in January, still at 26,400 jobs, up 100 or nearly flat year-over-year. That noted, what's encouraging is that the Nondurable Goods subsector—mostly biotech and life sciences in Ventura County—is up 100 in January, up 300 year-over-year, or 4.3%. The local declines in this subsector over the last several years continue to draw attention, though there's emerging growth in new and expanding firms in the Conejo Valley.

- **Trade, Transportation & Utilities** dropped 2,500 jobs in January, most of the decline—1,700 jobs—as expected, were concentrated in Retail, attributable to the end of the holiday season. Aside from the seasonality, however, Retail continues its general rate of decline, down 1,700 jobs, or 4.3%, year-over-year.

- **Professional & Business Services** dropped 600 jobs in January, but impressively the sector is up 2,200 year-over-year, with 1,500 of these jobs concentrated in the high-paying Professional, Scientific & Technical Services subsector. While not yet demonstrating a sure trend, this sector's overall growth is very encouraging for the region's economy.

- **Educational & Health Services** dropped 400 jobs, though up 1,600 year-over-year, still one of our consistently strongest performing sectors (note the "Educational" part here is private sector; public schools jobs are reported in the Government Sector).

- **Leisure & Hospitality** was down 500 in January, and up only 500 year-over-year. Given the current coronavirus scare, we anticipate this sector—comprised largely of Accommodation and Food Services—may bear the brunt of the pending economic downturn.

- **Government** was down 600 jobs in January, 500 of those concentrated in Education, likely still resulting from a regular holiday slowdown in this subsector. Continuing the trends noted above, the public education subsector is up 600 jobs year-over-year.

Unemployment Rate in the Statewide Context: Looking at the total 58 counties in California, we improved by four slots in January, to 16th, now a five-month trend of positive movement, from a recent low of 27th in September. Ventura County's 3.9% keeps us ahead of California's unadjusted rate of 4.3% and, for the first time in several months, just ahead of the national unadjusted rate of 4.0%.

Looking regionally, Santa Barbara County fell all the way from 3.6% in December to 4.7% in January. San Luis Obispo remains very competitive—7th in the state—at 3.1%. Others include Los Angeles at 4.5%, Orange 2.9% and Kern, suffering a big seasonal increase, at 8.6%. San Mateo County continues to lead the state at 2.1%, San Francisco next at 2.3% and Marin right behind at 2.4%.

Unemployment rates by county are nicely and variously displayed in the state's mapping tool at

www.labormarketinfo.edd.ca.gov/file/lfmonth/lf_geomaps_color.pdf. For the table display on January unemployment rates, go to www.labormarketinfo.edd.ca.gov/file/lfmonth/2001pcou.pdf.

Questions, comments, please let us know.