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BY BRUCE STENSLIE, EDC PRESIDENT/CEO

Labor Market Report for April 2020

The California Labor Market Information Division released its April 2020 report earlier today, now starting to represent the real economic crisis that is COVID-19. **Ventura County's unemployment rate shot up from 4.7% in March to 14.0% in April, the highest rate on record since the Great Depression in the 1930s.**

What's even more disturbing about the April data, however—though just calculated and published today—is that it only reflects the period through about April 12, so does not yet represent what is sure to be a higher rate for May. As we previously noted, before turning the corner we still anticipate exceeding 20% in the formal unemployment rate, with some additional 10% to 20% “involuntarily part-time” that don't show up in the unemployment numbers. That noted, for the April data, go to labormarketinfo.edd.ca.gov.

Labor Force and Unemployment: The most striking detail in the April report is the sheer number of unemployed residents. The April data shows 57,400 unemployed workers on a very depressed labor force of 409,300 (“depressed” in both senses of the word, emotionally and in number, numerically down from 422,500 one year ago).

To put the unemployment numbers in some context, our highest unemployment during the Great Recession was in July 2010 when we showed 48,500 unemployed, with an unemployment rate of 11.3%. We've already zoomed past that (bad pun intended) and expect to hit our worst mark with the release of the May data coming up on June 19.

Though very early to tell, our recent allowances for re-openings of retail, in-restaurant dining (albeit with social distancing and health and safety restrictions) and several other sectors should start turning the data back in the right direction when on July 17 we'll be reporting on our mid-June condition.

Industry Employment: Ventura County also took a beating in industry employment, shedding a total of 39,000 jobs in April, 2,500 in the Farm sector and 36,500 in Nonfarm.

While we had hoped the Farm sector would show fewer losses owing to its “essential industry” status, it's still down 5,900 jobs year-over-year. Hope aside, not surprisingly COVID-19 is impacting farm labor locally and food supply chains globally.

Of all the major industries, only Financial Activities and Mining did not go negative in both the month of April and year-over-year. Both remained level with no change, Financial Activities at 15,800 and Mining at 900. Both have had the benefit of being designated as essential industries and workforce, with the financial sector particularly busy facilitating business access to loans and other assistance.

As anticipated, most of the jobs losses are in the consumer dependent sectors.

- Food & Accommodation suffered the deepest losses, down by 15,800 jobs, or 50% off its base.

- Other Services is next by percentage decline in the major sectors, off by 20.2% or 1,900 jobs on a prior month base of 9,400. The numbers here, however, don't reveal the whole story, as the impact and loss of work to thousands of independent contractors—working at salons and exercise gyms and studios—don't show up in the industry data.

- In a surprise, Retail didn't show nearly as deep a drop as we expected, losing only 5,000 jobs on a prior month base of 37,200. We think there's some sort of glitch or lag in the data, as the subsector information shows only 8,400 workers of the remaining 32,200 jobs in Retail are in grocery and related stores. While Retail is now beginning to open, we expect the May data to show much deeper losses.

- As noted above, every other major sector suffered losses too, including:

- 3,100 in Professional & Business
- 4,000 in Health Services
- 1,000 in Construction
- 800 in Manufacturing
- 2,000 in Government

Unemployment Rate in the Statewide Context: Given the disruption across the entire state (nation and world) we haven't the last two months included this regular section of the monthly report. We're bringing it back this month, not to track what is our month-over-month movement relative to other counties, but to re-set the context of where we stand.

Looking at the total 58 counties in California, at 14.0% we currently rank 17th, a bit off our historic average, but still in the better end.

Ventura County's 14.0% places us ahead of California's unadjusted rate of 16.1% and just ahead of the national unadjusted rate of 14.4%.

Looking regionally, Santa Barbara County and San Luis Obispo are tied at 13.7% and 12th, Los Angeles—California's hardest hit county by COVID-19—is at 20.3% and 53rd, Kern is at 18.6% and 48th.

For a real shake-up, the greater Bay Area no longer holds a lock on the top ten, with perennial top performers Alameda dropping to 18th, Sonoma to 30th, Napa to 36th.

Still the top county in the state is Marin at 11.1% followed by San Mateo at 11.4%.

What might not be surprising is the competitive standing of some of California's more remote counties—and never previously near the top ten—with Lassen at number 3 and 11.6%, Trinity at number 7 and 12.8%, Del Norte at 8th and 13.1% and Colusa tied for 9th at 13.3%.

Unemployment rates by county are variously displayed in the state's mapping tool at labormarketinfo.edd.ca.gov. For the table display on April unemployment rates, go to labormarketinfo.edd.ca.gov.

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