



THE LATEST ECONOMIC 411

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Labor Market Report for July 2020

The California Labor Market Information Division released its July 2020 report earlier today, displaying that our **unemployment rate improved marginally, from 12.6% in June to 11.3% in July.** That improvement, however, was not the result of gains in industry employment, as the County dropped 700 jobs, down 300 in Farm and a net loss of 400 jobs in the NonFarm sectors. For the July data, [click here](#).

Unemployment: On a more material level, we still have 46,400 unemployed workers, as compared to only 16,400 one year ago. Our July unemployment is an improvement from June, then 51,900, and a real improvement from a high in May at 55,400. And while it does not appear in the data, we estimate there's also an additional 50,000 or more of the "involuntary part-time," whose incomes are significantly curtailed (these workers don't appear in the formal unemployment numbers as they're at least still partially employed). What's more, these unemployed and part-time workers are disproportionately concentrated in low income families and jobs and minority communities, with little in reserve.

Industry Employment: Looking at employer-reported data, Ventura County is down 32,200 jobs year-over-year, an improvement from our low point a couple of months ago, then down more than 45,000. As noted above, however, our June to July change in employment was a loss of 700 jobs.

- Farm dropped 300 jobs in July, though more notably we're down 3,500 in Farm jobs year-over-year. The sources of the decline are likely many, partly COVID-19, possibly also transitory issues in weather, but also very much farmers' access to labor.
- Construction gained 100 jobs, but for a worrisome indicator is down 400 jobs year-over-year. That decline is concerning considering we're in the summer months, we've had several years of slow but steady growth but we're still some 4,000 jobs short of where we were prior to the Great Recession some 13 years ago.
- Manufacturing showed no change, still at 25,000 jobs, though down 1,500 from one year ago.
- Retail Trade gained 500 jobs, a small but encouraging sign for a sector still slowed by social distancing, but for a more sober view, the sector is down 7,900 jobs year-over-year.
- Financial Activities also had no change in July, at 15,800 jobs and our only sector that's positive year-over-year (though that year-over-year gain is a very small 100 jobs).

· Professional & Business Services is one of our two big gainers, up 1,000 jobs in July, on top of a gain of 700 jobs in June. These are mostly office jobs, more easily protected from client interactions than in Retail and Hospitality, and more easily managed by telecommuting than in many other sectors. Even with those gains, we're still down 1,400 jobs year-over-year, and that is particularly concerning as the losses suggest a broad and overall slowdown in economic activity.

· Private Education & Health Services is our other big gainer, up 900 jobs in July and nearly back to even year-over-year, down by only 300.

· Leisure & Hospitality may be the biggest news for July, having gained back only 100 jobs in July, still down a whopping 9,300 jobs year-over-year. This is the sector—hotels and restaurants—absorbing the greatest impacts. With the mid-July state and local orders to pull back food service to outdoor dining, this sector has stalled, with little likelihood of restoring jobs soon.

· Other Services had no change in July, still at 7,700 jobs and down 2,100 year-over-year. These also are jobs not likely to come back soon, as it includes a lot of personal services and other jobs that involve close customer interactions.

· Local Government Education was the big loser in July, down 3,100 jobs in July and 4,000 jobs year-over-year. This is extremely worrisome, with schools moving to more distance learning, closures of campuses and little relief in sight.

Unemployment Rate in the Statewide Context: Looking at statewide standing, we moved toward the center of the pack among the state's 58 counties, currently at 28th, a slide from 23rd in May and June and 15th in April.

· Ventura County's 11.3% places us ahead of California's unadjusted rate of 13.7% though still behind the national unadjusted rate of 10.5%.

· Looking regionally, Santa Barbara County improved one slot in July, now in 14th at 10.0%, San Luis Obispo dropped a slot to 13th at 9.9%, Los Angeles is 57th at 18.2%, and Kern is 55th at 16.5%.

· Among the harder hit are Orange and San Diego Counties, prior to the pandemic just about always among or close to the top ten but now tied for 37th at 12.3%.

· Like the last couple of months, only three Bay Area counties are in the top ten, compared to the usual seven counties, with Marin tied for 3rd at 8.8%, San Mateo in 5th at 9.2% and Santa Clara in 6th at 9.3%. Falling out of the top ten rankings from the larger Bay Area are Alameda, all the way down to 34th at 12.0%; San Francisco, down to 22nd at 10.9%; Napa to 17th at 10.4%; and Sonoma in 11th at 9.8%.

Unemployment rates by county are variously displayed in the state's mapping tool at [here](#). For the table display on July unemployment rates, [click here](#).

In summary, our real worries are that we're still at more than 46,000 unemployed workers, a whole slew more of involuntary part-time, and yet as a region we've received in cash resources to offset the impacts of COVID-19 some \$1.5 billion payouts in federal Paycheck Protection Plan and Economic Injury Disaster Loans, some \$1 billion in unemployment insurance payments, as well as hundreds of thousands of \$1,200 checks to individuals totaling another several hundred million dollars. The big payouts are mostly behind us and the economy isn't yet close to being back on track. There's a seriously troubled economy and labor market still ahead of us into 2021.

Questions, comments, please let us know.

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