



ECONOMIC  
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# THE LATEST ECONOMIC 411

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## Labor Market Report for May 2020

The California Labor Market Information Division released its May 2020 report earlier today, showing that at least as measured by the unemployment rate we've turned the corner toward recovery. **Ventura County's unemployment rate improved from a revised 13.9% in April to 13.5% in May.** This parallels the April to May improvement in the national unemployment rate reported earlier this month. While the national improvement wasn't so much a surprise, as much of the country began to re-open businesses well ahead of California, I'll admit that we anticipated Ventura County's rate to go up in May, even by as much as 5 points. It's a welcome relief that it hasn't, though recovery remains a long way off. For the May data, go to [www.labormarketinfo.edd.ca.gov/file/lfmonth/vent\\$pds.pdf](http://www.labormarketinfo.edd.ca.gov/file/lfmonth/vent$pds.pdf).

**The Positive News:** Even within the horrific context of the whole COVID-19 experience, there are several positive data points in today's release:

- Ventura County's total number of officially unemployed workers dropped by 2,400 in May, to 55,000. Before we find that too encouraging, however, it's sobering to recognize that one year ago our total official unemployed stood at 12,700.
- Looking at Industry Employment, Ventura County gained 800 jobs, 300 in Farm and 500 in the Nonfarm sectors.
- The number of major industry sectors that gained jobs outnumber the sectors that lost by a six to three margin (with two sectors showing no change, Information and Mining, both relatively small in number).
- The big gainers were Construction, up 1,200, Education (private) & Health Services, up 2,400, and Leisure & Hospitality, up 1,400. Except for Construction, these sectors are, however, down steeply year-over-year.
- Grabbing smaller but still encouraging gains were Manufacturing, up 300, Financial Services and Other Services, each up 100.

**The Sobering News:** Notwithstanding these positive steps toward recovery, it's important to recognize still the depth of impact to our workers and business. The following helps paint that picture:

- Adding to the 55,000 unemployed, over the last two months Ventura County has had 15,300 additional workers drop out of the labor force. Now standing at 406,800, the County's labor force is at its lowest point since September 2002, fully 18 years ago.

- Compounding this concern even further, but what today's data report doesn't show, is the total number of "involuntary part-time" workers, which, given the more than 100,000 unemployment insurance claims made by

Ventura County residents, is likely more than 50,000 workers.

- What all that idled labor means is two things: one, a stunning loss of personal incomes (understood, significantly offset by unemployment insurance and assistance), and two, an unprecedented decline in the County's overall productivity.
- The news wasn't all good for industry data either, as Ventura County suffered deep losses in two sectors: Retail dropped 1,400 jobs, now down 7,700 year-over-year, and Local Government Education dropped 3,000 jobs, now reflecting the early season school closures.
- **Overall, Ventura County has lost 45,000 jobs year-over-year, all of them in just two months, far surpassing the 35,000 jobs we lost over a three year span during the Great Recession (from a high mark in 2007 to a low point in January 2010).** That all noted, the data is far, far better than we had anticipated, previously expecting Ventura County's unemployment rate to rise over 20%. Certainly the infusion of Paycheck Protection Plan loans/grants has helped keep workers employed.

Now that most all businesses are re-opened, we can expect things to improve, though slowly. We know that economic and labor market performance remains wholly dependent on health outcomes. For that reason, and for the health of us all, we encourage safe behavior and compliance with health orders issued state and locally.

**Unemployment Rate in the Statewide Context:** As noted last month, this feature of our monthly report has been turned on its head by the disruption. The usual patterns for leading counties and the trailers are gone. Following is a summary of the data and of the unusual:

- Looking at the total 58 counties in California, at 13.5% unemployment we currently rank 21<sup>st</sup>, down from 17<sup>th</sup> in April.
- Ventura County's 13.5% places us ahead of California's unadjusted rate of 16.2% and ahead of the national unadjusted rate of 14.4%.
- Looking regionally, Santa Barbara County is in 17<sup>th</sup> at 12.9%, San Luis Obispo is 15<sup>th</sup> at 12.7%, Los Angeles—still California's hardest hit county by COVID-19—is in the 54<sup>th</sup> slot and at 20.6%, and Kern is 52<sup>nd</sup> at 18.3%.
- For the unusual, tiny in number Lassen County (a labor force of only 8,700 in total) is in first at 10.0%.
- While Marin holds the 2<sup>nd</sup> slot at 10.3%, only Santa Clara at 11.0% and San Mateo at 11.1% are in the top ten, while historically the Bay Area has held seven of the top ten slots.
- Further in the shake-up, Yolo County is in the 3<sup>rd</sup> slot, Trinity is in 4<sup>th</sup>, Modoc is tied for 5<sup>th</sup>, Humboldt is in 8<sup>th</sup>, Calaveras in 9<sup>th</sup> and Inyo in 10<sup>th</sup>. Trinity, Inyo and Modoc, like Lassen, all have fewer than 10,000 workers in the labor force. Unemployment rates by county are variously displayed in the state's mapping tool at [www.labormarketinfo.edd.ca.gov/file/lfmonth/lf\\_geomaps\\_color.pdf](http://www.labormarketinfo.edd.ca.gov/file/lfmonth/lf_geomaps_color.pdf). For the table display on May unemployment rates, go to [www.labormarketinfo.edd.ca.gov/file/lfmonth/2005pcou.pdf](http://www.labormarketinfo.edd.ca.gov/file/lfmonth/2005pcou.pdf).

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