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Labor Market Report for October 2020

The California Labor Market Information Division released its October 2020 report earlier today, showing a slight acceleration in our month-over-month recovery, [our unemployment rate improving from a revised 8.3% in September to 7.1% in October](#). That's encouraging, though the region's recent move back to the more restricted Purple Tier will almost certainly slow or even stall the recovery and, indeed, we are starting to see an increase in new unemployment insurance claims. And while 7.1% is a grand improvement over our low point of 13.9% in April, it's still more than double the 3.4% we enjoyed in October 2019. [See here](#) for the current summary detail.

Summarizing Where We've Been . . .

For this month, rather than expand on the current unemployment data, we thought it a good month to summarize some of the key data points we've experienced through the pandemic (though also see below our usual summaries of movement on industry employment and our standing in the statewide context).

- Unemployment Claims: To show how profound was the impact on the county's labor force, consider that:
- From mid-March through late October, more than 117,000 Ventura County residents filed initial unemployment insurance claims. That's some 28% of the County's labor force.
- Also through the same period, more than 40,000 Ventura County residents applied for Pandemic Unemployment Assistance, or PUA. PUA was the special COVID-19 era program that expanded unemployment insurance benefits to the self-employed. Likely a good share of these 40,000 were also in the pool of the initial unemployment insurance claims, but many were not, raising the share of Ventura County's workers that applied for and received unemployment assistance to more than a third of our labor force.
- Under-employment: A unique feature of the COVID-19 economic crisis has been the limitations on business that restrict re-opening, for example, to only 25% occupancy or allowing only outdoor services. The result of that is a massive amount of involuntary part-time work. Given that 95,000 jobs in Ventura County are in the hard-hit Retail, Food & Accommodation, Arts & Entertainment and Other Services sectors, we estimate that as many as 50,000 workers may be in this "involuntary part-time" category, resulting in lower wages and dependency on partial unemployment insurance and other supports.
- Job Loss: At our low point in April and May, Ventura County was down more than 45,000 jobs and we're still down by more than 26,000. No matter how you look at unemployment, there's just not enough work to bring back all the workers into employment.
- Federal & Other Recovery Funds: As deep as these impacts are, the crisis would have been far worse for both business and workers if not for enormous contributions of federal aid:
- Some 60% of all payroll firms in Ventura County received Paycheck Protection Plan (PPP) loans, totaling more than \$1.2 billion, most of that paying to keep workers on the job.
- Businesses also accessed some \$700 million in Economic Injury Disaster Loans (EIDL), helping businesses pay for inventory, rent, and other operating costs.
- Ventura County workers received more than \$2 billion in unemployment assistance, keeping them in cash flow, paying for goods and services throughout the local economy.

That infusion of support, however, has largely ended (though unemployment insurance checks continue to flow, though at a reduced rate of benefits compared to the early months of the pandemic), and there remains enormous need among businesses.

Finally, as effective as PPP and EIDL worked for our region's economy, the data shows that the small and minority owned businesses in the sectors that were most impacted by pandemic were among the least likely to have benefited from those programs. An enormous amount of aid and support remains essential to our recovery.

Industry Employment: Looking at employer-reported data, our gains were widespread across sectors in October.

- Overall, Ventura County gained a total of 3,600 jobs, though we're still down 26,800 from one year ago.
- Of those 3,600 jobs gained, 500 are in the Farm sector, though Farm remains down 2,800 year-over-year.
- The largest single gain was in Retail Trade, up by 1,100 jobs, though still down 3,900 jobs year-over-year or by a full 10.3%.
- Professional & Business Services had a large increase, up by 800 jobs and now, very encouragingly, nearly fully recovered and down only 200 jobs year-over-year.
- Local Government Education gained back 600 jobs in October, though is still down 5,000 year-over-year. While more schools began to open in later October and early November before our move back to the Purple Tier, so we should see more gains next month in the November data, but unfortunately after that, unless policy and health outcomes change dramatically, that trend toward recovery will have stalled too.
- For other gains, Ventura County was up 100 in Construction and up 200 in Financial Activities, both sectors nearly fully recovered to their pre-pandemic levels.
- Two other sectors also gained jobs but are far from recovered. Leisure & Hospitality gained 300 jobs but is still down 6,500, or by a whopping 16.8%. Other Services also gained 300 but is down year-over-year by 1,800, or 18.4%. Except for Public Education, these remain our two most impacted sectors.
- Only two major sectors in Ventura County lost jobs in October. Manufacturing dropped 100 jobs and remains down by 1,700, or 6.4% year-over year, and Private Education & Health Services, dropped 300 jobs, also down 1,700 year over year, though for this large sector (currently at 47,600 jobs, our largest single sector) that's a more manageable 3.4% decline.

Unemployment Rate in the Statewide Context: Looking at statewide standing, Ventura County gained back two slots in September, now at 23rd among California's 58 counties.

- Ventura County's 7.1% places us ahead of California's unadjusted rate of 9.0% though still trailing the national unadjusted rate of 6.6%.
- Looking at our immediate neighbors, Santa Barbara County improved from 14th to 11th, now at 6.3%, San Luis Obispo improved from 10th to 6th, now at 6.0%, Los Angeles remained 57th at 12.1%, and Kern improved one slot to 55th, at 10.6%.
- The number 1 county in the state continues to be the tiny and remote Lassen, at 5.2%, followed by Marin in 2nd at 5.4%, Sierra in 3rd at 5.5%, Modoc and Santa Clara tied for 4th, Placer and San Mateo tied with San Luis Obispo for 6th at 6.0% and Sonoma and Yolo completing the top ten, tied for 9th at 6.2%.
- Overall, we're still seeing several small and remote counties—better equipped to manage coronavirus—with some of the state's lowest unemployment rates, though we are starting to see the Bay Area counties recover and compete again for the top spots that in recent history they've owned.

Unemployment rates by county are variously displayed in the [state's mapping tool](#). [See here](#) for the table display on October unemployment rates.

Questions, comments, please let us know.

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