THE LATEST ECONOMIC 411

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Labor Market Report for November 2020

The California Labor Market Information Division released its November 2020 report earlier today, **showing a moderate slowdown in our month-to-month recovery, our unemployment rate improving from a revised 6.9% in October to 6.3% in November.** The good news is we had thought it would slow considerably more, considering the County's move back into the more restrictive Red Tier for part of this period. Positive news aside, we continue to expect a full stall to the recovery when the next data reports are out in January, considering the greater restrictions imposed on all sorts of businesses that began in early December. For the current summary detail, see here.

Last month we focused most of our report on an over-all summary of COVID-19 impacts to the economy starting in March 2020, looking at the enormous volume of unemployment claims, at continuing under-employment and the extraordinary outpouring of federal, state and local aid that helped shore up jobs and the economy. For that summary, see here.

This month we're back to looking more specifically at the current data:
Labor Force: This month Ventura County had 6,800 workers drop out of the labor force. That is, these are residents that are not only not working, but not even looking for work and therefore not part of the equation to calculate the unemployment rate. As we often point out, the result of that is an artificial improvement to our unemployment rate and a simultaneous loss of regional productivity and household earnings. The decline in the labor force, however, is hardly a surprise, as there's simply not enough work available to accommodate our workers. We're still down a full 25,000 jobs from one year ago.

Industry Employment: Ventura County gained a net of 2,500 jobs in November, showing improvement or no change in all but three of the major sectors. As noted above, the County is still down 25,000 jobs from one year ago, for a 7.4% year-over-year decline. While we are encouraged about our recovery from pandemic by the beginning distribution of vaccines, it's a fair guess it will take well more than a year to recover those lost jobs, particularly in consideration of the many business closures. Many of our jobs are simply gone, not there for workers to return to.

The major sectors that lost jobs include:
· Farm, down 500 jobs, down 2,400 year-over-year.
· Financial Activities dropped 300 jobs in November, 600 on the year, for a year-over-year decline by 3.7%, well below the 7.4% loss across all sectors.
· Leisure & Hospitality—including Food and Accommodation, Arts and Entertainment—dropped another 600 jobs, down 6,500 year-over-year for a huge 16.9% decline. After Local Education and Other Services, this is our next most impacted sector.
Looking at the other major sectors, we saw gains or no change in the following:

· Construction gained 200, now fully recovered to its position one year ago, at 17,500 (though this is still down some 4,000 jobs since prior to the Great Recession, some 14 years ago).

· Manufacturing also gained 200 jobs, though is down 1,500 or 5.7% year-over-year.

· Trade, Transportation and Utilities gained 1,700 in November, split among Wholesale Trade, up 600, Retail up 900 and Transportation & Warehousing up 200. While a big gain overall, we need to recognize that the sector is still down 5,000 jobs, or 8.4%, year-over-year, and we normally expect a bigger jump than this annually for the holiday season.

· Professional & Business Services gained 300 jobs, down now only 100 year-over-year. This sector has been one of the most resistant to the impacts of COVID-19, as the sector includes a lot of office work that can be done remotely and by social distancing.

· Educational & Health Services gained 1,300 jobs, down now only 300 since one year ago. This is composed largely of private health care businesses that, while largely recovered on jobs, are so incredibly and directly impacted by COVID-19 patients.

· Other Services had no change in November, though is still down by 1,800, or down by 18.6%. This sector is almost certain to show more losses next month when we see the December report, as the current shutdown hits these personal services firms most directly.

· Local Government Education gained 200 jobs but is still down 5,700 jobs, or 25.2%. This is particularly painful for the region, as our kids are losing out on education.

Unemployment Rate in the Statewide Context: Looking at statewide standing, Ventura County gained two slots in September, now at 21st among California's 58 counties.

· Ventura County's 6.3% places us ahead of California's unadjusted rate of 7.9% and for the first time in months and for encouraging news also just ahead of the national unadjusted rate of 6.4%.

· Looking at our immediate neighbors, Santa Barbara County fell back one slot to 12th, now at 5.8%; San Luis Obispo also fell back one slot to 7th, now at 5.4%; Los Angeles improved a slot to 56th at 10.6%; and Kern improved one slot to 54th, at 9.4%.

· After several months of the state's top performing counties being dominated by the small and remote, we're back a little closer to our historical norm, with Bay Area counties filling out much of the top 10, now with Marin at #1 and 4.7%, San Mateo and Santa Clara tied for 3rd at 5.1%, Sonoma in 6th at 5.5% and San Francisco 10th at 5.7%.

· That still leaves room in the top ten for tiny Sierra County (population 3,000) in 2nd at 5.0%, Placer in 5th at 5.2%, Lassen in 6th at 5.3%, the aforementioned San Luis Obispo in 7th at 5.4%, and Nevada County in 9th at 5.6%.

· This mix of Bay Area counties and the smaller remote counties having the lowest unemployment rates largely follows the pattern of which regions are best managing COVID-19. It's not a perfect correlation, but there's a lesson there nevertheless.

Click here for unemployment rates by county variously displayed in the state's mapping tool. For the table display on November unemployment rates, see here.

Questions, comments, please let us know.

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