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January 22, 2021, Labor Market Report for December 2020

The California Labor Market Information Division (LMID) released its year-end, December 2020 report earlier today, [displaying an anticipated increase in Ventura County's unemployment rate, from 6.3% in November to 7.5% in December.](#) We say "anticipated" owing to the new round of business restrictions that were imposed some two months ago as COVID-19 cases skyrocketed through and now following the Thanksgiving and Christmas holiday season. As we note in more detail below, our job losses were concentrated almost entirely in Food & Accommodation, or restaurants and bars, down 2,700 jobs on the month. For the entire detail, check out LMID's December report [here](#).

The year-end data paints a still bleak picture. Ventura County is down 27,000 jobs on the year. That's improved of course from April and May, when we were down by more than 40,000 jobs, but the point remains that we still have a mountain of ground to cover before we can put people to work and we're currently moving in the wrong direction.

What's worse in the data is we added another 5,200 workers to the ranks of the unemployed in December, now at a total of 31,100, up from 14,200 a year ago. Again, that's much improved from our low point in April of 57,400 unemployed workers, but with December's addition of 5,200 more unemployed we're moving, as noted above, in the wrong direction.

An astute observer may catch that for December we had nearly double the number of newly unemployed workers compared to the number of jobs lost. There may be a variety of quirks in the month-to-month data calculations to account for that, but we conjecture that one of the most likely causes is that a bunch of involuntary part-time workers (that is, involuntary because of restrictions on operations) in the Hospitality, Retail and Other Services sectors lost the last of their work with the tighter restrictions re-established in December.

However you look at all that, the increase and extension of unemployment insurance benefits and other supports continue to be essential to keep families in their homes. Housing experts and economists agree that with all the lost work we should expect a surge in evictions and homelessness going forward. For one such analysis, I'd recommend the recent report "[Locked Out: Unemployment and Homelessness in the COVID Economy](#)" by the Economic Roundtable in Los Angeles.

Industry Employment: Ventura County lost a net of 2,500 jobs in December, exactly wiping out our gains in November, with the losses concentrated in five sectors:

- Financial Activities dropped 200 jobs in December, down only 300 on the year, or only 1.9% on the year, far better than for all industries combined, down by 8.0%.

- Private Education & Health Services lost 400 jobs, down 1,200 on the year or 2.4%. While Health Services is still out-performing the region as a whole, the fact that it has lost jobs on the year is deeply concerning for two reasons. One, this is the sector that has been continuously adding jobs at the region's fastest and most consistent rate for some 20 years, so an annual decline strikes at the heart of our economy. And two, it's especially disheartening to lose jobs in the sector employing the front-line workers responding to the pandemic health crisis.

- Leisure & Hospitality lost a total of 2,800 jobs (2,700 in Food & Accommodation and another 100 in Arts & Entertainment), and is down 9,000 on the year or 23.7%.

- Other Services dropped 200 jobs in December, 2,000 on the year or 20.6%.

As noted in prior months, many of these jobs in Leisure & Hospitality and Other Services are filled by low income and marginally employed workers, with little in reserve. The impacts of pandemic continue to be disproportionate, with the brunt taken by women, minorities and low-income workers.

- Government lost 200 jobs, 6,100 on the year or 12.6%. The year-over-year losses are almost entirely in Local Education, though the drop of 200 in December was from a mix of subsectors.

There were only a few sectors that gained jobs in December, though two are notable:

- Professional & Business Services added 500 jobs in December, now up 200 year-over-year, our only major sector in the positive at 0.4% growth. Understand, these are mostly all office jobs that can be worked remotely at home or in controlled environments with social distance.

- Retail Trade gained 600 jobs, mostly presumably holiday hires, though is down year-over-year by 4,400 or 11%. We do not expect any quick recovery in this sector.

Unemployment Rate in the Statewide Context: Looking at statewide standing, Ventura County actually gained three slots in September, now at 18th among California's 58 counties.

- Ventura County's 7.5% places us ahead of California's unadjusted rate of 8.8% though we've fallen considerably behind the national unadjusted rate of 6.5%, which was largely unchanged from November's 6.4%.

- Looking at our immediate neighbors, Santa Barbara County fell back eight full slots to 20th, now at 7.6%; San Luis Obispo stayed at 7th, now at 6.7%; Los Angeles improved eight slots to 48th at 10.7%; and Kern improved one slot to 53^d, at 11.3%.

- We suspect that Santa Barbara's deep decline in December may be attributed to its concentration of jobs in the Leisure & Hospitality sectors, though if that's the case it's curious that San Luis Obispo, also with a high concentration in Leisure & Hospitality, didn't suffer the same monthly decline.

- After several months of the state's smaller and most remote counties leading by the lowest unemployment rates, we're now back to our pre-pandemic pattern of the top 5 being dominated by the Bay Area: Marin in 1st at 5.5%, San Mateo 2nd at 5.8%, Santa Clara 3^d at 5.9%, Placer 4th at 6.2%, and San Francisco 5th at 6.4%.

Unemployment rates by county are variously displayed in the state's mapping tool [SEE HERE](#).

For the table display on December unemployment rates, [SEE HERE](#).

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