



THE LATEST ECONOMIC 411

BY BRUCE STENSLIE, EDC PRESIDENT/CEO

Labor Market Report for August 2021

The California Labor Market Information Division (LMID) released its August 2021 report earlier today, showing moderate improvement to our unemployment rate but some surprising, even disturbing volatility in the labor force and employment data.

On the upside, the Ventura County unemployment rate improved from 6.4% in July to 6.2% in August, somewhat encouraging news since we're still dealing with the slowdown caused by the Delta variant.

On the downside, that improvement owes less to new job creation than to the month's dropout of 4,000 workers from the labor force, meaning they're neither working nor even looking for work. That's a big reduction to the County's productivity and earnings, even worse for us that it's on top of the roughly 9,000 workers we were already down from pre-pandemic levels.

What's especially odd about this decline in the labor force is there's no shortage of job openings. Given all of the volatility in the economy and labor market, the decline might be part statistical fluke, but not likely all of it, so the decline adds to our concern about the trajectory of our recovery.

For the month's data, go [here](#); for more on taking apart the detail, read on below.

Industry Employment: Further on the concerning side, August is the second month in a row—during what should be a period of recovery—that on net Ventura County actually lost jobs month-over-month. In July we dropped 5,000 jobs and now in August another 500. To be fair, our mix of job loss in August was a minus 2,200 in Farm jobs and a gain of 1,700 Nonfarm. Still, we're not wholly moving in the right direction.

- While Farm dropped 2,200 jobs in August, that loss appears mostly seasonal and we're at exactly the same number of jobs, 23,900, that we had two years, prior to pandemic.
- Construction gained 200 jobs in August, but it's up only 300 year-over-year and still down 4,000 jobs from 15 years ago, prior to the Great Recession.
- Manufacturing had no change, though is up 1,100 year-over-year. While not currently expanding, at 26,600 jobs Manufacturing is still 10.5% of our private sector employment, well above the statewide concentration of 9.0%.
- The Trade sectors gained a net of 600 jobs in August, 400 in Wholesale,

100 in Retail and 100 in Transportation and Utilities. Wholesale jobs are up 300 from a year ago, likely related to Amazon's expansion in the region. For Retail, we're now mostly stagnant, just up 400 jobs from a year ago but still down 3,400 jobs from pre-pandemic levels.

- Financial Activities picked up 200 jobs in August, up 700 year-over-year and up a strong 500 over pre-pandemic levels.
- Private Education and Health Services dropped 900 jobs in August, on top of 500 jobs lost in July, and now just up 300 jobs year-over-year. We still think that with all the disruption in the labor market, and in the health care sector especially, that the data here is volatile and a bit unreliable. Better here to look at longer term trends, not month to month.
- Leisure & Hospitality gained 600 jobs in August, showing some consistency now, having gained 700 jobs in July and 600 in June. To repeat our note from past months, it's important to recognize that this is our hardest hit sector, still a long way from fully recovered, still down 5,600 jobs from two years ago, prior to the pandemic.
- Other Services was unchanged in August, still down 1,000 jobs year-over-year and 1,200 from pre-pandemic levels.
- Local Government Education appears to be finally on the upswing, up 900 jobs in August with kids starting back to school. That puts us within 1,400 jobs of our pre-pandemic level. As noted in prior months, we're hopeful that by October we may see at least the sector's jobs recovered, if not, of course, the lost learning opportunities for students across all levels.

Unemployment Rate in the Statewide Context: Looking at statewide standing, Ventura County fell another couple of slots in August, now at 23rd among California's 58 counties. For a broader scale comparison, our 6.2% unemployment keeps us ahead of California, at 7.5%, though behind the U.S. as a whole, at 5.3%

- Looking at our neighboring counties, Santa Barbara County improved two slots to 9th, now at 5.5%, tied with San Luis Obispo, which though improved from 5.7% to 5.5%, fell two slots from 7th to 9th. Los Angeles dropped two slots to 55th at 9.7% and Kern remained at 56th, at 10.0%.
- For the top placements, Marin remains number 1 and improved from 4.5% to 4.4%, San Mateo is 2nd at 4.6%, Santa Clara 3rd at 4.8%, followed by a tie between urban San Francisco and very rural Sierra County at 5.0%. Placer is 6th at 5.1%, Sonoma and Trinity tied for 7th at 5.3%, and Napa and Nevada counties are tied for 9th with Santa Barbara and San Luis Obispo at 5.5%.

Unemployment rates by county are variously displayed in the state's [mapping resources](#). For the table display on August unemployment rates for all counties, go [here](#).

Questions, comments, please let us know, bruce@edcollaborative.com.

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