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Labor Market Report for June 2021

The California Labor Market Information Division (LMID) released its June 2021 report earlier today, showing our first monthly increase in the unemployment rate since December 2020. This increase, however, is not unique to Ventura County, as both the state and nation suffered monthly increases in unemployment as well. Ventura County's rate rose from 5.8% in May to 6.4% in June, while California's unadjusted rate jumped from 7.5% to 8.0% and the nation's from 5.5% to 6.1%. These increases are a bit of surprise, given the current pace of recovery from pandemic, but largely track with consistent, annual increases at the beginning of each summer, so not to be taken seriously as an indication of any kind of structural economic slowdown. For the data go [here](#).

The Labor Force and Unemployment: Several variables this month contributed to the increase in the unemployment rate. Some of the indicators are a bit confounding. For example, we had an increase by 2,700—from 23,600 to 26,300—in the number of unemployed workers, even while the industry data shows we gained a net 1,200 jobs (detail summarized below). At the same time, we had an increase, by 1,900, in the total Labor Force, that is, the total of workers employed and officially unemployed.

What we can draw from that is more workers are coming off the sidelines searching for work, but not all are finding work or, rather, are continuing to search for better jobs. We can also assume that the increase in the overall labor force is a result of at least three influences: 1) unemployment benefits becoming exhausted and harder to get, 2) new requirements that to receive unemployment insurance you must be actively looking for work, and 3) more jobs available to attract workers.

That all noted, we still have a deeply impacted labor market, still down by 14,700 workers from February 2020, the month before the pandemic. As we've noted over the prior several reports, we expect it to take several more months, likely into 2022, before this labor market disruption more fully settles. Low wage jobs will remain hard to fill. Workers will play their role in a free-market economy and hold out for better wages. And further, what the data so far suggests is that at least one lasting result of COVID-19 will be a permanent reduction in our labor force,

owing to an increased rate of baby boomer retirements, not coming back and not fully being replaced by younger workers.

Industry Employment: The industry data, compared to the labor force indicators, is largely straightforward and about as expected for June.

- On total, Ventura County gained 1,200 jobs in June, though is still down 11,400 year-over-year.
- Farm dropped 900 jobs in June, fairly expected by annual seasonal patterns, and remains down 1,000 year-over-year.
- The Non-Farm sectors in total gained 2,100 jobs, a 0.7% growth for the month, though we still have a long ways to go for recovery. We remain down 4.4% from one year ago and by 6.3% from prior to the pandemic.
- Construction had no change, May to June, and remains down 600 year-over-year.
- Manufacturing gained 200 jobs, is up 800 year-over-year though down 500 from just prior to pandemic.
- Retail Trade gained 600 jobs, up 2,000 year-over-year but still trailing pre-pandemic levels by 2,400 jobs. Other research data shows that the losses are concentrated in small businesses with fewer than 20 employees.
- Wholesale Trade gained 300 jobs in June, actually up 600 jobs year-over-year and down only now by 100 from prior to pandemic.
- Private Education and Health Services showed no change in June, though is up 2,400 year-over-year. That recovery notwithstanding, the sector is still down 1,900 from prior to pandemic.
- Leisure & Hospitality. This is the sector everyone's watching, with restaurants and hotels struggling to bring workers back and having to offer steadily increasing wages. This sector gained 600 jobs in June, though that hardly bites into its loss of 6,500 jobs from pre-pandemic levels.
- Other Services added 100, up 400 year-over-year, but still also down 1,800 from pre-pandemic levels.
- Local Government Education gained 200, up 1,500 year-over-year, though still down 2,100 from pre-pandemic levels. As noted in prior reports, we won't know what this sector really looks like in recovery until the September data is in with the October report.

Unemployment Rate in the Statewide Context: Looking at statewide standing, Ventura County fell one slot in June, now at 19th among California's 58 counties.

- Looking at our neighboring counties, Santa Barbara County dropped two slots to 12th, now at 5.9%; San Luis Obispo dropped three slots to 10th at 5.8%, Los Angeles gained a slot to 53rd, and Kern fell one slot, to 55th, at 10.8%.
- Dominating again the top end, the Bay Area holds four of the top five slots, with Marin #1 at 4.7%, San Mateo 3rd at 5.0%, Santa Clara 4th at 5.1% and San Francisco 5th at 5.4%.
- The rest of the top ten includes several smaller, more isolated counties, which prior to COVID rarely entered the top tier, including Sierra in 2nd at 4.9%, Lassen and Trinity tied for 7th at 5.7%.

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

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

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