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Labor Market Report for December 2021

The California Labor Market Information Division (LMID) released its December 2021 report on Friday the 19th, extending what's become a five-month run of improvements in Ventura County's unemployment rate, now at 4.2%, down from 4.5% in November. While the unemployment rate is moving in the right direction, the underlying numbers aren't so encouraging. In what is usually a strong month for hiring, we picked up only 1,300 Nonfarm jobs—and only 500 in holiday hiring for Retail—and actually had a decline in the Labor Force by 400 workers. Further, what gains we did have were largely concentrated in only two sectors, Retail Trade and Leisure & Hospitality. For more context on what it means, read on; for the link to the monthly numbers [click here](#).

Labor Force & Unemployment Rate: The top story remains that a large share of the workers that dropped out earlier in the pandemic just haven't returned to work. The causes are many—workers averse to the risks of exposure to COVID; parents, especially women, staying home owing to the lack of child care or for confidence in the safety of kids in schools; early retirements.

Last month we reported that Ventura County was down 9,000 workers since the onset of the pandemic. The same method of evaluation this month shows that our condition has actually worsened, down now by 9,400 workers. In December 2019, just two or three months prior to the COVID era, our labor force was 421,300. It's down now in December 2021 to 411,900. Were the unemployment rate to account for those 9,400 workers that have dropped out, we'd be at about 6.6% unemployment, considerably higher than the officially reported 4.2%. That noted, the decline in labor force participation is shared just about uniformly across the nation, not unique to Ventura County.

Policy makers continue to struggle for strategies to inspire workers to return to work. For our take, there are only three main variables at play, influencing the return of workers.

1. Most obviously, the incidence of infections by COVID and its variants needs to lower dramatically and stay lower. That will boost worker confidence and help in the restoration of child care services and schools re-opening with fewer restrictions.
2. Wages, benefits and working conditions will have to continue to improve. It will remain a worker's market for the foreseeable future, and they'll play it to their advantage. No doubt that puts a strain on some businesses, but it's not a bad thing overall, as wages have long lagged other economic gains.
3. We can't say it enough, but patience. It will take still more time to for the enormous shock of COVID to the economy, to business and to labor, to settle out. You can't rattle the economy so massively and simply expect things to return quickly to normal. It may be another year before we can

even begin to fathom the new normal.

Industry Jobs: Ventura County had a weak recovery in jobs in December, up by a net 500 jobs, comprised of 1,300 NonFarm jobs, offset by a decline by 800 in Farm.

The loss in Farm jobs appears seasonal, now at 22,600, keeping us at an even number from one year ago and, encouragingly, up 900 over December 2019.

In total, for all jobs year-over-year, we gained what is in many ways a very strong 13,600 jobs, though for the longer context, that leaves us still 14,400 short of December 2019. In other words, and not surprisingly considering Omicron, we've not yet recovered even half of the jobs lost since prior to the pandemic.

As noted above, the gains we did secure in December were not widely distributed.

- Three major sectors—Construction, Manufacturing and Private Education & Health Services—all had no change in December. That's particularly concerning for Health Services, which is down still 1,700 from pre-pandemic levels. The impacts of COVID continue to strain the health services sector, causing huge demand for recovery care at the same time as diminishing capacity and attention for other health needs.
- Another three major sectors—Mining, Information and Professional & Business Services—all gained just 100 jobs each in December. Two of these, Mining and Professional & Business Services have proven resilient through pandemic, though Information (e.g., publishing, telecommunications, motion pictures), is down some 20%, or 1,000 jobs, since December 2019.
- The Other Services sector lost another 100 jobs in December, reversing what had been a fairly slow but steady recovery. The sector remains down by 1,300 since December 2019, or off by more than 13%.
- Local Government Education dropped 200 jobs in December, likely both a bit seasonal and a bit Omicron, leaving it down still a whopping 2,300 jobs, or 10.1%, since just two years ago.
- As noted above our gains were concentrated in only two sectors, Retail Trade, up a seasonally anemic 500 (and off by 3,200 since December 2019) and Leisure & Hospitality, up 600 in December. While Leisure & Hospitality is up a strong 7,700 year-over-year, it's still down by 4,200 jobs, or 10.8%, since prior to the pandemic.

Unemployment Rate in the Statewide Context: Looking at statewide standing, Ventura County gained one slot, to 19th among California's 58 counties. For a broader comparison, our 4.2% unemployment has us ahead of California, at 5.0%, though behind the U.S. as a whole, at 3.7%.

- Looking at our neighboring counties, Santa Barbara County, at 4.0% dropped four slots to 13th, and San Luis Obispo remained in 6th, at 3.5%. Los Angeles gained 8 slots, to 44th, improving from 7.1% in November to 6.2% in December, and Kern gained a slot to 53rd, at 7.7%.
- The top five counties remain unchanged, Marin holding on to number 1 at 2.7%, San Mateo 2nd at 2.8%, Santa Clara 3rd at 2.9%, San Francisco 4th at 3.0% and Placer 5th at 3.3%. Completing the top ten are San Luis Obispo tied for 6th with Sonoma at 3.5%, Nevada and Orange tied for 8th at 3.7%, and Alameda, Calaveras and El Dorado all tied for 10th at 3.9%.

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

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

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