



THE LATEST ECONOMIC 411

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Labor Market Report for May 2022

The California Labor Market Information Division (LMID) released its May 2022 report last Friday, Ventura County breaking for the second month in a row our lowest recorded unemployment rate going all the way back to 1990, down from 3.0% in April to 2.7% in May. While both April and May were record-setting, the May number is truly remarkable, the first time in at least 32 years that Ventura County has dropped below three percent. For the May data, click [here](#).

That noted, you may recall from our prior recent reports that we've become less interested in the unemployment rate as an indicator of our economic health, and more focused on the size of our total labor force and the total numbers of employed workers and industry jobs. On each of those fronts we at least moved very moderately in the right direction in May, but not enough to suggest that our local economy is anywhere near fully recovered.

For a look in more detail, Ventura County has 9,000 fewer employed workers than we did the year prior to the pandemic and 6,900 fewer industry jobs. That's a whole lot of lost productivity, earnings and incomes.

The primary reason our unemployment rate is so low is that we've also had 10,900 workers completely drop out of the labor force since the start of the pandemic. These folks are considered neither employed nor unemployed, rather they're wholly excluded from the calculation of the unemployment rate. If they were to be included in the ranks of the unemployed, our unemployment rate would be about 5.2%, nearly double the current number of 2.7%.

To be fair, these are people not looking for work, so not formally unemployed. Some have moved out of the area; some still taking care of family members as schools, child care and elder care centers recover; some still concerned about catching COVID; others holding out for better jobs, pay and benefits. Whatever the cause, for the moment they're not working, so we have fewer residents contributing their talents to the labor economy.

Industry Jobs/Job Creation: As noted above, we're still down some 6,900 industry jobs since May 2019, the last comparative for the month of May prior to the impacts of the pandemic.

For the month of May 2022 we had a net gain of 2,500 jobs, split just about evenly between Farm, up 1,300 jobs, and Nonfarm, up 1,200 in all other industries combined.

One upside in the industry data is that it appears the Farm sector has recovered the jobs lost during the pandemic, now at 28,400, pretty much on par with recent pre-pandemic levels. That aside, there remain other concerns in the Farm and food systems economy, of course, not least being access to water and other environmental constraints, the state of domestic and global markets, and access to labor.

Looking at the other major Nonfarm sectors, five added jobs, four lost jobs and

one, Construction, remained unchanged.

For job gains:

- Manufacturing gained 100 jobs, to 26,500, up 200 from one year ago though still down 300 from prior to COVID.
- Information, a relatively small sector including publishing, recording and broadcasting, gained 200 jobs, up to a total of 4,300, up 400 year-over-year though still down 600 from pre-COVID levels.
- Leisure & Hospitality was the big winner in May, adding 1,200 jobs and helping to fill employer demand as we move toward summer and more active travel. At 37,900 we're still down 1,000 jobs from the year prior to the pandemic but given the enormous job loss—all the way down to 25,200 during the worst of the pandemic—this is extraordinary recovery and moving still in the right direction.
- Other Services gained 100 jobs in May, now at 9,400, though still down 700 since the start of the pandemic.
- Local Public Education also had a strong month, adding 500 jobs, now at 21,100, up 1,400 year-over-year, yet still down 800 from prior to COVID. As we go into the summer months we routinely see job declines in this sector, so it won't truly be until September and October that we'll be able to tell how well it has recovered.

For job losses:

- Retail Trade dropped 200 jobs in May, down also 1,400 jobs since prior to the pandemic and, as routinely noted, continues a slow steady decline with the shift in shopping behavior to more on-line purchasing. The Retail losses had been offset over the last several years by jobs added in Transportation and Warehousing, but those gains have largely been flat in recent months and are no longer enough to offset the losses in Retail.
- Financial Activities dropped 100 jobs in May, at 15,300, also down 100 year-over-year and still down 700 from prior to COVID.
- Professional & Business Services shed 400 jobs, to 43,700, essentially flat year-over-year and down by 1,100 since the onset of COVID.

Unemployment Rate in the Statewide Context: Ventura County's 2.7% unemployment rate puts us ahead of both California and the nation as a whole, now both at 3.4%. Though our 2.7% rate is truly extraordinary, in the broader context of California's 58 counties it's only good enough to rank 14th, one notch improved from our rank of 15th in April.

- Looking at our neighboring counties, Santa Barbara County improved by one slot to 9th, now at 2.4%. San Luis Obispo remained in 5th, at an astounding 2.1%. Los Angeles fell back four slots, to 46th, at 4.5%, and Kern remained in 54th, at 6.0%.
- The top tier had little change, with San Mateo remaining 1st at 1.7%, Marin and Santa Clara tied for 2nd at 1.8%, San Francisco 4th at 1.9%, and San Luis Obispo and Placer tied for 5th at 2.1%. Completing the top ten are Sonoma and Napa tied for 7th at 2.3%, and Orange, Santa Barbara and El Dorado tied for 9th at 2.4%. Alameda and Nevada counties are tied for 12th at 2.5% and Calaveras, Inyo and San Diego are tied with Ventura County in 14th.

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

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

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