



Labor Market Report for August 2022

The California Labor Market Information Division (LMID) released its August 2022 report on Friday, the overall data showing little change, though an uptick in the Ventura County unemployment rate, from 3.2% in July to 3.5% in August. That increase, however, had less to do with any loss in jobs—in fact, Ventura County had zero change in total industry employment, from July to August—rather its cause was by a change in the total participating in the labor force, specifically by an increase in the total number of officially unemployed workers, up from 13,100 in July to 14,300 in August. We'll unravel that best we can a bit more in our commentary below. For the official August data, click [here](#).

Labor Force and Employment: What's most interesting about the August data is the volatility, that is, by the mix of industries that gained or lost jobs. As noted above, Ventura County had a net zero month-to-month change in total jobs, but that doesn't mean that the labor market wasn't full of action. For example, we had a net loss of 1,600 jobs in Farm, offset by 1,600 jobs gained in the Nonfarm sectors. But within the several major Nonfarm sectors we had a gain of 2,600 jobs in August, offset by a loss of 1,000. Point being, while the zero net change suggests a dull month, the larger movement in the pluses and minuses suggest an increasingly vibrant interaction between workers and business.

To unpack this volatility a bit, when the dust settled at the end of August, we had a gain of 1,400 workers entering the Labor Force—that is, the Labor Force is comprised of the total of all employed workers plus all officially unemployed workers actively looking for work—with all but 200 of that increase comprised of unemployed workers. What we think that means is that many of the workers that picked up one or another of the 2,600 new jobs came from off the sidelines, formerly potential workers "not in the labor force," so not previously considered unemployed. On the other side of the labor market equation, we're estimating that most of the 1,200 newly unemployed workers came from that loss of 1,600 jobs in Farm (or perhaps also from the 1,000 jobs lost in other Nonfarm sectors).

Finally, to summarize this part of our report, while Ventura County didn't show any gain in total jobs in August, we did draw more workers into the Labor Market, a good thing overall, as with more workers actively looking for work, there's more human capital from which business might draw talent and contributions.

Industry Jobs/Job Creation: As pointed out above, there was a lot of movement in August, both gains and losses. This represents a significant improvement over July, however, when Ventura County lost a total of 4,300 jobs. That noted, August still showed some overall underlying weakness, as fully half of the 2,600 gains in the Nonfarm sectors were by a gain of 1,300 Public Education jobs, the result of a bit of an early return to employment coming out of summer recess. Still, whether early or not, for positive news Public Education employment appears now to be fully recovered to pre-pandemic levels, at 18,900 jobs in August. This is good news not only for teachers and other education workers, but also for the students, who, without schools in regular session, have lost so much instruction over the last two years.

The other contributors to job gains include:

- Retail Trade gained 300 jobs in August, at 36,500 also up 300 year-over-year. Though not necessarily a longer-term trend, it appears that Retail jobs are stabilizing a bit, or at least slowing the sector's long-standing trend for decline.
- Financial Activities gained 200 jobs, showing no change year-over-year but down only 200 jobs from prior to pandemic. As noted in previous reports, this sector showed little change in overall employment through COVID, as the jobs were retained by social distancing (which is not to say that the sector hasn't also absorbed some enormous disruptions to its processes and practice).
- Professional & Business Services was the other big gainer in August, adding 600 jobs, now up 900 year-over-year and up 300 since prior to pandemic. At 45,000 jobs, this is one of our largest sectors (second only to private Education & Health Services). This sector has also remained relatively stable

- through the pandemic, though this is the first month I can recall that it has exceeded pre-pandemic employment.
- Private Education & Health Services gained for the second month in a row, up 200 in August after up 600 in July. Having suffered a lot of volatility through COVID (characterized by unpredictable month-to-month ups and downs), the sector appears to be stabilizing a bit, now steadily ahead of its pre-pandemic levels, though not by a lot, at a current 49,800 compared to 49,500 in August 2019. We expect, however, to see more gains here in the near term going forward, as the last month prior to the pandemic's impacts on employment the sector was all the way up to 51,500, its all-time high. There's clearly still some ground to recover.

Moving in August in the other direction, several major sectors had losses:

- Construction dropped 300 jobs in August, now up only 100 year-over year and just 100 over its pre-pandemic level in August 2019. While it's encouraging that Construction remains ahead of its pre-COVID levels, we're hoping for a lot more job creation going forward, as the new federal infrastructure investments start to take hold.
- Manufacturing lost 100 jobs in August, though at 27,000 remains up 300 from one year ago and up by the same number over its pre-pandemic standing. As noted in prior months, this sector has shown a lot of stability, consistently now remaining just ahead of pre-COVID levels.
- Leisure & Hospitality dropped 500 jobs in August, after three months of extraordinary gains, totaling 2,800 jobs from May, June and July combined. We're not discouraged by the August data, however, as this might at least in part reflect a correction from the prior month numbers. And by all other indicators (total occupancy, price), the hospitality sector continues to grow locally faster than projected, with its most persistent constraint being only the recruitment of workers to fill vacancies.
- Other Services dropped 100 jobs in August, though at 9,500 jobs is only down 100 from its pre-pandemic level. As previously noted, this is a small but diverse sector, hard hit with steep declines during COVID, so it's encouraging to see it return to near its prior standing, suggesting some stability across a wide variety of service occupations and businesses.

Unemployment Rate in the Statewide Context: Ventura County's 3.5% places us at 22nd among California's 58 counties, down two slots from July, though we remain ahead of California as a whole, at 4.1% and ahead of the U.S. at 3.8%.

- Looking at our neighboring counties, Santa Barbara gained two slots, dipping into the top ten at 9th, at 2.9%. San Luis Obispo held on to 5th at 2.7%. Los Angeles improved by three slots, to 43rd, at 4.9% and Kern remained in 54th, at 6.7%.
- Placements in the top tier remained mostly unchanged, with San Mateo still 1st, though up from 1.9% in July to 2.1% in August (just about every CA county increased by a couple of tenths in August). Santa Clara and San Francisco remained tied for 2nd now at 2.3%, Marin dropped a slot to 4th at 2.4%. San Luis Obispo remained in 5th, up from 2.5% in July to 2.7% in August. Completing the top ten are Placer, Sonoma and Napa counties tied for 6th, at 2.8%. Santa Barbara alone in 9th at 2.9% and El Dorado, Nevada and Orange tied for 10th at 3.0%.

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](#).

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