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The logo for Economic Development Collaborative (EDC) features the letters 'EDC' in a white, bold, sans-serif font inside a dark blue square.

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An aerial photograph of a valley with rolling hills, a major highway, and some urban development. The text 'THE LATEST ECONOMIC 411' is overlaid in large white letters.

THE LATEST ECONOMIC 411

BY BRUCE STENSLIE, EDC PRESIDENT/CEO

Labor Market Report for September 2022

The California Labor Market Information Division (LMID) released its September 2022 report on Friday, the overall data showing some positive change, including a net gain of 2,100 industry jobs and an improvement in the unemployment rate, from 3.5% in August to 3.3% in September.

Most encouragingly, the improvement in the unemployment rate came as a result of a gain by 3,100 more workers reporting employment and, happily, by a decline of 900 workers reported as unemployed.

Or put another way, our unemployment rate improved not because workers were dropping entirely out of the labor market (as has been the case for several recent months), rather, as we so strongly prefer, because more workers were taking jobs. This is good both for workers and their earnings as well as for employers who have been struggling to find workers to take their jobs. That noted, the gains varied widely across the key industry sectors. We'll share more on how that played out by industry in our comments below. For the official September data, click [here](#).

Labor Force and Employment: Though in our opening comments above we refer to September's labor market gains as "encouraging," it's important to note that Ventura County is still down 7,200 workers since prior to the pandemic. As we've noted in prior months, that decline is the combination of several factors—an aging society and increasing rate of retirements, women remaining at home for lack of childcare, others applying a more discerning eye on the labor market, holding out for better pay and benefits, among several of the causes. We are encouraged that the current estimate is for only 13,500 unemployed workers, but our enthusiasm is tempered by knowing that the region is not benefitting from the productivity of another 7,200.

Industry Jobs/Job Creation: Similar to August, the industry data reveals a continuing volatility. While Ventura County is up a net 2,100 jobs as reported by employers in September, the jobs were concentrated in only four of the twelve major sectors, with losses in five and no change in three.

The contributors to job gains include:

- Farm added 100 jobs in September and is up 800 year-over-year. For some good news, Farm is up 600 since September 2019, the best month for benchmark comparison prior to the pandemic. The Farm sector continues to face challenges, however, in access to labor and water and for worker safety, but appears mostly to have weathered the pandemic.

- Manufacturing gained 200 jobs in September, up 700 year-over-year and up 200 over its pre-pandemic level. The manufacturing sector also faces all sorts of challenges—mostly in supply chain interruptions and global unrest—but locally, on net, has remained relatively steady through pandemic. Most encouraging, however, is the continuing growth and diversification in the region's biotechnology and related subsectors.
- Private Education & Health Services gained 900 jobs in September, now on a three-month run up of some 1,700 jobs (and up 2,400 year-over-year), suggesting that health care services and jobs may be normalizing some. Unlike manufacturing, the Health Services sector has faced enormous disruption and instability since early 2020. The good news is that the sector's current employment has caught up to pre-pandemic levels. The not-so-good news is that the sector has lost some two and a half years of its prior trend for regular and steady growth, and hospitals and clinics are struggling to find the workers they need to respond to the pent up demand for non COVID-related services.
- Public Sector Education was responsible for the month's greatest gains, up 1,900 jobs in September, now actually 800 ahead of September 2019, prior to the pandemic. This is great news for teachers and support staff, schools, students and families.

The major sectors losing jobs in September include the following:

- Retail Trade dropped 100 jobs in September, at 36,300 up only 300 year-over-year. As noted last month, Retail sector jobs appear to have stabilized a bit, good news compared to the last decade's trend for steady jobs losses.
- The Information sector dropped 100 jobs too, showing no signs of recovering the jobs lost during the pandemic. This is a very small sector—only a current 4,100 jobs, concentrated in newspaper and media networks, telecommunications, software, radio and television, motion pictures, video and sound recording—but important within the larger creative economy. The sector remains down a full 1,000 jobs since September 2019, or a loss over the last three years of some 20% of its productivity.
- Financial Activities lost 400 jobs in September, down 300 year-over-year and down 600 since September 2019. These declines notwithstanding, compared to most other sectors, Financial Activities has been stable through the pandemic era.
- Professional & Business Services dropped 200 jobs in September, though is up 1,100 year-over-year and down only 100 since prior to pandemic. At 44,500 jobs, this is one of our largest sectors (second only to private Education & Health Services) and, similar to Financial Activities, has remained relatively stable through the pandemic.
- Leisure & Hospitality lost 200 jobs in September, though the sector has been on an extraordinary run, up 3,300 jobs year-over-year and down only by 400 compared to September 2019. The hospitality sector continues to grow locally faster than projected, with its most persistent constraint being only the recruitment of workers to fill vacancies.

As noted above, three sectors showed no change in September:

- Mining was unchanged at 900 jobs, essentially unchanged for roughly the last seven years. Taking a longer look back, the sector hit a high mark around the year 2010 at 1,300 jobs and a low mark of 600 to 700 jobs, for a five to six year stretch, from around December 1999 to early 2005.
- Construction was unchanged at 17,900, up 800 year-over-year and up 400 since prior to pandemic. While there's been only slow growth the last few months, there is plenty of optimism around new investments in infrastructure going forward.
- Other Services was also unchanged in September, though up 500 year-over-year. At 9,500 jobs, the sector is down only 100 from its pre-pandemic level. This is a small but diverse sector, hard hit with steep declines during COVID. While the sector appears essentially recovered, we're not anticipating much

new growth over the next year.

Unemployment Rate in the Statewide Context: Ventura County's 3.3% places us at a rather meaningless 23rd among California's 58 counties, actually down one slot from August. Though we remain ahead of California as a whole, which is at 3.7%, we are now tied with the U.S. as a whole, which improved by a whole lot over the month, from 3.8% in August to 3.3% in September.

We say the rankings are "rather meaningless," as the California counties, and even the nation too, are all starting to bunch together in these stunningly low numbers, so unemployment rates by themselves reveal little about the variations among the regions.

- Looking at our neighboring counties, each improved its actual unemployment rates, though with widespread improvements across the state, several fell back a bit in the rankings. Santa Barbara dropped a slot to 10th, to 2.7%. San Luis Obispo held on to a tie for 5th at 2.5%. Los Angeles fell back a slot, to 44th, at 4.5%, and Kern dropped a slot to 55th, at 6.2%.
- Looking at the top rankings in the state, we still have the Bay Area dominating. San Mateo, Santa Clara, San Francisco and Marin have long had a lock on the top four slots, though what's noticeable this month are the several small, rural and mountain counties moving into the top tiers. For a closer look, the counties of Sierra, Nevada, Inyo, Calaveras, Mendocino and Lassen—none with a labor force of more than 50,000, and most considerably less—are all ahead of Ventura County, and several are under 3% unemployment. That's a change from the pre-pandemic era, when the more remote areas of the state suffered chronically high unemployment rates. The unemployment rate gains are likely a combination of the rural areas' formerly marginally employed dropping out entirely, and, especially, working adults moving out to these more remote counties, part of the redistribution of workers in the emerging remote work era.

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

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

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