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

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An aerial photograph of a valley with rolling hills, a winding road, and a large highway interchange. The scene is captured from a high angle, showing the layout of the landscape and infrastructure.

# THE LATEST ECONOMIC 411

BY BRUCE STENSLIE, EDC PRESIDENT/CEO

## Labor Market Report for May 2023

The California Labor Market Information Division just released its May 2023 report, revealing some volatility in worker turnover but very little change in the major data points. Ventura County's unemployment rate ticked up from 3.6% in April to a still very low 3.7% in May. And while we added a total of 1,800 industry jobs (700 in Farm; 600 in the public sector, mostly in Local Public Education; and a net of 500 gained in all other industries combined), there wasn't enough to draw workers back to the labor force, as we had 1,300 workers drop out in May. Given demand for workers still across several industry sectors, the drop in total labor force is a bit discouraging, as we've been hoping for more workers returning to work. The exact cause for workers staying on the sidelines isn't certain, though we can assume at least some of it is workers still holding out for better pay and benefits or choosing retirement as we continue to age as a society.

For a look at the data, go [here](#) and click on Ventura. For more on changes by industry sector, and for more on Ventura County's relative standing among the state's 58 counties, see below.

### Industry Employment:

As noted last month, for a positive point, Ventura County has now fully recovered and surpassed our pre-pandemic level of jobs. The County is up by 6,900 jobs in all industries, as compared to May 2019, the best baseline controlling for both seasonal change and the impacts of COVID.

For the month of May, however, Ventura County's gains were very moderate in May, up a total of 1,800, summarized in the following:

- Farm added 700 jobs, after a much larger gain of 2,400 in April, likely then hurried hiring following the rains. Now at 30,400, Farm is up 2,700 year-over-year, up 3,000 since prior to pandemic, and running now at nearly an all-time high. That noted, Farm employment is seasonally volatile and subject to fluctuations with crop distribution and lots of other factors, so we should

be careful to generalize based on just a couple of months of data.

- Mining (oil and gas) remained unchanged at 1,000 in direct employment, with little change historically month-to-month. As noted last month, the Mining industry range for Ventura County is as high as 1,300, last reached in December 2014, and a rare low of 800 in early 2018 and once during pandemic. One thousand jobs is the stable norm.
- Construction gained 200 jobs in May, up to 17,900 but up just 100 year-over-year. We remain hopeful that hiring may continue to grow, as local jurisdictions approve new housing. That said, the Construction sector will be slowed by macro-economic indicators, specifically, high interest rates, and continuing attitudes of “not in my backyard.”
- Manufacturing gained 100 jobs in May, now at 27,100. For a bit of encouraging news, Manufacturing is showing to be strong, up by 800 since prior to pandemic.
- Retail Trade, at 36,200, was unchanged in May and remains our least recovered sector since prior to pandemic, still down 1,500 jobs since May 2019. The small retailers took a big hit through COVID, and the on-going shift to on-line purchasing will continue to restrain recovery.
- Financial Activities dropped 200 jobs in May, now at 15,200, unchanged year-over-year, and still one of Ventura County’s few sectors not recovered since pandemic, off by 700 jobs since May 2019. We suspect this is tied to the Insurance subsector, which has been shedding jobs since going back to just after the Great Recession, with Bank of America in Simi Valley downsizing and Farmers Insurance sending jobs just across the border into Los Angeles County. That all noted, our relative number and scale of Financial Activities jobs remains high.
- Professional and Business Services, also a very large sector with 43,900 jobs, lost 400 jobs in May. The sector is struggling a bit as it’s still off 800 year-over-year. We had previously reported the sector reached recovery since pre-pandemic, but with the current losses it’s now down 300 since May 2019. That noted, the percent drop over the last four years is hardly measurable. What is concerning, however, is the lack of growth, considering the sector is comprised of a broad range of occupations, from entry level to high end.
- Private Education and Health Services continued what is now a strong trend of job gains over the last several months, adding another 300 in May. The sector is now up a whopping 2,700 jobs year-over-year. This overall growth trend isn’t actually surprising, considering that even while COVID created a demand for health crisis services, throughout the pandemic years other more regular health services waned and jobs declined. The jobs are coming back, though hospitals and other health care employers continue to report challenges in filling vacancies.
- Leisure and Hospitality—another very large sector, with 39,300 jobs—gained 300 in May, up 1,700 year-over-year though up by just 400 since May 2019. Local industry leaders, however, note extraordinary progress in filling room nights and recovery on overnight rates and spending in travel and tourism. This is very much a bright spot on the local economy, with room still to grow.
- Other Services gained 200 jobs to reach an even 10,000, up 400 year-over-year and up by 300 since May 2019. This now represents a few months of recovery over pre-pandemic levels, good news for a sector and set of

occupations and workers that were particularly hard hit by COVID.

- Local Government Education added 400 jobs in May. Now at 22,000 the sector remains off by only 200 jobs since prior to COVID. As we head into summer recess we'll see declines in this sector over the next few months, then recovery come Fall. The huge question for jobs looking ahead is will our school enrollment numbers be up enough to generate enough hiring to reach recovery. We sort of doubt it, as we're very much an aging community, fewer kids in schools, fewer teachers. That may change a bit to the positive as local districts begin to implement Universal Pre-Kindergarten, but we don't expect to see much hiring for that yet in Fall 2023, with hiring to pick up more after about 2025.

**Unemployment Rate in the Statewide Context:** Ventura County's relative showing in unemployment rate among the state's 58 counties dropped one slot from 13th to 14th. At 3.7% we continue well ahead of the state as a whole, at 4.5% in June, yet still trail the nation which is at 3.4%.

Looking at our neighboring counties, Santa Barbara jumped all the way from 17th in May to a tie for 10th in June, at 3.5%. San Luis Obispo County, still at 3.0%, finally broke out of its long-held tie for 5th and moved into a tie for 2nd with San Francisco and Marin. Los Angeles County dropped four slots, from 26th to 30th, at 4.8%. Kern County dropped from 52nd to 54th, at 8.6%.

Here's a summary of the top ranked counties: San Mateo is alone in 1st at 2.7%. San Francisco, Marin and San Luis Obispo are tied for 2nd at 3.0%; Napa is alone in 5th at 3.1%. Orange and Santa Clara counties tied for 6th at 3.2%. Sonoma is in 8th at 3.3%, Placer 9th at 3.4%. Inyo, Santa Barbara, and San Diego tied for 10th at 3.5%. El Dorado is 13th at 3.6%, and Alameda, Contra Costa, Nevada and Ventura Counties tied for 14th at 3.7%.

Unemployment rates by county are variously displayed in the state's [interactive mapping resources](#).

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