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Labor Market Report for October 2023

The California Labor Market Information Division has released its October 2023 report, showing job growth in Ventura County across just about all industry sectors and losses in none.

For the most encouraging news, now at 349,600 total industry jobs, Ventura County is up by more than 10,000 jobs since just prior to the pandemic.

While that's extraordinarily positive for overall recovery, the major labor market indicators are still a bit mixed, as we had a slight uptick in October in the number of unemployed workers and in the unemployment rate, up from 4.4% in September to 4.5% in October. To be clear, the unemployment rate is up not because we're failing to create jobs, rather because more workers are coming back to the labor force and because volatility, or churn—workers changing jobs—remains high.

Volatility aside, the mix of job growth and a still very low unemployment rate represents good news for the region. For the monthly data, click here and follow the drop down menu by County.

More on Labor Force Trends: Over the last year or two we have commented regularly on COVID's impact to the labor force, specifically about workers' hesitancy to come back to the labor force, about some who have left the region, about barriers to returning to work (such as the lack of child care), and about workers holding out for better pay and working conditions.

While the overall trend is for workers to be returning to work, recent national research by the Federal Reserve Bank of St. Louis found that there remains one enormous group of workers not coming back. That group is some 2.4 million older workers who have taken an unexpected early retirement, partly because they could afford to and partly because work during COVID became so much less available and often even less desirable.

In the decades prior to COVID, the trend had been for workers staying in the labor force longer, so that even with slow birth rates and—more recently—limitations to immigration, our labor force participation remained high. Today's tight labor market is now becoming less about workers holding out and simply more about demographics. We're an aging society—and particularly so in central coast California, where fewer younger families find the region affordable—and one result is employers struggle to find workers.

Demographics aside, it's still important to recognize that workers have become savvier consumers of the labor market in the COVID-recovery era, such that employers that offer more in pay and benefits, and especially in culture and purpose, are finding competitive advantage versus those that don't.

Industry Employment for the second month in a row was uniformly strong—though stronger this month than last—across just about all sectors.

We had declines in none of the major industries, and only two—Mining & Logging and Manufacturing—holding unchanged.

The notable gains were as follows:

- Farm was up by 300 on the month, 1,100 year-over-year, now at 26,800. That's up 3,800 since pre-pandemic. While some of that may be seasonal volatility, the growth is still impressive by any estimation.

- Construction gained 300 jobs, 400 year-over-year to a current 18,300, but is up only 600 since prior to pandemic.

- The Trade, Transportation and Utilities sector was up 500, to 58,000, with gains in October in both Wholesale and Retail Trade. Growth and recovery in this sector, however, has been slow, up only 400 year-over-year and still down by 700 jobs since prior to COVID. Put simply, the gains across the county in warehousing and delivery are not enough to offset the decline in Retail.

- Financial Activities gained 200, up 600 year-over-year, to a current total of 16,000, finally back to our pre-pandemic baseline, or exactly the same number we had in October 2019.

- Professional and Business Services gained 300, to a current total of 43,600, but is our only major sector that lost jobs year-over-year, down 800 from October 2022. What's interesting is that the losses are concentrated almost entirely in the Employment Services subsector, down 700 year-over-year and down from 8,800 in October 2019 to a very low 6,400 in 2023. While most of the larger Professional & Businesses Services sector did well through COVID—able to manage by social distancing and remote work—the Employment Services sector has apparently taken the brunt of the COVID era worker resignation.

- Private Education and Health Services gained a stunning 1,400 jobs in October, up 3,400 year-over-year and up by 5,800 since November 2019. That's a strong and encouraging record of growth for a sector so impacted by COVID and also so dependent on technically trained workers. Still, employers express concern for access to skilled workers and for the need for training pathways so essential both nationally and regionally.

- Leisure and Hospitality was up by only 100 on the month but by a still impressive 2,500 year-over-year and by 4,400 since prior to COVID. At a total of 40,300, the jobs data is a strong indicator that Ventura County has become increasingly competitive in the very crowded California travel and tourism market.

- Finally, Local Government Education added 700 in October, to 21,500 (the monthly gain likely just residual reporting from the seasonal return to school), but up only 100 year-over-year, suggesting that even though we're still down 600 jobs since prior to COVID we're pretty much done in this sector with recovery, with the lower jobs total tracking to lower enrollments.

For a look at monthly comparatives, Ventura County is currently tied for 23rd out of the 58 counties, down from 20th in September. While Ventura County faded by one-tenth of a percent in unemployment rate, from 4.4% to 4.5%, the state as a whole improved from 4.9% to 4.8%. Meanwhile, the U.S. remained steady at 3.6%.

For a check-in with our neighboring counties, Santa Barbara remained in 8th though improved from 3.9% to 3.7%. San Luis Obispo improved from 4th to 3rd, moving from 3.7% to 3.5%. To the south, Los Angeles had a very strong month, improving from 41st to 34th, and from 5.8% all the way down to 5.0%. Looking inland, Kern remained in 54th, though saw gains in the unemployment rate, from 8.1% to 7.5%.

What's a bit unusual this month in the statewide mapping is the higher number of counties—especially small and remote counties—falling in under 5.0%. That noted, the one geographic area that continues to show the highest concentration of unemployment rates is the San Joaquin Valley, an area that's growing in population but struggling with volatility in the Farm sector.

As usual, the top rank counties include all of the Bay Area, with San Mateo in 1st at 3.2%, San Francisco 2nd at 3.4%, SLO and Napa tied for 3rd at 3.5%, Sonoma, Marin and Inyo tied for 5th at 3.6%, Orange County tied with Santa Barbara for 8th at 3.7%, and Santa Clara alone in 10th at 3.8%.

For the monthly comparative data by county, click here. Unemployment rates by county are variously displayed in the state's interactive mapping resources.

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

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EDC SBDC | 4001 Mission Oaks Blvd., Suite A-1, Camarillo, CA 93012