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The logo for Economic Development Collaborative (EDC) features the letters "EDC" in white on a dark blue square background.

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An aerial photograph of a valley with rolling hills, a winding road, and a highway. The title "THE LATEST ECONOMIC 411" is overlaid in white text on a dark blue banner across the middle of the image.

THE LATEST ECONOMIC 411

BY BRUCE STENSLIE, EDC PRESIDENT/CEO

Labor Market Report for December 2023

The California Labor Market Information Division has released its December 2023 report, showing little change for Ventura County in net industry employment—up by only 100 jobs, November to December, and no change to the unemployment rate, at 4.7%. That rate puts Ventura County ahead of the state as a whole, which is at 5.1% unadjusted, though trailing the U.S. average at 3.5%.

There are a couple of indicators that especially disappoint this month, specifically, the total Labor Force and the total number of employed workers. The total labor force is down, month-over-month, by 2,300, to 417,400. That's 6,400 fewer workers in the total labor force since prior to the pandemic. More concerning is the decline by 11,200 employed workers over the same time.

The drop in the total Labor Force, along with the drop in employed workers, represents a lot of lost productivity, lost household income and a strong reminder that workers continue to struggle to recover from the disruption caused by COVID.

On the more positive side of things, though still confounding, is that while Ventura County is down by 11,200 employed workers since December 2019, over the same time period we've added 10,400 industry jobs. Or put another way, the resident workforce is down, while industry or payroll jobs are up. Businesses are recovering well relative to demand for products and services, but they continue to struggle to fill vacancies. That's a mix of data points we haven't often or ever seen at this scale—at least until all the disruption during this "COVID" era.

As we've consistently reported since early during COVID, the causes for labor force decline are many, including workers holding out for better pay and working conditions, workers leaving the area, and workers retiring far faster than they're being replaced by young workers or by workers moving to the region. Whatever the cause, it means that employers are still needing to offer more—in wages and benefits, in culture and purpose—to fill vacancies.

We are hopeful that the labor force decline in December is only a momentary setback. Prior to December, the several month trend had been mostly positive, with workers coming back into the market. Given all that happens during the holiday season, we'd caution that December is not a good base for projecting trends.

That all noted, whether the labor force will catch up to job creation, and whether the relatively strong run of job creation will continue, will be the major questions and indicators to watch in 2024.

For the monthly data, click [here](#) and follow the drop down menu by County.

Looking more closely at industry data, overall job growth in December was weak, with a net gain of only 100 jobs, with moderate gains in four major sectors, losses in four and no change in three:

For the gains:

- Retail added 100 jobs, completing a very weak showing in holiday hiring.
- Professional & Business Services added 100 jobs, but is down 1,300 year-over-year.
- Leisure & Hospitality was the lone bright spot, up by 400 on the month and 2,800 year-over-year.
- Local Government Education added 100, up 600 year-over-year, but far more importantly, at 21,900 jobs this sector has finally caught up to and surpassed its pre-pandemic level.

For the losses:

- Construction dropped 100 jobs, not unusual for a sector that may have slowed owing to the holidays.
- Information, a relatively small sector in total jobs, currently at 3,800, dropped 100 in December, but more notably, is down 1,400 jobs since prior to COVID. Given the sector's mix of businesses and occupations, which includes a high concentration in the entertainment industry, we're thinking its overall decline and lack of recovery is mostly attributable to the long 2023 writers and actors strikes. On the upside, with agreements among the studios, producers and guilds recently secured, we anticipate some recovery soon and throughout 2024.
- Financial Activities shed 300 jobs in December, which puts it also exactly 300 jobs short of its pre-pandemic level. This sector has been mostly stable through COVID, as the businesses and occupations could manage well by social distancing.
- Private Education & Health Services dropped 100 in December, but is up 4,100 year-over-year and by 5,800 jobs since prior to COVID, showing an extraordinary recovery and growth.

Finally, as noted above, several sectors—Farm, Manufacturing, and Other Services—had no change in December.

Most notable among these is Farm, which is up by 2,100 jobs year-over-year and by 4,200 since December 2019, just prior to pandemic. While understanding there may be lots of month-to-month and year-over-year volatility in the Farm sector, the increase appears to reflect an actual and viable increase.

For a look at monthly comparatives, Ventura County ranks 19th among California's 58 counties, an improvement by four slots since November and October. As noted above, Ventura County's unemployment was stable from November to December, at 4.7%, while California's rate moved from 4.9% to 5.1%. The U.S. average remained unchanged at 3.5%.

For a look at our neighboring counties, Santa Barbara faded from 9th to 15th, as its unemployment rate rose from 3.9% in November to 4.5% in December. San Luis Obispo remained the jewel of the central coast, sitting in 3rd statewide at a very low 3.6%.

To the south, Los Angeles, stable at 5.0% unemployment, on a comparative basis continues an incredible pace of improvement, from 41st in October to 34th in November and now all the way down to 22nd in December.

To the inland, Kern improved one slot, from 53rd to to 52nd, though its unemployment rate moved upward from 7.8% in November to 8.7% in December.

For the top counties, San Mateo remains in 1st at 3.2%, San Francisco 2nd at 3.5%, SLO 3rd at 3.6%, Marin 4th at 3.7%, Orange, Santa Clara and Sonoma tied for 5th at 3.8%, and rounding out the top ten, Placer is alone in 8th at 4.0%, Napa 9th at 4.1% and rural and small population counties Inyo and Nevada tied for 10th at 4.2%.

Also ahead of Ventura County are San Diego and Mono tied for 12th at 4.3%, El Dorado 14th at 4.4%, and Alameda, Calaveras, Contra Costa and Santa Barbara all tied for 15th at 4.5%. Ventura County is tied with Sacramento for 19th at 4.7%.

For the monthly comparative data by county, click [here](#) and scroll down to the Unemployment Rate and Labor Force Data for California Areas Detailed PDF's. Unemployment rates and related data by county are variously displayed in the state's [interactive maps and data tools](#).

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