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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 highway. The scene is captured from a high angle, showing the terrain and infrastructure. The text "THE LATEST ECONOMIC 411" is overlaid in white on a dark blue semi-transparent banner across the middle of the image.

# THE LATEST ECONOMIC 411

BY BRUCE STENSLIE, EDC PRESIDENT/CEO

## Labor Market Report for January 2024

The California Labor Market Information Division released its January 2024 report on Friday, delayed as usual at the start of the year for the state's annual recalibration or revision of the data. The purpose of the annual revision is to better assure alignment of the monthly data with on-going changes in the economy and labor markets. The result can be a bit of discontinuity to what we've been seeing in the prior months, particularly in the industry employment data (more on that below).

Looking at the labor force data, Ventura County experienced the anticipated December to January increase in the unemployment rate, from 4.8% to 5.2%, which correlates to the post-holiday slowdowns in retail and hospitality. More interestingly, the increase in the unemployment rate appears to be largely attributable to an increase in the total labor force. "Total labor force" is the total of the number of residents age 16 and over that are working plus the number of officially unemployed, which is defined as folks not working but actively looking for work. The County had a small increase in the number of employed workers, but a more sizable increase from December to January in the number of unemployed but looking for work, from 19,700 to 21,400. It's that increase in the number of unemployed that drove up the unemployment rate.

While the unemployment rate is up, we take the increase in the total labor force as a good sign for the economy and local labor markets. Employers having more workers to choose from in the pool of available workers (or put another way, more workers competing for job openings) alleviates some of the pressure we've seen since COVID by employers struggling to fill vacancies. In the COVID recovery era, our concern has been less about the return and growth of jobs—which has been relatively robust—and far more about the availability and/or willingness of workers to take the jobs.

That all noted, our main concern remains that we need more jobs paying a living wage, especially in consideration of the cost of housing and inflation generally.

For the monthly data, click [here](#).

**Looking at industry data**, Ventura County dropped a total of 5,200 jobs from December to January, with losses distributed across just about every industry. On the upside, we're still up 7,300 total jobs year-over-year, all but 900 in the private sector. Some of the more notable sector changes include:

- Farm fell by 1,100 jobs, likely a result of rain and other seasonable adjustments. Even with the monthly loss, however, Farm is up 1,100 year-over-year and continues on a high pace of performance.
- Construction dropped 600 jobs, though remains up by 700 year-over-year.
- Manufacturing lost 300 jobs, though remains at the same level—26,600 jobs—as one year ago.
- Retail Trade dropped 900 jobs, wholly expected post holidays. For a surprising and encouraging sign, Retail remains flat year-over-year, at 36,700 jobs, a good sign for a sector that has been trending downward in employment.
- Similar to Retail, the Transportation & Warehousing subsector dropped 300 jobs in January, though also remains flat at 7,400 jobs, year-over-year. This sector had been growing annually with the increase in on-line sales, so maybe what we're seeing is that the sector activity is saturated, its growth flattened out.
- Financial Activities lost 300 jobs in the month and is down 300 year-over-year. This decline is a bit harder to figure, not likely seasonal, so maybe more tied to the annual data recalibration.
- Professional & Business Services dropped 600 jobs, again very possibly related to the annual recalibration (these jobs are generally not impacted by seasonal changes). For a bit of good news, the sector remains up year-over-year by 900 jobs.
- Private Education & Health Services remained unchanged in January, but is up an astounding 3,900 year-over-year. While we anticipate the growth trend to continue, we're not anticipating any near-term fast growth in the sector as we've been caught up to pre-COVID levels for more than a year.
- Leisure & Hospitality took a hit by 800 jobs—at least somewhat routine seasonal—though is up by 400 year-over-year. Food & Accommodation have both been strong in recovery from COVID over the last two years, so while we're not anticipating any near-term fast growth in this sector either, we are expecting a slow but steady growth going forward.
- Finally, Local Government Education dropped 300 jobs in January, and is up only 300 year-over-year. The trend over the last couple of years suggests we've returned to some stability in the education sector, even while we remain concerned about declining enrollments.

**For a look at monthly comparatives**, even while Ventura County's unemployment rate jumped up from 4.8% to 5.2%, our relative standing among California's 58 counties improved from 19th in December to 17th in January. Ventura County remains ahead of the state as a whole, which moved from 5.1% in December to 5.7% in January, though we trail still the nation as a whole, which is at 4.1% in January, up from 3.5% in December.

For a look at our neighboring counties, Santa Barbara continued its recent slide, from 9th in November to 15th in December and now down to 22nd in January, at 5.6%. San Luis Obispo remained the envy of the central coast, sitting in 4th statewide at a very low 4.2% (up from 3.6% in December).

To the south, Los Angeles stabilized a bit in the standings—after an improvement from 41st in October down to 22nd in December—now at 24th and 5.9% unemployment.

To the inland, Kern improved from 52nd to 49th, while its unemployment rate climbed from 8.7% in December to 9.5% in January.

For the top counties, San Mateo remains in 1st, though up from 3.2% in December to 3.7% in January, San Francisco 2nd at 4.0%, Marin 3rd at 4.1%, SLO tied with Orange County for 4th at 4.2%, Santa Clara tied with Mono County for 6th at 4.3%, and rounding out the top ten, Placer and Sonoma tied for 8th at 4.5%, Napa 10th at 4.6%.

For the monthly comparative data by county, click [here](#). Unemployment rates and related data by county are variously displayed in the state's [interactive maps and data tools](#).

Finally, along with our partners [REACH](#) and [Monterey Bay Economic Partnership](#), we're very involved in the [CA Jobs First](#) initiative, with our focus on the Central Coast. In addition to the data noted above on Ventura, Santa Barbara and San Luis Obispo noted above, we see that Monterey—a county very much dominated by Farm and Hospitality—is in 53rd at 10.5%, San Benito 40th at 7.5%, and Santa Cruz 38th at 7.4%. For more on the Central Coast, we encourage readers to take a look at [Uplift Central Coast](#), and particularly the six county [Regional Plan and databook](#).

Questions, comments, please let us know, [bruce@edcollaborative.com](mailto:bruce@edcollaborative.com).

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