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THE LATEST ECONOMIC 411

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Labor Market Report for April 2024

The California Labor Market Information Division released its April 2024 report on May 17 showing a strong monthly improvement in the unemployment rate—down from 4.6% in March to 4.2% in April—though nearly all of that improvement appears to be owing to a drop in the labor force by 4,200 workers and by a gain of 2,600 jobs in Farm. Aside from the Farm sector, the County's net gain of jobs was only 300, making April a very slow month overall for hiring.

The drop by 4,200 workers from the labor force could be fairly concerning. Remember, when workers drop out of the labor force entirely, they're not considered unemployed, so no longer included in the formula to calculate unemployment. Even more to the point, given that they're neither working nor looking for work, they're not contributing to the region's earnings and productivity.

For what's behind the monthly decline of the labor force, we believe it has more to do with the methods of data collection and reporting than to changes in worker behavior or job opportunity, as we've seen a similar drop in the labor force from March to April in every year going back over a decade.

That bit of history is important to note for two reasons: one, given the consistent month-to-month decline over the years from March to April, we don't think it's cause for alarm that we just had a huge drop in the labor force, rather, it's more of a seasonal quirk; and two, we also don't want to get too excited about the month-to-month improvement in the unemployment rate, because of the anemic hiring across just about all other sectors.

For the monthly data, click [https://labormarketinfo.edd.ca.gov/file/lfmonth/vent\\$pds.pdf](https://labormarketinfo.edd.ca.gov/file/lfmonth/vent$pds.pdf).

Looking more closely at industry data, we are starting to be encouraged, seeing that Ventura County is up 2,200 jobs year-over-year and by 5,300 since prior to COVID. These are not huge gains, but it wasn't long ago that we were still hoping just to get back to pre-pandemic levels. We're at least past that, but not yet to the point that the impacts from COVID—and the intense disruptions it caused to all aspects of the economy—aren't still the major influence on labor market behavior and industry performance.

Some of the more notable sector data points include:

- As noted above, Farm had an extraordinarily strong month, gaining 2,600

jobs. But even with that increase, the Farm sector is up only 500 jobs year-over-year.

- Construction added 200 jobs in April, though at 17,800 is down 200 year-over-year.
- Manufacturing also dropped 200 jobs in April. Though down 400 year-over-year, Manufacturing remains at exactly the same level as April 2019, the year prior to the pandemic. While growth over those five years would be preferable, it's encouraging that the sector has been relatively stable and competitive through the pandemic and since.
- Retail Trade gained 200 jobs, up to 36,300, and is up 300 year-over-year. Perhaps too early to make a guess, but the recent trend in Retail may possibly be starting to signal a stabilization after years of decline.
- Financial Activities dropped 100 in April, at 15,100 down 400 year-over-year and down still 800 since prior to pandemic. This is one of just a few sectors that have not yet recovered to pre-COVID levels.
- Professional & Business Services gained 100 on the month and is up 500 year-over-year. At a current 44,100, this is one of our largest sectors and holding steady at the same level it was prior to pandemic. We'd like to say the sector is "fully recovered" from COVID, but the truth is this sector was on a steady stream of moderate growth prior to the pandemic, so we've really lost five years of what had been very strong and encouraging growth.
- Private Education & Health Services gained another 300 jobs in April, and at 56,700 is up a very strong 3,500 jobs year-over-year. As we've routinely noted in recent past reports, this sector continues to lead in job creation, up by 7,300 jobs since prior to pandemic. This is truly extraordinary, considering that the sector fell all the way to 44,900 early during COVID.
- Leisure & Hospitality gained 200 jobs in March, to 38,300, up also by 200 year-over-year. Two thoughts worth mentioning here. First, the sector still has some room to grow, still down 200 jobs since April 2019, the year prior to pandemic. Two, by every means considered, the sector's recovery is stunning, considering that it had fallen all the way to 21,400 early during the pandemic. That's an incredible loss to have suffered, but more important is the sector's resilience and continuing contribution to the region's economy and to regional quality of life.
- Finally, Government dropped 500 jobs in April, with the losses all concentrated in local City and County government. The Public Education subsector was unchanged in April, up 400 year-over-year and off by just 100 since prior to pandemic.

For a look at monthly comparatives, Ventura County gained one slot in April, to 13th among the state's 58 counties. At 4.2%, Ventura County remains ahead of the state as a whole, which improved from 5.4% in March to 4.8%, though we trail still the nation as a whole, which improved from 3.9% in March to 3.5% in April. Similar to March, the April data showed strong improvement across nearly all of California and the nation as a whole.

For a look at our surrounding counties, Santa Barbara improved from 19th in March and 5.1% to a tie for 13th in April, at 4.2%. San Luis Obispo improved by one slot, now in 4th at an extremely low 3.5%.

To the south, Los Angeles had a strong month, improving from 5.2% in March to 4.5% in April, and improving from 21st to 19th in the rankings.

To the inland, Kern dropped from 52nd to 54th, though its unemployment rate improved from 10.1% in March to 9.3% in April.

For the top counties, San Mateo remains in 1st, improved from 3.5% in March to 3.3% in April, San Francisco and Marin tied again for 2nd at 3.4%, San Luis Obispo alone in 4th at 3.5%, Mono County 5th at 3.6%, Orange County dropped two slots to 6th at 3.7%, and Inyo, Napa, Santa Clara and Sonoma all tied for 7th at 3.8%.

Just ahead of Ventura County are Placer in 11th at 3.9%, and San Diego in 12th at 4.1%. Tied with Ventura for 13th and 4.2% are El Dorado, Nevada and Santa Barbara counties.

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](#).

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