

## Industries and Occupations

Matthew Fienup  
*October 23, 2017*

While Ventura County has finally recovered the number of pre-recession jobs, the jobs that have been added do not resemble those that have been lost. Ten years out from the Great Recession, Agriculture, Natural Resources & Mining, Construction, Non-Durable and Durable Goods Manufacturing, Information & Technology, and Financial Activities are all down double digits, with three of these sectors down 20 percent or more. The only two sectors with strong, post-recession job growth are Leisure & Hospitality and Educational & Health Services, which have grown 17 and 32 percent respectively.

California EDD data indicates that job growth was over the past 12 months has been uncharacteristically strong. So much so, that we are forced to take the estimate of job gains with a grain of salt. EDD reports that Ventura County added more than 10,000 jobs in the past year, very close to 3 times the number of jobs created during the previous year. Suspiciously, Non-durable Goods Manufacturing, Durable Goods Manufacturing, and Financial Activities are reported to have added 900 jobs, collectively. This stands in stark contrast to other economic data for these sectors. BEA estimates of real GDP growth indicate that Non-durable Manufacturing declined by 2.43 percent in 2016 and Financial Activities declined by 0.43 percent. Even the numbers for typically strong sectors seem suspicious. Professional & Business Services, Educational & Health Services, and Leisure & Hospitality are reported to have gained nearly 8,000 jobs, more than doubling the previous year's gains. The dissonance between strong jobs data and all other economic indicators lead us to believe that the number of jobs created in each of these sectors is likely to see significant downward revisions by the EDD next March.

Whether the numbers of jobs are accurate or not, the latest jobs report provides evidence that a trend which began during the darkest days of the Great Recession is continuing, if more slowly. High-paying sectors of the Ventura County economy are in decline while low paying sectors are continuing to rise.

<b>Ventura County's Job Market</b>		<i>Changes During the Last Year</i>		<i>Changes Since the Great Recession</i>	
<i>not seasonally adjusted data</i>	<b>Aug-17</b>	<u>Aug 2016 to Aug 2017</u>	<u>Aug 2016 to Aug 2017</u>	<u>Oct 2007 to Aug 2017</u>	<u>Oct 2007 to Aug 2017</u>
<u>Sectors</u>	<i>Thousands</i>	<i>Change-thousands</i>	<i>Percent change</i>	<i>Change-thousands</i>	<i>Percent change</i>
Agriculture	22.6	0.5	2.3	-3.0	-11.7
Natural Resources and Mining	0.8	0.0	0.0	-0.3	-27.3
Construction	15.8	0.9	6.0	-3.0	-16.0
Durable Goods Manufacturing	18.9	0.4	2.2	-4.7	-19.9
Non-Durable Goods Manufacturing	12.4	0.1	0.8	-1.4	-10.1
Wholesale Trade	13.5	0.4	3.1	0.5	3.8
Retail Trade	38.8	-0.7	-1.8	1.4	3.7
Transportation, Warehousing, & Utilities	6.2	0.1	1.6	0.0	0.0
Information & Technology	4.9	-0.3	-5.8	-0.8	-14.0
Financial Activities	17.9	0.4	2.3	-4.8	-21.1
Professional and Business Services	37.1	1.3	3.6	-0.6	-1.6
Educational and Health Services	48.2	4.9	11.3	15.0	45.2
Leisure and Hospitality	38.7	1.7	4.6	6.7	20.9
Personal, Repair, & Maintenance Services	9.9	0.3	3.1	-0.5	-4.8
Government	43.9	0.3	0.7	0.8	1.9
Federal Government	7.3	-0.3	-3.9	0.0	0.0
State Government	2.7	0.0	0.0	0.0	0.0
Local Government	33.9	0.6	1.8	0.8	2.4
<b>Total All Industries</b>	<b>329.6</b>	<b>10.3</b>	<b>3.2</b>	<b>5.3</b>	<b>1.6</b>

*Source: CA Employment Development Department*

Compositional changes to the labor market have important implications when these changes are connected back to the issue of housing affordability in Ventura County. Average salaries in the very sectors which have experienced the strongest increases in jobs can not support a lifestyle which includes home ownership within the County. The median single family home in Ventura County is 11.1 times the average salary in Healthcare and Social Services, 15.8 times the average salary in Educational Services and a staggering 27.4 times the average salary in Accommodation & Food Services. This means that there are social costs to the compositional changes taking place in Ventura County. The jobs being added since the recession often require extraordinary accommodation on the part of the employee – for example, a lengthy commute into the County from more affordable regions far away or packing a large number of individuals into a single family dwelling in order to cobble together enough wages to cover the excessively high rents.

### Ventura County: Industry Data

2001 quarter 4 to 2016 quarter 4

not seasonally adjusted data	Employment (Jobs)	Average Salary - Annualized (thousands of dollars)			
	2016 Q4	2001 Q4	2016 Q4	Change	% Change
AGRICULTURE, FORESTRY, FISHING & HUNTING	24,646	21.3	34.1	12.7	59.7
MINING	929	52.7	89.1	36.4	69.1
UTILITIES	1,035	52.3	113.2	60.9	116.4
CONSTRUCTION	14,309	37.7	60.8	23.1	61.2
MANUFACTURING-DURABLE	18,622	59.3	76.7	17.4	29.4
MANUFACTURING-NONDURABLE	11,761	90.1	105.6	15.6	17.3
WHOLESALE TRADE	12,810	46.6	83.6	37.0	79.5
RETAIL TRADE	41,233	26.0	31.8	5.9	22.5
TRANSPORTATION & WAREHOUSING	4,829	33.6	48.8	15.3	45.5
INFORMATION	5,192	57.0	71.7	14.7	25.9
FINANCE & INSURANCE	13,149	53.2	84.2	30.9	58.1
REAL ESTATE & RENTAL & LEASING	4,263	34.5	60.0	25.5	74.0
PROFESSIONAL, SCIENTIFIC, & TECHNICAL SERVICES	16,156	58.3	88.2	29.9	51.2
MANAGEMENT OF COMPANIES AND ENTERPRISES	1,993	40.9	97.1	56.1	137.1
ADMIN & SUPPORT & WASTE MGMT & REMEDIATION	17,498	25.9	44.4	18.5	71.4
EDUCATIONAL SERVICES	5,196	26.0	35.7	9.7	37.1
HEALTH CARE & SOCIAL ASSISTANCE	36,683	41.0	50.8	9.8	24.0
ARTS, ENTERTAINMENT, & RECREATION	5,294	24.4	32.8	8.4	34.4
ACCOMMODATION & FOOD SERVICES	30,604	14.1	20.6	6.5	45.8
PERSONAL, REPAIR, AND MAINTENANCE SERVICES	8,183	21.9	32.9	11.0	50.6
NON-CLASSIFIED	1,591	54.3	64.3	9.9	18.3
FEDERAL GOVT	7,277	56.8	93.5	36.7	64.6
STATE GOVT	2,032	39.6	59.5	20.0	50.5
LOCAL GOVT	35,528	43.0	58.2	15.3	35.5
<b>ALL INDUSTRIES, TOTAL NUMBER OF JOBS</b>	<b>320,813</b>				
<b>AVERAGE SALARY, ALL INDUSTRIES</b>		<b>40.4</b>	<b>54.3</b>	<b>13.9</b>	<b>34.5</b>
<b>MEDIAN SALARY, ALL INDUSTRIES</b>		<b>41.0</b>	<b>60.4</b>	<b>19.4</b>	<b>47.4</b>

Source: California Employment Development Department (QCEW data program)

There is a tendency on the part of economists to try to use data to capture the social costs of workforce composition changes during the housing crisis. However, true human stories provide additional insights to the human, as well as economic, impacts of the crisis:

**Marisa** is a successful corporate business woman and a mother who lives in Ventura, California. Four years ago, her health-sciences company relocated out of state. Not wanting to dislocate her husband and two boys, Marisa searched far and wide for another job in her industry. She finally found one, in Orange County. For more than two years, Marisa made the brutal commute from Ventura to Irvine. She missed thousands of hours with her family. After two years, Marisa took a substantial pay cut to work for another company closer to home. This job is *only* one County away.

**Teresa and her husband** raised their family in a lovely home in Thousand Oaks, California. When their children finished college, they could not find jobs locally that paid well enough for them to buy a home or even to rent in this area. Their children now live in Michigan and Texas. Teresa and her husband earn frequent flyer miles but miss daily contact with their children and grandchildren.

**The Montelongo family** came to the US in search of greater opportunity. But that opportunity was largely restricted to low-wage jobs. For a time, the mother, father and children rented a four-bedroom home in Thousand Oaks, California with three other families. Each family was assigned one bedroom, and the common areas of the house were shared by all 16 residents. The strain on the Montelongo family was immense.