Workforce Development Board of Ventura County
Job Outlook Report
February 2019

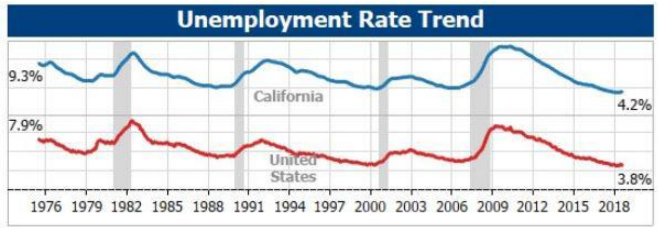
STATE OF CALIFORNIA EMPLOYMENT DEVELOPMENT DEPARTMENT (EDD) LABOR MARKET MONTHLY RELEASE: Statewide Labor Market Review http://www.labormarketinfo.edd.ca.gov/

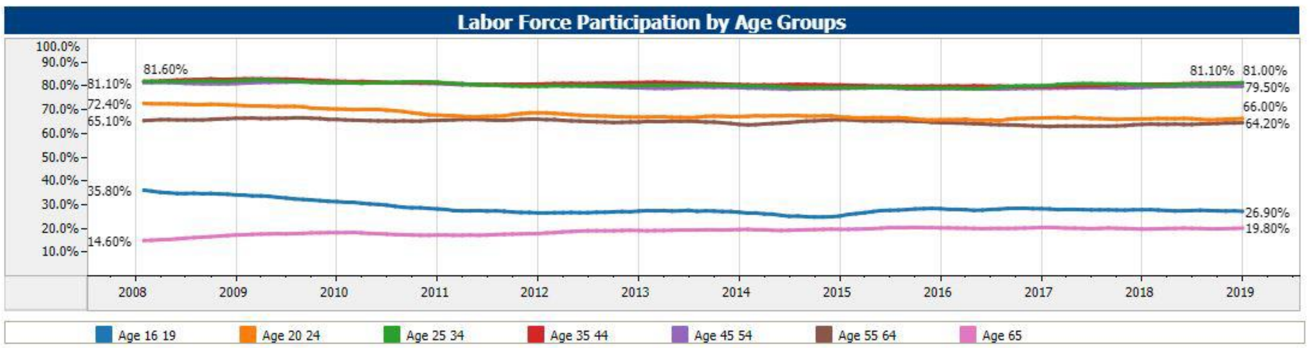
CA NSA = 4.4%
US NSA = 4.1%

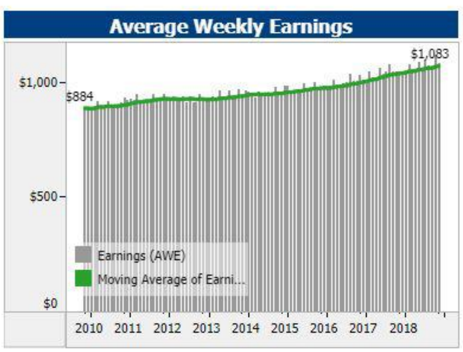
California Labor Market Indicators

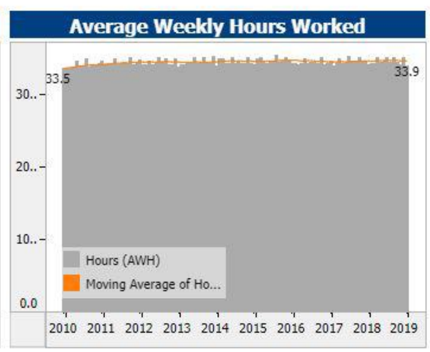
Metrics	January, 2019	February, 2019	Change	
Unemployment Rate	4.2%	4.2%	-	➡
Labor Force	19,557,800	19,582,200	24,400	⬆
Employment	18,740,200	18,758,000	17,800	⬆
Unemployment	817,600	824,200	6,600	⬆
Nonfarm Jobs	17,308,100	17,322,700	14,600	⬆

Data Source: EDD Labor Market Information Division
Note: January 2019 data is revised and February 2019 data is preliminary.









Month-over Job Gains - Six of California's eleven industry sectors added a total of 30,900 jobs in February. **Professional and business services** reported the largest increase with a gain of 12,500 jobs. Other sectors adding jobs over the month were leisure and hospitality, trade, transportation and utilities, **educational and health services**, government, and information.

Month-over Job Losses - Five of California industries reported job losses over the month. Construction reported the largest decrease with a loss of 7,700 jobs while **manufacturing** had a loss of 5,400 jobs. Other sectors losing jobs over the month were **financial activities, other services**, and mining and logging.

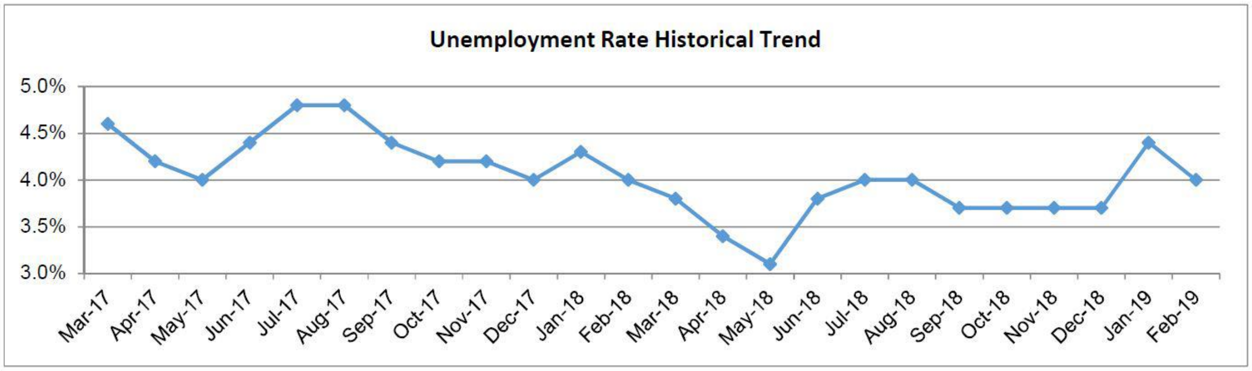
Year-over Job Gains - In a year-over-year comparison (February 2018 to February 2019), nonfarm payroll employment in California increased by 222,500 jobs (a 1.3 percent increase). The largest job gains were in **professional and business services**, up 71,700 (a 2.7 percent increase) and **educational and health services**, up 65,200 jobs (a 2.4 percent increase). Other sectors adding jobs over the year were **leisure and hospitality**, government, trade, transportation and utilities, **manufacturing, information**, construction, other services, and mining and logging.

Year-over Job Losses - The only industry that posted a year-over **decline was financial activities** with a job loss of 5,200.

LABOR MARKET INFORMATION DIVISION MONTHLY RELEASE Ventura County:

http://www.calmis.ca.gov/file/lfmonth/vent$pds.pdf

The unemployment rate in the Ventura County was 4.0 percent in February 2019, down from a revised 4.4 percent in January 2019, and unchanged from the year-ago estimate of 4.0 percent. This compares with an unadjusted unemployment rate of 4.4 percent for California and 4.1 percent for the nation during the same period.



EDD Oxnard/T-O/Ventura MSA Job Ads – FEBRUARY 2019

This report is a local snapshot of job ads vs. the number of unemployed, occupational and employer data and cities with most job ads. Sources include: EDD, LMID, The Conference Board and WANTED Tech.
https://www.labormarketinfo.edd.ca.gov/file/hwol_lad/Oxnard_ThousandOaks_Ventura_MSA_37100_HWOL.pdf

UNITED STATES DEPARTMENT OF LABOR - UNEMPLOYMENT INSURANCE WEEKLY CLAIMS REPORT:

Weekly national tracking of insured unemployment statistics comparing current week to previous week, month and year. DOL Claims Report - http://www.dol.gov/ui/data.pdf

UNEMPLOYMENT INSURANCE DATA FOR REGULAR STATE PROGRAMS

WEEK ENDING	March 16	March 9	Change	March 2	Prior Year[1]
Initial Claims (SA)	221,000	230,000	-9,000	223,000	227,000
Initial Claims (NSA)	194,098	209,362	-15,264	220,583	198,591
4-Wk Moving Average (SA)	225,000	224,000	+1,000	226,250	225,000
WEEK ENDING	**March 9**	**March 2**	**Change**	**February 23**	**Prior Year[1]**
Insured Unemployment (SA)	1,750,000	1,777,000	-27,000	1,758,000	1,836,000
Insured Unemployment (NSA)	2,010,472	2,088,545	-78,073	2,112,593	2,108,271
4-Wk Moving Average (SA)	1,772,500	1,766,500	+6,000	1,767,250	1,874,250
Insured Unemployment Rate (SA)[2]	1.2%	1.2%	0.0	1.2%	1.3%
Insured Unemployment Rate (NSA)[2]	1.4%	1.5%	-0.1	1.5%	1.5%

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UNITED STATES DEPARTMENT OF LABOR – THE EMPLOYMENT SITUATION: FEBRUARY 2019

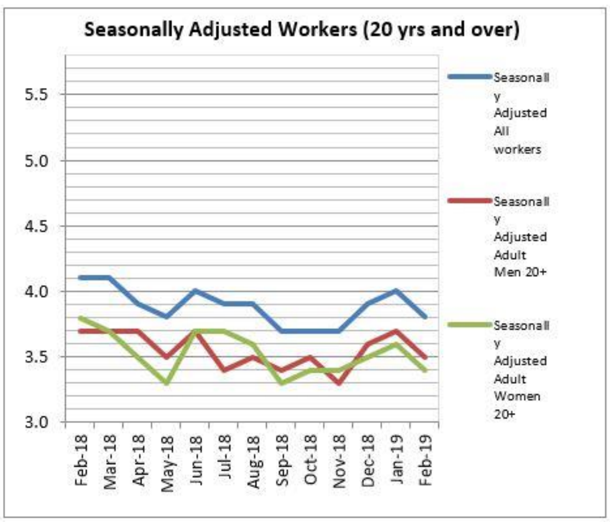
Monthly national data by industry on employment, hours, and earnings of workers on the payrolls of nonfarm establishments. DOL Release - http://www.bls.gov/news.release/pdf/empsit.pdf

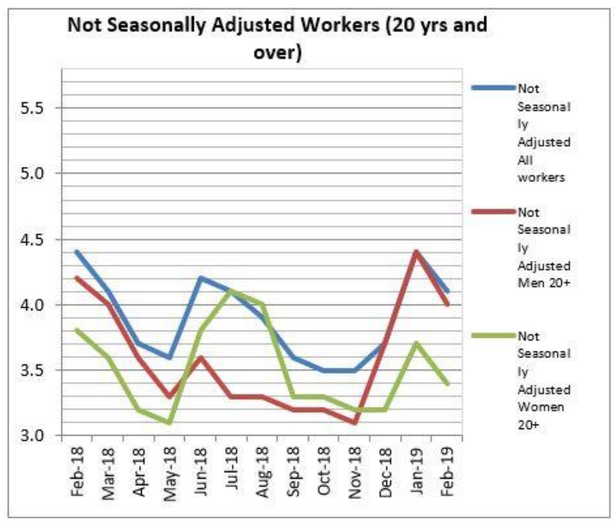
Summary Statement:

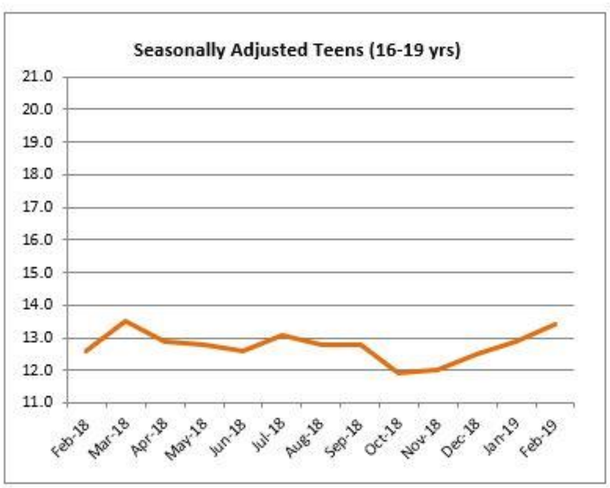
Total **nonfarm payroll employment** changed little in February (+20,000), and the **unemployment rate** declined to 3.8 percent, the U.S. Bureau of Labor Statistics reported today. Employment in **professional and business services, health care,** and wholesale trade continued to trend up, while construction employment decreased.

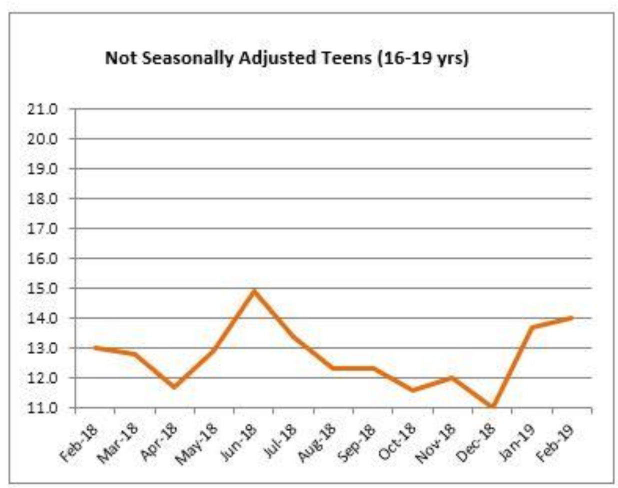
The **average workweek for all employees** on private nonfarm payrolls decreased by 0.1 hour to 34.4 hours in February. In manufacturing, the average workweek declined 0.1 hour to 40.7 hours, while overtime was unchanged at 3.5 hours. The average workweek for **production and nonsupervisory employees** on private nonfarm payrolls fell by 0.2 hour to 33.6 hours.

In February, **average hourly earnings for all employees** on private nonfarm payrolls rose by 11 cents to $27.66, following a 2-cent gain in January. Over the year, average hourly earnings have increased by 3.4 percent. Average hourly earnings of private-sector **production and nonsupervisory employees** increased by 8 cents to $23.18 in February.









CONFERENCE BOARD - HELP WANTED ONLINE DATA SERIES FEBRUARY 2019 REPORT

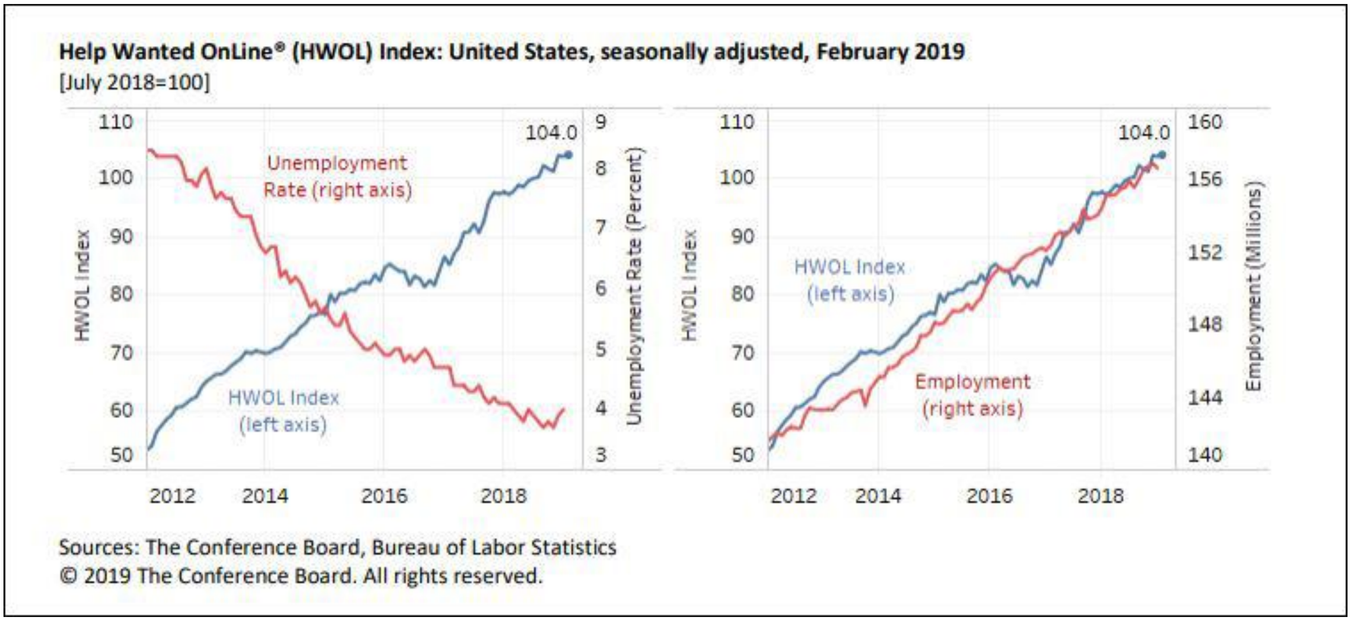
https://www.conference-board.org/data/helpwantedonline.cfm

Online Labor Demand Increased in February

- Solid Employment Growth to Continue in Coming Months
- In February, most states and MSAs experienced an increase in the number of online job ads
- In recent months, as oil prices declined, the growth in online job ads in most oil states was weaker than average

The Conference Board ***Experimental Help Wanted OnLine (HWOL) Index*** increased in February. The Index now stands at 104.0 (July 2018=100), up from 103.7 in January.

“The HWOL index has been stable in recent months, despite the volatility in financial markets and business confidence. This is consistent with solid employment growth in the coming months,” said Gad Levanon, Chief Economist, North America, at The Conference Board. “With the partial government shutdown ending, US-China trade tensions diminishing, and the recovery in stock prices, the US economy is much less likely to experience a major slowdown in the first half of 2019. We expect a gradual moderation in economic employment growth during 2019. Recruitment activity is likely to remain high as labor turnover will further increase in a tightening labor market.”



RELEVANT NEWS ARTICLES

March 7, 2019, "U.S. Household Wealth Slumped in Fourth Quarter While Stocks Fell."
Alex Tanzi and Jeff Kearns, *Bloomberg News*
https://www.bnnbloomberg.ca/u-s-household-wealth-slumped-in-fourth-quarter-while-stocks-fell-1.1225440

- U.S. household wealth dropped in the fourth quarter amid stock-market turmoil, while consumer debt rose at the slowest pace in more than a year amid weakness in housing, a Federal Reserve report showed Thursday.
- Net worth for households and non-profit groups fell by $3.73 trillion, or 3.5 percent, to a one-year low of $104.3 trillion. Household debt rose at a 2.9 percent annual rate after 3.6 percent in the prior period, reflecting a slowdown in mortgages as home sales cooled, while growth in business debt cooled slightly to 3.8 percent.

- While the fourth-quarter plunge in U.S. stocks wiped out $5.41 trillion in market value, equities have rallied since late December, which will likely support a rebound in wealth. But sustaining gains may be more difficult this year amid a broad cooling in real estate.
- The value of equities directly and indirectly held by households and nonprofit groups fell $4.57 trillion during the quarter.
- Excluding mortgages, consumer debt rose at a 6.2 percent pace, faster than the prior quarter, as Americans continued to take advantage of relatively low interest rates and borrow for large purchases such as cars to fuel overall gains in spending. Total consumer debt rose to a record $15.6 trillion, as non-mortgage credit topped $4 trillion for the first time.

March 7, 2019, "U.S. February job growth weakest in nearly one and a half years."
By Lucia Mutikani, *Reuters*
https://www.reuters.com/article/us-usa-economy/u-s-economy-creates-paltry-20000-jobs-in-february-idUSKCN1QP0FM

- The meager payroll gains reported by the Labor Department on Friday were the weakest since September 2017, with a big drop in the weather-sensitive construction industry.
- They also reflected a decline in hiring by retailers and utility companies as well as the transportation and warehousing sector, which is experiencing a shortage of drivers.
- The sharp step-down in payrolls was another blow to President Donald Trump who has suffered a series of setbacks in recent weeks, including failed nuclear talks with North Korea, a record goods trade deficit despite his administration's "America First" policies and the economy missing the White House's 3 percent annual growth target in 2018.
- But the stumble in job growth, which followed two straight months of hefty gains, likely understates the health of the labor market as other details of the closely watched employment report were strong.
- The unemployment rate fell back to below 4 percent and a wider measure of underemployment fell by the most ever. In addition, annual wage growth was the best since 2009, and the economy created 12,000 more jobs in December and January than previously reported, bringing the total for the two months to 538,000.
- "We had warned that recent employment gains had overstated the underlying strength of the U.S. labor market," said Harm Bandholz, chief U.S. economist at UniCredit Research in New York. "And the correction now came in February with a bang, rather than spread out over various months."

March 7, 2019, " Opportunities beckon in new qualified opportunity zones."
By Tony Nitti, *AICPA*
https://www.thetaxadviser.com/news/2019/mar/irs-qualified-opportunity-zones.html

- As part of the legislation known as the Tax Cuts and Jobs Act,1 Congress enacted two companion provisions designed to encourage investment and economic growth in certain low-income communities. First, Sec. 1400Z-1 paved the way for more than 8,700 such low-income communities and qualifying contiguous census tracts to be designated as "qualified opportunity zones" (QOZs). In turn, Sec. 1400Z-2 offers three federal income tax incentives to a taxpayer who invests in a business located within one of these zones: (1) the temporary deferral of capital gains, to the extent the gains are reinvested into a "qualified opportunity fund" (QOF); (2) the partial exclusion of previously deferred gains when certain holding period requirements in a QOF are met; and (3) the permanent exclusion of post-acquisition gains from the sale of an investment in a QOF held longer than 10 years.
- On Oct. 19, 2018, however, the IRS published proposed regulations providing much of the direction taxpayers had been seeking.2 Guidance on investing in opportunity zones is far from a finished product, however. The IRS has promised additional rounds of proposed regulations, and as this article reveals, the previously published proposed regulations have generated no shortage of additional questions.
- This article discusses the October proposed regulations in detail and reviews issues that remain unresolved, which, until addressed, will curb the desired flow of private-sector investment into low-income communities.