



# QUARTERLY LABOR MARKET REPORT

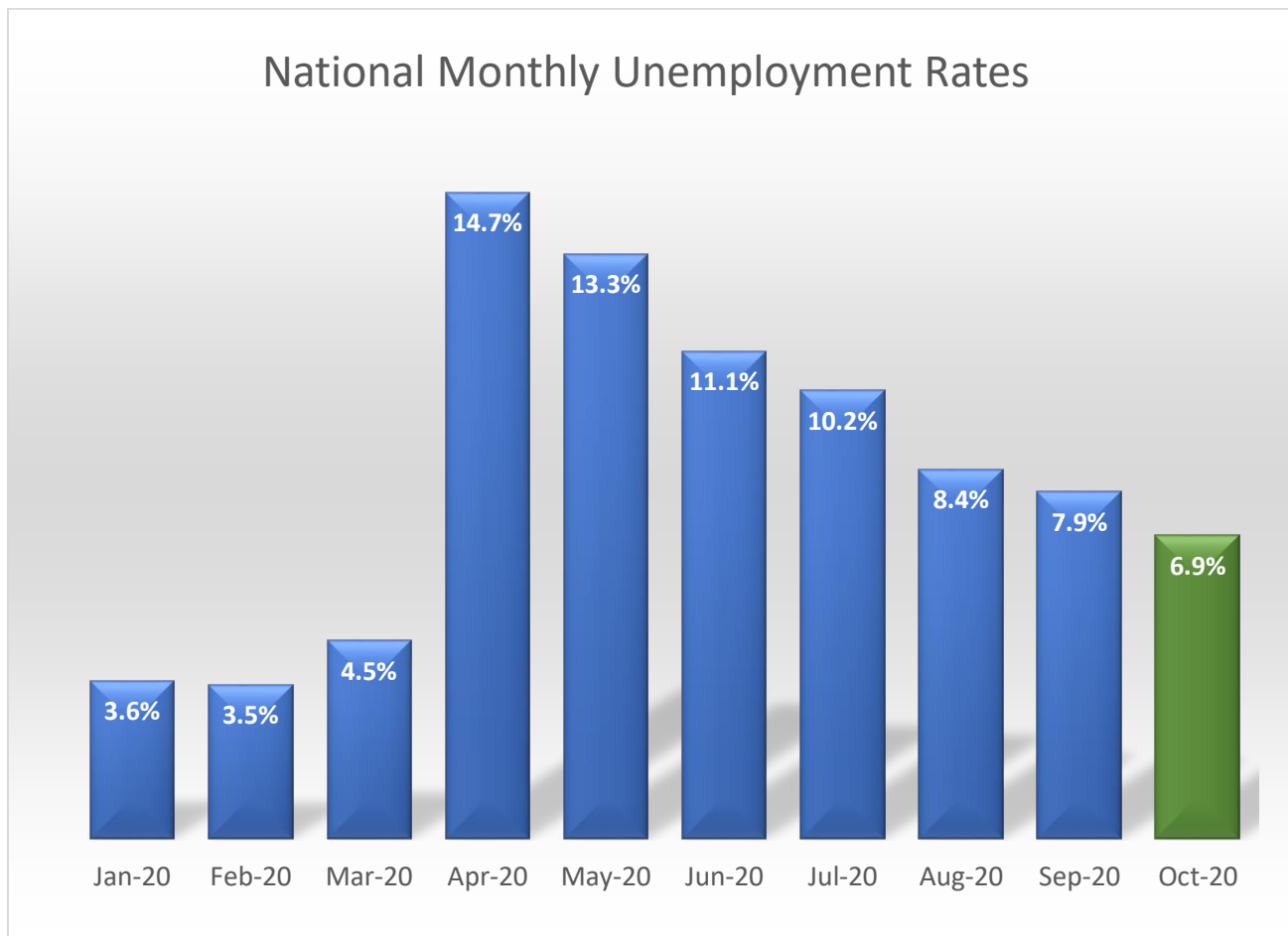


Written by: Latoya Reed, Management Analyst

## National Labor Market Outlook

Nationally, 638,000 more jobs were added to the economy in October 2020 and labor force participation also increased in October to 61.7 percent. The nation gained 383,000 more part-time workers in October 2020, bringing the total to 6.7 million part-time workers. 6.7 million people were also not in the labor force (not actively looking for work and not counted in the unemployment rate).<sup>i</sup>

The national unemployment rate steadily declined to 6.9 percent or 11.1 million unemployed individuals, representing a slight improvement from September 2020 and marked improvement from April 2020, when the unemployment rate was 14.7 percent.



## National Job Gains and Losses by Industry - October 2020

According to the Bureau of Labor Statistics, approximately half million more jobs were added in October 2020 compared to 128,000 jobs added in October 2019, demonstrating promise of economic recovery and even accelerated industry growth and expansion.

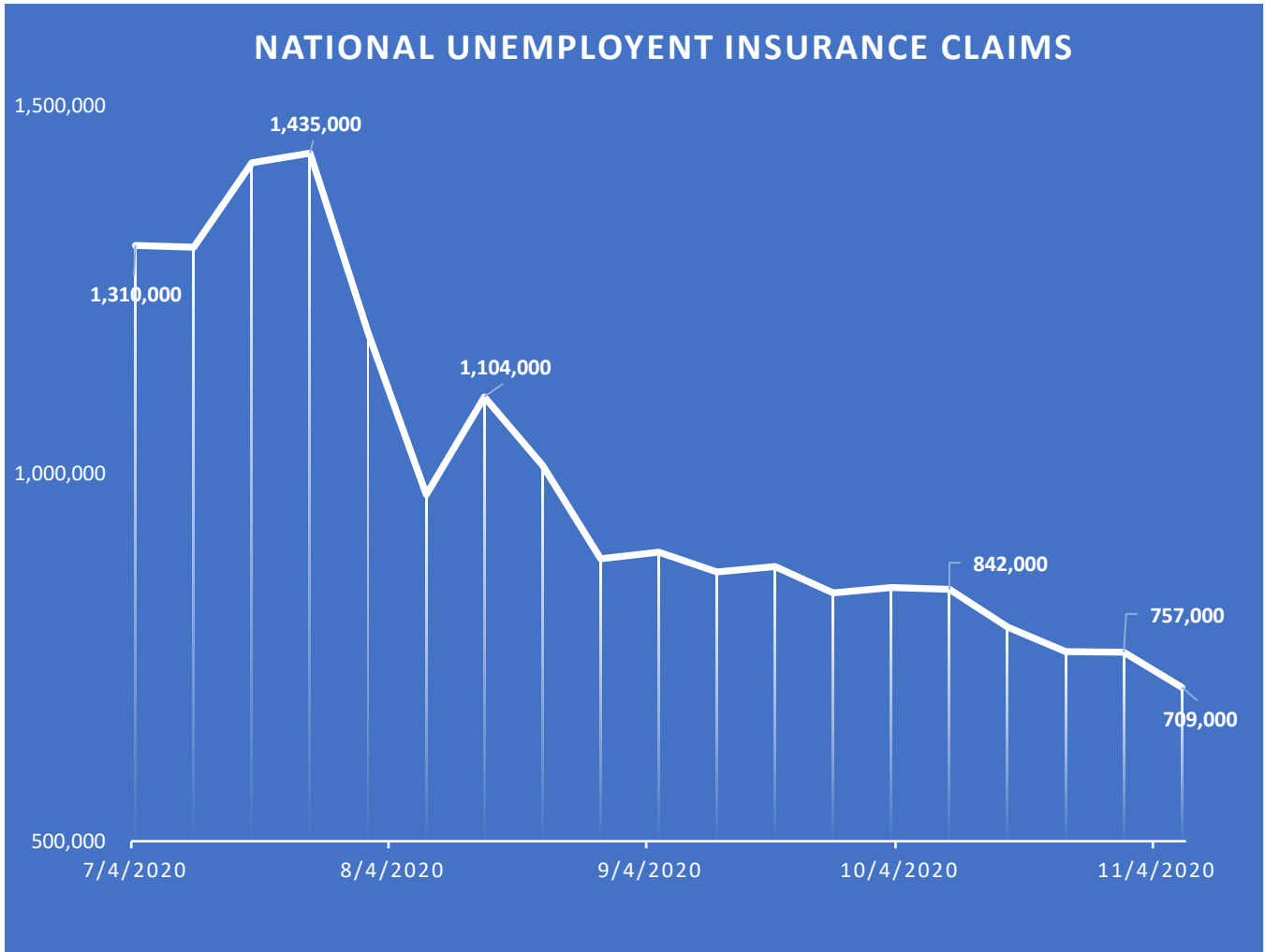
In October 2020, the Leisure and Hospitality sector added 271,000 jobs, Professional and Business Services added 208,000 jobs and Retail sector also added more than 104,000 jobs.

However, the government sector shed 268,000 jobs in October 2020 due largely to declining employment in public education. The government sector also shed Census Taker jobs, contributing to government employment decline.<sup>ii</sup>



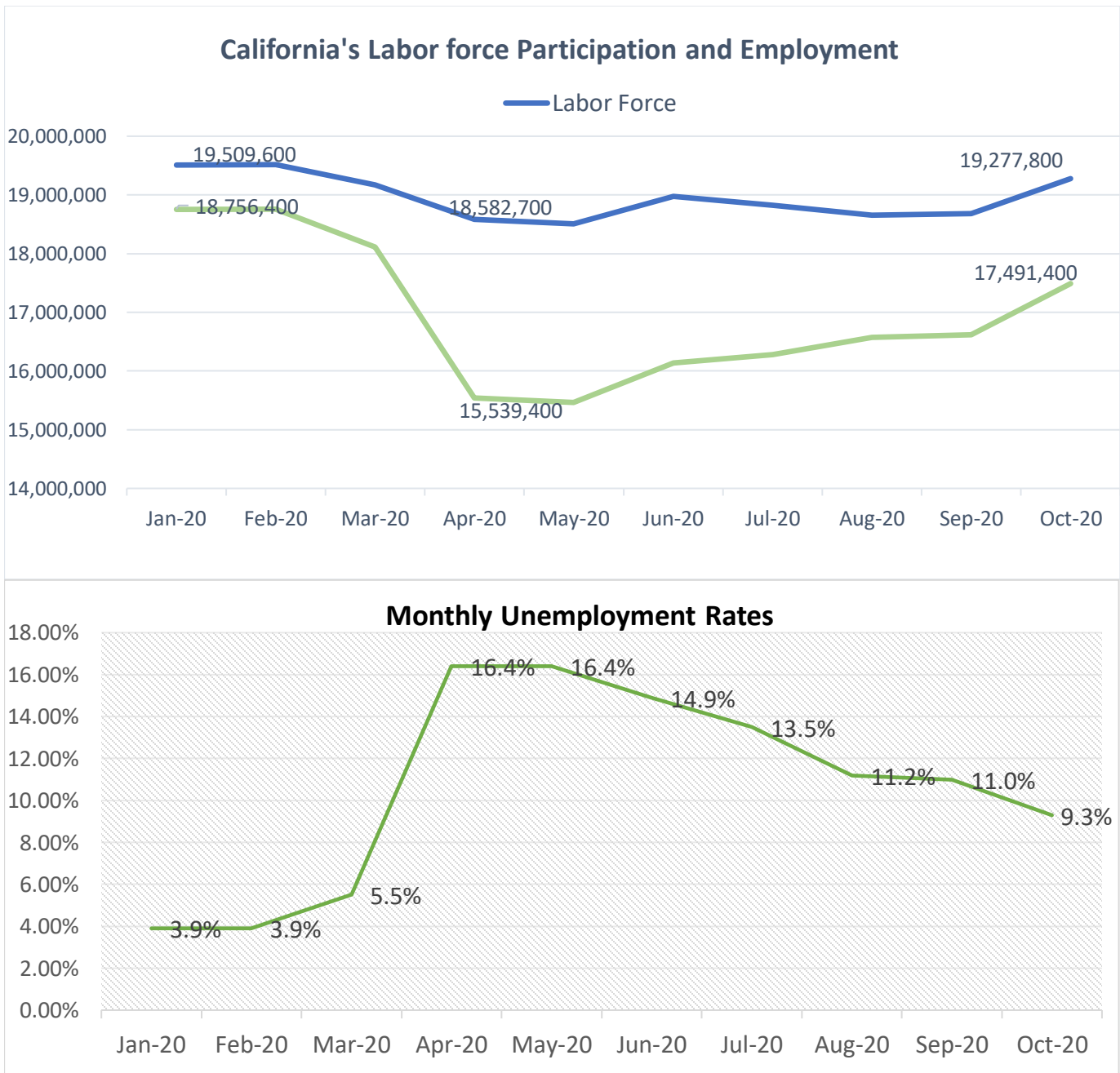
## National Week Ending Unemployment Insurance Claims

At the end of August 2020 national Unemployment Insurance (UI) claims started to decline to less than one million. National UI claims then continued on a downward trajectory to 709,000 in early November 2020.<sup>iii</sup> The economy's recovery paired with the surge of more part-time workers may be contributors to an overall decline in national UI claims.



## California's Labor Market Outlook

More than 19.2 million individuals participated in California's labor force<sup>iv</sup> in October 2020, which is 600,900 more individuals from the previous month. More than 17.4 million were employed in California's labor markets in October 2020, which is marked improvement from April 2020 and May 2020. The gap between employment and labor market participation is steadily closing in California – an indication of improved labor market conditions and economic recovery. The unemployment rate in California has also improved, moving from double digits from April 2020 to September 2020 to 9.3 percent in October 2020.



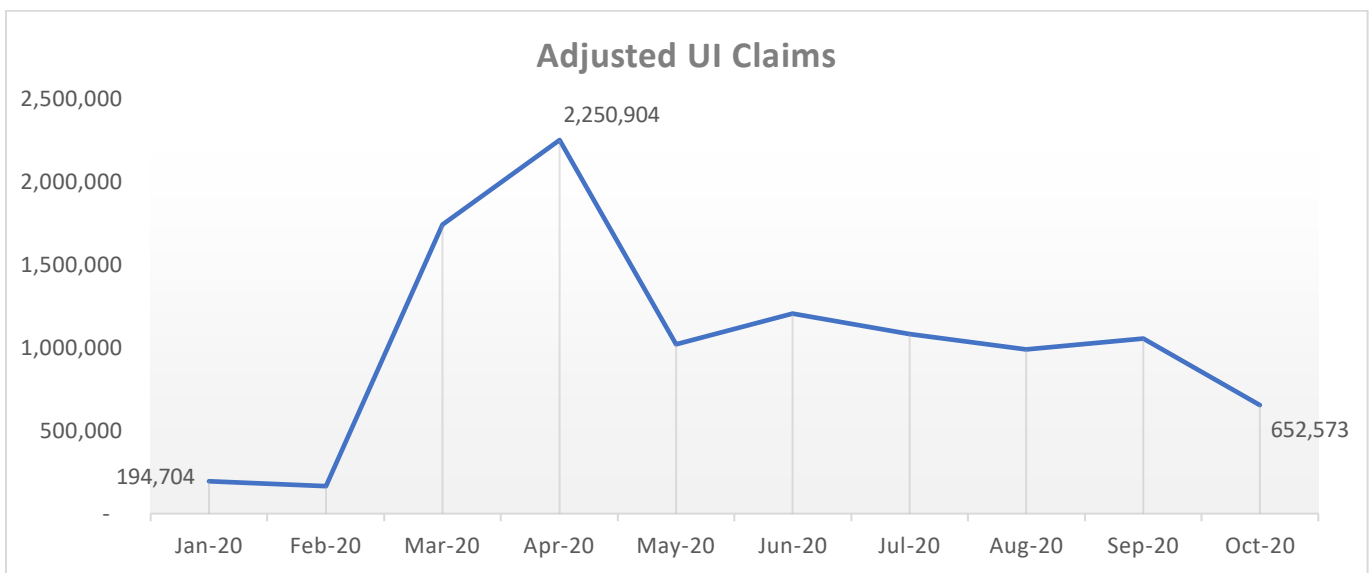
## California's Industry Employment

Employment in California is most prominent in the Government sector, employing more than 2.4 million people in September and October 2020, even though the sector shed over 42,000 jobs during the same timeframe. The Health Care and Social Assistance sector was also prominent, employing more than 2.3 million people in the state and growing and added an additional 21,000 jobs in October 2020. Employment in California's Retail and Leisure/Hospitality sectors also collectively employed more than 3 million people and added more than 86,000 jobs in October 2020.

Industry	Employment in September 2020	Employment in October 2020	Numerical Change
Government (Federal, State, and Local)	2,476,300	2,433,700	-42,600
Health Care and Social Assistance	2,339,500	2,360,600	21,100
Retail Trade	1,535,900	1,550,500	14,600
Leisure and Hospitality	1,454,300	1,525,700	71,400
Professional, Scientific, and Technical Services	1,307,400	1,330,500	23,100
Accommodation and Food Services	1,267,700	1,314,900	47,200
Manufacturing	1,221,000	1,226,600	5,600
Administrative, Support, and Waste Services	1,040,000	1,054,400	14,400
Construction	842,000	869,300	27,300
Wholesale Trade	653,500	656,100	2,600
Arts, Entertainment, and Recreation	186,600	210,800	24,200

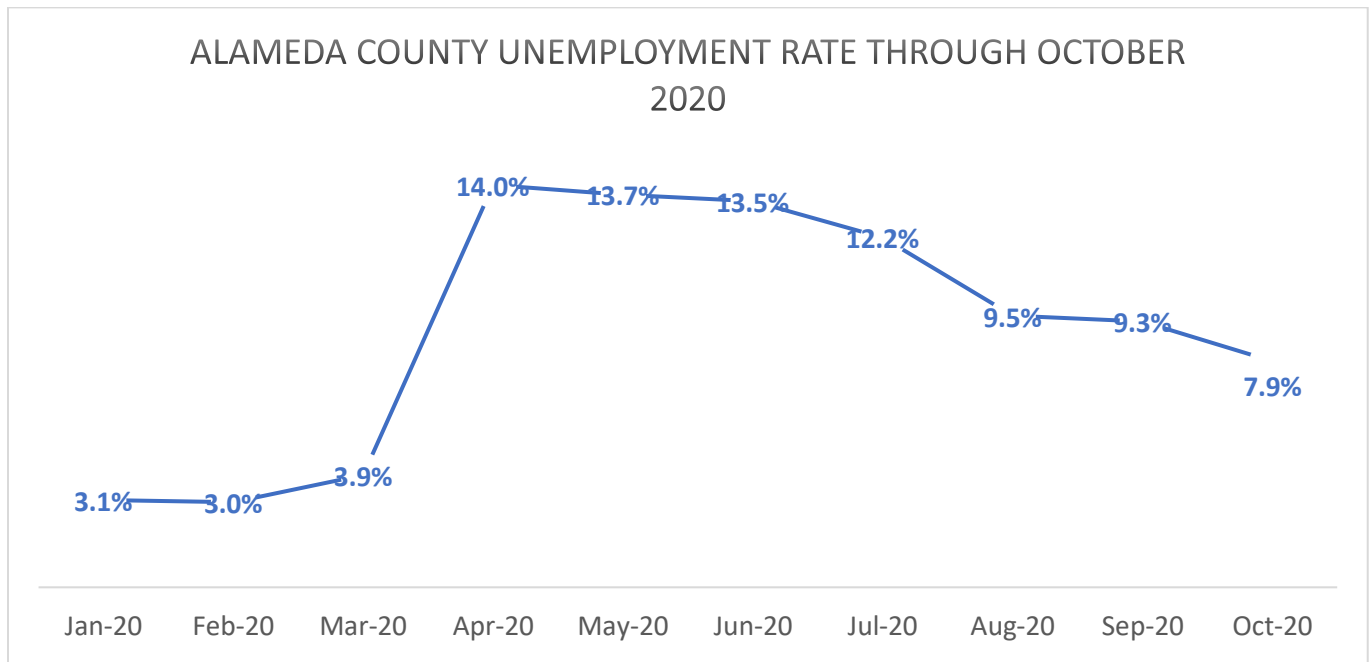
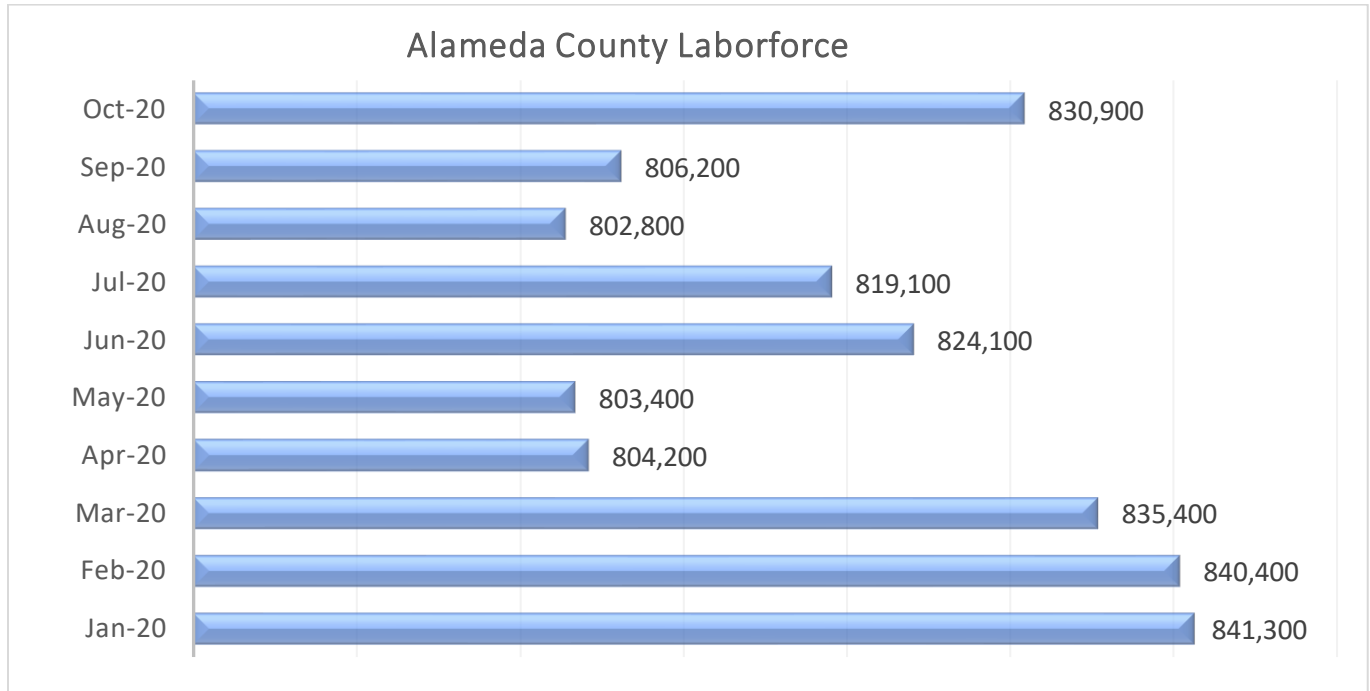
## California's Unemployment Insurance Claims

Unemployment Insurance (UI) Claims have declined drastically since a massive peak in April 2020 (over 2.25 million UI Claims), demonstrating overall improvement in the state's economy especially when paired with labor for participation rates and declining unemployment rates.

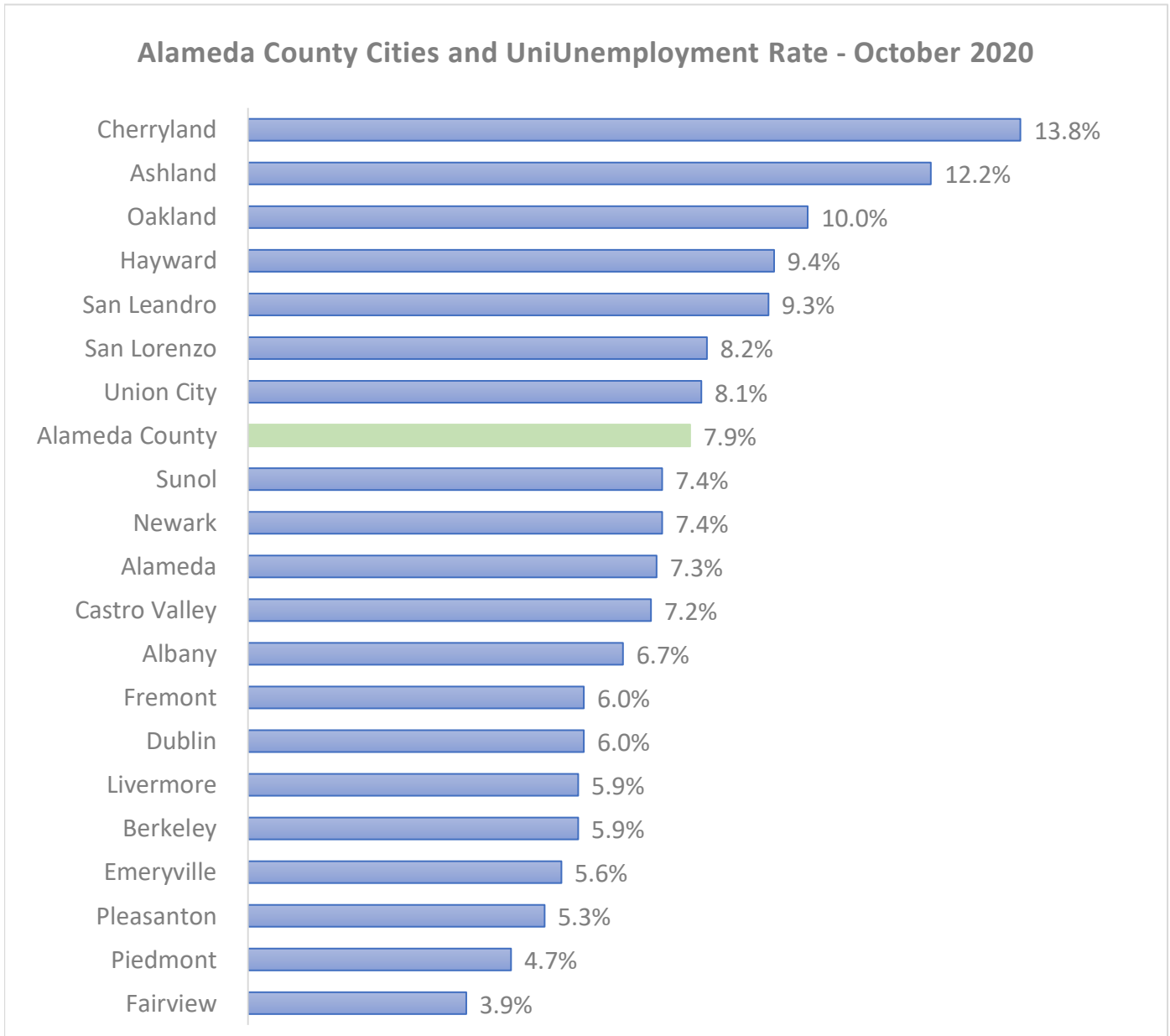


## Alameda County Labor Market Outlook

Labor force participation in Alameda County increased by 24,700 more individuals in October 2020 from September 2020 and was almost on par with pre-pandemic levels. Alameda County has also seen single digit unemployment rates since August 2020. The current rate is now at 7.9 percent and may likely spike slightly and then continue on a slight downward trend.



## Alameda County Unemployment – Cities and Unincorporated Areas





## East Bay Industry Employment

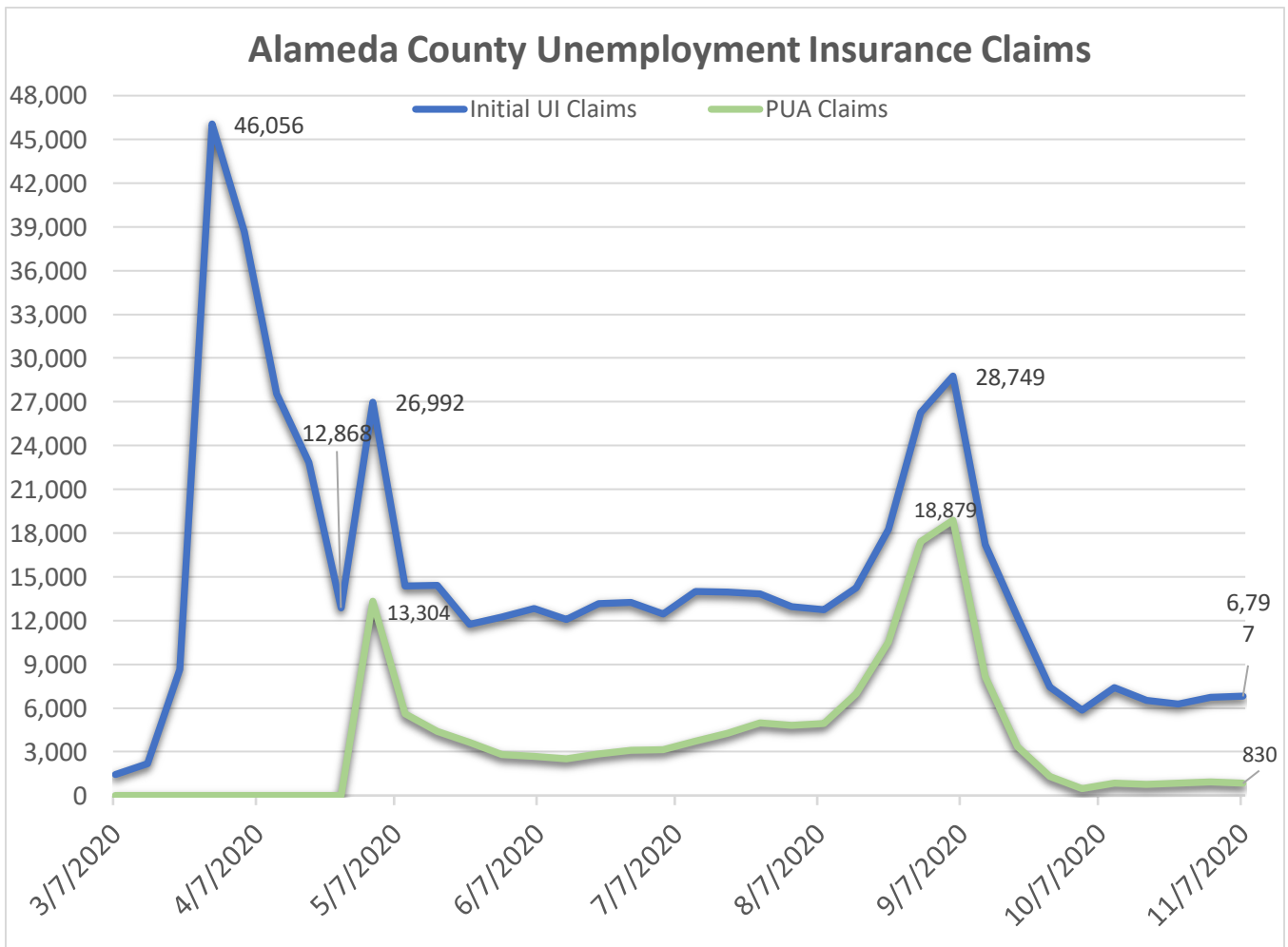
Employment in Alameda and Contra Costa Counties were similar to employment in the state, in that employment was led primarily by the Health Care and Social Assistance and Local Government sectors in October 2020.<sup>v</sup> When compared to industry employment last October, these two sectors collectively hired 25,300 less individuals. However, industry employment still improved overall from September 2020.

Industry	Oct-19	Oct-20	Numerical Change
Health Care and Social Assistance	173,200	162,000	-11,200
Local Government	123,400	109,300	-14,100
Retail Trade	112,200	104,100	-8,100
Professional, Scientific and Technical Services	101,000	99,000	-2,000
Manufacturing	98,500	85,900	-12,600
Leisure and Hospitality	120,700	84,000	-36,700
Accommodation and Food Services	101,200	72,800	-28,400
Construction	78,200	69,400	-8,800
Administrative, Support, and Waste Services	66,900	59,200	-7,700
Local Government - Education	62,900	52,200	-10,700

## Alameda County Weekly Unemployment Insurance Claims

UI claims in Alameda County have declined drastically from its peak in late March 2020, staying in late April 2020. There was then a small and short spike in early May, but the numbers came down thereafter and remained relatively flatter until a sharper spike again in early September 2020. Since late September, UI claims are lower than they have been since the start of the pandemic.

The Pandemic Unemployment Assistance (PUA) program started in early May and was created for sole proprietorship, contractors, and other non-traditional workers. Since the start of the program, PUA claims spiked slightly and remained relatively stable until a sharp spike occurred in August 2020. In September 2020, the numbers came down significantly. The decline of both claim types, along with increased labor market participation in Alameda County, point to the fact that the local economy is slowly improving. This is also on par with trends seen nationally and within the state.



## End Notes and References

---

<sup>i</sup> The Employment Situation - October 2020 produced by the Bureau of Labor Statistics and commonly referred to as the Jobs Report, demonstrated economic recovery overall.

<sup>ii</sup> According to the National Association of Counties, the Government sector has only recovered 67,800 jobs since February 2020 (which represents pre-pandemic employment). The sector still needs to add 666,200 jobs before it reaches its pre-pandemic levels. <https://www.naco.org/resources/featured/october-jobs-report>

<sup>iii</sup> The Department of Labor releases weekly UI claims data based on State Employment Departments.

<sup>iv</sup> State and County labor market data are derived from the California Employment Development Department's Labor Market Division. Labor market participation refers to individuals who are currently employed and those actively looking for employment. The employment rate is then based on labor market participation.

<sup>v</sup> Industry employment data from the Employment Development Department (EDD) examines sector growth in Metropolitan Districts (MD). Alameda and Contra Costa counties are combined as a MD.