

The logo for Economic Development Collaborative (EDC) consists of the letters 'EDC' in a white, bold, sans-serif font, set against a dark teal rectangular background.

ECONOMIC  
DEVELOPMENT  
COLLABORATIVE

A scenic photograph of a long wooden pier extending into the ocean at sunset. The sky is a mix of blue and orange, with the sun low on the horizon. Waves are breaking in the foreground. The pier's structure is silhouetted against the bright sky.

# West Ventura County Business Alliance **OVERCOMING TODAY'S WORKFORCE CHALLENGES**

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**Business & Economic Outlook | December 1, 2022**

# Overview

- **Today's Program, Discussion & Intended Take-aways**
  - Insights into the causes & nature of the problem, the challenge in hiring
  - **Shared strategies on solutions**
  - Appreciation for adapting to a new normal
- **An Extraordinary Panel**
  - From deeply inside an innovative company, **Meissner Filtration Products**, and
  - Through a service provider to a diversity of firms, **Express Employment Professionals**
- **Creating a network/community of resources, WVCBA**



# What Is the Problem? Does the Data Tell Us?

- **Our Main Takeaway Is that Businesses are Recovering Faster than Workers**
  - *But the problem is not isolated to workers, as business recovery is dependent on labor*
- **We've recovered all but some 1,600 of our jobs lost during COVID, but over the same time, we've had 12,600 workers drop out of the labor force**
- **Compared to pre-COVID, we have a shortage of workers relative to the number of jobs available**
- ***The question is, what will it take to draw some share of these workers back to the labor market?***
  - **The answer is all about the relationship between business & workers**

# Some Definitions for the Data

- We have a very low unemployment rate, 3.3%, but what does it really mean?
- First, important to know, **what's the difference between labor force & industry data?**
  - **Labor force** refers to how many workers there are in the region, both employed and unemployed.
    - It's calculated on a monthly "household survey." It's a phone survey, asks whether you're employed or unemployed.
    - If your answer is "no," and you also answer "I'm not looking for work," then you're not unemployed, *you're out of the labor force*.
    - When workers quit looking for work, it artificially lowers our unemployment rate.
    - There are currently some **414,000** in the labor force, 400,200 employed, **13,800** unemployed (but remember, we just had 12,600 workers drop out of the labor force)

## Some Definitions for the Data, Cont'd

- **Industry data** is comprised of payroll jobs, as reported to the state by businesses, for payroll taxes and related information.
  - Industry data doesn't capture the self-employed, only workers on a business payroll.
  - It also doesn't capture workers who live in County, but work outside the County.
  - This is a much smaller group than the labor force, currently some **337,900, as compared to the 400,200 employed residents**



# Some Definitions for the Data, Cont'd

## ➤ What Is **Churn**, and Why Does It Matter?

- In a good month, like October, Ventura County had a net gain of some 4,100 industry jobs
- But what that masks is the total volume of hires and separations every month
  - We may have had 24,100 hires, and 20,000 separations, for the net gain of 4,100
- When we talk about the Great Resignation, it's not just about workers quitting, *it's about workers changing jobs*
  - Even though we have fewer workers in the total pool, we have more worker mobility, more churn, than pre-COVID
  - Point being, there's a ton of competition for lots of available workers and the workers are very, very discerning

# Ventura County Pounded by COVID, Extraordinary Recovery

- At low point of COVID, for **Industry Data**, April & May 2020, Ventura County was down 45,000 jobs, or 13.4% of all payrolls
  - We've recovered all but about 1,600 of those jobs, or down now by only 0.5%
- **Labor Force**, our unemployment rate topped out at 13.9% in April 2020
  - More than 120,000 Ventura County resident workers, some 30% of our labor force, filed unemployment insurance claims (March 2020 through December 2020)
- **We're now at a very, very low 3.3% unemployment rate, ahead of both CA, at 3.8%, and the U.S. as a whole, at 3.4%**

# Not So Fast on the Celebration for Recovery

- **While we've nearly recaptured our lost payroll jobs, we're still down 12,600 workers, who have dropped out of the labor force since February 2020**
- **If we added those workers back into the labor force, as "unemployed," our unemployment rate would jump from 3.3% to 6.2%**
  - That's both lost wealth in household income and lost business & economic productivity
- **COVID only exacerbated a problem we already had, that is, even before COVID, Ventura County had already lost 10,000 workers from the labor force from 2013 through 2020 . . . Caused by:**
  - Aging workforce (increasing number of retirees)
  - Low birth rate (because of fewer young families)
  - Immigration slowed (owing to federal policy)
  - Net loss by domestic migration (accelerating in recent years, high cost of housing)



# The Problem: How Did We Get Here?

## ➤ Why Is It So Difficult to Hire?

- Data and demographics just noted, there are fewer workers available for each job opening (except remember “churn,” there’s lots of turnover . . .)
- It’s a worker’s market, they’re selective and exercising judgment, holding out for better working conditions, pay and benefits
- Workers are cautious, anxious about returning to high exposure environments
- Wildly disproportionate impacts, to low-income workers, minorities, workers in most disrupted sectors: small retail, hospitality, arts & entertainment, services
- Women/caregivers in particular hard hit, with schools closed, childcare unavailable
- **Labor Markets have been profoundly disrupted, shaken to their core**
  - Workers are reeling; more than a quarter of all workers during COVID filed for unemployment insurance. The economy shut down overnight. Every family has some connection to the health crisis. This kind of disruption is unprecedented. You just don’t easily or quickly put it all back together.

# What Can We Do?

## ➤ Innovation & Adaptation in Recruitment & Retention, Understanding What Workers Want, What Business Needs

### ➤ **Shelby Day**

Talent Acquisitions Program Manager

Meissner Filtration Products

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