

Seasonal farm-job slump forces Fresno County unemployment higher

By Tim Sheehan

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Automotive service technology students work on a car at the Community College of Philadelphia.

MATT ROURKE — Associated Press

- Key jobless data

Labor force grows, yet participation shrinks

The average numbers of people employed each month and counted in the labor force in Fresno County in 2014 is higher than any year since 1990. But as the county's population grows, the proportion of the working-age population (age 16 and older) in the labor force is the lowest in nearly a decade.

Year	Working age population (age 16+)	Avg. labor force	Avg. labor force participation rate	Avg. no. employed
2014	713,211	450,638	63.2%	399,900
2013	705,543	448,138	63.5%	390,400
2012	700,526	445,894	63.7%	378,900
2011	699,661	447,585	64.0%	374,000
2010	688,488	444,585	64.6%	370,300

Sources: U.S. Census Bureau, U.S. Bureau of Labor Statistics, California Employment Development Department

Monthly unemployment in Valley counties

Percent unemployed

	Fresno	Kings	Madera	Merced	Tulare
November 2014	11.2%	11.7%	10.7%	12.3%	12.3%
October 2014	10.2%	10.7%	8.9%	10.4%	11.7%
November 2013	12.2%	12.7%	11.0%	13.3%	13.1%
No. employed	393,100	52,000	59,500	100,000	175,500
No. unemployed	49,600	6,900	7,100	14,000	24,700

Figures are based on total employment including self-employed and other nonsalaried worker

Source: California Employment Development Department

Fresno County's unemployment rate rose to 11.2% in November, climbing by a full percentage point over October as agriculture reported a seasonal decline of about 5,500 jobs.

Still, last month was the 38th consecutive month in which the unemployment rate was lower than a year earlier, according to [figures released Friday](#) by the state [Employment Development Department](#). A year ago, the county's jobless rate was reported at 12.2%. This was also the lowest jobless rate in November since 2007, "so that's seven years since it's been this low," said Steven Gutierrez, a labor market analyst for the EDD in Fresno.

So far in 2014, more people are working or looking for work than any year in more than a decade. But a growing number of people reaching retirement age and other factors — including an unknown share of people who have given up their search for work in the wake of recession — are combining to shrink the proportion of Fresno County's working-age population who are officially counted in the labor force.

In November, seasonal holiday hiring by retailers fueled a gain of about 1,800 jobs in the trade/transportation/utility sector from October, the EDD reported. But that was offset by the loss of farm jobs as well as declines in manufacturing, construction and other sectors.

“In the month-over figures, the seasonal post-harvest period saw a drop in farm jobs,” Gutierrez said. “And in food manufacturing, which is closely tied to agriculture, there was a decline of 1,600 jobs” between October and November.

In year-over-year figures, employment across all industries was up by about 7,900 jobs compared to November 2013, the EDD reported. The gains were led by private-sector health and education services, with an increase of 2,100 jobs; trade/transportation/utilities, adding 1,500 jobs; and construction, where 1,400 more jobs were reported than a year ago.

“Year over year, we’re still seeing growth in the major business sectors,” Gutierrez said. “The construction industry, which suffered some of the biggest losses in the downturn, is going on three years of year-over-year increases.”

Neighboring counties in the central San Joaquin Valley also had November unemployment rates higher than October but lower than the year before, ranging from 10.7% in Madera County to 12.3% in Tulare and Merced counties.

Statewide, the unemployment rate was estimated at 7.2% last month — its lowest jobless rate since the early months of the Great Recession. The state added 90,100 payroll jobs in November, the second-largest gain reported since 1990. California’s unemployment rate was 7.3% in October and 8.4% in November 2013. “Definitely a very strong report overall,” said state EDD spokesman Kevin Callori.

California typically sees seasonal gains in November as ski resorts open and retailers add employees for the holiday shopping season. But Callori said the increase seems more driven by a recovering economy and falling gasoline prices that are leaving more discretionary money in consumers’ pockets. “It’s obviously strong gains all over the board on the industries, so it’s not just related to the seasonal factors,” he said. “Even industries that would show (seasonal) gains, they showed stronger gains than typical.”

The national rate was 5.8%, unchanged from October, according to the [U.S. Bureau of Labor Statistics](#).

Labor force fluctuations

So far through 2014, the average number of people working each month in Fresno County is the highest it has been since 1990, according to the EDD’s historical data. So, too, is the average number of people counted in the labor force — people working or who are actively looking for work. But the proportion of the county’s working-age population — people age 16 and older — who are counted in the labor force has dipped to its lowest point in almost a decade.

An amalgam of data from the U.S. Census Bureau, the U.S. Bureau of Labor Statistics and the state Employment Development Department indicates that Fresno County has a working-age population of about 713,200. But out of that number, fewer than 451,000 were either working or looking for work. That translates to a labor-force participation rate of about 63.2%.

In 2000, when about 571,300 of the county’s population was age 16 and older, more than 388,000 were counted in the labor force — a labor force participation rate of 68%. It suggests that while the population has grown considerably over the past 14 years, the number of people working or looking for work has not kept pace.

During the same 14-year period, the national rate fell from about 67% in 2000 to under 63% this year, federal statistics show.

The [President’s Council of Economic Advisers, in a report](#) issued by the Obama administration in July, examined the nationwide decline in the labor force participation rate and attributed about half of the decline in recent years to

growing numbers of baby boomers reaching retirement age.

“The aging of the population exerts downward pressure on the overall labor force participation rate,” the report states. “While older workers today are participating in the labor force at higher rates than older workers of previous generations, there is still a very large drop-off in participation when workers enter their early 60s.”

The report attributes another share to cyclical patterns historically observed in previous recessions. What remains uncertain, however, is how much of the decline is related to long-term unemployment and a growing number of “discouraged workers” who have given up on their search for work and dropped out of the labor force.

“The severity of the Great Recession ... may have lowered the participation rate more than would have been expected through normal channels,” the report states. “In fact, we find that a declining participation rate is historically correlated with the elevation of long-term unemployment, suggesting that both issues have a common cause or cause each other.”

In the San Joaquin Valley, the EDD’s Gutierrez said the seasonal fluctuations in agriculture and other industry sectors causes similar fluctuations in the labor force figures. “There are a lot of things that play into it that don’t show exactly what’s going on,” he said.

“There are certain times of the year when we’re going to see the labor force go up. In June, when college and high school kids get out of school, they start looking for summer jobs and get back into the labor force,” Gutierrez said. “And during the holiday seasons, some people put themselves back in the labor force when they look for temporary jobs after they may have been out for a while.”

“A lot of it has to do with the economy,” Gutierrez added. “When the economy picks up, people get re-energized and re-enter the labor force. ... We see the same thing when people leave the labor force and there are more discouraged workers.”

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