



COUNTY OF SANTA CRUZ

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PRESS RELEASE

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WORKFORCE REPORT DOCUMENTS DECLINING LABOR MARKET

A new study by the Santa Cruz County Workforce Development Board demonstrates significant changes in the county's labor market, with a long-term decline in labor force participating rates accelerating dramatically during the COVID-19 pandemic.

Overall, about 6,400 local employees left the labor market during the pandemic and have not returned, representing a 5 percent decline in overall labor market participation. Lower-wage industries were especially impacted – intensifying the longer-term trend – while there has been an increase in the proportion of higher-quality jobs, leading to an overall improvement in local job quality.

The 2022 State of the Workforce report also found remote work having a significant impact, with employees spending 27 percent less time at the workplace, potentially contributing to declines in destination shopping and other impacts to the local economy.

The health care industry also faces potential disruption, part of a nationwide trend. With many leaving the sector due to burnout or other reasons, many healthcare occupations are expected to see high demand in the coming years, until training and education pipelines can fill the gaps.

The agricultural workforce continues to decline. Peak farm employment was 32 percent higher in June 2010 than in June 2021, with the pandemic only partly contributing to a longer-term trend.

The report makes several recommendations, including establishing programs to increase labor force participation and supporting workforce recruitment and retention efforts in the health care and hospitality industries.

The report also includes several case studies documenting the employee recruitment and retention strategies of several local businesses. To read the report, visit <https://workforcescc.com/publications>.