



COUNTY OF SANTA CRUZ

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PRESS RELEASE

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WORKFORCE REPORT DOCUMENTS UNPRECEDENTED YEAR

Santa Cruz County's 2021 State of the Workforce report demonstrates the impact of the COVID-19 pandemic on the local economy, finding disproportionate impacts to lower-income workers, a significant reorganization of the labor force including an expansion of remote work, and profound declines in small business revenues exceeding statewide figures.

With nine findings and five recommendations, the report details an unprecedented and challenging year for employees and employers. Produced by BW Research Partnership for the Santa Cruz County Workforce Development Board, the report documents the pervasive impacts of the ongoing coronavirus pandemic on the local economy.

"California may have reopened for business, but the local labor force – particularly those who bore the brunt of the pandemic's impacts – still has a long path of recovery ahead," Workforce Development Board Director Andy Stone said. "COVID-19 has reshaped the way we work and do business in ways we are only now beginning to understand."

While there are early signs of economic recovery, the report notes that there is a shortage of workers willing and able to return to work and that incentivizing a safe return will play a factor in how quickly the county recovers. It also notes the while remote work present opportunities for residents including a reduction in out-of-county commuting, it may also make the county a more attractive destination for higher-wage earners elsewhere, potentially exacerbating the county's already tight housing market.

Workforce shortages may partly be due to an overall drop in labor force participation that is nearly twice as severe as the Great Recession and four times greater than the current statewide decline in labor force participation, the report found. Overall, 10,600 local residents appear to have left the workforce since February 2020.

The report also notes recent improvements in job quality throughout Santa Cruz County, despite continuing to have a disproportionate number of lower-paying jobs compared to state averages.

Included in the report are synopses of how various local businesses survived the pandemic. The full report is available at <https://tinyurl.com/3zbdncrr>