

# LABOR MARKETS

## Introduction

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## Employment by Sector

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## Unemployment and the Labor Force

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## Largest Employers

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## Average Salaries

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## The Disruptiveness of AI

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## The Forecast

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### Introduction

Labor markets are important for assessing regional economies because employment reports represent the most timely, fluid, and detailed measure of economic activity for the region.

While job creation within a regional economy can be volatile over time for many reasons, rising job counts almost always imply that (1) the demand for production is increasing and firms therefore need more capital, labor, or both to meet that demand, or (2) the region is attracting more businesses who employ local workers or new in-migrating workers who will either commute short term or establish permanent residence.

Rising employment may no longer constitute a signal of a healthy economy now that we've moved deeply into the age of Artificial Intelligence. The widespread adoption of AI by nearly all sectors of the labor market has resulted in less demand for workers especially in entry level positions and especially in the technology and professional services.

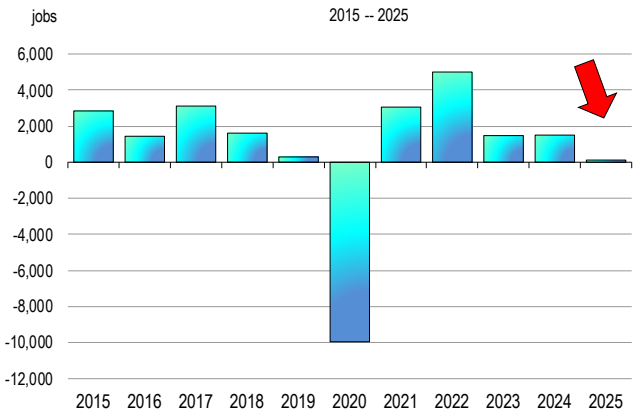
In 2025, we are witnessing much less demand for employees by firms in manufacturing, warehousing, customer service, human resources, other administrative positions, paralegals, document preparation, diagnostic healthcare, graphic artists, TV, film and sound production, and the development of code in software.

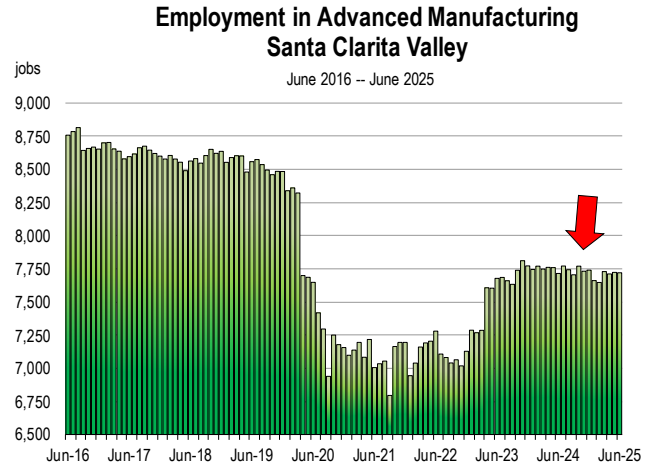
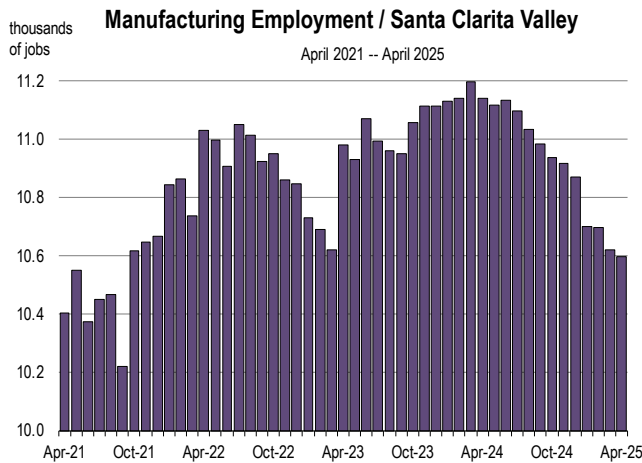
### Employment by Sector

During 2025, the Santa Clarita Valley labor market has barely expanded, adding less than 200 jobs to the total employment base. Only 4 of 20 sectors are responsible for meaningful job creation: healthcare, local government, manufacturing, and transportation & warehousing. For all other sectors combined, there has been only nominal job gains or net reductions in jobs.

The largest downsizing labor market is in the professional, technical, and scientific consulting sector, where AI has largely been adopted

Job Creation / Santa Clarita Valley





to assist in computer and chip design, data analysis, legal research and document prep, scientific research, accounting tasks, and graphical design. Administrative support jobs are also vulnerable to the evolving productivity of AI.

Manufacturing has managed to avoid net employment substitution by automation so far. An estimated 167 jobs were created in 2024 and the region is on pace to add another 229 workers in 2025.

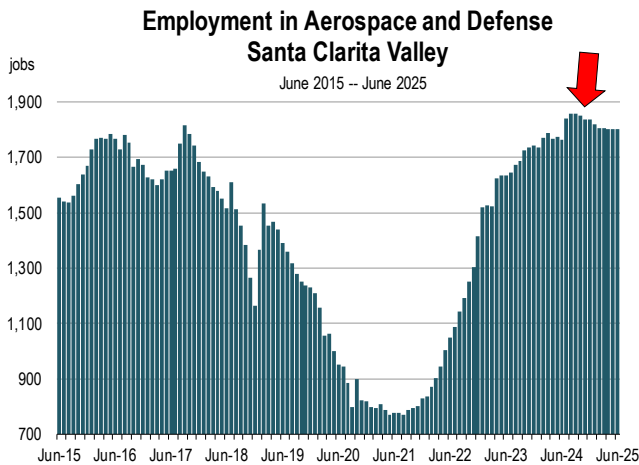
**Manufacturing Advantage in the SCV**

Manufacturing is now becoming dominated by robots and automated systems that have replaced assembly and quality control workers. Two specific subsectors of manufacturing that are concentrated in the Santa Clarita Valley are advanced manufacturing and aerospace and defense manufacturing. Their presence in

the region has positioned the local economy as uniquely competitive for jobs and/or private investment.

Advanced manufacturing is a composite industry comprised of durable manufacturing firms that use high technology equipment and apparatus in the production process of the good, which may not be high tech in use. Examples of such manufactured goods are plastics, fabricated metals, machinery, HVAC products, power equipment, computer and electronic products, and transportation equipment.

Advanced manufacturing with nearly 8,000 workers comprising 40 percent of all manufacturing jobs was in gradual decline from 2015 to 2019. Pandemic shutdowns substantially reduced employment that did not rebound until 2023. Employment levels have remained relatively constant.

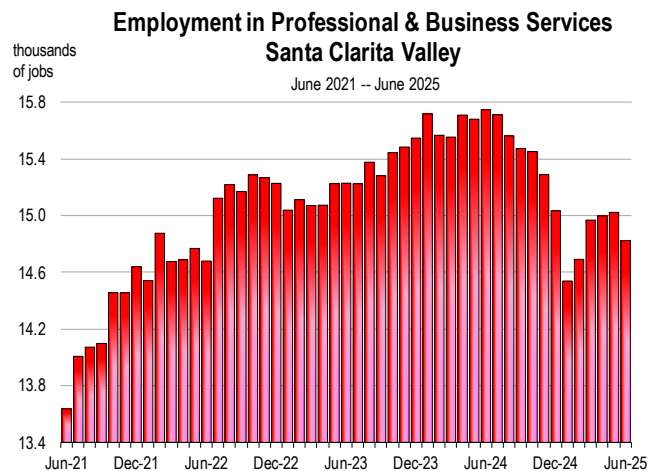


The aerospace and defense composite sector includes companies that produce aerospace parts and components, or engage in design and research of equipment or systems that support space research or national defense. Employment has soared to record levels over the last 12 months.

Advanced manufacturing employment in the Santa Clarita Valley is vulnerable to workforce reductions due to the onset of AI and automated systems. Consequently, the outlook for employment in this sector does not have much new job creation over the forecast.

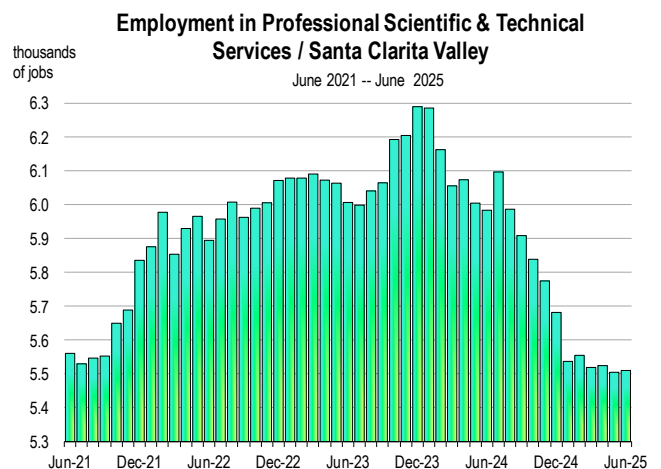
**Professional and Business Services**

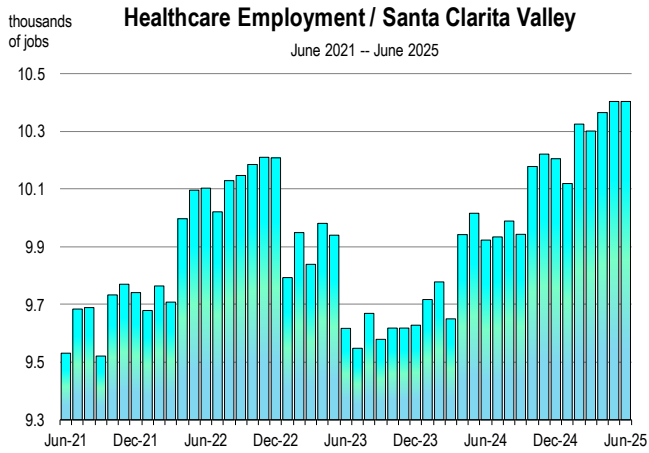
Three principal sectors account for this broad labor market: professional, technical and scientific consulting, management, and administrative services. Employment in management of companies has been relatively constant over the last three years, while



professional and technical, and administrative jobs have been in gradual decline. These sectors are also vulnerable to adoption of AI systems that are replacing entry and lower level researchers, technicians, and admin/clerical positions.

Consequently, over the last year, this labor market with relatively high average salaries in the \$90,000 to \$125,000 level for professional, technology, scientific, and management jobs, has lost nearly one thousand jobs.





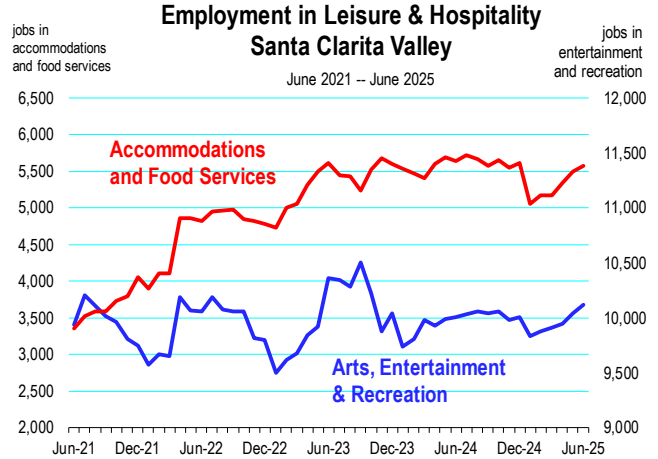
**Healthcare**

Healthcare is the third largest employment sector of the regional economy. Most of the job creation in the SCV economy has occurred in healthcare in 2024 (228 jobs) and 2025 (488 jobs).

Henry Mayo Newhall Hospital has an estimated headcount of 1,695. Other healthcare facilities include IMAC Medical Group, Heritage Sierra Medical Group, UCLA Health, Kaiser Permanente, SCV Quality care, AFC Urgent Care, and Northeast Valley Newhall Health Center.

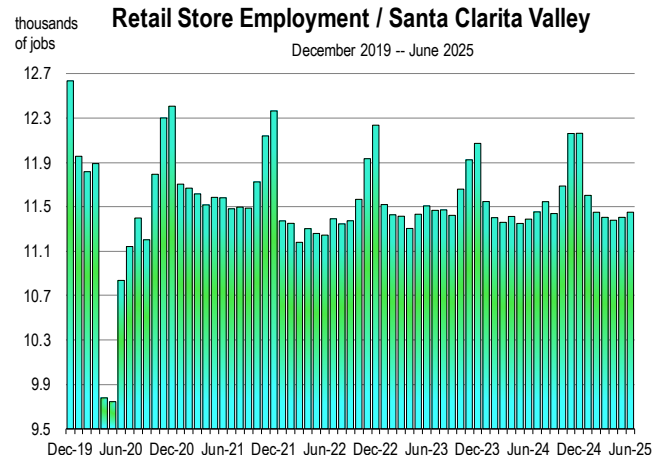
**Retail Trade and Leisure & Hospitality**

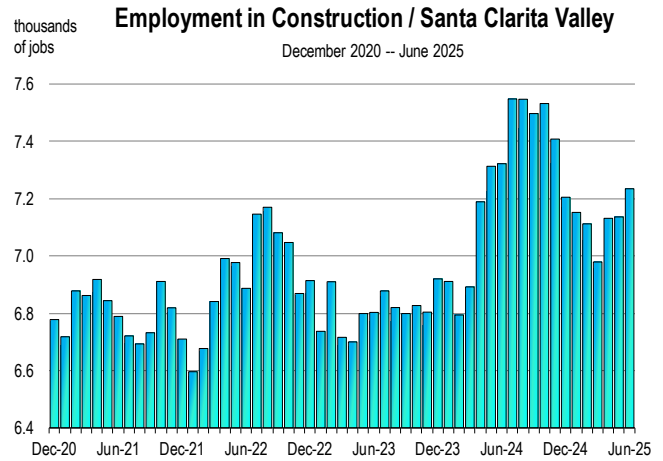
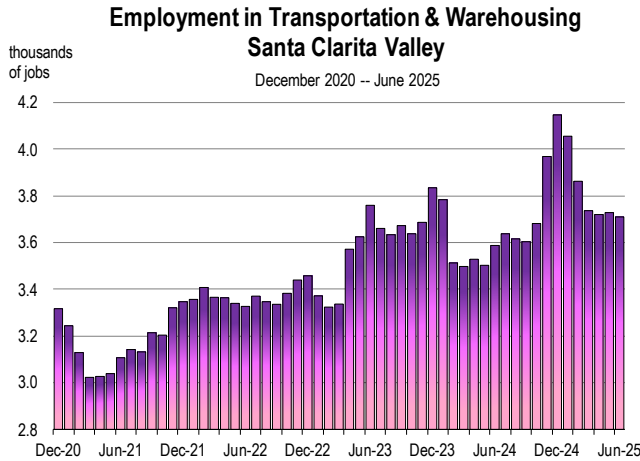
This labor market is comprised of workers at food establishments, hotels, other lodging, amusement venues and parks, museums, movie theatres, playhouses, concerts, and other recreation facilities. It is now the largest labor market with recent contraction of the professional business services workforce.



The sector has been moving laterally over the last 18 months, suggesting that visitor and resident serving establishments have maintained a constant customer base and spending level.

Magic Mountain and Hurricane Harbor are the region’s top tourist destination. Attendance during 2024 jumped by an estimated 90,000 visitors to the highest level since 2019. Attendance in 2025 appears to rival 2024 based on daily crowd levels traced at isitpackedcom or queue-times.com. The former indicated continued large crowds in June 2025 (19 “packed” days vs 20 in 2024), July 2025 (27 vs 27) and August 2025 (17 vs 15).





On Sunday, September 1, 2025, the average wait time for a ride was 40 minutes. On the basis of employment, job counts for the arts, entertainment and recreation sub-sector of leisure and hospitality are at an all-time high this year.

### Transportation and Warehousing

The demand for warehouse, distribution, and fulfillment center jobs has continued to expand in the region over time.

Princess Cruises is a large part of this sector and is headquartered in Santa Clarita. Shifts in their total reported headcount in early 2024 when the company announced the sublease of its space in the Town Center, had reduced total transportation industry employment. Nevertheless, the broader sector ultimately offset that consolidation when recent openings of the IAC Commerce Center and Phase II of Needham Ranch moved the level of total employment to record levels. This year, there has been some consolidation in jobs which has been the general trend throughout California.

### Construction

The new development project queue is still quite busy in the region, especially with housing. This has kept construction employment at relatively high levels in 2025

Just over 450 construction jobs were added in 2024 though some job attrition has occurred this year. An issue impacting construction sectors all

<b>Jobs Created by Sector Santa Clarita Valley 2025</b>	
	Jobs
Healthcare	488
Transportation & Warehousing	239
Manufacturing	229
State & Local Government	183
Private Education	87
Arts / Entertainment / Recreation	72
Construction	56
Retail Trade	39
Management	4
Information	-29
Real Estate	-75
Finance & Insurance	-80
Accommodation & Food Services	-170
Wholesale Trade	-185
Administrative support	-239
Prof / Scientific / Technical	-559

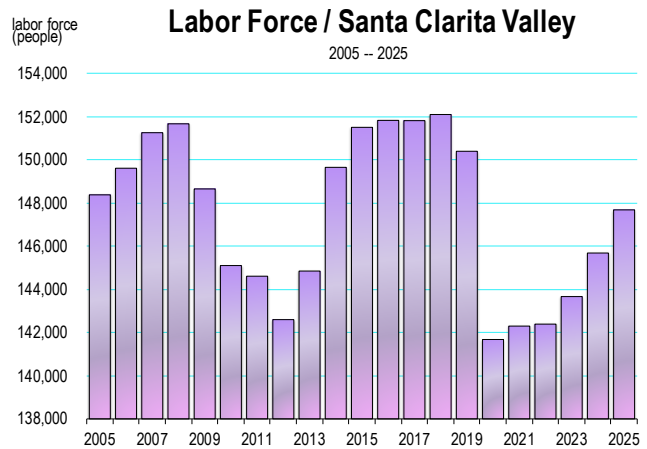
over the state has been the deportation of illegal alien construction workers which has reduced workforce levels in the industry.

## Unemployment and the Labor Force

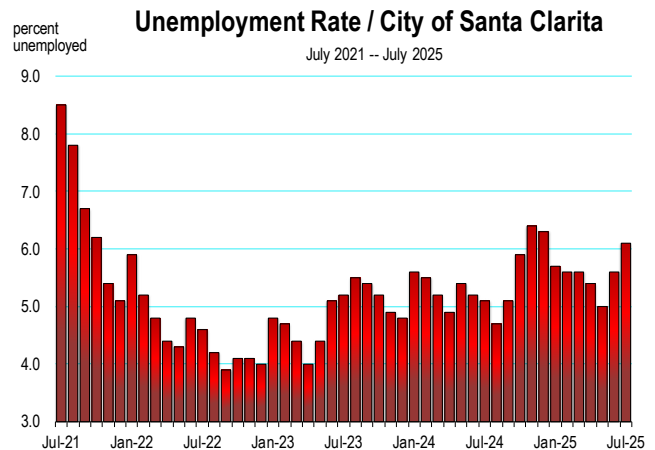
The labor force in the incorporated City of Santa Clarita is estimated by the Employment Development Department. Based on an official population of 232,377 residents as of January 1, 2025, the labor force for July is 117,000, implying that 50.3 percent of the population is either working or officially unemployed.

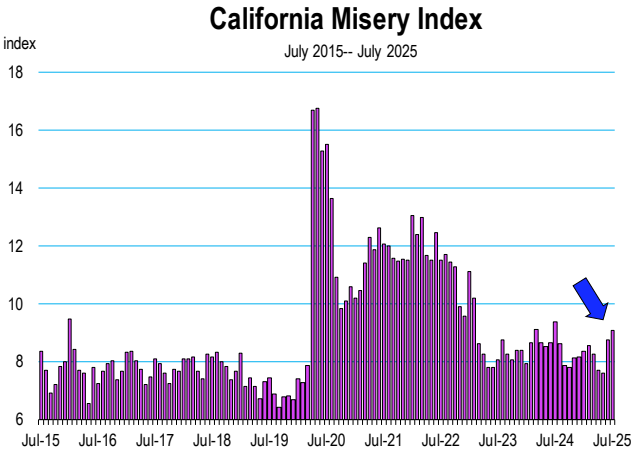
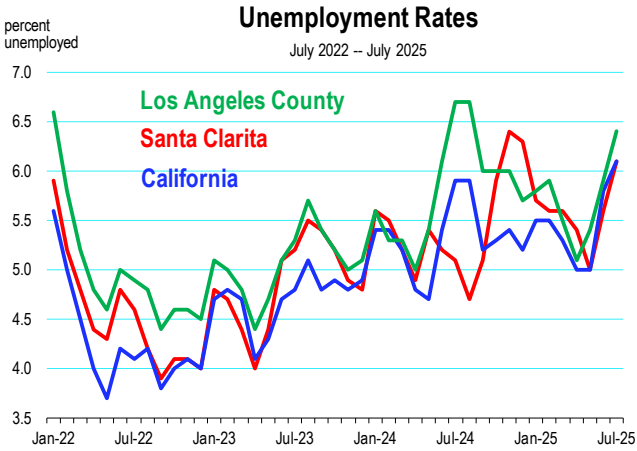
The labor force in the Greater Santa Clarita Valley area that includes the surrounding communities of Agua Dulce, Green Valley, Castaic, Stevenson Ranch, and Canyon Country is now estimated at 150,000. The labor force is the number of residents that are either working or want to be working.

The labor force is expanding, but at a glacial pace, consistent with the growth of the population. From the household survey, the



data show that the number of city residents that are working has not increased over the last several years, consistent with the employer’s survey of the number of workers they employ.





Consequently, a rising labor force without a commensurate rise in working residents results in higher unemployment. The rate for Santa Clarita is now at 6.1 percent, close to the high for the current cycle.

Despite the gradual uptick in the unemployment rate, there does not appear to be the usual trauma associated with increasing joblessness. The regional unemployment rate has historically tracked the statewide rate. Currently in California, there is no increase in unemployment claims nor a concerning increase in the “misery index” adapted to California.<sup>1</sup>

Unemployment Rates Principal Cities of Los Angeles County		
	July 2025 ( percent)	Residents working
Torrance	5.6	68,700
Pasadena	5.9	72,600
<b>Santa Clarita</b>	<b>6.1</b>	<b>110,400</b>
Santa Monica	6.1	49,800
Long Beach	6.2	229,500
Glendale	6.4	89,900
Los Angeles	6.5	1,934,600
Palmdale	6.8	67,900
Pomona	6.8	68,200
Lancaster	8.3	74,400
LA County	6.4	4,743,200

<sup>1</sup>The misery index was created by economist Arthur Okun in the 1970s and it was initially called the Economic Discomfort Index. It is an economic indicator that is calculated by adding the seasonally adjusted rate of unemployment and the annual inflation rate. It might serve as a broad measure of the economic distress of the average citizen. The California edition uses the inflation rate and unemployment rate for California.

## Largest Employers

The largest employers list is updated annually from a telephone and email survey. The information is carefully limited to the number of workers physically employed at locations within the Santa Clarita Valley.

The survey has been a continuous annual feature of this publication since 2002. The 2025 update was conducted by the Santa Clarita Valley Economic Development Corporation during the months of August and early September.

- Among the 62 largest employers for which complete information is available, there were 31,439 workers in the Santa Clarita Valley in September 2025.
- Relative to 2024, public sector organizations comprising the Santa Clarita Valley's largest employers reported a headcount contraction of 69 jobs
- Six of 12 public sector companies upsized their headcounts over 2024.
- Only 17 of 50 private companies added jobs since the 2024 report. The rest either reported the same or a lower headcount of workers. The company with the largest reported headcount gain was Logix with 170 more positions today than a year ago.
- Collectively, total employment within the largest private companies marginally declined, by 345 jobs. For both private and public sector organizations, the total employment contraction reported over the year was 414 jobs.
- The largest employer in the region continues to be Magic Mountain. Their headcount was the same as a year ago.
- Consolidations within Princess Cruises have continued over time. The company announced earlier this year they would relocate the Town Center HQ to Miami-Dade County by 2028.

Largest Employers		Santa Clarita Valley			September 2025	
Rank	Organization	Location	2024	2025	2024 to 2025	percent change
<b>Private</b>		<i>– headcount of employees –</i>				
1	Six Flags Magic Mountain	Valencia	3,000	3,000	0	0.0%
2	Henry Mayo Newhall Memorial Hospital	Santa Clarita	1,683	1,695	12	0.7%
3	California Institute of the Arts	Santa Clarita	1,685	1,629	-56	-3.3%
5	Logix	Santa Clarita Valley	679	849	170	25.0%
6	Walmart Supercenter	Santa Clarita Valley	720	720	0	0.0%
7	Woodward HRT*	Valencia	710	710	0	0.0%
8	Amazon/Whole Foods	CANR & IAC	580	678	98	16.9%
4	Princess Cruises	Valencia	901	668	-233	-25.9%
9	The Master's University and Seminary	Santa Clarita	739	664	-75	-10.1%
10	Boston Scientific*	Valencia	649	649	0	0.0%
11	Advanced Bionics	Valencia	723	550	-173	-23.9%
29	Vallarta Supermarkets	Santa Clarita	449	497	48	10.7%
12	Stay Green Inc.	Santa Clarita	450	475	25	5.6%
13	Kaiser Permanente	Santa Clarita	435	473	38	8.7%
14	AMS Fulfillment	Valencia	489	465	-24	-4.9%
15	DrinkPAK	Santa Clarita	445	450	5	1.1%
16	Sunkist Growers, Inc.**	Santa Clarita	425	425	0	0.0%
17	Contractors Wardrobe*	Valencia	402	402	0	0.0%
18	ITT Aerospace Controls*	Valencia	360	360	0	0.0%
19	McDonald's	Santa Clarita Valley	300	355	55	18.3%
20	IQVIA	Valencia	340	340	0	0.0%
21	Shield Healthcare	Valencia	242	305	63	26.0%
22	Costco Wholesale	Canyon Country	325	292	-33	-10.2%
23	Adept Fasteners	Valencia	249	277	28	11.2%
24	ASC Process Systems	Valencia	294	276	-18	-6.1%
25	B&B Manufacturing Co.	Santa Clarita	235	238	3	1.3%
26	Aerospace Dynamics International	Valencia	238	236	-2	-0.8%
27	Knowles	Valencia	194	230	36	18.6%
28	Hasa, Inc.**	Santa Clarita	229	229	0	0.0%
30	Crissair, Inc.	Valencia	216	217	1	0.5%
31	Sunvair, Inc.	Valencia	205	211	6	2.9%
32	Landscape Development, Inc.	Valencia	300	200	-100	-33.3%
33	TA Aerospace*	Valencia	195	195	0	0.0%
34	FMI Aerostructures (Formerly Forrest Machining)	Santa Clarita	212	193	-19	-9.0%
35	Fralock*	Valencia	187	187	0	0.0%
36	Lief Labs	Valencia	214	185	-29	-13.6%
37	RAH Industries	Santa Clarita	172	181	9	5.2%
38	HRD Aero Systems	Valencia	183	175	-8	-4.4%
39	Honda Racing Corporation USA*	Valencia	175	175	0	0.0%
40	Frontier Toyota	Valencia	159	168	9	5.7%
41	Cardinal Health	Santa Clarita	163	166	3	1.8%
42	Remo, Inc.	Valencia	221	162	-59	-26.7%
43	Marathon Industries	Santa Clarita	158	145	-13	-8.2%
44	Trinity Classical Academy	Valencia	150	140	-10	-6.7%
45	Child & Family Center	Santa Clarita	150	139	-11	-7.3%
46	Classic Wire Cut	Valencia	127	130	3	2.4%
47	Cicoil	Santa Clarita	145	127	-18	-12.4%
48	John Paul Mitchell Systems	Santa Clarita	130	125	-5	-3.8%
49	Star Nail/Cuccio	Valencia	149	118	-31	-20.8%
50	AAA Companies	Santa Clarita	130	110	-20	-15.4%
<b>Public</b>		<i>– headcount of employees –</i>				
1	William S. Hart Union School District	Santa Clarita Valley	2,100	2,049	-51	-2.4%
2	College of the Canyons	Valencia	1,599	1,829	230	14.4%
3	Saugus Union School District	Santa Clarita	1,608	1,314	-294	-18.3%
4	U.S. Postal Service Santa Clarita	Santa Clarita	1,065	1,158	93	8.7%
5	City of Santa Clarita	Santa Clarita	1,141	1,154	13	1.1%
6	Newhall School District	Valencia	931	857	-74	-7.9%
7	Castaic Union School District	Valencia	284	285	1	0.4%
8	SCV Water	Santa Clarita Valley	249	261	13	5.0%
9	LA Fire Department (All SCV Firehouses)	Santa Clarita Valley	226	226	0	0.0%
10	Santa Clarita Sheriff's Station	Santa Clarita Valley	210	210	0	0.0%
11	Southern California Edison	Santa Clarita Valley	200	200	0	0.0%
12	SoCalGas	Santa Clarita Valley	144	145	1	0.7%
<b>Public Total</b>			<b>9,757</b>	<b>9,688</b>	<b>-69</b>	<b>-0.7%</b>
<b>Grand Total</b>			<b>31,439</b>	<b>31,025</b>	<b>-414</b>	<b>-1.3%</b>

Source: Santa Clarita Valley EDC and the California Economic Forecast, August-September 2025

\* 2025 headcount unavailable; 2024 headcount assumed for 2025

\*\* 2024 numbers are assumed

## Average Salaries

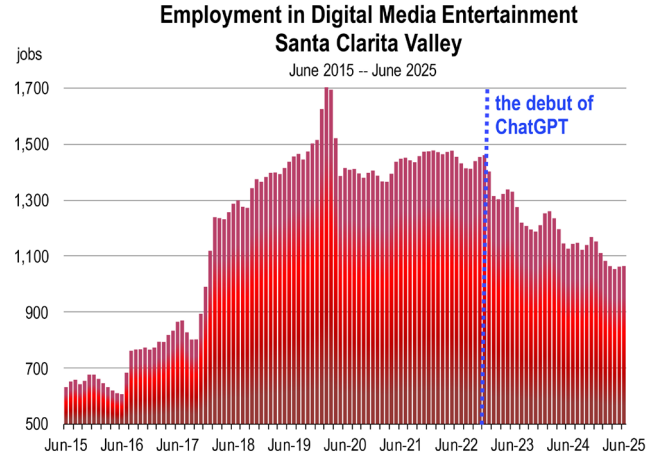
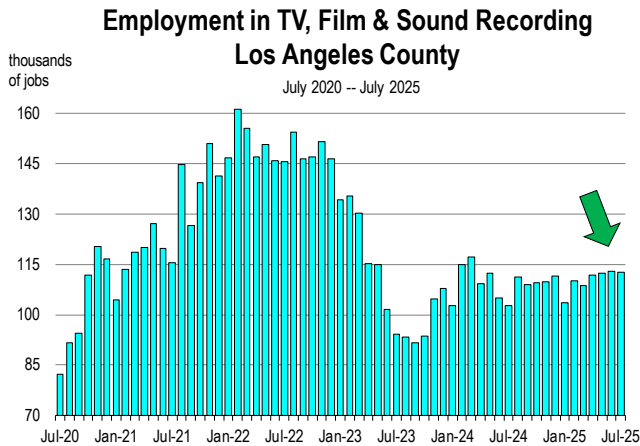
- During 2025, the average salary for all non-farm workers declined by two percent, following a 10 percent increase in 2024. The outlook has average salaries rising 3.1 percent in 2026 and 5.0 percent in 2027. Meaningful average salary gains are largely due to the productivity of the labor force from transition to AI systems.
- The largest increases occurred for workers in Administrative Support, Management of Companies, and Accommodation and Food Services.
- Healthcare has been rising in total headcounts, and the average salary per worker also rose 5.0 percent, to \$61,309.
- The highest paying sectors in the region are the Public Utilities, Management of Companies, Manufacturing, Transportation & Warehousing, and Professional and Scientific Services
- The workforce for the public utilities is small. The workforces in Manufacturing, Transportation, and Professional Services are large, and are the principal drivers of wage and salary income in the region.
- Adjusted for inflation, the all-industries average salary in 2024 was 6.5 percent higher than in 2023. Real salaries declined about 4 percent in 2025. Inflation adjusted gains in average worker salaries are expected in 2026 and 2027.

<b>Average Salary per Worker • 2025 Principal Sectors</b>	
Industry	dollars. per worker
Utilities	\$ 186,852
Construction	\$ 84,141
Manufacturing	\$ 96,156
Wholesale Trade	\$ 90,498
Retail Trade	\$ 45,484
Transportation / Warehousing	\$ 94,710
Information	\$ 80,335
Finance & Insurance	\$ 95,027
Real Estate & Rental & Leasing	\$ 68,923
Prof / Scientific / Technical	\$ 90,842
Management of Companies	\$ 110,162
Administrative & Support	\$ 49,911
Educational Services	\$ 45,599
Health Care & Social Assistance	\$ 61,309
Arts / Entertainment / Recreation	\$ 29,266
Accommodation & Food Services	\$ 32,136
Other Services	\$ 42,159
Local Government	\$ 66,884
Average, all workers	\$ 69,014

## The Disruptiveness of AI

The biggest concern about the rapid and widespread adoption of AI is its potential effect on the labor market.

Sectors especially vulnerable to the substitution of AI systems for workers include those where job consolidation has been greatest in California this year. Manufacturing, professional and business services, information, and financial activities are hemorrhaging jobs, while



Infrastructure investments in AI are easier to commit capital to. This includes companies like NVIDIA, Amazon, Google Cloud, Graphcore and Cerebras.

Companies such as Microsoft, Intel, Google, Meta, and HP have implemented major job cuts, often citing a shift to AI tools and automation as a driving factor. Across California, tens of thousands of tech jobs have been lost, primarily in software development, operations, technical writing, support, and product management. For example, Microsoft cut 9,000 roles in gaming and cloud in July, while IBM’s 8,000 layoffs in May targeted HR roles automated by AI.

The entertainment sector—including TV, film production, and game development—has experienced significant job losses attributed to AI. Tools for video generation, editing, special effects, animation, and sound design are increasingly replacing traditional creative roles. Los Angeles County has lost an estimated 30,000 jobs in TV, film, and sound recording since early 2023, with the pace likely to accelerate into next year as video and audio AI tools proliferate.

In summary, the tech/software, biotech, entertainment & media, and administrative support sectors are all being seriously impacted by AI-driven layoffs in California

MARKETS BUSINESS INVESTING TECH POLITICS VIDEO INVESTING CLUB JOIN PRO LIVESTREAM

TECH

# Microsoft laying off about 9,000 employees in latest round of cuts

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this year, with the tech and media industries leading the trend. The local labor market in Santa Clarita is not exempt from this trend. A principal cluster industry that we track, Digital Media, the composite employment in Software development, internet publishing and podcasts, graphic design, film and sound recording, and advertising, has been consolidating rapidly since late 2022, which coincides with the advent of the first AI systems like ChaptGPT.

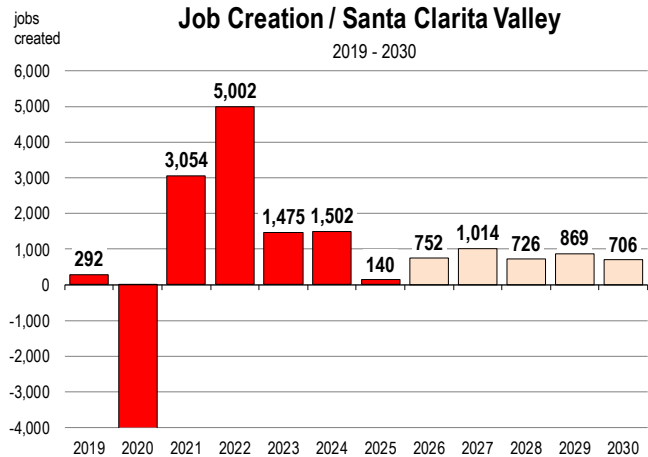
The primary driver for the recent trend in AI driven layoffs is companies pivoting to AI-powered productivity, automation, and cost-cutting, often at the expense of traditional roles.

### The Forecast

The pace of job creation for the first half of 2025 is much lower this year, in tandem with the greater Los Angeles region and the state. The pace of job creation will generate only 140 new jobs this year. The unemployment rate is currently at 6.1 percent. The labor markets have softened, starting last year. The outlook for now suggests continued reluctance by employers to hire; job growth rises in 2026 and 2027 but by less than historically average labor market gains.

Artificial intelligence is rapidly transforming the job landscape in California, bringing both opportunities and challenges. AI is already widely used in recruitment, resume screening, employee onboarding, and performance evaluation, streamlining processes and increasing efficiency for employers.

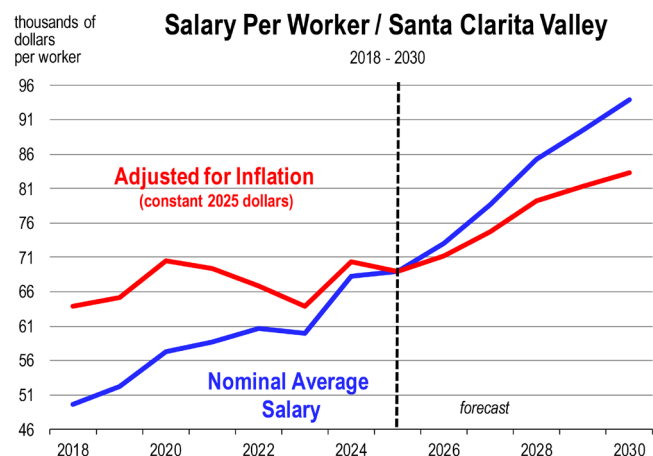
While AI is expected to create new roles—particularly in tech, data analysis, and AI



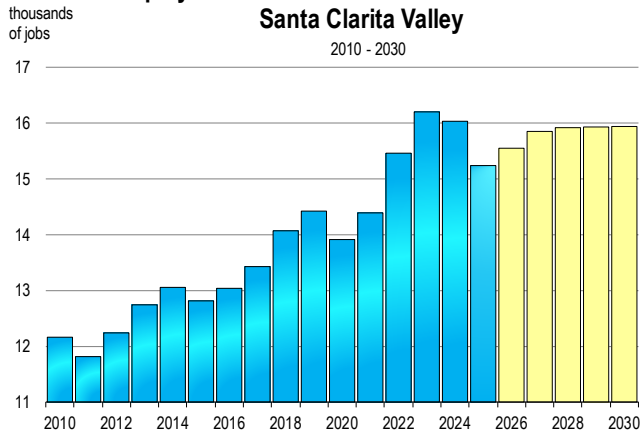
system management—it will also automate certain routine tasks, prompting a shift in the skills demanded by employers. To date, worker replacement by AI has not been offset by new jobs created.

The unemployment rate declines marginally in 2026. The construction sector will need to add more jobs to accommodate all of the new housing projects that are underway or have recently started. The risk is the availability of workers in California for construction work.

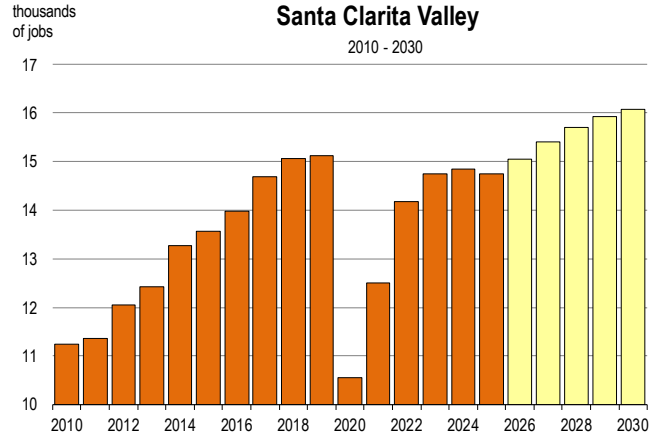
Healthcare will continue to lead all sectors in new job formation, followed by leisure and hospitality and professional and business services.



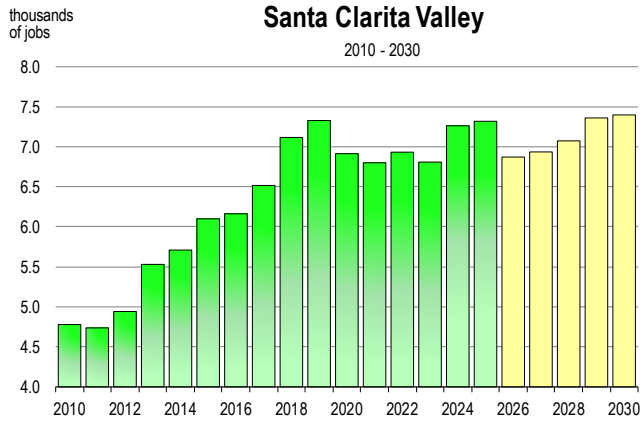
### Employment in Professional Business Services Santa Clarita Valley



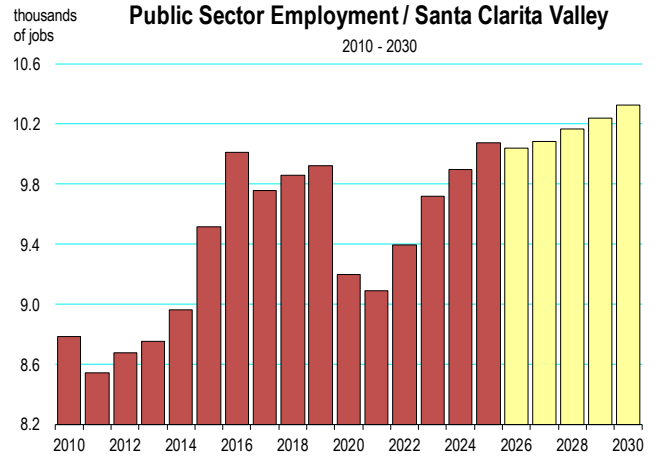
### Employment in Leisure & Hospitality Santa Clarita Valley



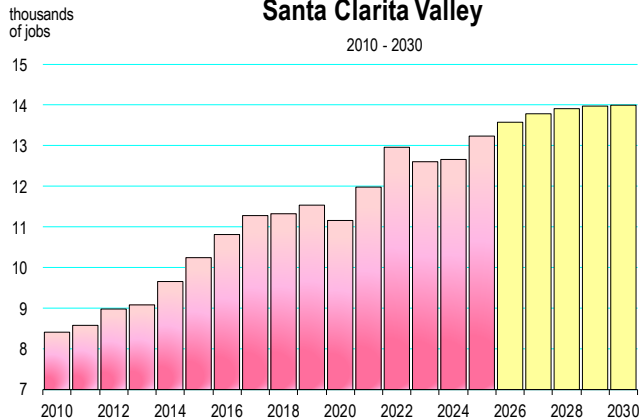
### Employment in Construction Santa Clarita Valley



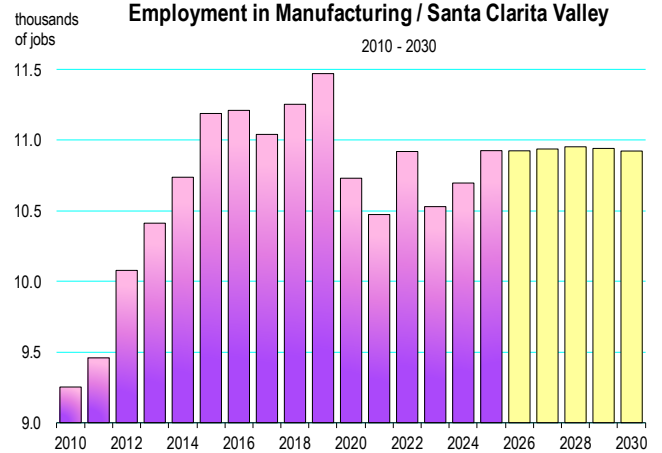
### Public Sector Employment / Santa Clarita Valley



### Employment in Healthcare Santa Clarita Valley



### Employment in Manufacturing / Santa Clarita Valley



LABOR MARKETS

Labor Market Forecast	Santa Clarita Valley			History: 2020 - 2025		
	2020	2021	2022	2023	2024	2025
<b>Sector</b>	– jobs –					
Farm	77	118	150	50	49	21
Construction	6,914	6,800	6,933	6,809	7,263	7,319
Manufacturing	10,730	10,473	10,919	10,529	10,696	10,925
Transportation & Utilities	3,635	3,517	3,713	4,354	4,581	4,851
Wholesale/Retail Trade	15,248	15,490	14,925	15,018	15,221	15,074
Retail	11,355	11,697	11,463	11,552	11,576	11,615
Wholesale	3,893	3,793	3,462	3,466	3,645	3,459
Financial Activities	3,673	3,758	3,819	3,485	3,593	3,439
Professional Services	13,412	13,890	14,960	15,700	15,532	14,738
Information	1,286	1,385	1,386	1,250	1,202	1,173
Healthcare & Education	11,162	11,983	12,963	12,607	12,663	13,238
Leisure & Recreation	10,548	12,502	14,175	14,751	14,846	14,748
Other Services	2,260	2,485	2,826	3,174	3,265	3,216
Government	9,197	9,090	9,394	9,721	9,900	10,076
Federal	1,168	1,107	1,095	1,117	1,128	1,121
State & Local	8,029	7,983	8,299	8,604	8,772	8,955
Total Wage & Salary	85,903	88,957	93,959	95,434	96,936	97,072
percent change	-10.4	3.6	5.6	1.6	1.6	0.1
Total Non-farm Jobs Created	-9,971	3,013	4,970	1,575	1,503	164
Unemployment Rate (percent)	11.3	7.9	4.5	4.9	5.4	5.6

Source: California Economic Forecast, September 2025

Labor Market Forecast	Santa Clarita Valley			Forecast: 2026 - 2030	
	2026	2027	2028	2029	2030
<b>Sector</b>	– jobs –				
Farm	23	23	22	21	21
Construction	6,872	6,936	7,074	7,361	7,398
Manufacturing	10,924	10,937	10,952	10,941	10,922
Transportation & Utilities	4,790	4,746	4,731	4,724	4,713
Wholesale/Retail Trade	15,263	15,307	15,280	15,359	15,665
Retail	11,687	11,722	11,701	11,764	12,008
Wholesale	3,576	3,585	3,579	3,595	3,657
Financial Activities	3,484	3,490	3,512	3,545	3,561
Professional Services	15,049	15,350	15,417	15,430	15,439
Information	1,167	1,177	1,186	1,181	1,186
Healthcare & Education	13,578	13,787	13,912	13,976	13,998
Leisure & Recreation	15,049	15,404	15,701	15,924	16,073
Other Services	3,256	3,198	3,150	3,218	3,275
Government	10,040	10,085	10,168	10,240	10,327
Federal	1,084	1,043	1,015	1,012	1,010
State & Local	8,956	9,041	9,153	9,228	9,317
Total Wage & Salary	97,824	98,838	99,564	100,433	101,139
percent change	0.8	1.0	0.7	0.9	0.7
Total Non-farm Jobs Created	750	1,014	727	869	706
Unemployment Rate (percent)	5.2	4.7	4.4	4.4	4.3

Source: California Economic Forecast, September 2025