

EMPLOYMENT AND WORKFORCE

Labor Market

Employment and Unemployment

The Santa Clarita Valley Workforce

The Forecast



Labor Market

Labor markets are important for assessing regional economies because employment counts represent one of the timeliest and most fluid measures of economic activity by the local sector.

While job creation within a regional economy can be volatile over time for many reasons, in the short run, 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 a new in-migrating population of workers.

Employment and Unemployment

During 2022, the Santa Clarita Valley labor market has rebounded sharply with the fading of the pandemic and the restoration of unrestricted economic activity.

Furthermore, the labor market recovery from the pandemic recession is just about complete.

Jobs have been restored across all industries, with some sectors now exceeding pre-pandemic levels of employment.

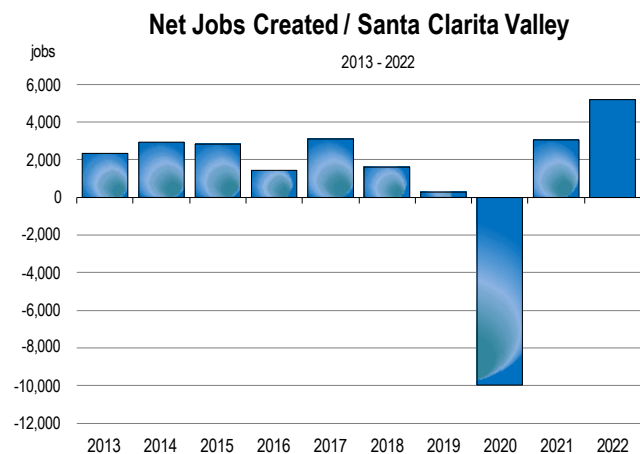
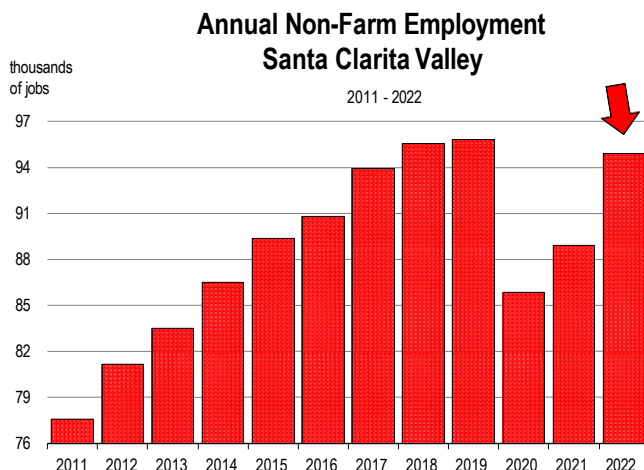
The growth of employment is currently on a path that will reinstate approximately 5,200 jobs this year in the SCV economy.

The accommodation, food services, entertainment, and recreation sector that suffered the largest job loss from the pandemic has nearly recovered.

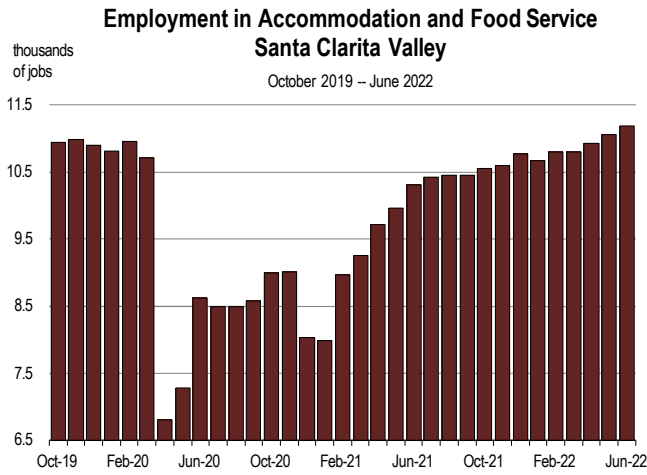
Magic Mountain re-opened in April 2021 and returned to capacity in June. It has been open for 18 months, but employment levels for the broader recreation and entertainment sector are not fully restored.

Attendance at the park continues to increase. The website Isitpacked.com indicated that the park was “mostly packed” during the months of June, July and August 2022.

Hotel occupancy rates have recovered, restoring workforces at local hotels, motels, and restaurants.



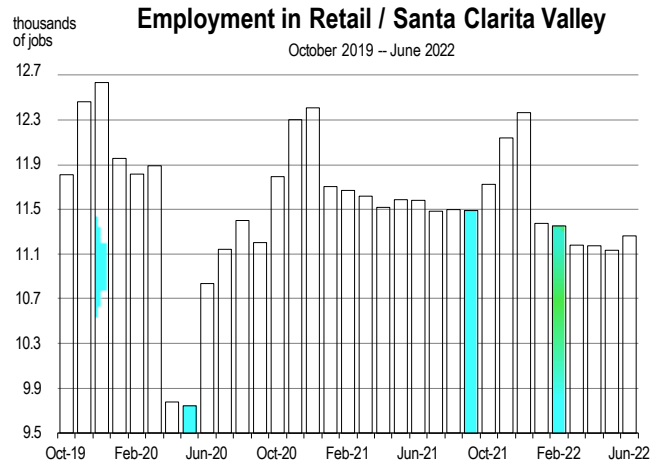
EMPLOYMENT



Job counts in entertainment and recreation will not be completely restored until mid-2023.

Though the retail sector is vibrant and generating more sales than ever before, employment levels have not rebounded. They are not likely to rebound due to the structural changes in commerce that have meaningfully changed as a result of the pandemic.

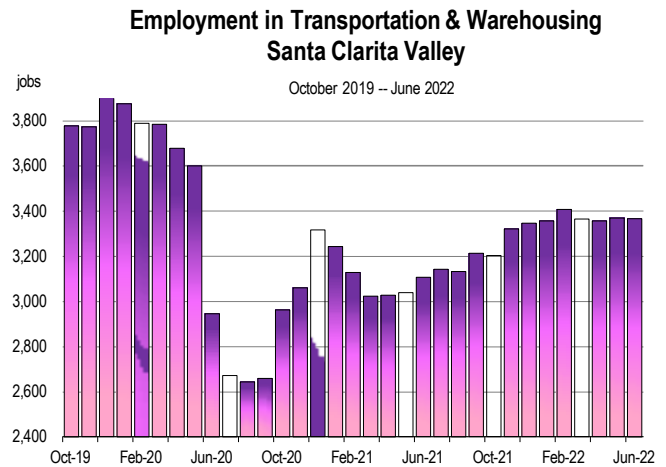
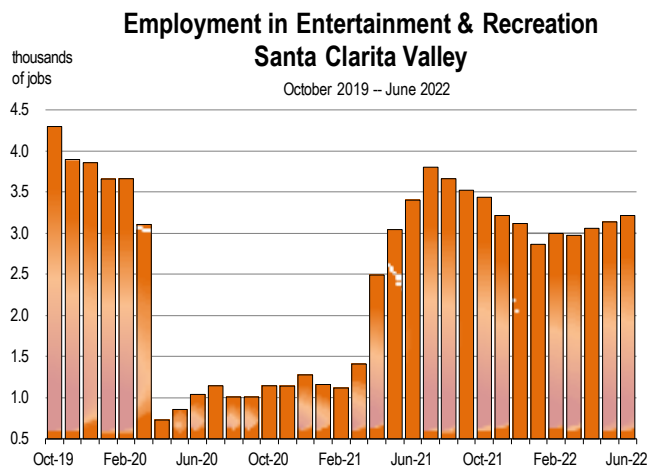
Residents have expanded their use of food delivery services, and online retail shopping continues to displace the in-store experience. We don't see vacant stores because many

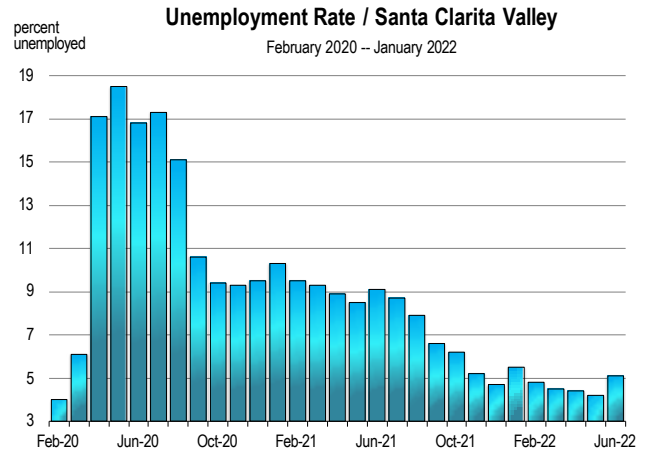
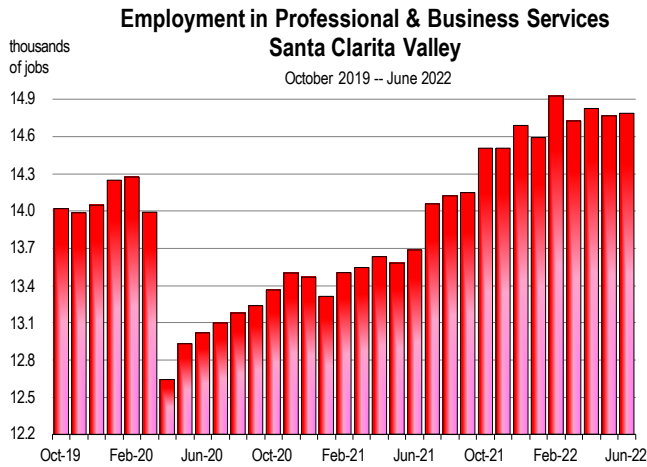


have been replaced with other types of retail or personal experiences that attract people but generally require fewer workers.

There is also the rapid onset of automation within the retail sector that has reduced the need for workers. The largest example of this is self-checkout at grocery stores.

Consequently, retail employment continues to contract over time. The spikes in the data represent the additional hiring of temporary workers during the holiday season.



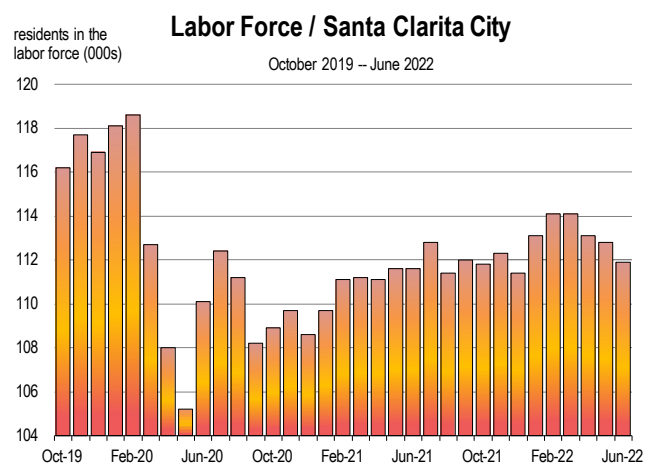
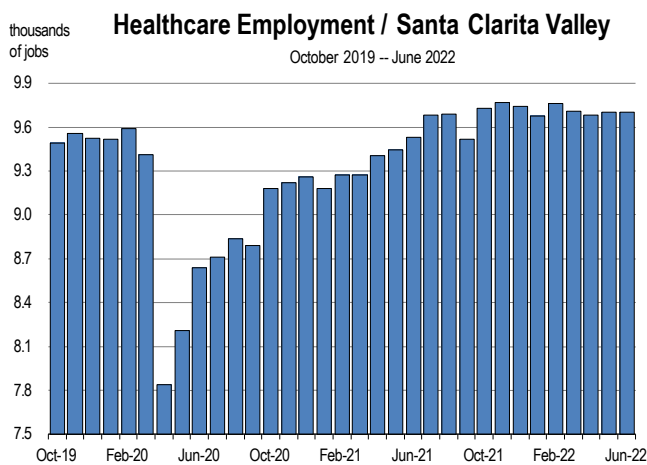


Princess Cruises is classified as a transportation company, providing water travel services. The company has resumed nearly all of its typical cruise routes worldwide. Service was just restored to Australia this past summer. The restoration of employment at Princess Cruises in Santa Clarita is now at 90 percent.

complete more space and attract more tenants. Much of the current employment growth is occurring in the professional, management, technical, and scientifically skilled services. Growth of jobs in this sector would be higher if positions could be filled. This is especially true in Healthcare services.

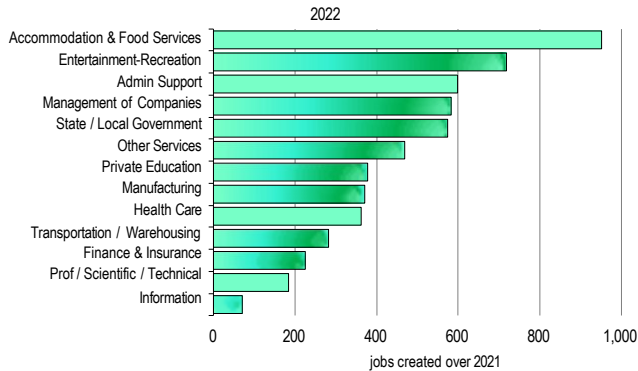
The workforce classified as Transportation and Warehousing is lagging job creation in other sectors, though the demand for warehouse, distribution, and fulfillment center jobs will remain steady in the region as the IAC Commerce Center and Needham Ranch

Job creation within Healthcare has stalled, not because of demand but because of supply. Currently, Healthcare is leading all labor markets in Los Angeles County (and California) in unfilled job openings. "Registered nurse" is the top occupation of all occupations with the most job

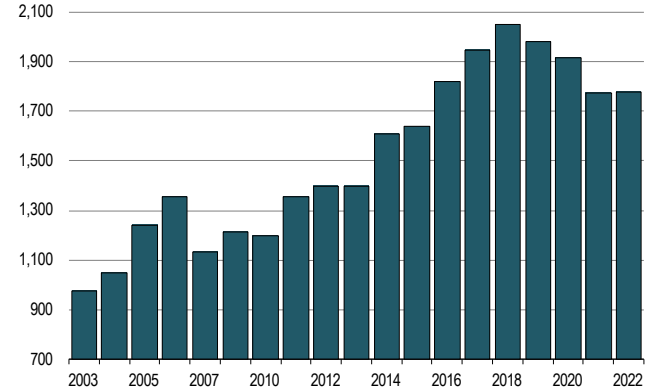


EMPLOYMENT

**Job Creation by Principal Sector
Santa Clarita Valley**



Employment at Henry Mayo Memorial Hospital
2003 - 2022



openings. August job ads on the website Indeed show that Henry Mayo Newhall Hospital is actively trying to fill more than 50 job openings

The unemployment rate is moving rapidly lower. Rates have been in the low 4s for most of this year. Despite substantial progress in the labor market recovery, the regional labor market still has 6,000 fewer jobs than it did before the Coronavirus Recession. Why? Because the labor force has not been fully restored.

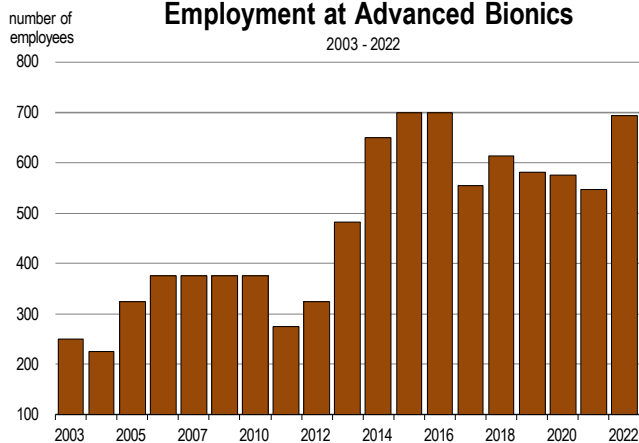
The labor force is the number of residents in the region who either are working or want to work. In February of 2020, the labor force within the

Santa Clarita City boundaries was estimated at 118,000. Today, it is at 112,000 people. The other 6,000 people have not returned, and this is the principal reason why employment levels have not entirely recovered and job postings are extraordinarily high.

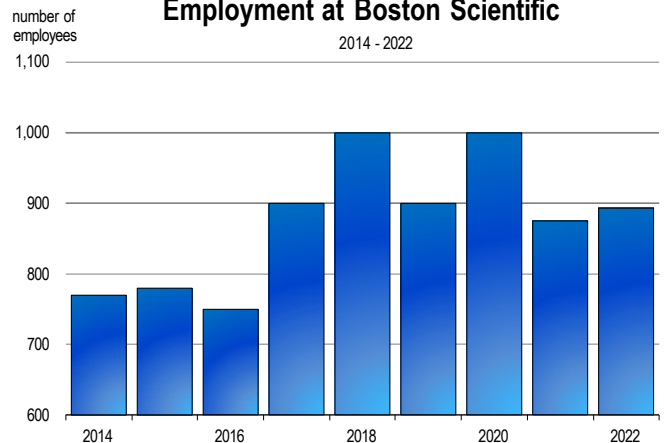
There are a record number of job postings in the Santa Clarita Valley, indicating that the demand for workers is high. Openings are particularly high in healthcare and hourly jobs in food services.

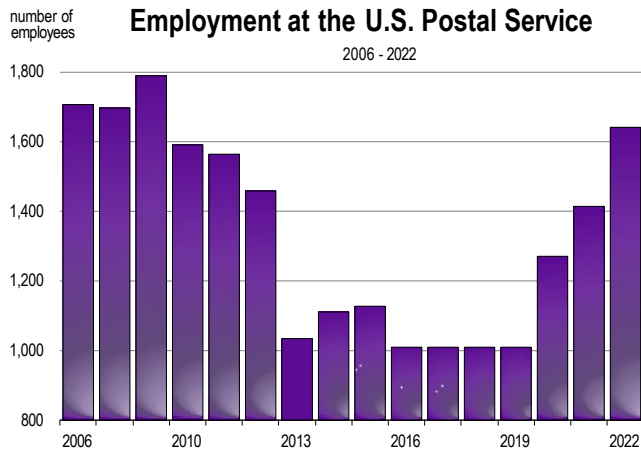
On the Indeed website, there were 3,201 jobs advertised for jobs in and within 5 miles of the

Employment at Advanced Bionics



Employment at Boston Scientific





City of Santa Clarita. Most jobs advertised were at Henry Mayo, Princes Cruises-Holland America, Six Flags, Vons, Starbucks, and Jack in the Box.

Now that all kids have returned to an in-person school schedule, and enhanced unemployment benefits have long ended, labor force dropouts have reasons to return. Furthermore, the looming slowdown in the economy is strongly influencing many retirees, caregivers, or home-schooling parents to return to the formal work effort.

Largest Employers

The largest employers list is updated annually from a telephone and email survey. The headcount information reported for 2022 is inclusive of remote workers payrolled through employer's Santa Clarita location.

The survey has been conducted annually since 2001. The 2022 update was conducted by the Santa Clarita Valley Economic Development Corporation during the month of August.

- Among the 50 largest employers for which complete information is available, there were 30,687 workers in the Santa Clarita Valley in September 2022.
- The Santa Clarita Valley's largest employers expanded their employee headcounts by over a thousand jobs from a year ago.
- Employment at large public organizations grew 5.8 percent.
- Twenty-three of the largest private sector companies added new jobs over the last year. Total employment within the largest private organizations rose 3.3 percent.
- Employment at Magic Mountain this year is less than a year ago due to an adjustment in staffing levels due to worker availability and cost.
- The largest private sector employment gain in the Santa Clarita Valley is Logix Federal Credit Union with 674 employees at their new headquarters in Valencia. Amazon moved into two locations, one at the IAC Commerce Center and the other in Needham Ranch. The company employs an estimated 580 workers, a meaningful addition to the local workforce.
- One of the fastest growing companies has been Scorpion Internet Marketing and Design. Over time, the company expanded to 653 employees in the Santa Clarita Valley by 2020. Since then however, the company has adopted a policy of fully optional remote-hybrid, and in-office working arrangements.

EMPLOYMENT

Largest Employers		Santa Clarita Valley			August 2022	
Rank	Company or Organization	Location	2021	2022	2021 to 2022	Percent Change
Private			– headcount of employees –			
1	Six Flags Magic Mountain	Valencia	2,700	2,200	-500	-18.5
2	Henry Mayo Newhall Memorial Hospital	Santa Clarita	1,774	1,778	4	0.2
3	Princess Cruises	Valencia	1,308	1,116	-192	-14.7
4	Boston Scientific	Valencia	875	893	18	2.1
5	The Master’s University	Santa Clarita	755	863	108	14.3
6	Advanced Bionics	Valencia	548	693	145	26.5
7	Logix ¹	Valencia	50	674	624	1,248.0
8	Woodward HRT	Valencia	721	610	-111	-15.4
9	Amazon ²	SCV	580	580	0	0.0
10	Kaiser Permanente ³	Santa Clarita	384	528	144	37.5
11	Stay Green Inc.	Santa Clarita	400	500	100	25.0
12	Contractors Wardrobe	Valencia	473	473	0	0.0
13	AMS Fulfillment	Valencia	367	470	103	28.1
14	Quest Diagnostics	Valencia	608	466	-142	-23.4
15	California Institute of the Arts	Santa Clarita	600	455	-145	-24.2
16	Walmart ^{4,5}	Santa Clarita	450	450	0	0.0
17	Q2 Solutions	Valencia	393	389	-4	-1.0
18	Bright Innovation Labs	Santa Clarita	365	365	0	0.0
19	Scorpion Internet Markeing and Design	Valencia	601	356	-245	-40.8
20	ITT Aerospace Controls	Valencia	360	351	-9	-2.5
21	Pharmavite ⁴	Valencia	345	345	0	0.0
22	Gothic Landscaping	Valencia	380	327	-53	-13.9
23	Costco Wholesale	Canyon Country	302	296	-6	-2.0
24	McDonald’s	Santa Clarita Valley	291	286	-5	-1.7
25	B & B Manufacturing Co.	Santa Clarita	240	265	25	10.4
26	Landscape Development Inc.	Valencia	280	260	-20	-7.1
27	Forrest Machining	Santa Clarita	232	260	28	12.1
28	Lief Labs	Valencia	157	250	93	59.2
29	Knowles Precision Devices (formerly Novacap)	Valencia	182	241	59	32.4
30	DrinkPAK	Santa Clarita	200	228	28	14.0
31	Fralock	Valencia	200	227	27	13.5
32	Shield Healthcare	Valencia	233	216	-17	-7.3
33	ASC Process Systems	Valencia	226	210	-16	-7.1
34	Remo, Inc.	Valencia	150	207	57	38.0
35	PCC Aerostructures ADI	Valencia	213	194	-19	-8.9
36	Adept Fasteners	Valencia	170	192	22	12.9
37	Cardinal Health	Santa Clarita	170	190	20	11.8
38	The Home Depot ^{4,6}	Countywide	190	190	0	0.0
39	Crissair	Valencia	180	188	8	4.4
40	HRD Aero Systems	Valencia	158	180	22	13.9
41	Sunvair (new for 2020)	Valencia	118	180	62	52.5
42	RAH Industries	Santa Clarita	185	175	-10	-5.4
43	Frontier Toyota	Valencia	166	168	2	1.2
44	TA Aerospace	Valencia	155	156	1	0.6
45	Honda Performance	Valencia	155	155	0	0.0
46	Trinity Classical Academy	Valencia	155	155	0	0.0
47	Star Nail International / Cuccio (new for 2020)	Valencia	179	154	-25	-14.0
48	WayForward	Santa Clarita	153	154	1	0.7
49	John Paul Mitchell Systems	Santa Clarita	133	149	16	12.0
50	AAA Companies (new)		143	147	4	2.8
Private Sector Totals			20,353	20,555	202	1.0
Public			– headcount of employees –			
1	William S. Hart Union School District	Santa Clarita Valley	1,641	1,999	358	21.8
2	College of the Canyons	Valencia	1,535	1,481	-54	-3.5
3	U.S. Postal Service ⁷	Santa Clarita	1,414	1,642	228	16.1
4	Saugus Union School District	Santa Clarita	1,254	1,374	120	9.6
5	City of Santa Clarita	Santa Clarita	811	943	132	16.3
6	Newhall School District ⁴	Valencia	715	715	0	0.0
7	Castaic Union School District	Valencia	248	259	11	4.4
8	SCV Water	Santa Clarita Valley	202	219	17	8.4
Public Sector Totals			7,820	8,632	812	10.4
Overall Total			28,173	29,187	1,014	3.6

¹ Relocated headquarters to SCV in 2022

² Two locations: Needham Ranch and IAC Commerce Center

³ 2021 full-time employment only; 2022: full-time, part-time, and on-call headcount

⁴ 2022 headcount unavailable; 2021 headcount assumed for 2022

⁵ Carl Boyer “academy” store only

⁶ Golden Triangle location only

Source: Santa Clarita Valley Economic Development Corporation Survey, August 2022, and the California Economic Forecast

Average Salaries

- During 2022, the average salary increased by 3.4 percent in the Santa Clarita Valley. The largest increases occurred for workers in the Real Estate sector (8.9 percent), followed by Retail Trade (8.7 percent), Manufacturing (7.5 percent), Construction (7.0 percent), and Hotel and Food Services (5.9 percent).
- The highest paying sectors in the region are utilities, finance and insurance, management, professional/technical services, and manufacturing. This has been the case for many years. In these industries, the average worker earns more than \$85,000 per year. There are nearly 19,000 workers in this group.
- Adjusted for inflation, the all-industries average salary in 2022 is lower than in 2021. Inflation this year is averaging between 8 and 9 percent. Even average salaries in the highest increasing sectors are lower this year.

The Santa Clarita Valley Workforce

The labor force in the greater Valley area that includes the surrounding areas of Agua Dulce, Green Valley, Castaic, Stevenson Ranch, and Canyon Country now stands at 160,200. Only 3.0 percent are unemployed.

The educational attainment of the Santa Clarita Valley workforce is more competitive with the broader workforce of Los Angeles County and surrounding Ventura County.

Average Salary Per Worker / Primary Sectors Santa Clarita Valley

Labor Market Sector	2022
– dollars per worker –	
Utilities	\$132,698
Finance & Insurance	\$100,650
Mgmt. of Companies	\$89,928
Prof / Scientific / Technical	\$87,847
Manufacturing	\$86,519
Wholesale Trade	\$82,826
Information	\$78,973
Construction	\$76,799
Real Estate & Rental	\$67,462
Transp. & Warehousing	\$65,615
Healthcare	\$59,633
State & Local Gov't	\$57,900
Federal Gov't	\$55,800
Admin Support	\$48,312
Retail Trade	\$44,777
Private Education	\$37,055
Accommodation & Food Services	\$27,747
Entertainment-Recreation	\$23,303
Average, all Non-Farm Workers	\$60,644

Source: Labor Market Information Division, State of California, and California Economic Forecast

EMPLOYMENT

The region’s workforce is (1) employed by companies located within the Santa Clarita Valley, (2) self-employed, or (3) commutes to jobs outside the local area, mostly into the San Fernando Valley.

Working at jobs within the Santa Clarita Valley is the dominant characteristic of the workforce, and over time, more resident workers have been able to find competitive jobs in the region, ending their commute.

Management and sales dominate the classifications of occupations reported by Santa Clarita Valley residents.

Currently, commercial development is occurring faster than the development of housing. Consequently, to fill local jobs, employers are having to import workers into the SCV economy until more housing is built.

Fortunately, immediately outside of the Santa Clarita Valley, there are 740,000 workers who

live within a 30-minute commute to local Santa Clarita Valley jobs. This includes areas as far away as Glendale, Encino, and Simi Valley. Consequently, there is a large pool of workers who could potentially fill jobs at locations in Santa Clarita.

The educational attainment of the resident workforce is very high. Within the Santa Clarita Valley, there are 78,500 workers (or 38 percent) with a Bachelor’s or Advanced Degree.

Within a 45-minute commute, there are 1.1 million workers with a Bachelor’s or Advanced Degree and 707,000 with an AA Degree or some college training.

Residents of the Santa Clarita Valley tend to have longer commutes than the typical resident of Los Angeles or Ventura Counties. On average, workers who reside in the Santa Clarita Valley spend 41 minutes commuting each way, and 38 percent commute more than 45 minutes each way. Within Los Angeles County,

Educational Attainment of the Workforce			2022
Level of Education	Santa Clarita Valley	Los Angeles County	Ventura County
<i>----- percent of population aged 25 and over -----</i>			
Associate’s Degree	9.9	7.0	9.4
Bachelor’s Degree	25.7	22.0	21.7
Graduate Degree	12.9	11.4	12.4
High School Degree	23.1	21.0	20.5
Less than 9th Grade	4.3	11.9	8.6

Source: Claritas

the average commute time for all workers is 36 minutes. Within Ventura County, the average commute time for all workers is 30 minutes.

The surrounding area from Lancaster in the north to Inglewood in the south, which represents a 45-minute commute into the Santa Clarita Valley, is populated by 2.8 million workers.

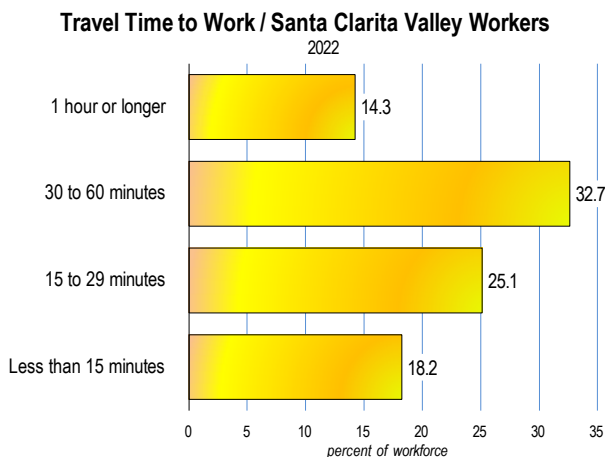
By comparison, residents of the San Fernando Valley have much shorter commutes, with an average travel time of 35 minutes. Half of San Fernando Valley residents spend less than 30 minutes on their trip to work.

Overall rates of labor force participation are similar for the Santa Clarita and San Fernando Valleys. In each region, approximately 66 percent of residents above the age of 16 are active participants in the job market.

In the San Fernando Valley, labor force participation is slightly higher for residents aged 16 to 44. In the Santa Clarita Valley, labor force participation rates are higher for residents aged 45 and up.

Key Occupations Held by Santa Clarita Valley Residents 2022	
Occupation	Number
Management	20,529
Sales	16,284
Administration Support	16,056
Food Services & Entertainment	14,619
Healthcare Practicioners & Support	13,200
Education	9,656
Financial Operations	9,385
Transportation & Distribution	8,124
Production of Goods & Parts	5,846
Construction Trades	5,303
Engineering	4,158
Other Occupations	29,764
Total Number of Residents	152, 924

Source: Labor Market Information Division, State of California, and California Economic Forecast



The Forecast

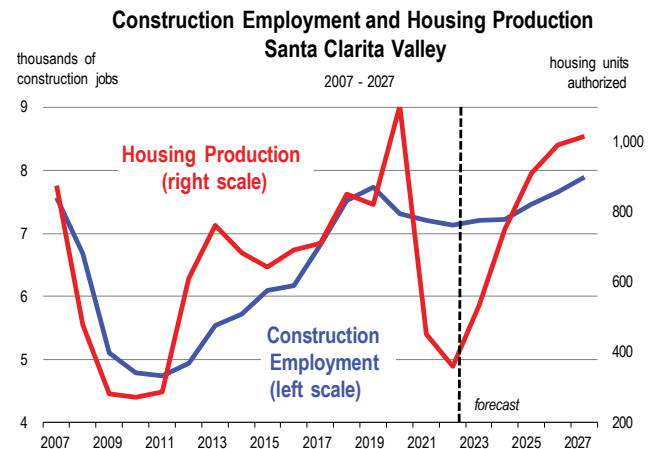
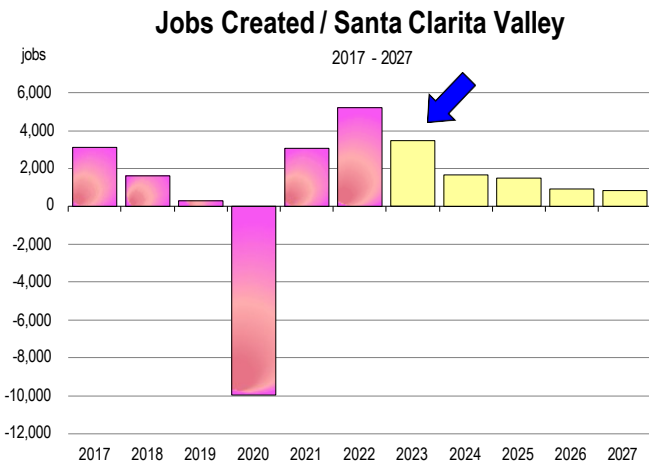
The region is on pace during the first 6 months of 2022 to create an estimated 5,200 jobs this year. The unemployment rate is currently at 4.1 percent. The labor market in 2022 is strong, but there is rising uncertainty that employment will be impacted by the looming recession that may arrive before the year's end.

Therefore, the outlook is tempered by slowing business conditions that are clearly impacting the national economy. As of this writing however, the U.S. unemployment rate is 3.5 percent and the creation of jobs continues to expand.

In 2023, the forecast still has the local economy creating 3,400 jobs. By 2024, less than 2,000 new jobs are forecast.

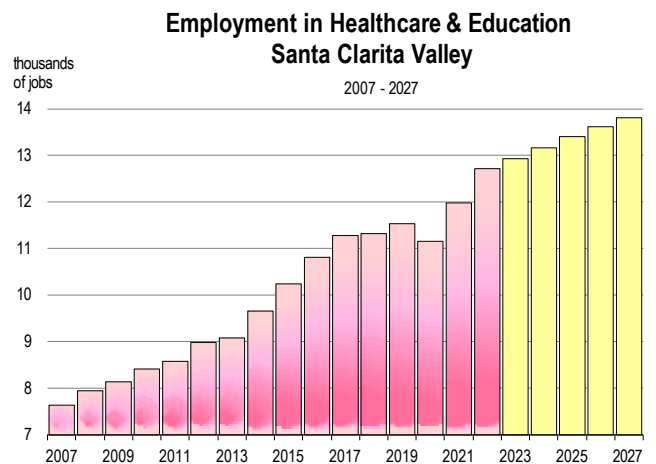
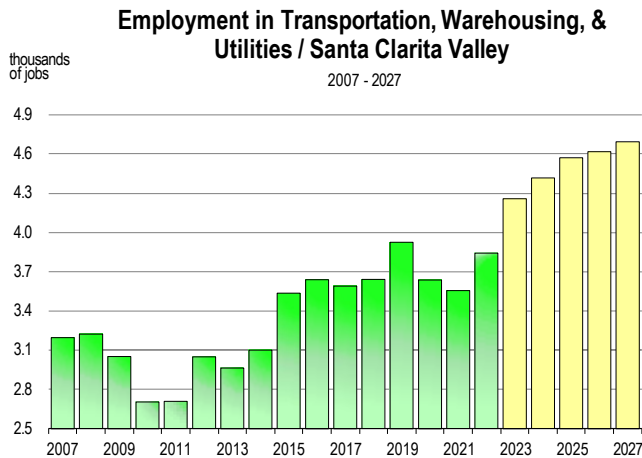
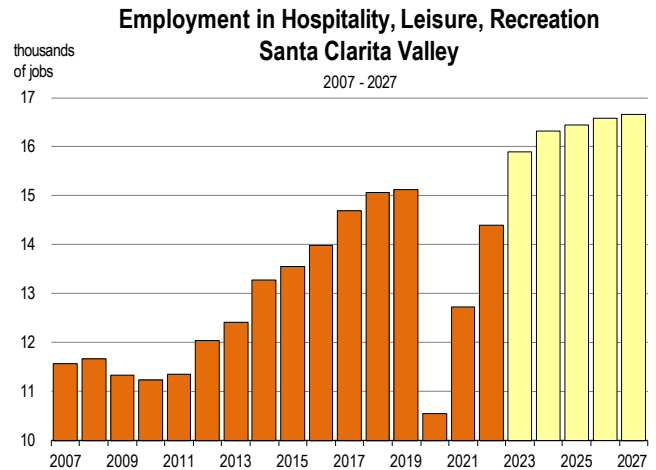
The unemployment rate will loosen up in 2023 but is still expected to largely represent a fully employed labor market.

Local residents have returned to the workforce in 2022 and new labor force entrants in 2023 will create more opportunities for companies to fill job positions faster.



Employment within the leisure and recreation sector will continue to expand. The transportation, warehousing, and utilities sector is poised to create hundreds of new jobs as a result of new tenants filling up space at the IAC Commerce Center and Needham Ranch.

Professional jobs and healthcare jobs which are currently the most in-demand will gradually widen the region’s labor market through 2024.



EMPLOYMENT

Labor Market Forecast	Santa Clarita Valley				History: 2017 - 2022	
	2017	2018	2019	2020	2021	2022
Sector	– jobs –					
Farm	28	31	31	23	24	23
Construction	6,817	7,517	7,728	7,314	7,200	7,133
Manufacturing	11,040	11,253	11,470	10,280	9,873	10,244
Transportation & Utilities	16,150	16,012	15,825	14,991	15,253	15,170
Wholesale/Retail Trade	3,590	3,642	3,925	3,636	3,556	3,842
Retail	12,560	12,370	11,900	11,355	11,697	11,328
Wholesale	4,207	4,244	4,182	3,893	3,793	3,462
Financial Activities	3,868	3,974	3,910	3,673	3,758	3,959
Professional Services	12,927	13,569	13,922	13,412	13,940	15,305
Information	1,348	1,338	1,392	1,286	1,385	1,455
Healthcare & Education	11,282	11,327	11,539	11,162	11,983	12,723
Leisure & Recreation	14,691	15,068	15,128	10,548	12,736	14,406
Other Services	2,950	2,896	2,918	2,260	2,485	2,953
Government	9,590	9,651	9,720	8,997	8,895	9,450
Federal	1,113	1,097	1,098	1,164	1,105	1,086
State & Local	8,477	8,554	8,622	7,833	7,790	8,364
Total Wage & Salary	93,953	95,566	95,858	85,903	88,959	94,162
percent change	3.4	1.7	0.2	-10.4	3.5	5.8
Total Non-farm Jobs Created	3,067	1,554	230	-10,009	3,009	5,156
Unemployment Rate (percent)	4.1	4.4	4.2	11.5	7.9	4.1

Source: California Economic Forecast, August 2022

Labor Market Forecast	Santa Clarita Valley			Forecast: 2023 - 2027	
	2023	2024	2025	2026	2027
Sector	– jobs –				
Farm	25	26	26	26	26
Construction	7,201	7,225	7,458	7,656	7,891
Manufacturing	10,741	10,865	10,869	10,876	10,912
Transportation & Utilities	15,486	15,741	16,180	16,188	16,257
Wholesale/Retail Trade	4,259	4,417	4,572	4,618	4,694
Retail	11,226	11,324	11,608	11,571	11,564
Wholesale	3,435	3,461	3,535	3,525	3,523
Financial Activities	4,002	4,024	4,122	4,169	4,139
Professional Services	15,604	15,801	15,942	16,094	16,173
Information	1,464	1,476	1,480	1,489	1,494
Healthcare & Education	12,931	13,164	13,405	13,620	13,817
Leisure & Recreation	15,900	16,327	16,449	16,585	16,665
Other Services	2,986	3,035	3,105	3,221	3,294
Government	9,924	10,173	10,198	10,199	10,260
Federal	1,080	1,067	1,043	1,012	975
State & Local	8,844	9,106	9,155	9,187	9,285
Total Wage & Salary	97,623	99,286	100,776	101,694	102,533
percent change	3.6	1.7	1.4	0.9	0.8
Total Non-farm Jobs Created	3,413	1,612	1,438	865	787
Unemployment Rate (percent)	3.8	4.2	4.3	4.4	4.4

Source: California Economic Forecast, August 2022

Data sources for this chapter include the California Employment Development Department, Claritas, Indeed, and the U.S. Census Bureau.