

4. Labor Market

The labor market is a significant indicator of the economic and social condition of a community. It identifies labor trends in the area, defines the supply and demand for employment, and indicates the strengths of the businesses that are supporting that demand. From labor market information, conclusions can be drawn about the economic motivation of the county's population, the availability of jobs, the social climate of the area, and the standards of living.

In analyzing the status of a community's labor force, the following definitions may be helpful:

- Labor force is equal to employment plus unemployment.
- Employment refers to people working at least one hour per week.
- Unemployment refers to people working less than one hour per week, but actively seeking work during that week.
- Unemployment rate is equal to unemployment divided by labor force.

The U.S. Department of Labor, Bureau of Labor Statistics uses the twelfth of each month to determine a person's employment status. This date was originally chosen because at one time, there were no holidays in the week that included the twelfth. Although that may not be true now, mid-month time periods are less volatile to changes in the overall business climate.

The average unemployment rate in El Dorado County from 1990 to 2003 was 5.8 percent. Tracking monthly unemployment trends during that time revealed seasonal changes in the level of employment. In El Dorado County there have been, on average, significant declines in unemployment (increases in employment) from February through August. During this period, unemployment dropped, on average, from 6.7 percent to 5.1 percent,

before it began to rise again. This may be largely driven by seasonal tourism and recreation-related jobs in the area. There are approximately 9,900 travel-generated jobs in the area (12.3 of total employment), and it is a common trend for some of these jobs to disappear as the peak travel seasons of spring and summer begin to slow. The unemployment rate is likely stabilized by the large amount of winter recreation in the area. However, to assume that all of the gains during these periods are exclusive to recreation and tourism would be inaccurate. As people begin receiving income, they typically spend it on unrelated goods and services within their communities. As the demand increases for these goods and services, employment levels are expected to rise to meet the demand. In addition, timber and agriculture-related jobs are other factors relevant to employment trends.

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Labor Force

Overview

Increases in labor force indicate economic growth in an area, making the percentage of change in labor force from year to year important to prospective business owners looking for new areas in which to develop. In addition to employed workers and unemployed county residents actively seeking work, the labor force includes workers who have been laid off and are waiting to be called back to work. Labor force does not include people who are in prisons, mental hospitals, nursing homes, or those under the age of sixteen.

El Dorado County

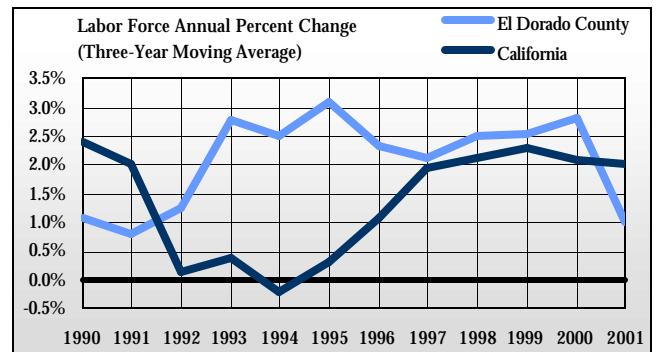
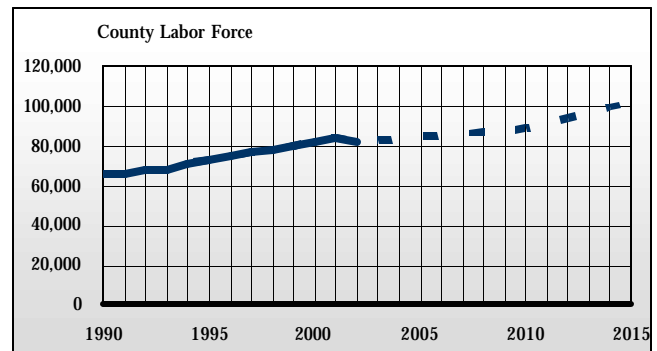
In 2003, 82,600 residents, or 49.8 percent of El Dorado County's population, were members of the labor force, compared to 49 percent in California. The labor force has increased steadily over the last twenty years, with a 0.4 percent growth in 2003. By 2015, the labor force is projected to increase 23.4 percent, growing to 101,900 people. This steady increase indicates a thriving economy and a perpetual increase in available employment and business growth.

The city of South Lake Tahoe boasted the strongest labor force in El Dorado County, with 17,180 members in 2003 and a 29.4 percent growth between 1990 and 2003. During the same time, the city of Placerville saw a 29.6 percent increase in the labor force—the highest in the county. Comparatively, the state of California saw a 20.5 percent increase in the total labor force.

Total Labor Force, Cities and County

Year	Placerville	South Lake Tahoe	El Dorado County	Annual percent change
1990	3,710	13,280	65,200	n/a
1991	3,840	13,700	65,600	0.6%
1992	3,990	14,190	67,500	2.9%
1993	4,000	14,240	67,700	0.3%
1994	4,180	14,910	71,200	5.2%
1995	4,260	15,210	72,700	2.1%
1996	4,340	15,490	74,200	2.1%
1997	4,440	15,870	76,280	2.8%
1998	4,500	16,070	77,400	1.5%
1999	4,610	16,510	79,900	3.2%
2000	4,470	15,990	82,200	2.9%
2001	4,590	16,440	84,100	2.3%
2002	4,780	17,090	82,300	-2.1%
2003	4,810	17,180	82,600	0.4%
2010(p)	n/a	n/a	88,600	2.5%
2015(p)	n/a	n/a	101,900	2.8%

Source: California Employment Development Department



Total Employment

Overview

The California Employment Development Department (EDD) defines employment by place of residence, or the estimated number of county residents who are employed, regardless of whether they work in the county. "Civilian employment includes all individuals who worked at least one hour for a wage or salary, were self employed, or were working at least fifteen unpaid hours in a family business or on a family farm during the week including the twelfth of the month. Those who were on vacation, other kinds of leave, or involved in a labor dispute, were also counted as employed."

Total employment indicates the overall health of the economy. A decrease in employment indicates a slowing of the economy in a given area and directly impacts consumer spending and local development. However, an increase in employment indicates a rise in consumer spending and local development. A city with a steadily increasing employment rate is more likely to attract new residents and gain more wealth.

Total Employment by Cities, County

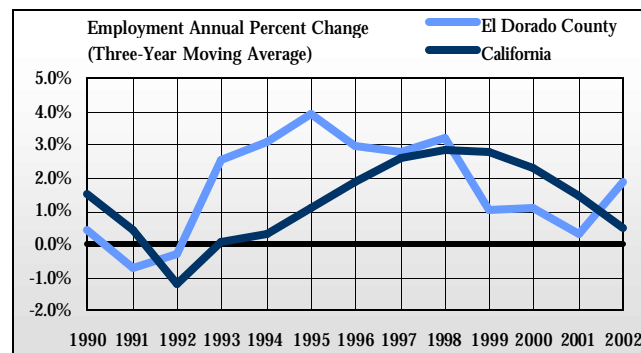
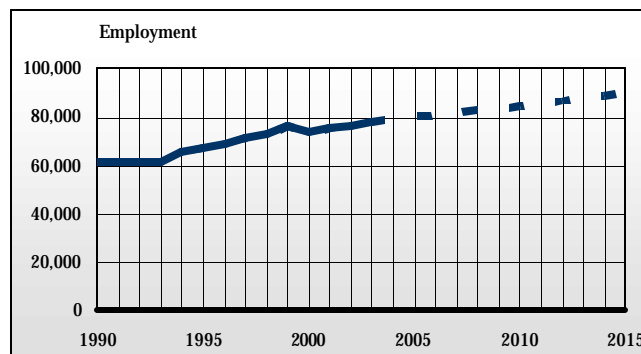
Year	Placerville	South Lake Tahoe	El Dorado County	Annual percent change
1990	3,460	12,460	61,200	n/a
1991	3,460	12,460	61,100	-1.8%
1992	3,490	12,560	61,600	0.8%
1993	3,490	12,540	61,500	0.2%
1994	3,720	13,370	65,600	6.8%
1995	3,800	13,670	67,100	2.3%
1996	3,920	14,090	69,100	3.0%
1997	4,060	14,600	71,600	3.6%
1998	4,130	14,860	72,900	1.8%
1999	4,300	15,490	76,000	4.3%
2000	4,190	15,070	73,900	-2.8%
2001	4,270	15,360	75,300	1.9%
2002	4,350	15,640	76,700	1.9%
2003	4,430	15,940	78,200	2.0%
2010(p)	n/a	n/a	84,600	3.3%
2015(p)	n/a	n/a	89,800	1.2%

Source: California Employment Development Department

El Dorado County

As of 2003, 78,200 members, or 94.7 percent of El Dorado County's labor force, were employed, a 2.0 percent increase since the preceding year. In comparison, 93.3 percent of California's total labor force was employed in the same year. Employment in the county is expected to continue rising in upcoming years, with projected totals of 84,600 in 2010 and 89,800 by 2015. This steady growth in employment indicates an increase in spending power for the average worker in El Dorado County and ultimately means greater economic strength for the county in the years to come.

In the city of South Lake Tahoe, 15,940 members of the labor force were employed as of 2003, the highest number in any city in El Dorado County. This total is followed by 4,430 employed residents in the city of Placerville.



Unemployment

Overview

Unemployment figures for a given month include people who are not working but were able, available, and actively seeking work during the week that included the twelfth of that month. Any person who has been laid off and is waiting to be called back to work, including an individual waiting to report to a new job within thirty days, is also considered unemployed.

Like the labor force, the unemployment rate excludes those who are not actively seeking work, are not between the ages of 16 and 65, or are institutionalized or otherwise unavailable for work.

Many fluctuations occur in the labor force regarding unemployment. When unemployment rates rise, employment may decrease, but the number of people actively seeking work may increase at the same time.

Although unemployment is an important economic factor, taken alone it is not a reliable source on which to base assumptions about the health of an economy.

El Dorado County

In 2003, 4,400 members of El Dorado County's labor force were unemployed, making up 5.4 percent of the labor force. This number is expected to increase to 5,400 by 2010 and 6,600 by 2015, which would be 6.1 percent and 6.5 percent of the total labor force, respectively. El Dorado County's unemployment rate has been consistently lower than the California average since 1990. For example, when statewide unemployment swelled to 9.4 percent in 1993, El Dorado County's unemployment rate was at 8.5 percent. This number steadily decreased through 2001 before beginning to rise again.

County Unemployment

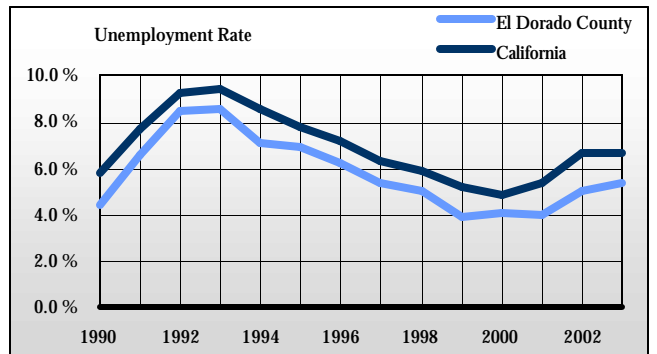
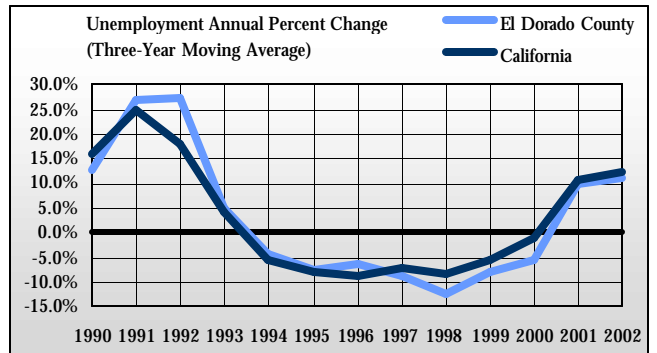
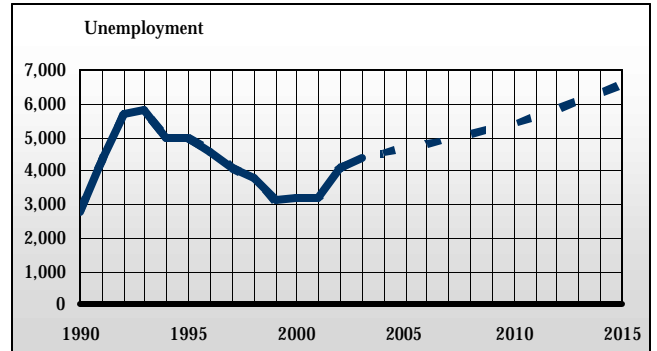
Year	County Unemployment	Annual percent change	Unemployment Rate
1990	2,800	n/a	4.4%
1991	4,300	53.6%	6.6%
1992	5,700	32.6%	8.5%
1993	5,800	1.8%	8.6%
1994	5,000	-13.8%	7.1%
1995	5,000	0.0%	6.9%
1996	4,600	-8.0%	6.2%
1997	4,100	-10.9%	5.4%
1998	3,800	-7.3%	5.0%
1999	3,100	-18.4%	3.9%
2000	3,200	3.2%	4.1%
2001	3,200	0.0%	4.0%
2002	4,100	28.1%	5.0%
2003	4,400	7.3%	5.4%
2010(p)	5,400	22.7%	6.1%
2015(p)	6,600	22.2%	6.5%

Source: California Employment Development Department; 2010 & 2015 projections calculated by the Center for Economic Development

Total Unemployment by City or Town

Year	Placerville	South Lake Tahoe
1990	240	800
1991	370	1,210
1992	490	1,600
1993	500	1,630
1994	430	1,420
1995	430	1,400
1996	390	1,290
1997	350	1,150
1998	330	1,070
1999	260	860
2000	270	890
2001	270	890
2002	350	1,140
2003	380	1,240

Source: California Employment Development Department



Average Monthly Labor Statistics

Overview

Average monthly labor statistics are used to predict seasonal trends in unemployment. Agriculturally dependent areas tend to experience month-to-month fluctuations in unemployment that cannot be seen using the annual average. Variation in average monthly unemployment tends to reflect harvesting and planting seasons. Typically, the period of May through October experiences the lowest unemployment, while January through March experiences the highest. This indicator is especially important in Northern California where agriculture remains the dominant industry.

El Dorado County

Between 1990 and 2003, unemployment was lowest in June through December. The highest unemployment rates occurred in January through March, peaking in January at 6.7 percent and decreasing throughout the year. In all cases, the average monthly unemployment rate for El Dorado County was lower than the statewide average.

Average Monthly Labor Statistics, 1990-2003

Month	Labor force	Empl.	Unempl.	Unempl. Rate
Jan	73,286	68,421	4,893	6.7%
Feb	73,307	68,529	4,743	6.6%
Mar	73,543	68,936	4,614	6.4%
Apr	73,079	68,771	4,314	6.0%
May	73,086	68,793	4,300	6.0%
Jun	73,493	69,307	4,179	5.8%
Jul	74,071	70,036	4,036	5.5%
Aug	74,086	70,371	3,686	5.1%
Sep	73,229	69,521	3,714	5.1%
Oct	73,871	70,007	3,871	5.3%
Nov	74,300	70,136	4,150	5.7%
Dec	74,457	70,307	4,157	5.7%

Source: California Employment Development Department

