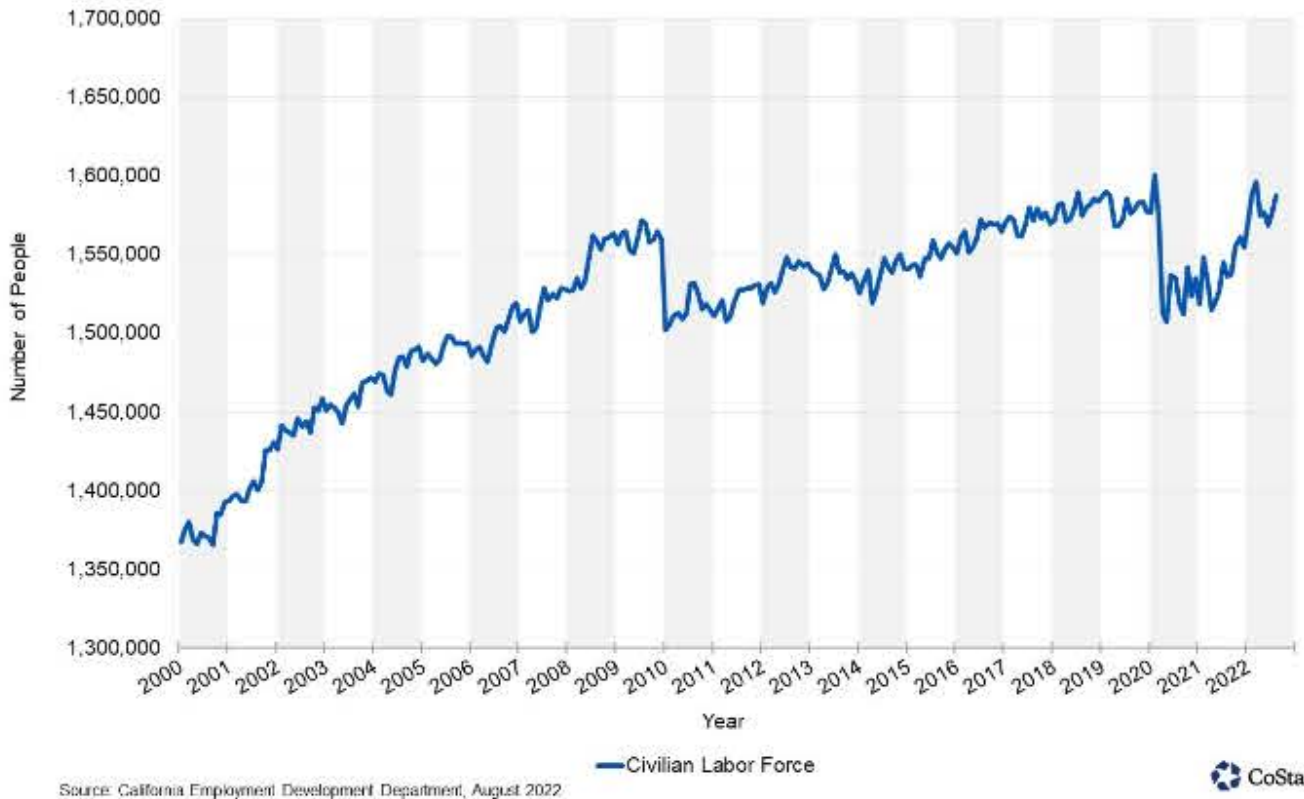


San Diego's Civilian Labor Force Participation Picks Up in August Employment Levels Now Exceed Market's Pre-Pandemic Peak

San Diego's Labor Force Rises in August, Bucking Longer Trend



By Joshua Ohl

Labor force participation increased in August, according to the latest jobs report released by the California Employment Development Department. That largely pushed the market's unemployment rate higher in August to 3.4%, from 3.1% in July. Even so, that rate is better than California's state-wide 4.1% and the national average of 3.8%.

Over the past 10 years, typical seasonality in San Diego saw participation fall during August. Bucking that trend, participation rose by 10,000 people from July to August.

The government sector led hiring with 3,100 more jobs in August, a month that saw 6,600 added to payrolls. Local government educational services added 4,300 as schools began reopening across the county. Professional and business services was up another 1,200 jobs, while the construction sector added 1,000 jobs.

Four sectors saw job losses, led by the trade, transportation and utilities sector, which was down 600 last month.

Over the past year, San Diego's non-farm employment increased by 59,600, representing a 4.1% change over the past year. The leisure and hospitality sector led the way with 25,300 new jobs, followed by professional and business services, which added 14,300. Roughly 7,000 of those positions were with the professional, scientific and technical sector. That sector has been one of the driving forces behind commercial demand in San Diego.

Even as the full office recovery remains turbid due to remote and hybrid work that has seen the amount of available sublet space reach its highest level in the San Diego office market in at least 15 years during the third quarter of 2022, firms including Bristol Myers Squibb, Amazon, Apple and Neurocrine Biosciences have each signed significant expansions in San Diego since the start of the year. Once those firms take possession of their new space, that could further boost payrolls while strengthening demand for housing in the region.

While labor force participation picked up in August, San Diego's civilian labor force is still more than 13,000 people below its pre-pandemic level when it exceeded 1.6 million.

When comparing non-farm employment levels to February 2020, the market has fully recovered, although it has only marginally advanced above that level by 800 jobs. The professional and business services sector has increased its level the most above February 2020 levels, exceeding by more than 19,000 positions.