

# San Diego jobless rate drops to lowest point in nearly two years. Here are the industries growing the most

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By Phillip Molnar March 25, 2022 1:37 PM PT For subscribers

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San Diego County's job gains were led by the high-paying professional and business services category, which includes the region's growing biotech industry. Pictured: Lead lab tech Alana Evans in March 2022 works at La Vita Compounding Pharmacy.

(Eduardo Contreras/The San Diego Union-Tribune)

## The unemployment rate in February was 4 percent.

San Diego County's jobless rate in February dropped to its lowest point in nearly two years.

The county's unemployment rate was 4 percent, the state Employment Development Department reported Friday. That was down from 4.7 percent in January and below the previous pandemic low of 4.1 percent in December.

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It was a strong month for California, with a seasonally adjusted 5.4 percent unemployment rate, compared to 3.8 percent nationwide. The state's recovery from COVID lockdowns has been slower than much of the nation, but California has seen rapid job growth in the last few months. San Diego's rate was also 4 percent when adjusted for seasonal swings, said Daniel Enemark, senior economist at San Diego Workforce Partnership.

With many public health mandates gone and hard hit industries — like tourism — ramping up again, California could be in a good position to recover quickly, said Taner Osman, research manager at Beacon Economics.

“California's labor market has had a very encouraging start to the year,” he said. “We should continue to see strong job growth in the coming months.”

San Diego County's job gains were led by the high-paying professional and business services category — which includes the region's growing biotech industry — with 6,100 new positions. Work in the sector includes scientific and technical services, scientific research, administrative and support services, architecture and legal services.

Other big month-to-month gains were in educational and health services (nursing, social assistance) with 4,800 jobs; leisure and hospitality (hotels, gambling, restaurants) with 4,200 jobs; and financial activities (real estate, insurance) with 1,600 jobs.

Retail continued to shed jobs following the holiday season, down 2,700 in the trade, transportation and retail sector.

February's numbers mark nearly two years since the pandemic hit the United States and San Diego's unemployment rate shot up as several industries shut down to stop the spread of the virus. In February 2020, the unemployment rate was 3.2 percent. It hit an all-time high of 16.2 percent in May 2020, said recently revised numbers from state officials.

The size of San Diego County's workforce in February was 13,700 fewer people than it was two years ago. Experts have said the labor force shrinking could be the result of people retiring, people moving out of an expensive area and changing priorities during the pandemic.

The U.S. labor force is also smaller than when the pandemic began — shy about 1.14 million people. Still, job growth has accelerated in recent months and gave hope to economists and political leaders that the economy was nearing a recovery.

“Americans are getting back to work at a historic pace, with fewer Americans on unemployment insurance today than at any time in the last half-century,” said President Joe Biden in a statement Thursday about the February national jobless rate. It was the lowest

number of Americans applying for unemployment since 1970.

On an annual basis, tourism has had the biggest comeback in San Diego County. From February 2021 to February 2022, there were 52,700 jobs added. It was followed by professional and business services with 21,100 jobs; government (mainly education) with 10,100 jobs; Other services (laundry, maintenance, religious) with 7,100 jobs; and educational and health services with 5,600 jobs.

Enemark, of the Workforce Partnership, said employers might still have worries even if more people are returning to work. Nationwide wages were up 5 percent last year, while inflation was up 8 percent.

“Employers should expect the cost of labor to continue increasing given both the tight labor market and high inflation,” he said.

Compared with other parts of California, San Diego County is about middle of the pack with its jobless rate of 4 percent. State labor officials do not seasonally adjust jobless rates for individual counties.

The rate was 5.4 percent in Los Angeles County, 3.7 percent in Orange County, 3 percent in San Francisco County, 8.8 percent in Monterey County, 2.9 percent in Santa Clara County and 4.9 percent in Riverside County.