

## SANTA CRUZ COUNTY HUMAN SERVICES

1000 Emeline Avenue, Santa Cruz, CA 95060 (831) 454-4130 | www.santacruzhumanservices.org RANDY MORRIS, DIRECTOR







## **News Release**

**Date:** July 21, 2025 Contact: Adam Spickler

Adam.Spickler@santacruzcountyca.gov | (831) 588-0692

## SANTA CRUZ COUNTY'S 2025 WORKFORCE REPORT RELEASED

The Santa Cruz County Workforce Development Board (WDB) has released its 2025 State of the Workforce report, offering a snapshot of local employment trends, wage data, and the affordability pressures shaping the region's economy.

While Santa Cruz County boasts a unique set of industry clusters centered on healthcare, tourism, and hospitality, employment trends reveal some challenges. From 2021 to 2024, Santa Cruz County's employment grew by just 0.4%, far behind Monterey County (4.8%) and California overall (6.3%). The unemployment rate rose to 5.5%, and the population declined by 1.1%, influenced by the county's high cost of living and limited availability of high-wage jobs.

A key finding on local job quality shows that as of 2024, 57% of all local jobs fall into the lowest wage tier, averaging pay of \$23.41 per hour. Santa Cruz County was also named the most expensive rental market in the nation for the third consecutive year, according to the National Low Income Housing Coalition, further widening the gap between wages and living costs. The intersection between job quality and cost of living is a key factor driving the county's population decline as residents relocate to more affordable regions.

Despite these pressures, the report highlights encouraging signs:

- The healthcare sector added 1,600 jobs (10% growth) since 2021
- 44% of residents now hold a bachelor's degree or higher, 8 points above the state average
- The residential workforce gap is narrowing as more residents seek work locally

"This year's State of the Workforce underscores the urgent need to align education, training, and industry," said Andy Stone, Director of the Santa Cruz County WDB. "We continue to grapple with serious challenges around housing affordability and wage levels, but the steady growth in healthcare employment and rising educational attainment give us a foundation to build on. By strengthening strategic partnerships and investing in career pathways, we can meaningfully address these barriers, and build a stronger, more inclusive economy.

The report recommends investing in entry-level and career training, aligning education and industry pathways, and supporting entrepreneurship and innovation. These strategies are particularly crucial for the county's aging population and economically disadvantaged communities.

Click here for the full report, or visit Workforce Santa Cruz County's website: Workforcescc.com

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