



Closing the Gap

Assessing the Gap Between
Employer Needs and the Workforce
in Contra Costa and Alameda Counties

Oct. 2002

Munroe Consulting, Inc.

Overview

- Objectives and Methodology
- Topics of Exploration
 - ◆ Questions
 - ◆ Evidence
 - ◆ Conclusions
- Economic Outlook
 - ◆ U.S.
 - ◆ California
 - ◆ East Bay
- Next Steps

Objectives

- To Understand:
 - ◆ Employer recruiting and staffing needs
 - ◆ Workforce education and training needs
- To Identify:
 - ◆ Staffing and training roadblocks
 - ◆ Employer capacity/resources for worker training
 - ◆ Employer expectations of Education

Topics of Exploration

- Shifting Labor Demand
- Poor Skills Assessment
- School Abandonment
- High Performance Work Place
- Split Labor Market
- Other Factors:
 - ◆ Transportation
 - ◆ Affordable Housing

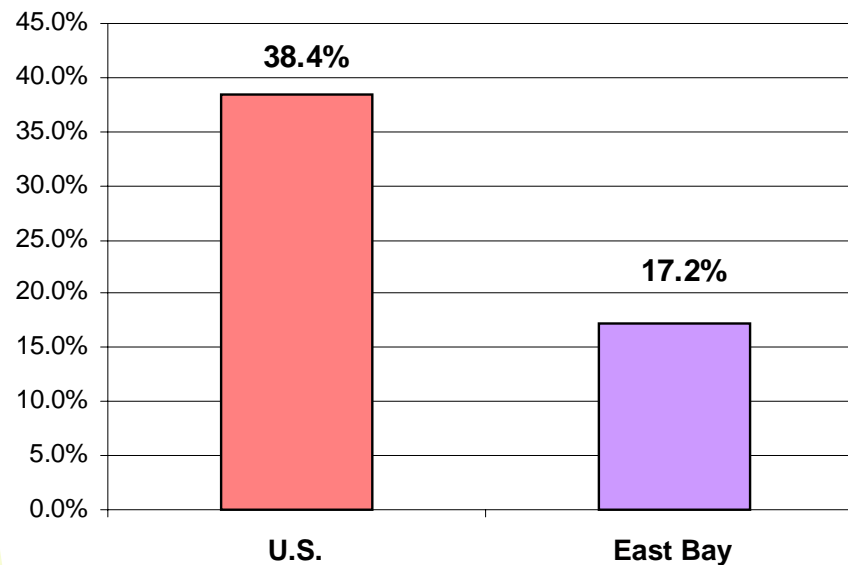
Methodology

- Conduct focus groups:
 - ◆ Representatives from Business
 - ◆ Representatives from Education
- Survey East Bay employers
- Review existing research and data
- Assimilate and evaluate
- Report and present

Topic 1: Shifting Labor Demand

- Q1: Are East Bay employers automating jobs more rapidly than the national average?

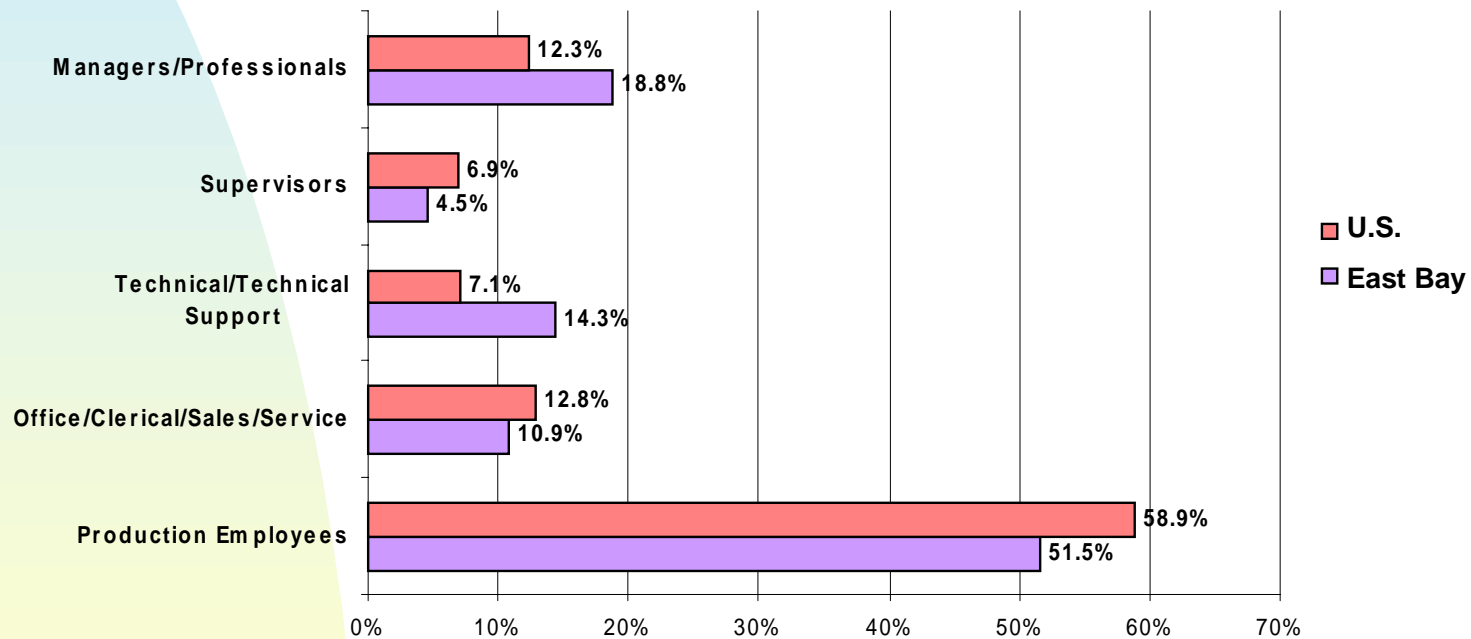
Projections for Production Automation
East Bay – 2001 vs. U.S. – 1997



Topic 1: Shifting Labor Demand

- Q2: What is the profile of employment in the East Bay?

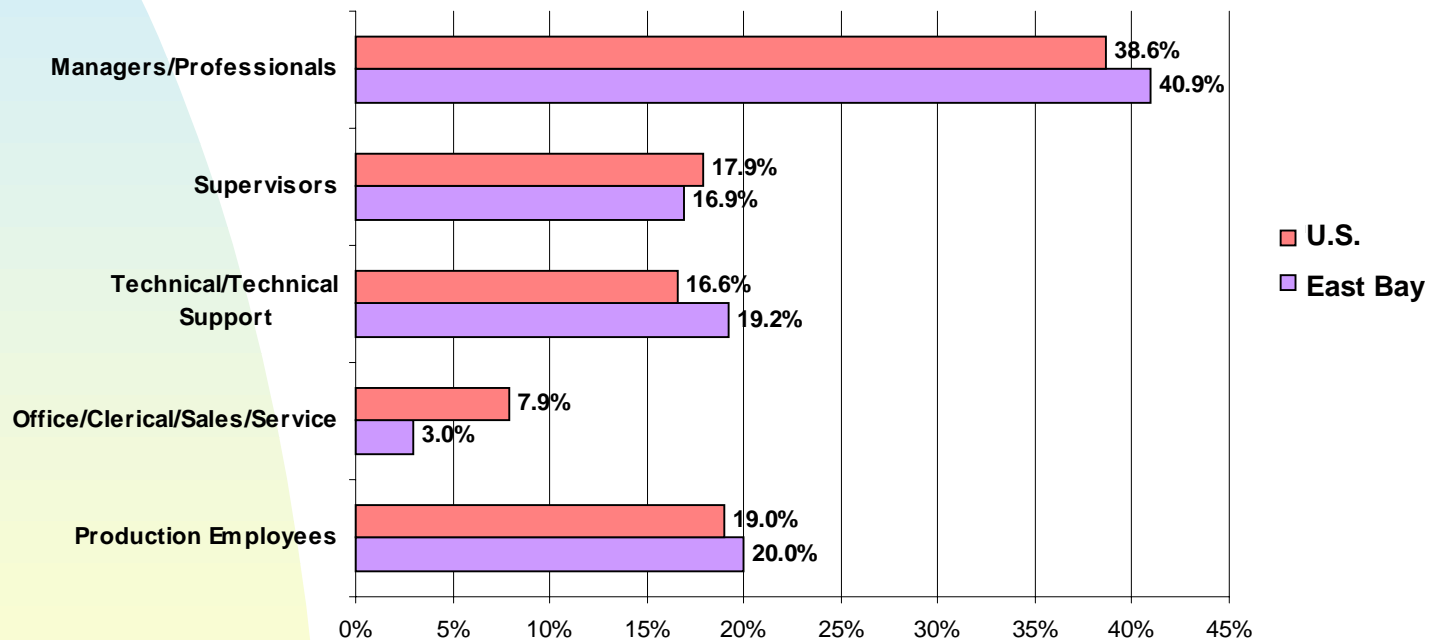
Distribution of Employees by Function
East Bay - 2002 vs. U.S. - 1997



Topic 1: Shifting Labor Demand

- Q3: What is the profile for hiring by East Bay employers?

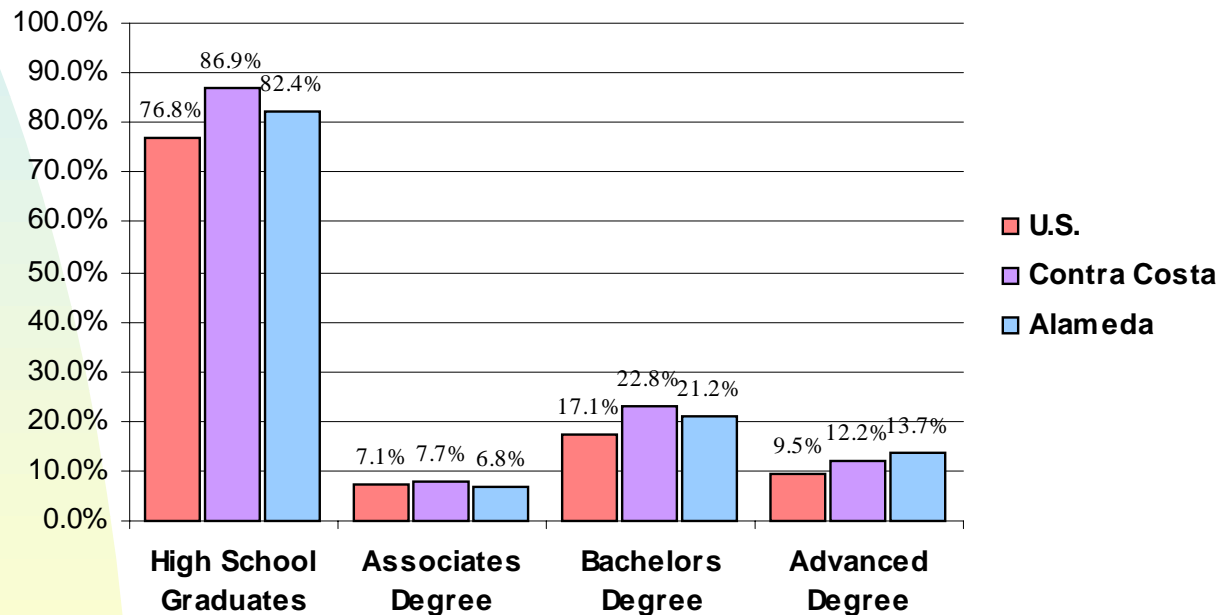
Distribution of New Hires by Function
East Bay - 2002 vs. U.S. - 1997



Topic 1: Shifting Labor Demand

- Q4: What is the educational profile of East Bay workers?

Educational Attainment:
Contra Costa and Alameda Counties vs. U.S. – 2000



Topic 2: Poor Skills Assessment

- Q1: What are the projected hiring needs of East Bay employers by category?

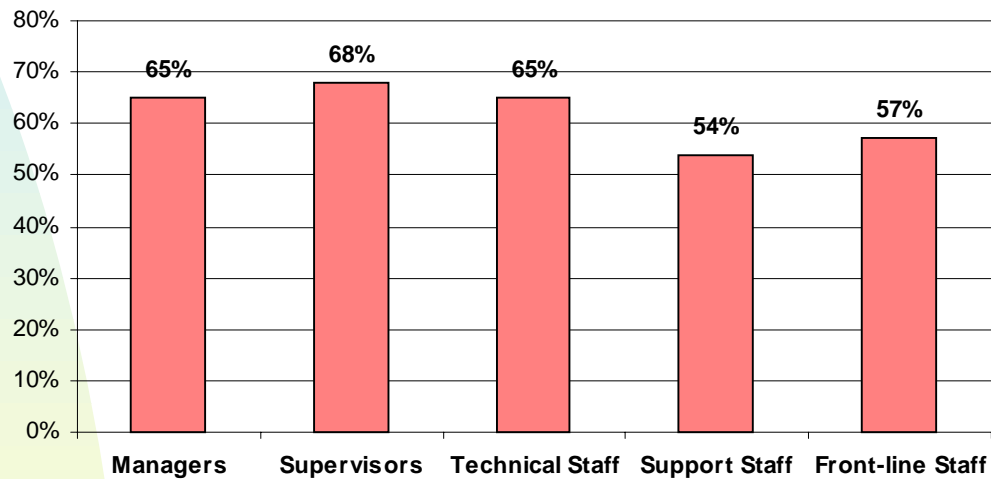
- East Bay employers:
 - ◆ #1 - Manufacturing (67%)
 - ◆ # 2 - Clerical/Administrative (21%)

- Statewide:
 - ◆ #1 - Retail
 - ◆ #2 - Managers

Topic 2: Poor Skills Assessment

- Q2: Which job classifications are receiving employer-funded training?

Employees Receiving Training
by Job Category, U.S. – 2000



Topic 2: Poor Skills Assessment

- Q3: What are the projected training needs of East Bay employees?

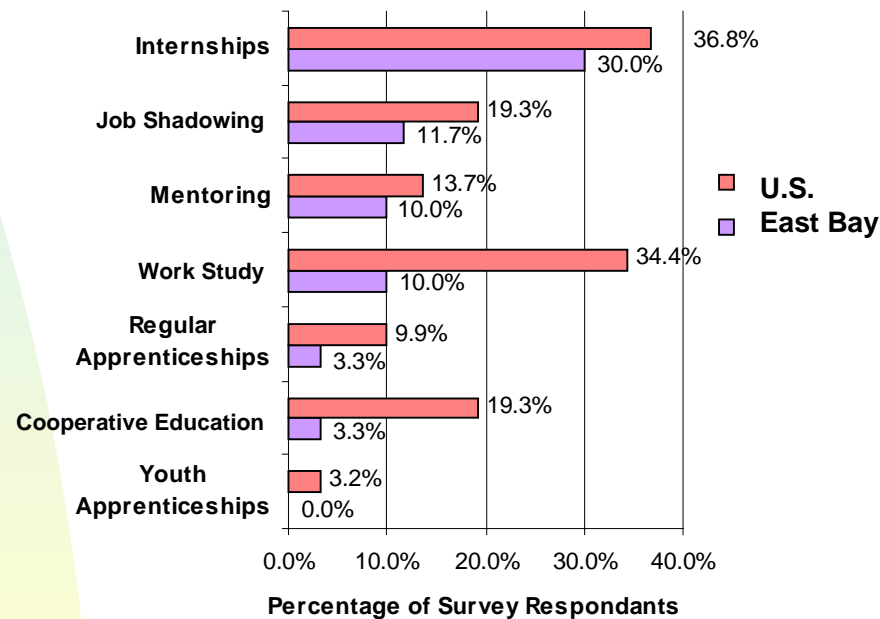
Training Needs by Work Function
East Bay Employers – 2002

	Sales	Clerical	Production	Research	Managerial
Math	11.7%	10.0%	6.7%	5.0%	16.7%
Basic English	10.0%	16.7%	11.7%	3.3%	16.7%
English as a 2nd Language	1.7%	8.3%	18.3%	0.0%	8.3%
Writing	15.0%	23.3%	11.7%	11.7%	31.7%
Word Processing	16.7%	31.7%	5.0%	5.0%	23.3%
Working in Teams	16.7%	15.0%	20.0%	6.7%	30.0%
Workforce Culture Issues	16.7%	20.0%	15.0%	6.7%	30.0%
Interpersonal Skills	25.0%	28.3%	18.3%	13.3%	40.0%

Topic 2: Poor Skills Assessment

- Q4: To what extent are employers hiring from workforce development programs?

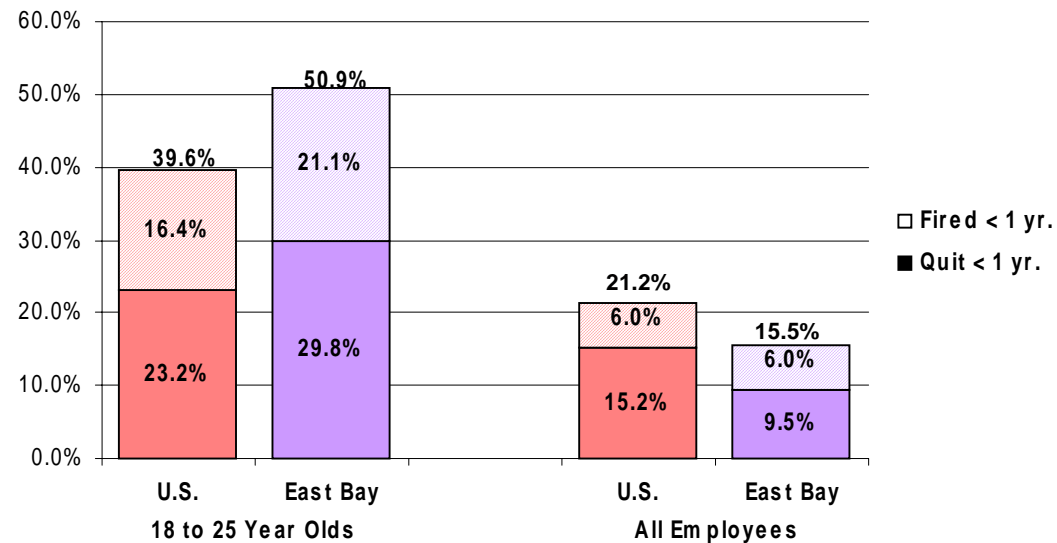
Bridges to Employment
East Bay Employers – 2002 vs. U.S. – 1997



Topic 2: Poor Skills Assessment

- Q5: How well are young East Bay workers assimilating into the workforce?

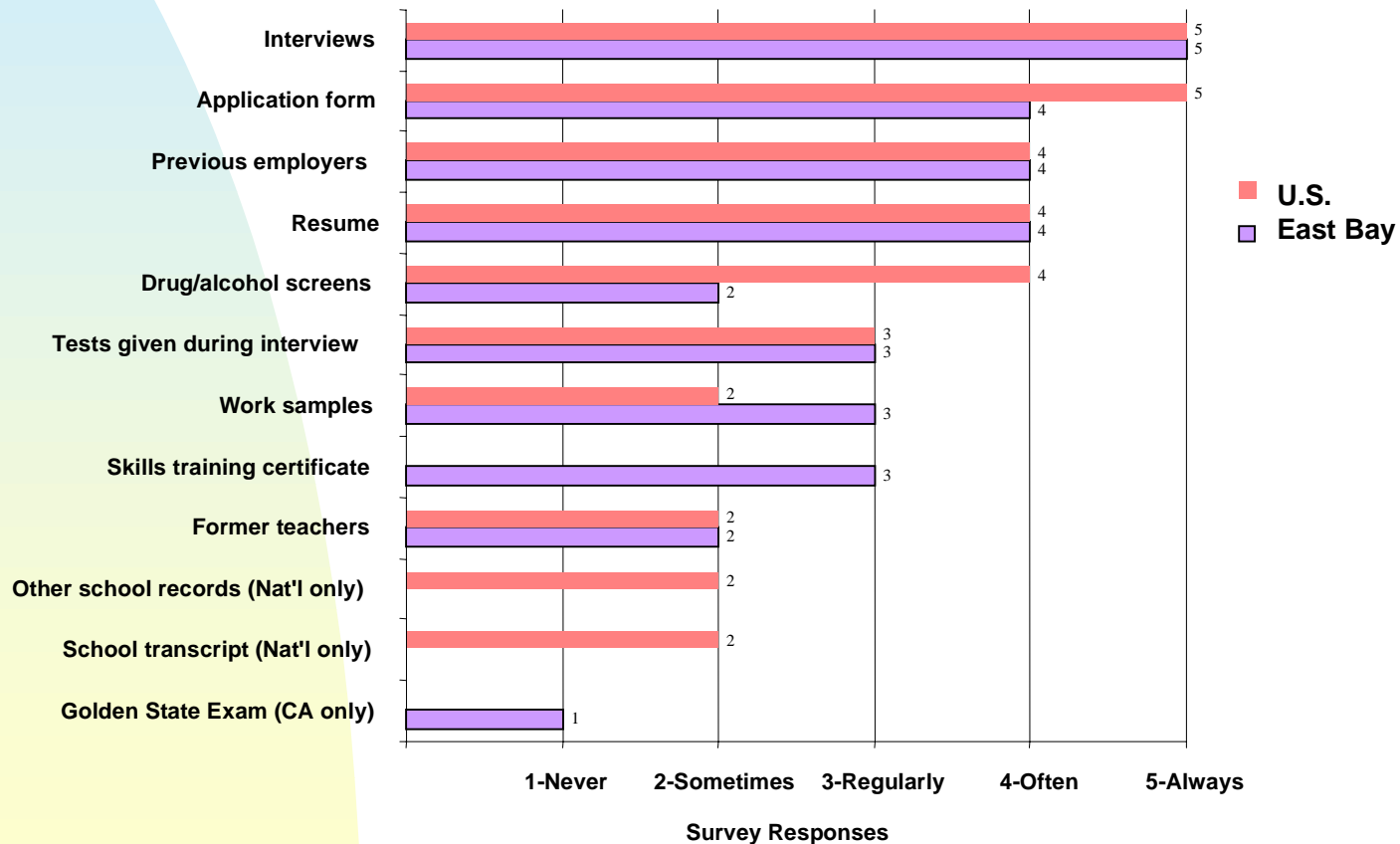
Job Terminations
18-25 Year Olds vs. All Employees - 2002



Topic 3: School Abandonment

- Q1: What screening tools do East Bay employers use when hiring?

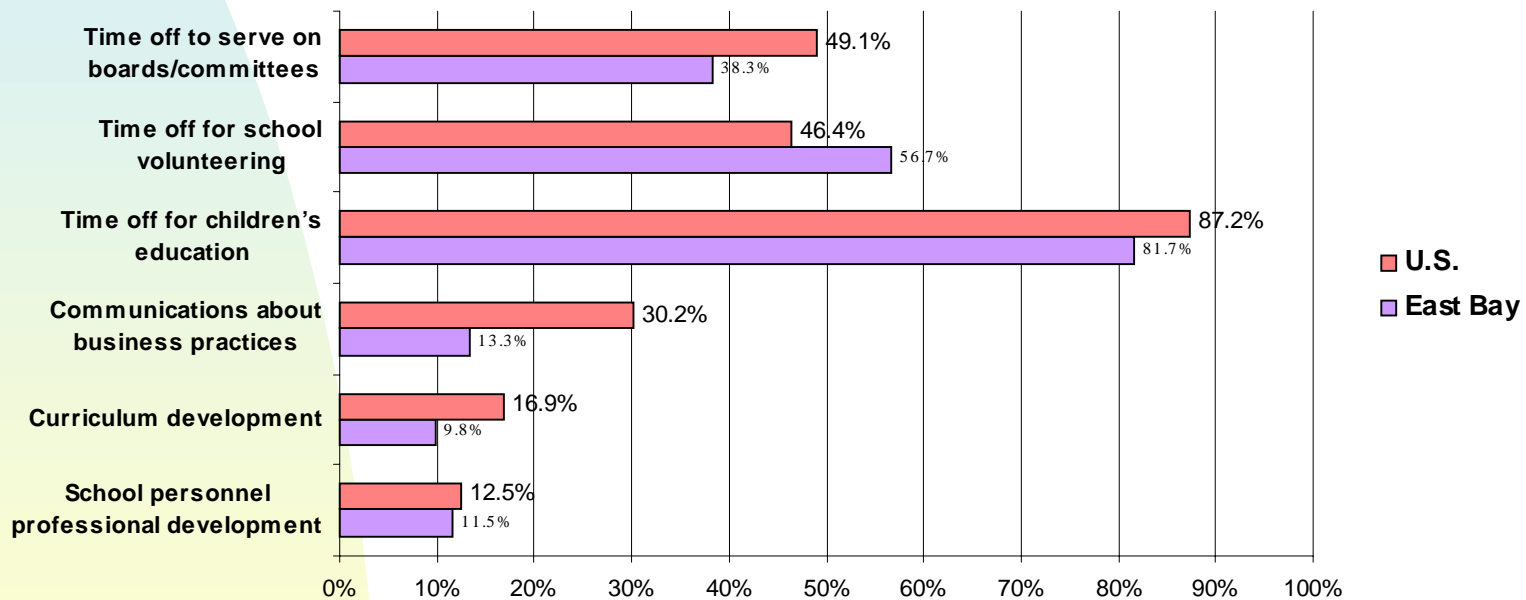
Screening Tools Used for Hiring New Employees East Bay Employers - 2002



Topic 3: School Abandonment

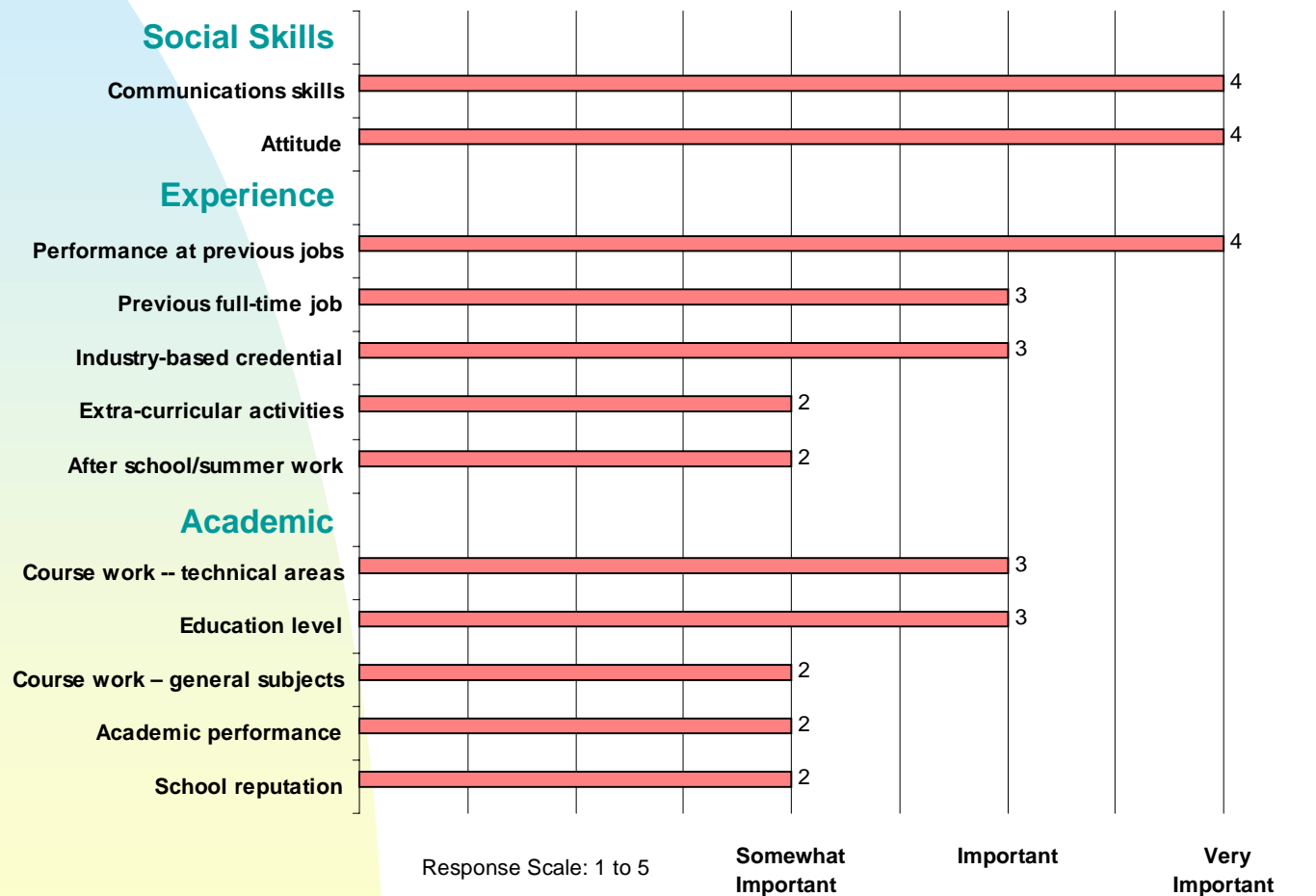
- Q2: Are East Bay employers actively involved with local schools?

Business-supported
Employee Involvement with Local Schools
East Bay – 2002 vs. U.S. - 1997



Topic 4: Social Skills

- Q: What criteria do East Bay employers use when hiring?



Topic 5: High Performance Work Place

- Competitive businesses are becoming “high performance” work places
- The distinction between marketing, production and services is blurring
- Employers need workers with cross-functional skills
- Employees must be able to organize, plan, make decisions, negotiate and work in teams
- Jobs require multiple sets of skills and experience

Topic 6: Split Labor Market

- Some ethnic groups are more likely to be employed in declining industries
- Bedroom communities for “old economy” industries have higher unemployment and more depressed housing
- Schools designed to serve “old economy” industries are inadequate to train workers for the new global economy

Other Factors

- Transportation
 - ◆ Bay Area traffic congestion continues to be a serious problem
 - ◆ East Bay highways are some of the most congested in the Bay Area
- Affordable Housing
 - ◆ Homes in Contra Costa and Alameda counties are over 16% higher than the State average
 - ◆ East Bay rents are 14-20% higher, too
 - ◆ Vacancy rates are 1/3 the national average
 - ◆ Bay Area jobs-to-housing ratio is over 1.5 - indicating a serious imbalance

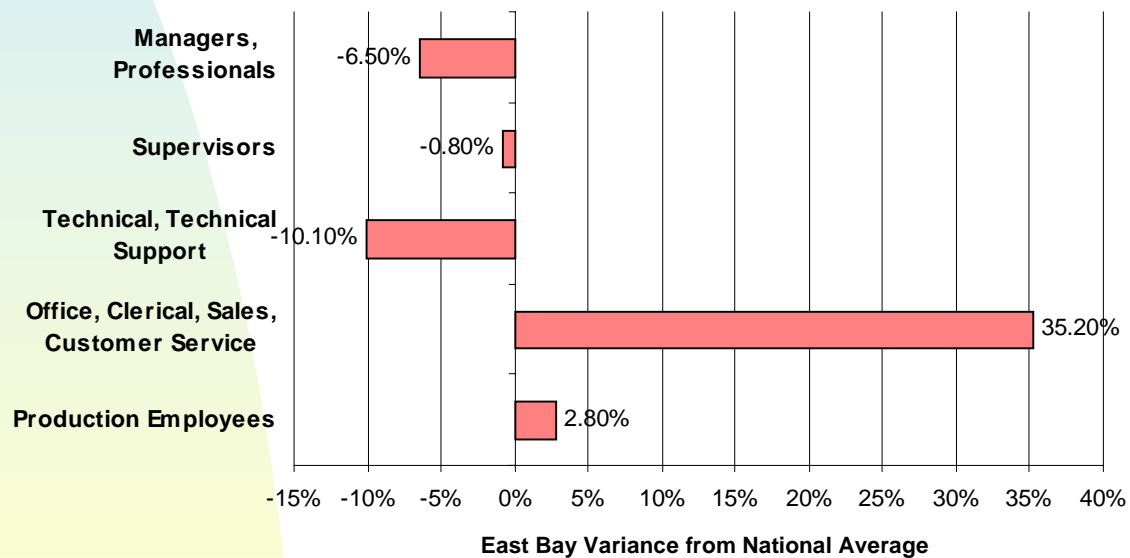
Influential Trends

- Our national and local economies are becoming more globally interdependent
- Future prosperity will depend on accelerating increases in productivity
- Workforce development will be even more important in the future
- Our workforce is aging
 - ◆ Need to keep workers dynamic and productive
 - ◆ Median age in the East Bay is 35.4 year
 - ◆ This is a slowly emerging issue

Influential Trends

- Women are under-represented in upper level job classifications

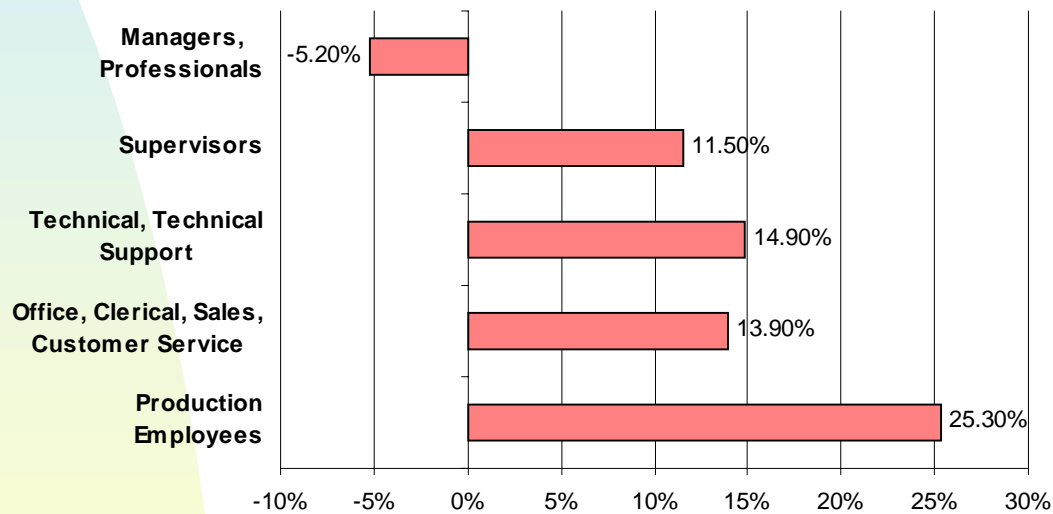
Variance in Representation of Women in the Workplace
East Bay – 2002 vs. U.S. – 1997



Influential Trends

- Non-White workers are under-represented in upper level job classifications

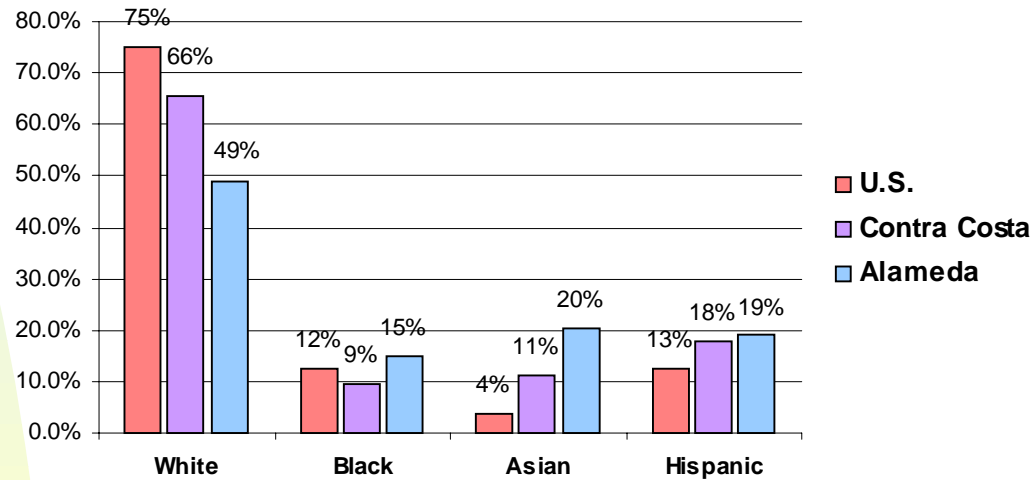
Variance in Representation of Minorities in the Workplace
by Job Classification: East Bay – 2002 vs. U.S. – 1997



Influential Trends

- Our East Bay workforce is becoming more ethnically diverse

Representation of Ethnic Groups in the Workplace:
East Bay – 2002 and U.S. – 1997



Next Steps

- The East Bay is not unique in facing workforce development issues
- Opportunity for national leadership
- Design new models for education
- Develop new Business-Education partnerships
- The time to build our future workforce is now!

Sponsors

- City of Richmond Workforce Investment Board
- Alameda County Workforce Investment Board
- Contra Costa Workforce Development Board
- City of Oakland Workforce Investment Board
- U.S. Department of Labor - ETA
- Regional Training Institute
- Richmond Chamber of Commerce
- Council of Industries

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