

The California Economy, Community Colleges and Workforce Preparation

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CCCAOE Convention

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Focus of Presentation

- On preparing students and workers for middle wage jobs
- On preparing students and workers to develop career pathways from and within lower wage jobs
- Community colleges are the largest provider of higher education and the largest workforce partner. Within those roles I am focusing on the two priorities above

The Three Takeaways

- Most job openings are to replace workers who retire or change occupations. For most occupations job growth is a distant second.
- Successful programs are built around strong industry participation. An industry partner is critical.
- State policy push is for regional coordination. Be a regional partner or get left behind.
- For all three community colleges are the go to resource.

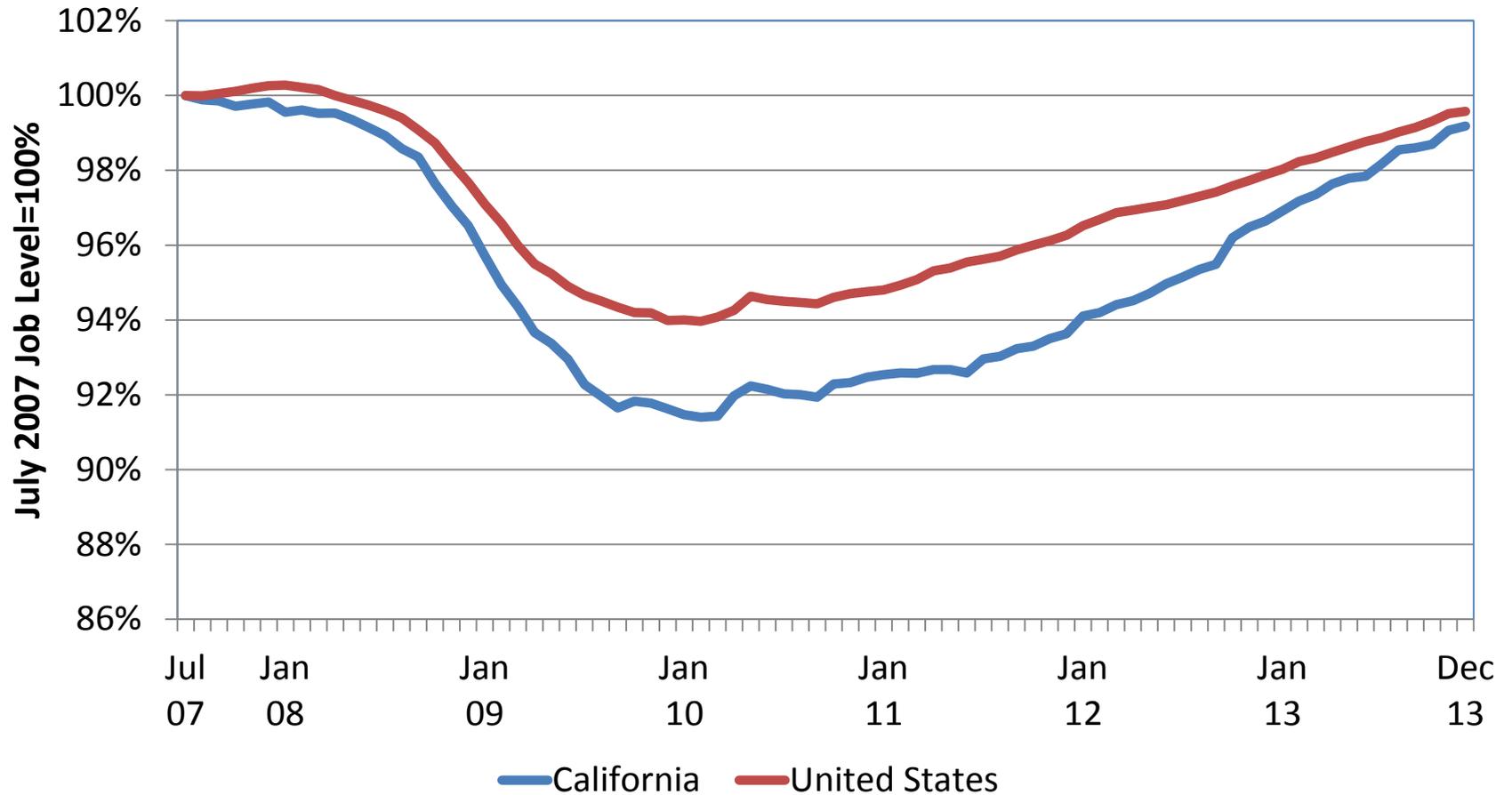
Who is the Customer—Combining Focus on Students and Business

- The workforce world serves two customers—workers wanting to find jobs and businesses looking for workers
- Sometimes two challenges arise
 - “economic development” interests focus on attracting new jobs while most job openings are from replacement—for workers and businesses
 - some still feel like the “system” is supposed to focus on the most in need rather than what the economy needs

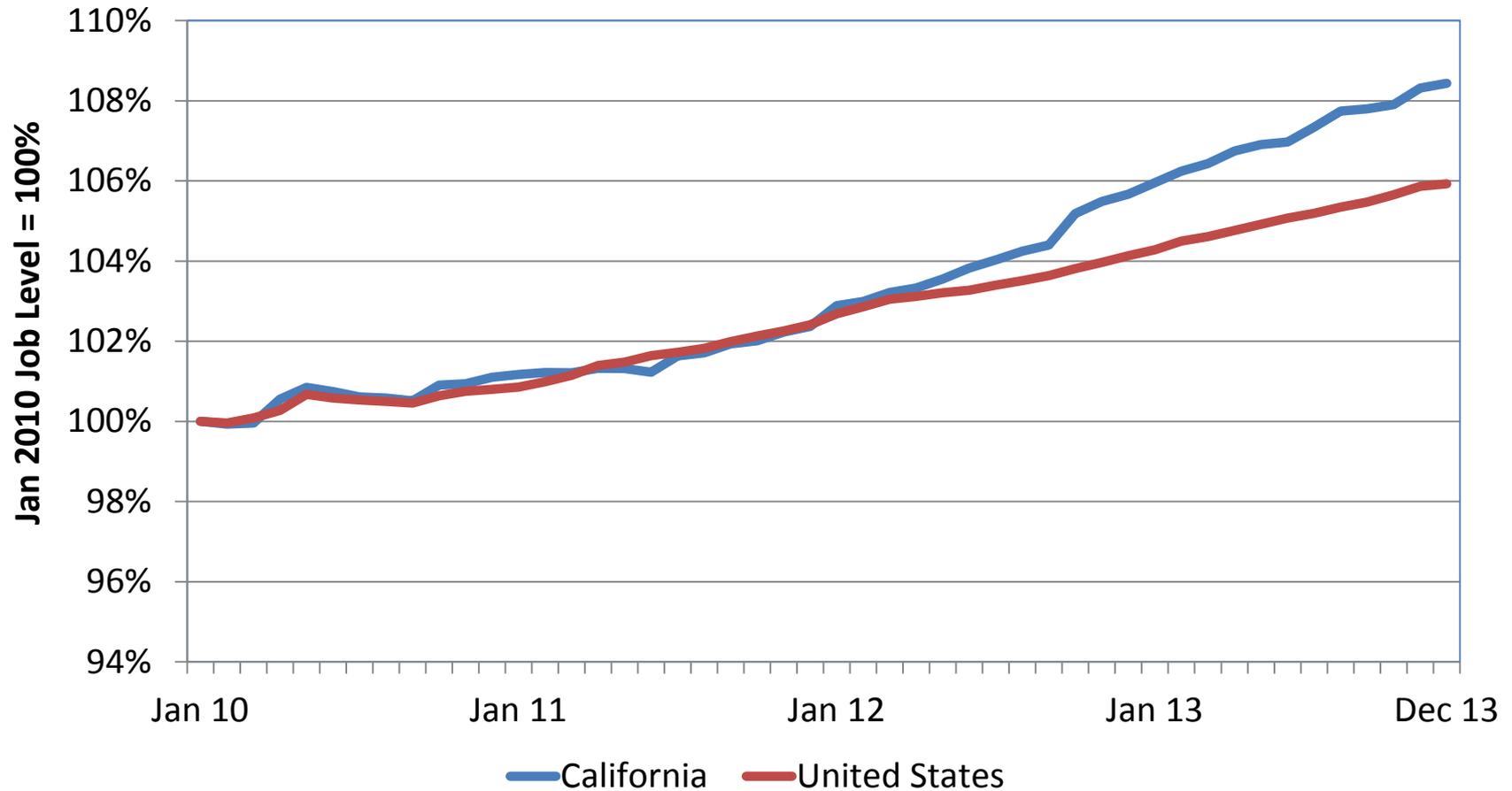
A Quick Job Trend Update

- Recent job growth much stronger than previously thought
- Recovery spreading to areas previously left behind
- Leading sectors are mix of high and low wage jobs—tech, tourism/entertainment and trade
- Turnaround in two lagging middle wage sectors—construction and government
- Health care keeps growing

California on the Job Comeback Trail



A Job Growth Leader Recently



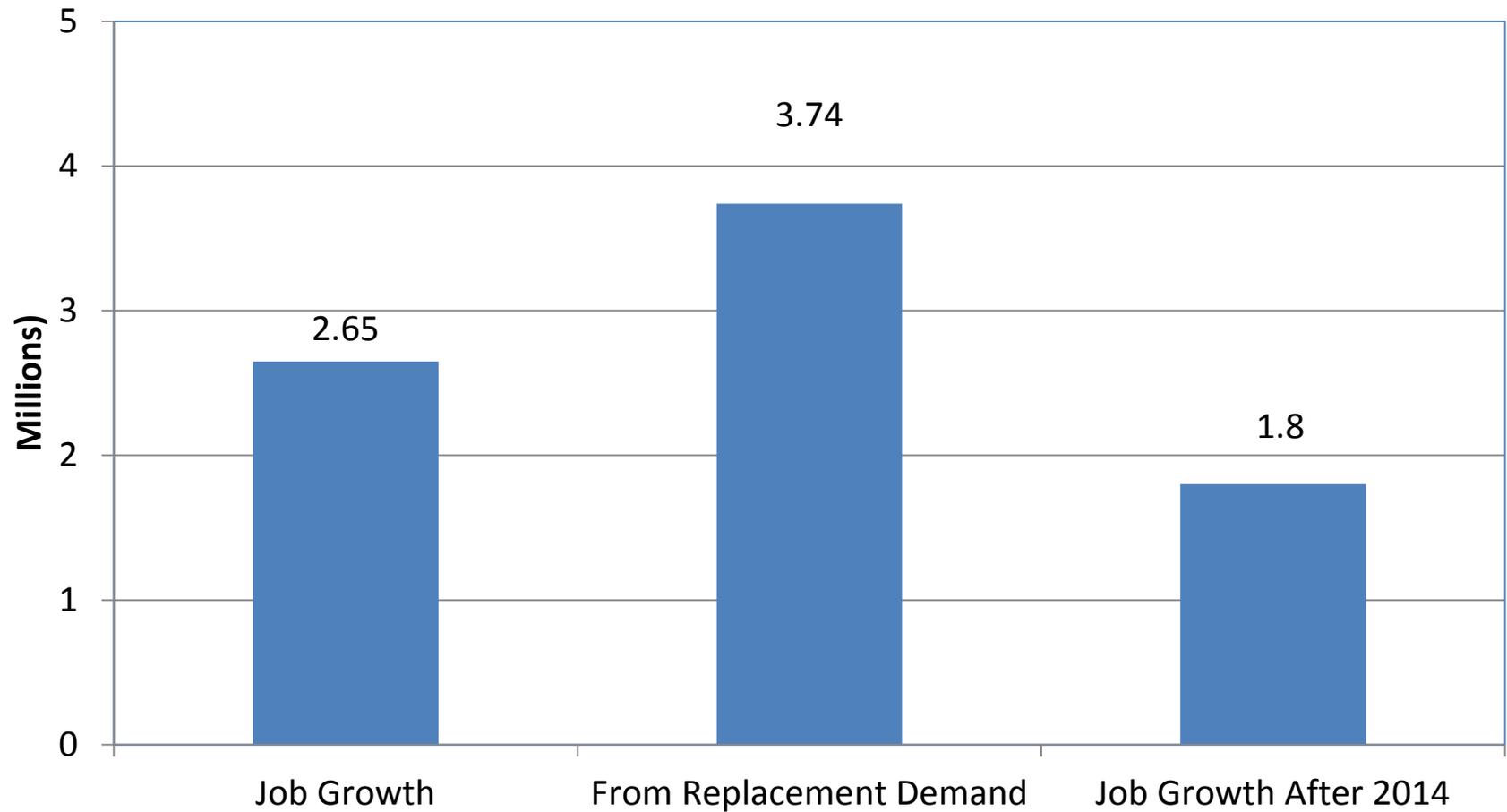
Workforce is Regional and that is the Relevant Labor Market Info

- I cannot tell you today about every industry in each region. The rest of the presentation is to guide you hopefully in a good direction.
- There are some important new pieces of helpful information and state policy guidance so make sure to note these
- I will leave time for questions and you can follow up with me by email slevy@ccsce.com

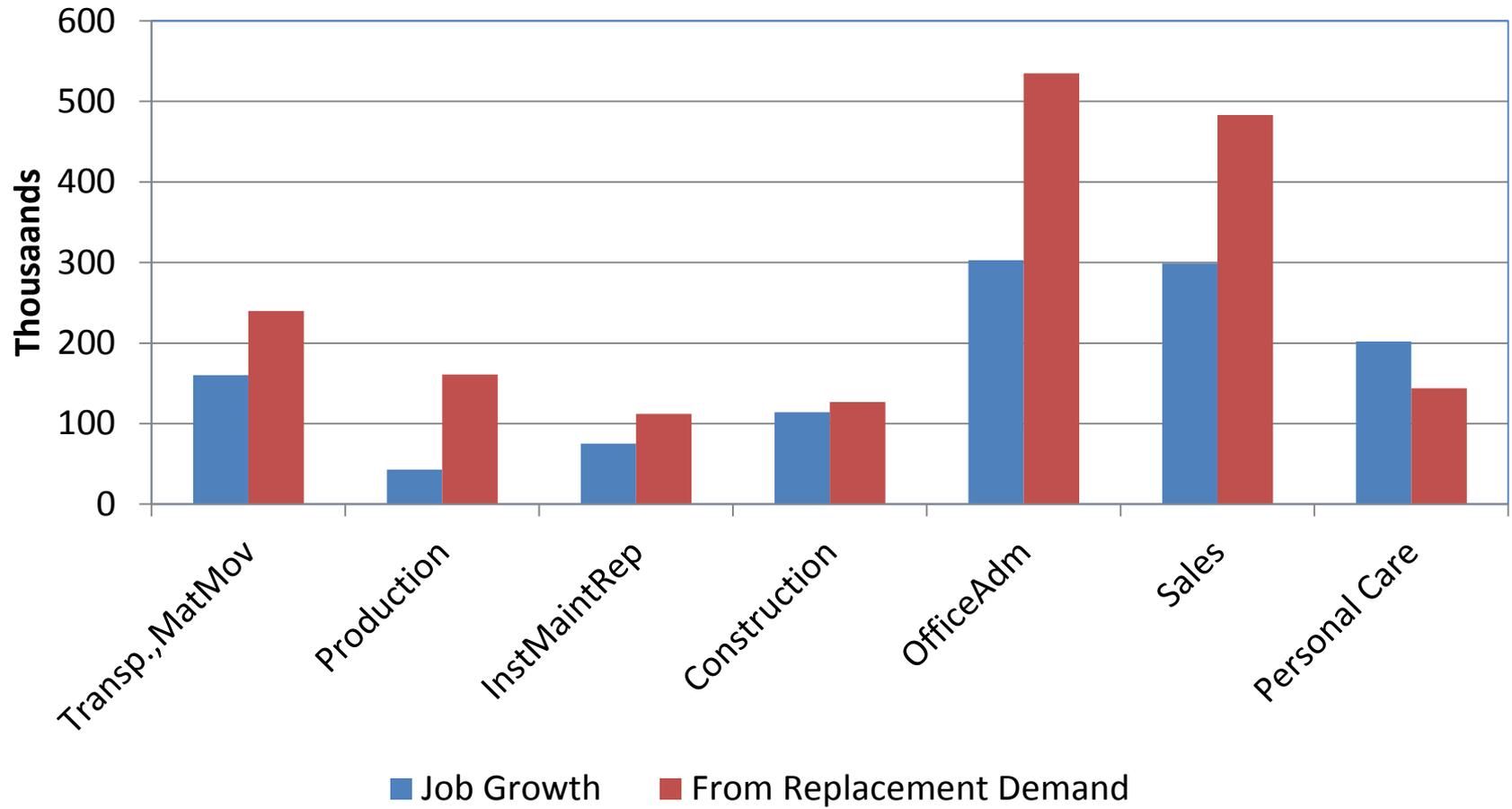
Most Job Openings are from Replacements not Job Growth

- Between 2010 and 2020 EDD projected that there would be 2.65 million added jobs in California and 3.74 million job openings from replacing workers who retire or move on
- By 2015 a large share of the job growth will have been achieved while most of the retirements lie ahead.
- Only a very few occupations (in computer and health related fields) have more openings from growth than replacement—fewer by 2015.

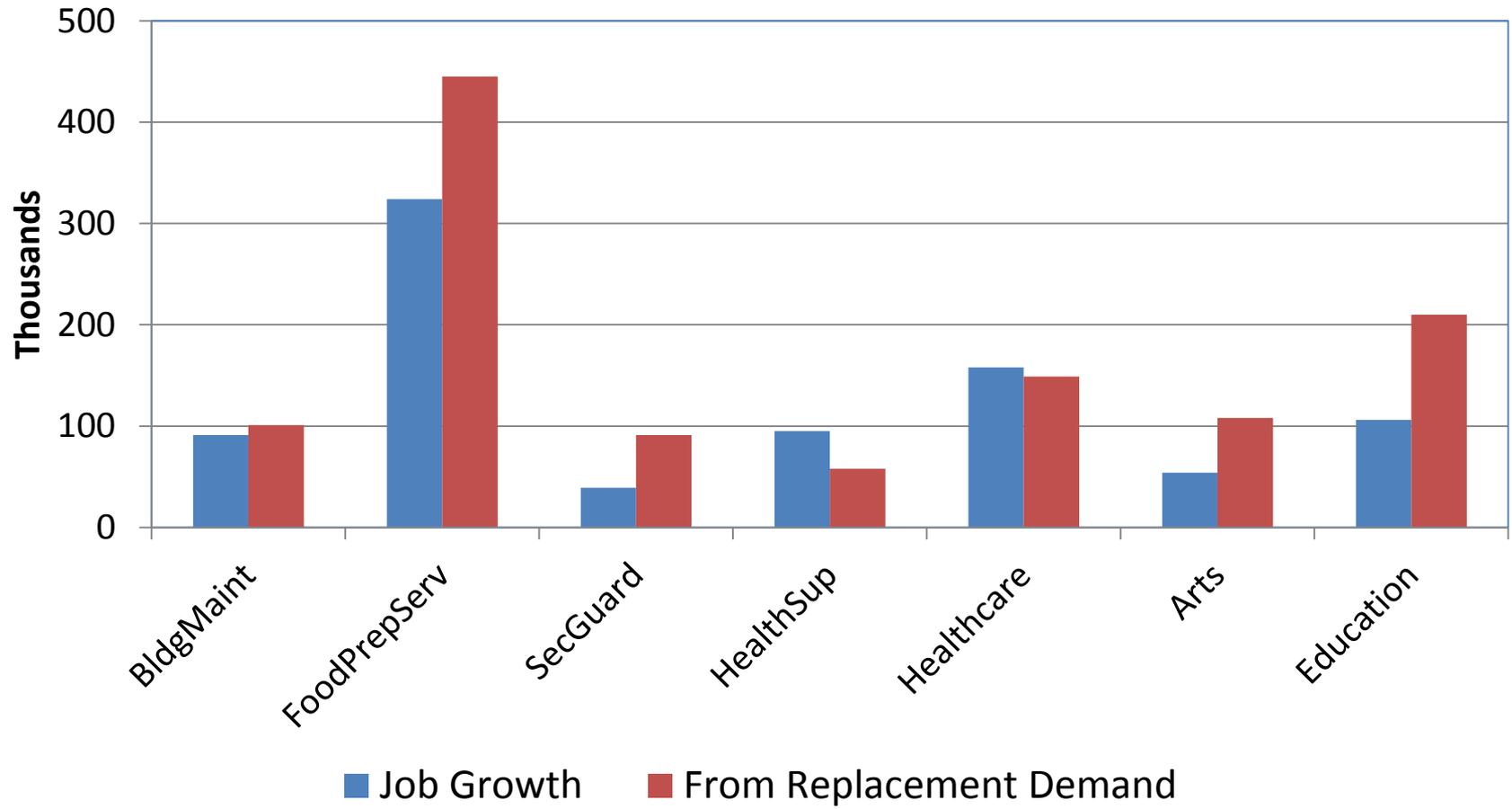
Job Openings 2010-2020 in CA



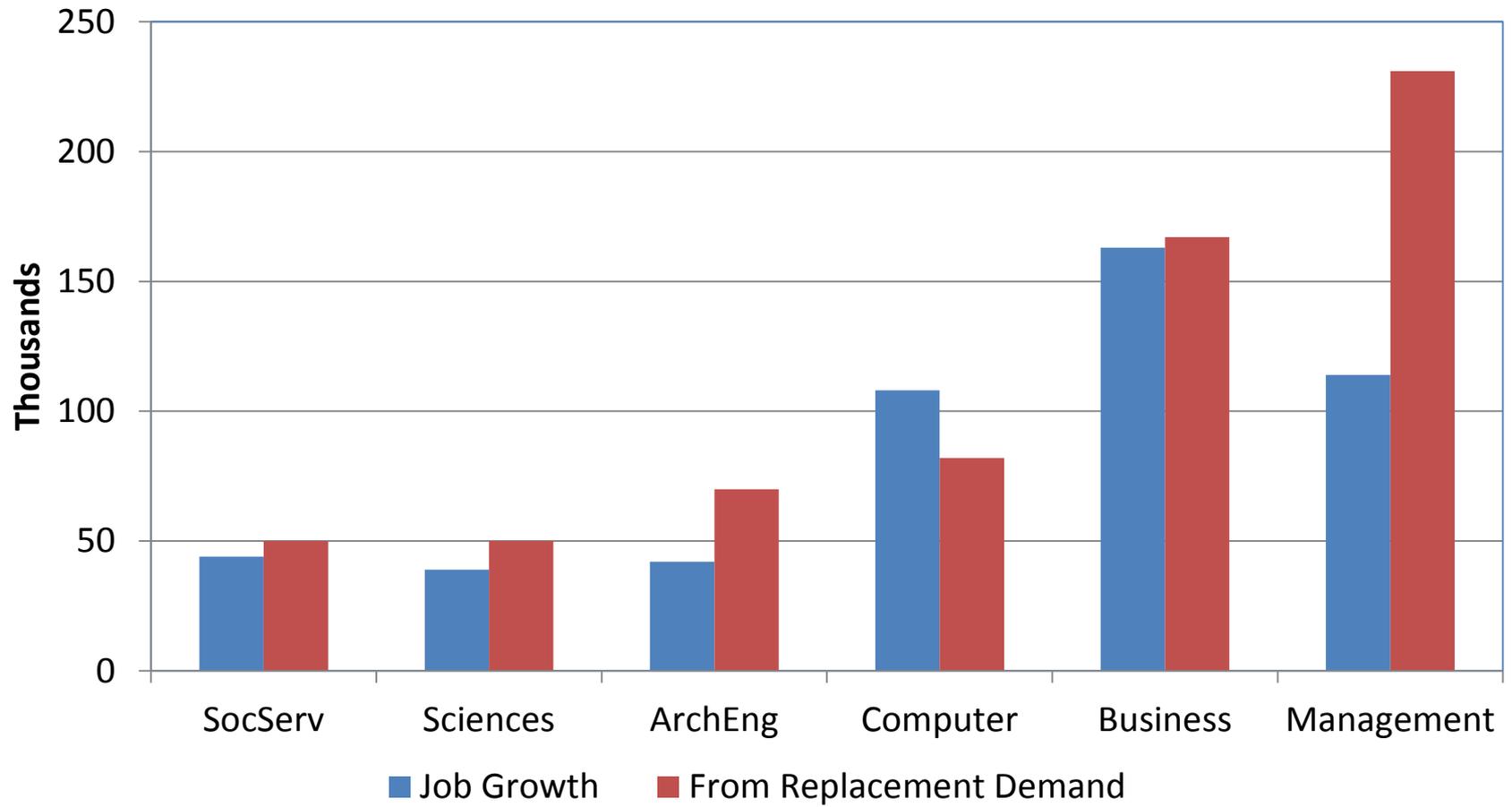
Job Openings 2010-2020 in CA



Job Openings 2010-2020 CA



Job Openings 2010-2020 CA



Forget the Detail for a Moment

- The big news is that most openings—opportunities and needs—are for REPLACEMENT
- This will get even more important as the tidal wave of retirements hits
- Think about the recent headlines of impending pilot, truck driver, construction, police and nurse shortages from retirement
- Fight the urge to focus mainly on new “hot” sectors. Also look for big sector openings

Here is the Good News

- You have all used EDD data tailored to occupational employment programs
- Now that data is going to get a LOT BETTER
- EDD is developing regional profiles of the occupations in key industry clusters **using previously unpublished regional occupational/industry profiles**
- They will have occupations, wages, education requirements, skills needed, help wanted listings and college programs

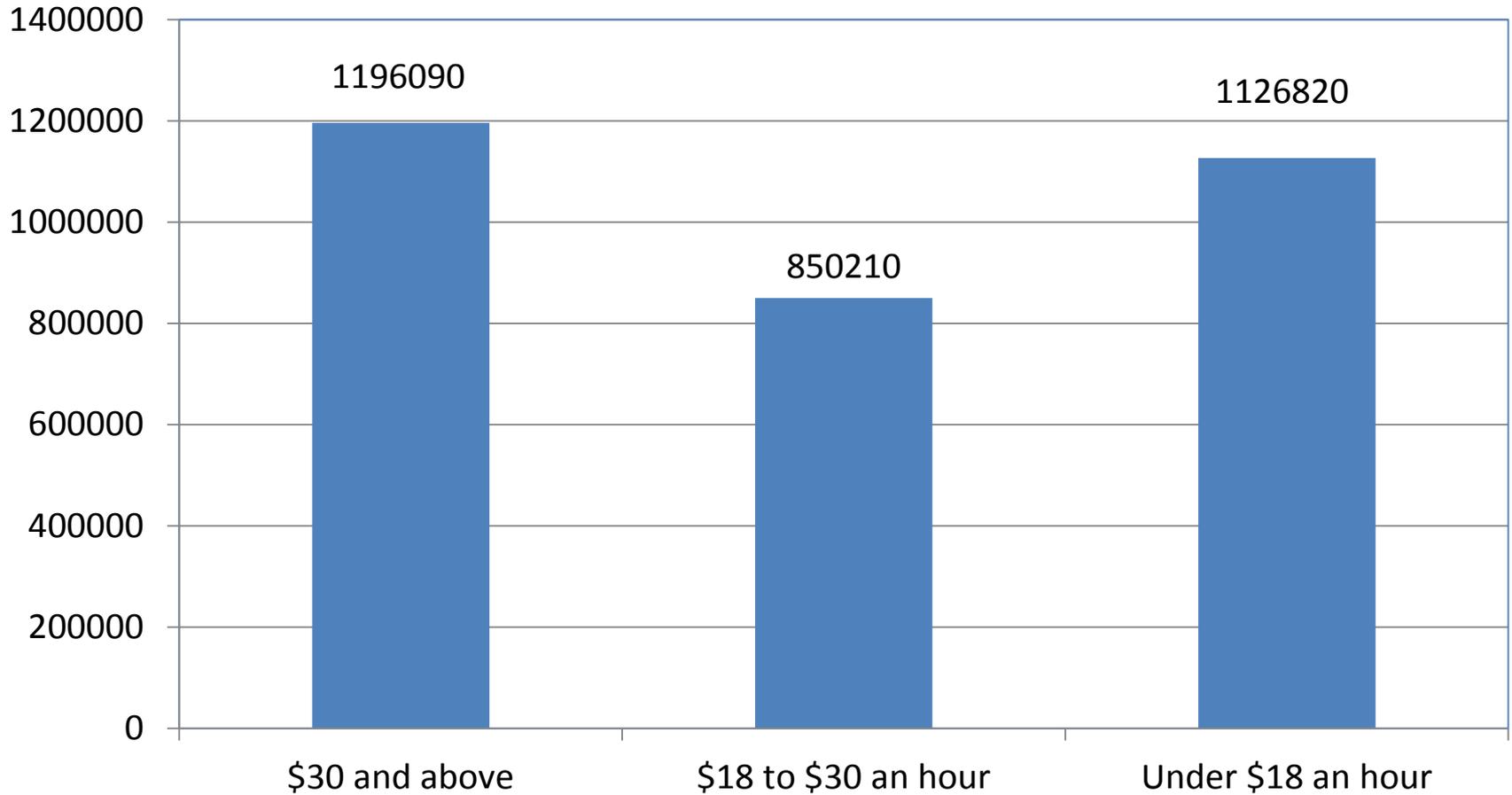
The Challenge of Moving Low and Moderate Wage Workers to Middle Skill Jobs and Strategies to Maximize Success

Lessons from the Bay Area Regional Prosperity Project

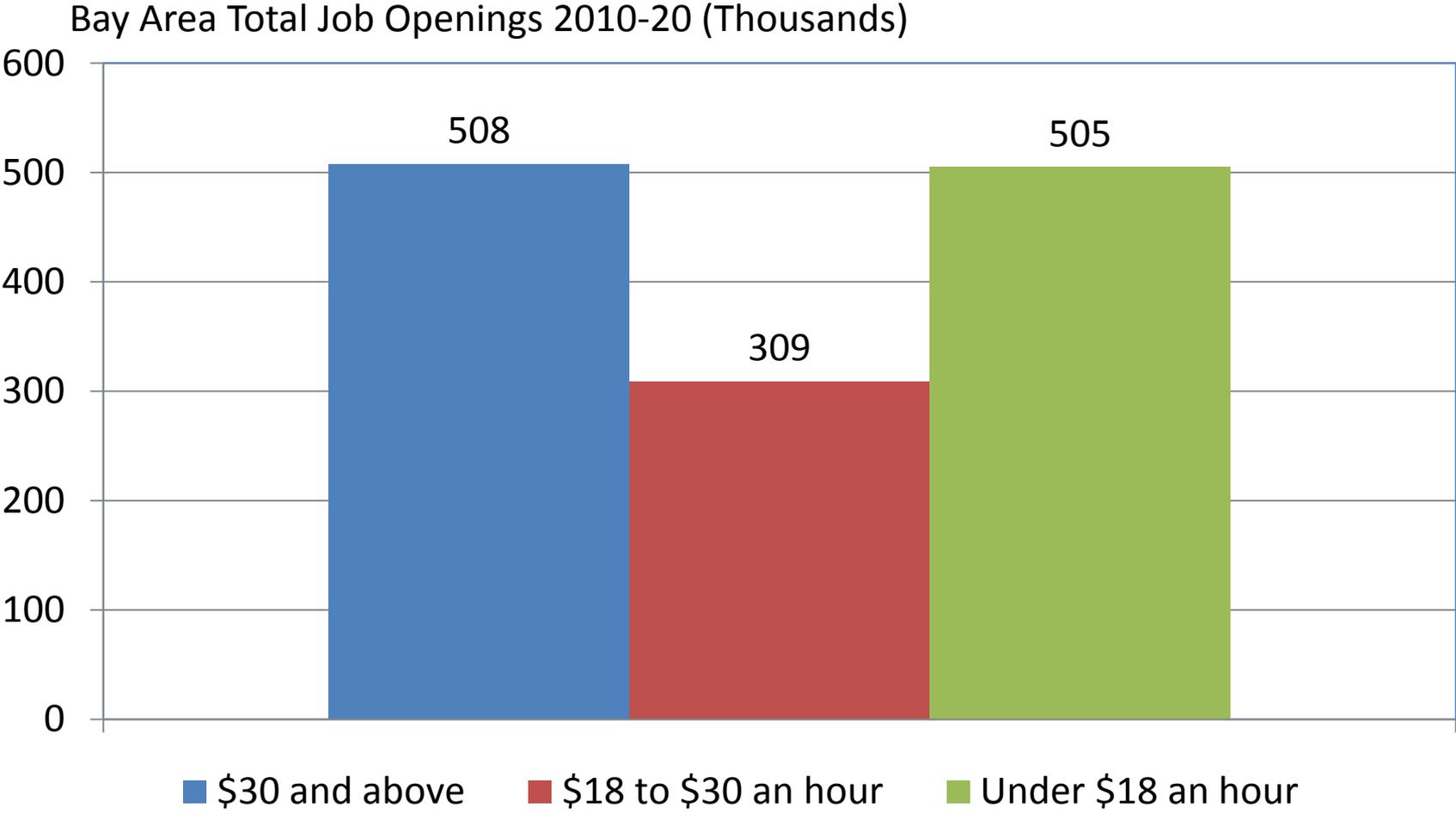
Bay Area Economic Prosperity Project

- Effort funded by a HUD grant
- Initial project goal was economic mobility:
how to move low and moderate wage workers
into middle income jobs
- The research led to additional goals:
increasing job opportunities in the region AND
improving conditions for lower wage workers

Challenge One: More than 1 Million Low and Moderate Wage Workers on 2011



Challenge Two: There are only 309,000 Projected Middle Wage Job Openings



Source: Employment Development Department

Challenge Three: The jobs that pay less than \$18 per hour are not going away...and will likely grow...

Occupations with median wages below \$17.83 an hour in the East Bay

- **\$15 to \$18**
Office clerks, medical assistants, nursing aides, delivery truck drivers, receptionists, shipping clerks
- **\$12 to \$15**
Pre-school teachers, janitors, security guards, laborers, groundskeepers, cooks
- **\$9 to \$12**
Stock clerks, retail salespersons, home health aides, cashiers, maids, child care workers, bartenders, food prep workers, dishwashers, counter attendants, fast food cooks, and waiters/waitresses

Strategies are Proposed to Meet the Three Goals

Goal 1: Improve career pathways from low and moderate wage work to middle wage jobs.

Goal 2: Grow the economy in the Bay Area, with a particular emphasis on growing middle-wage jobs.

Goal 3: Upgrade conditions, particularly for workers in existing low-wage and moderate-wage jobs.

Strategy Set One: Education and Workforce Preparation

- The best practice training strategy is INDUSTRY driven PARTNERSHIPS that lead to real jobs
- The components are 1) an industry partner to help design curricula, 2) a training provider such as a community college or union, 3) a local workforce board and 4) a funding source
- But the industry partner is CRITICAL and regional leaders can work with the key industries identified in the Summit to make this happen.

Regional Training Coordination is Critical Given Limited Resources

- In most large regions workers commute from county to county and industries hire from around the region.
- Identify the key industries and occupations of opportunity BUT WORK REGIONALLY. That means not every workforce board or community college should cover every industry.
- The state workforce board and community colleges are beginning to think regionally and it is more critical to coordinate when resources are limited. Get in front of the curve!!!

Here is the Good News

- California is about to launch an initiative (Slingshot) designed to fund planning and implementation of regionally coordinated workforce programs.
- Community colleges in each region can be critical partners and should follow the initiative as it develops and identify regional training and basic skills initiatives

Many Need More Help First to Make Training Successful

- There are many prerequisites for training to be successful. Some people need ESL. Some lack basic reading and math skills and digital literacy is important for more jobs nowadays.
- A good high school education is a critical foundation.
- There are best practice initiatives all around and regional leaders can bring these to scale.
- Funding as always is a challenge. But there are best practice models that focus on **CONTEXTUAL LEARNING**.

Training is Only Part of Developing Career Pathways

- Creating career pathways has many dimensions. It can start BEFORE the first job and CONTINUE as workers face transitions in their work life.
- Experience and learning the what employers expect is necessary in addition to training. Linked Learning programs in high school and paid internships are ways young people can improve their chances for good jobs.

Many Workers Will Remain in Low Wage Jobs: Possible Responses

- By 2020 the number of jobs paying less than 80% of the Bay Area regional median wage will increase by 200,000. Our best efforts at education and training will still leave some more low wage jobs
- Helping these workers who are in poverty (not all are) will mainly require federal and state efforts and a consensus to help out.
- The nation is beginning a more intense discussion of the role of the minimum wage and/or Earned Income Tax credits.

An Underutilized Resource: Unauthorized Workers and Students

- There are approximately 2.5 million unauthorized immigrants in California of which 1.5 million are in the workforce and others are students.
- Many of these residents can get better jobs, education and training with legal status'
- As opposed to programs that help 30 to 50 people at a time, legalization IS A BLOWOUT WORKFORCE INVESTMENT