



# Closing the Gap

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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

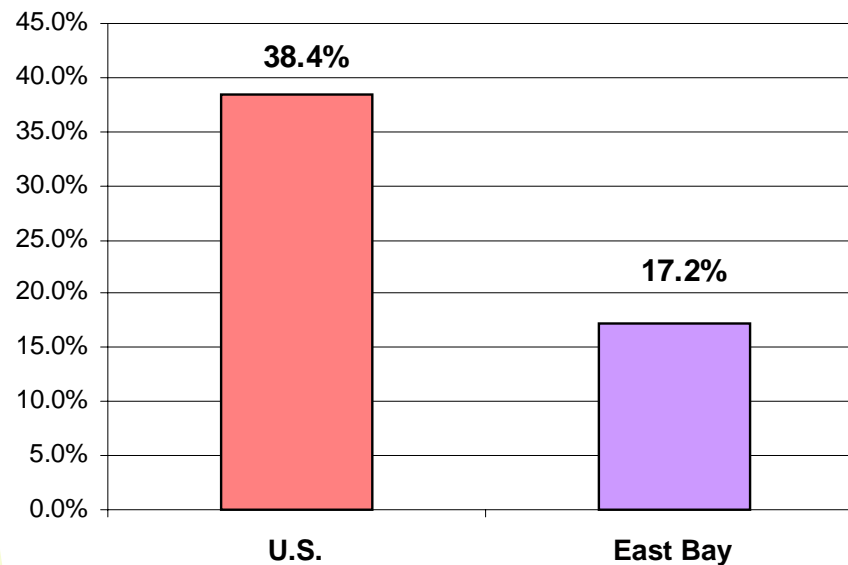
# Methodology

- 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?

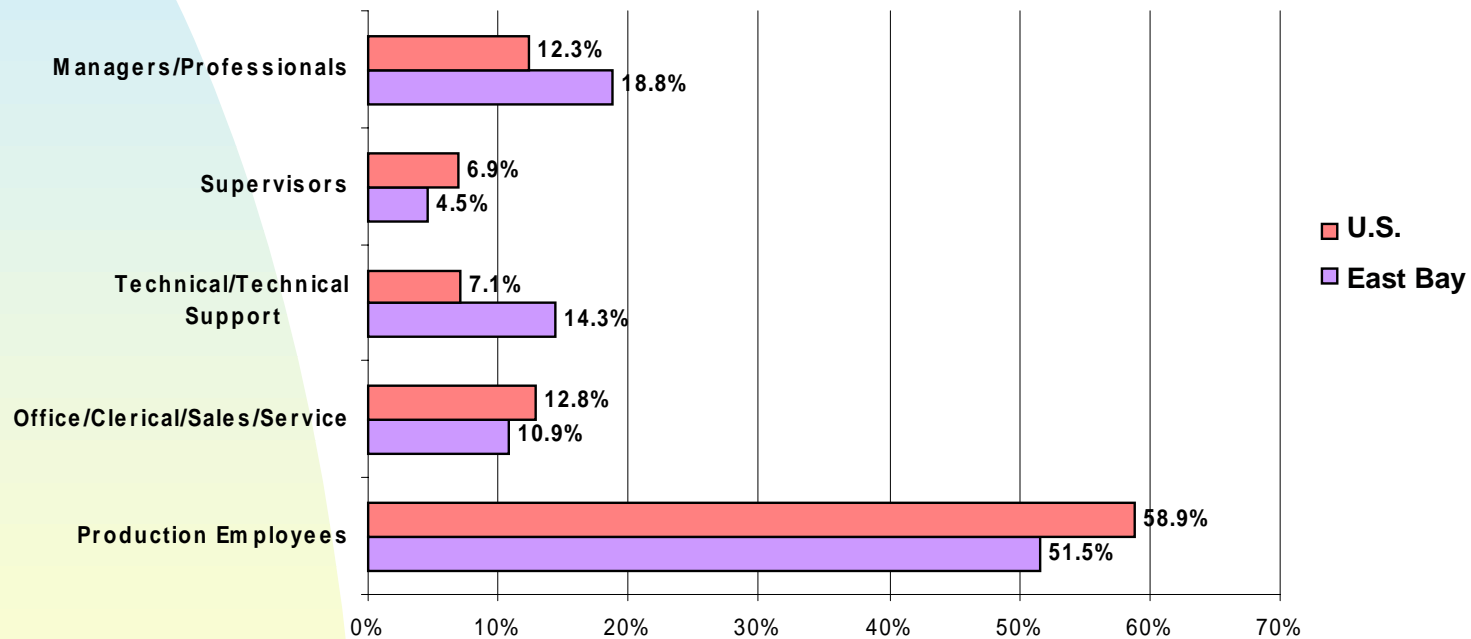
Projections for Production Automation  
East Bay – 2001 vs. U.S. – 1997



# Topic 1: Shifting Labor Demand

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

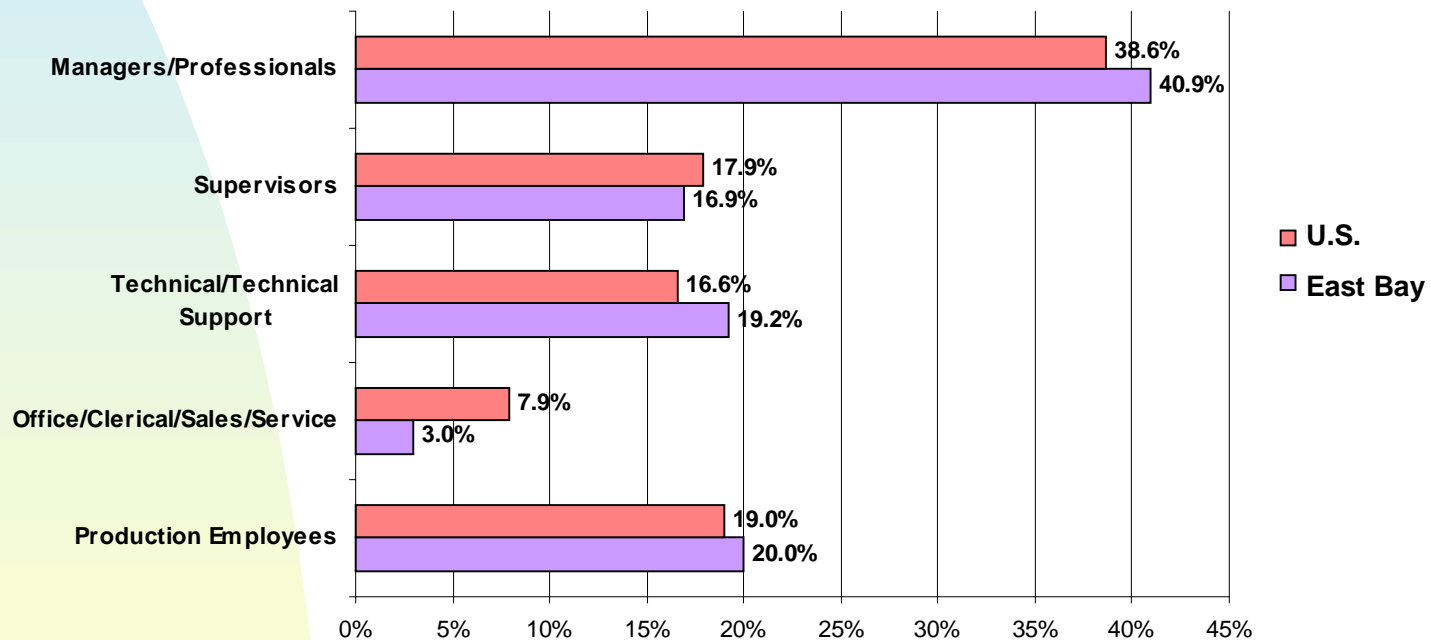
Distribution of Employees by Function  
East Bay - 2002 vs. U.S. - 1997



# 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

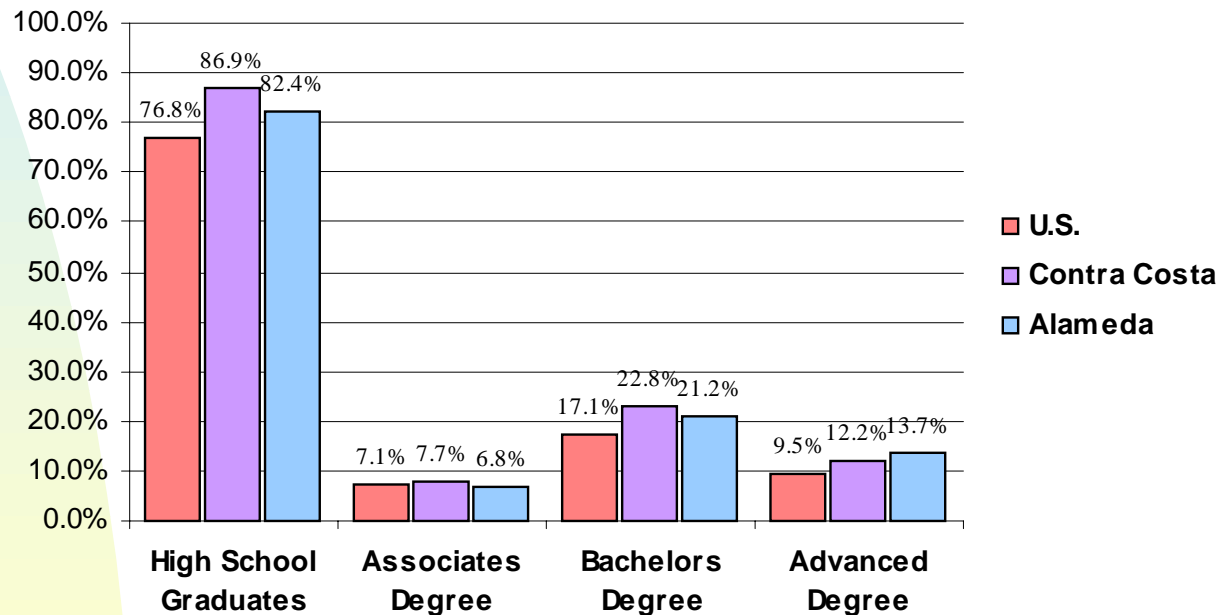




# Topic 1: Shifting Labor Demand

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

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



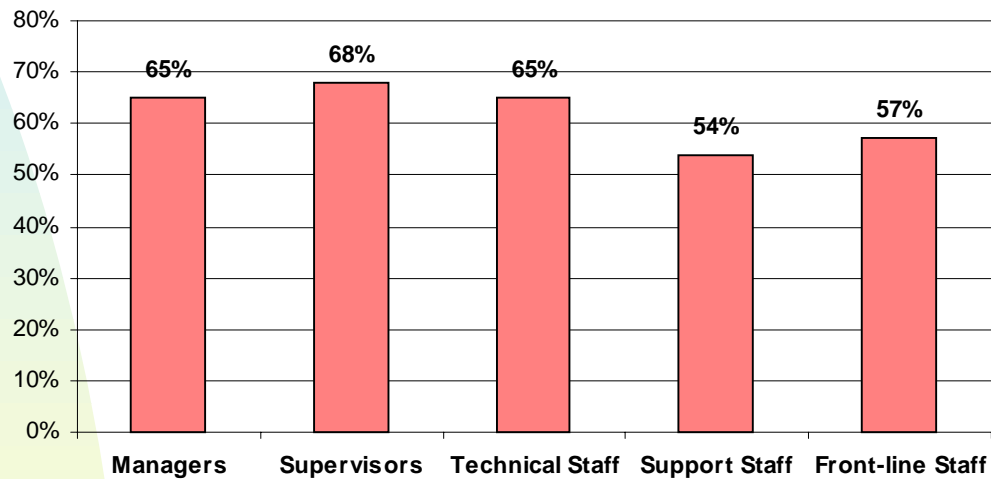
# Topic 2: Poor Skills Assessment

- 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?

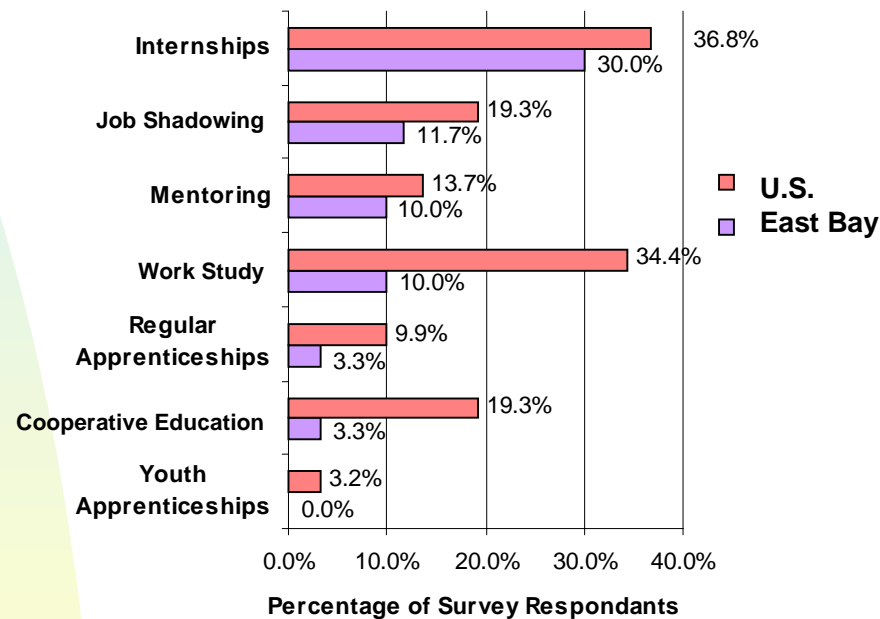
Training Needs by Work Function  
East Bay Employers – 2002

	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%
<b>Writing</b>	15.0%	<b>23.3%</b>	11.7%	11.7%	<b>31.7%</b>
<b>Word Processing</b>	16.7%	<b>31.7%</b>	5.0%	5.0%	<b>23.3%</b>
Working in Teams	16.7%	15.0%	20.0%	6.7%	<b>30.0%</b>
Workforce Culture Issues	16.7%	20.0%	15.0%	6.7%	<b>30.0%</b>
<b>Interpersonal Skills</b>	<b>25.0%</b>	<b>28.3%</b>	<b>18.3%</b>	<b>13.3%</b>	<b>40.0%</b>

# Topic 2: Poor Skills Assessment

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

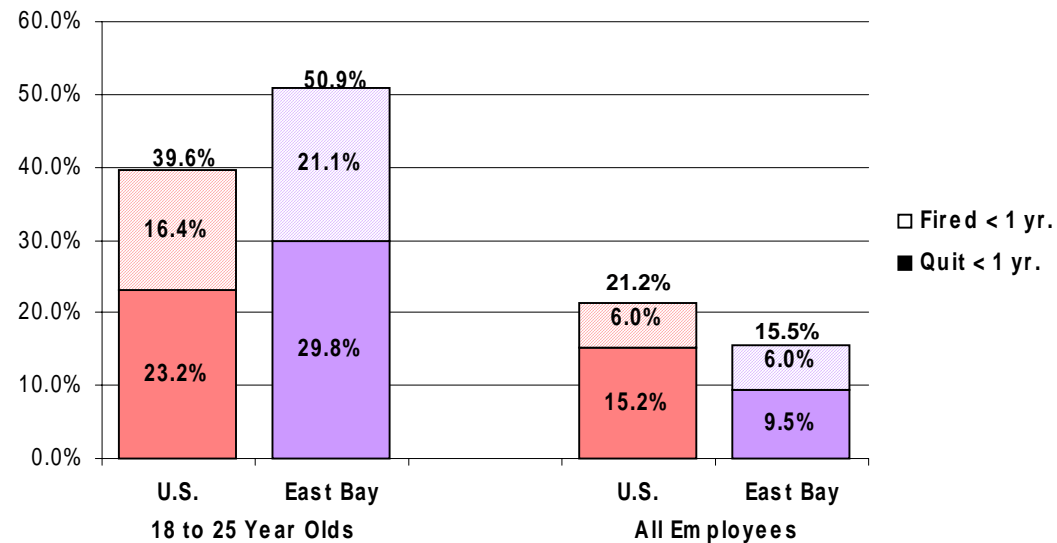
Bridges to Employment  
East Bay Employers – 2002 vs. U.S. – 1997



# Topic 2: Poor Skills Assessment

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

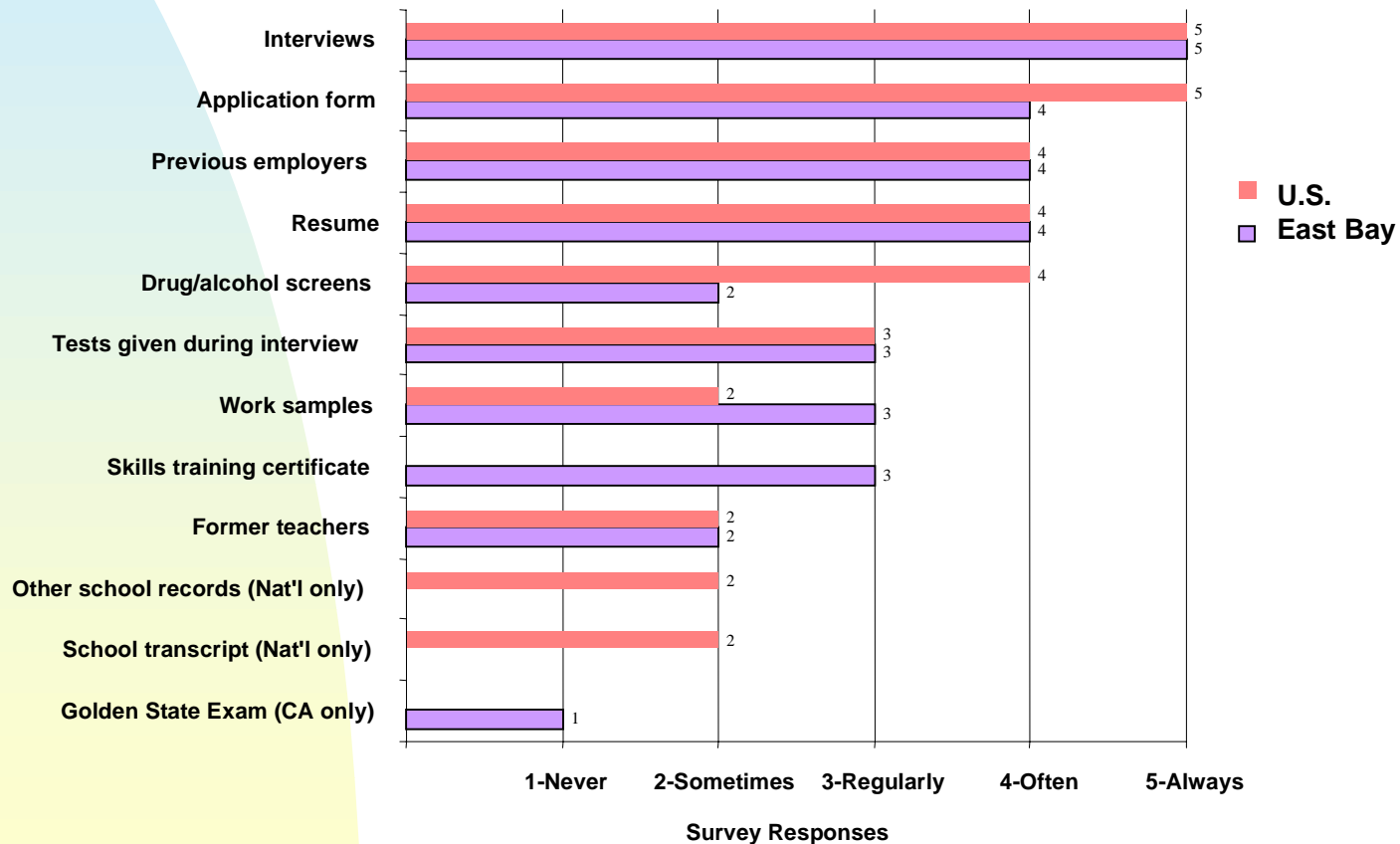
Job Terminations  
18-25 Year Olds vs. All Employees - 2002



# Topic 3: School Abandonment

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

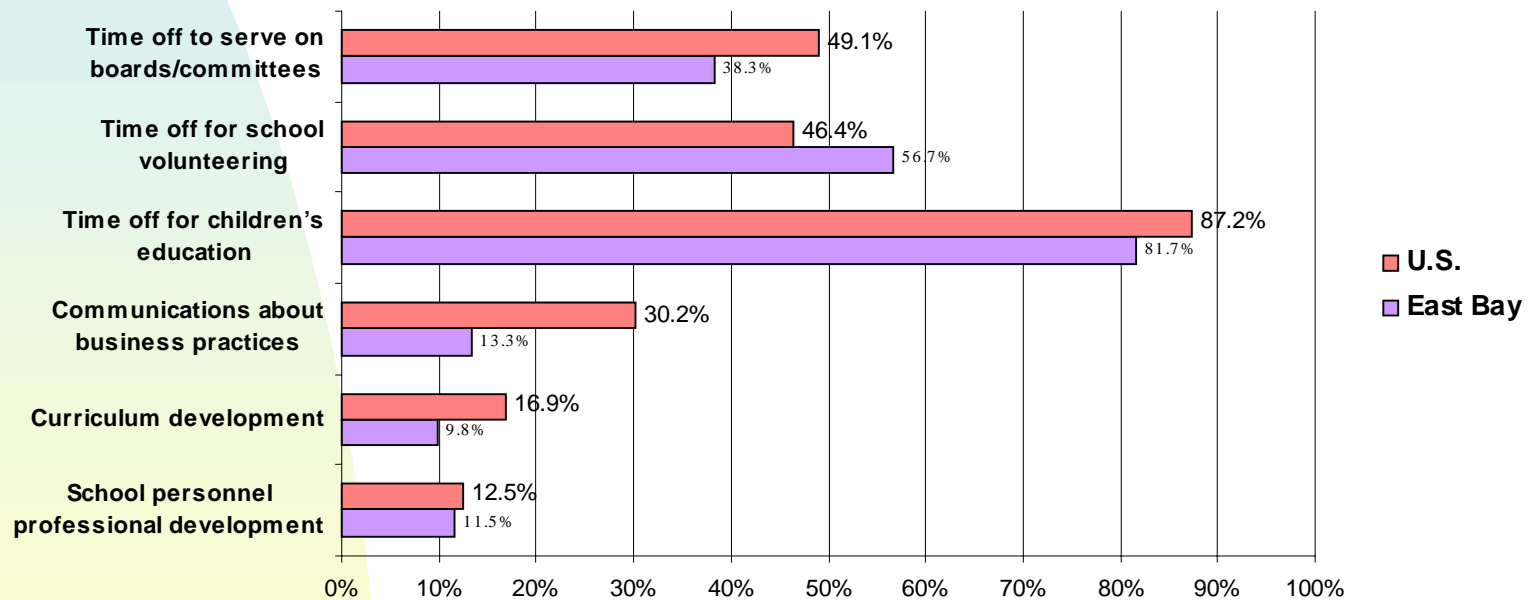
Screening Tools Used for Hiring New Employees East Bay Employers - 2002



# Topic 3: School Abandonment

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

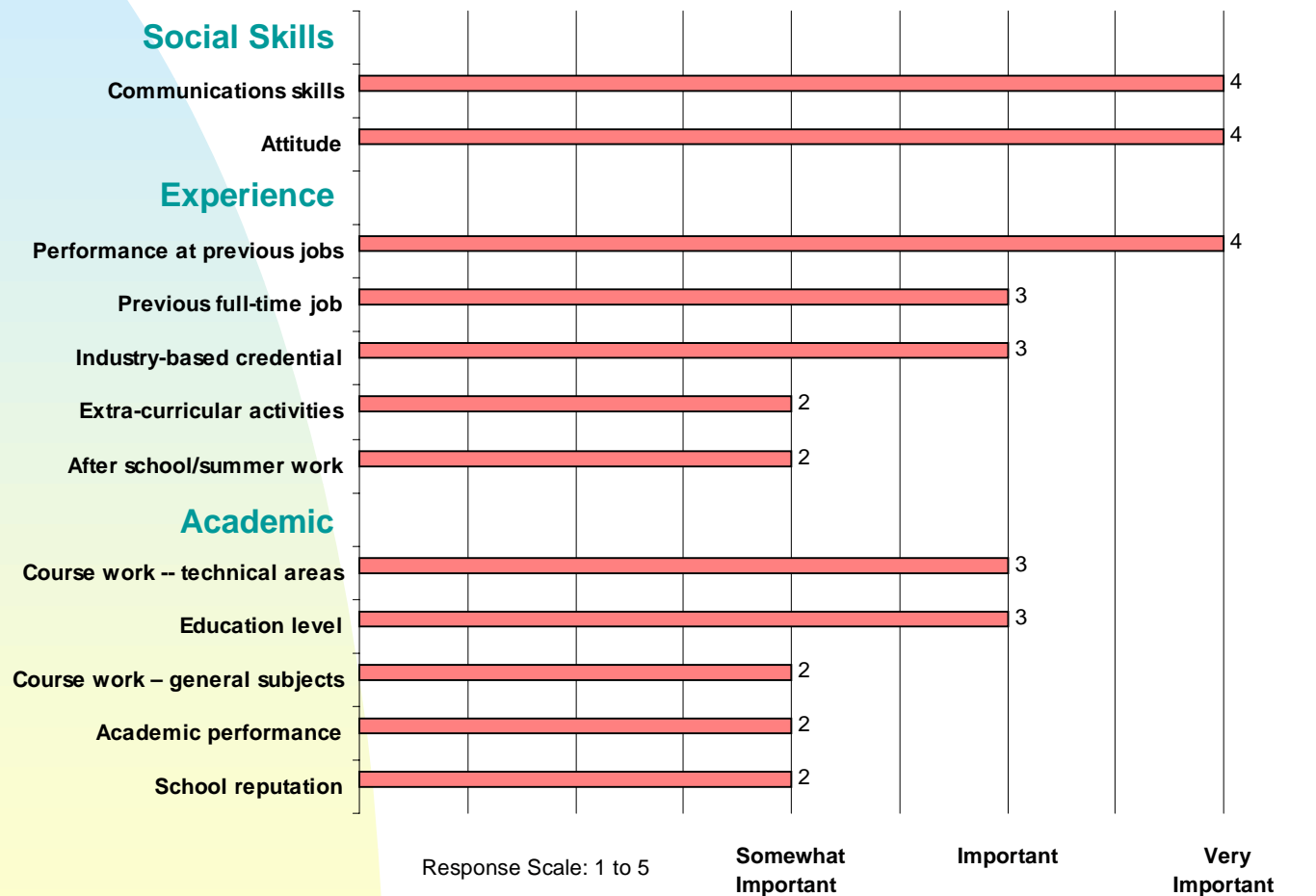
Business-supported  
Employee Involvement with Local Schools  
East Bay – 2002 vs. U.S. - 1997





# 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

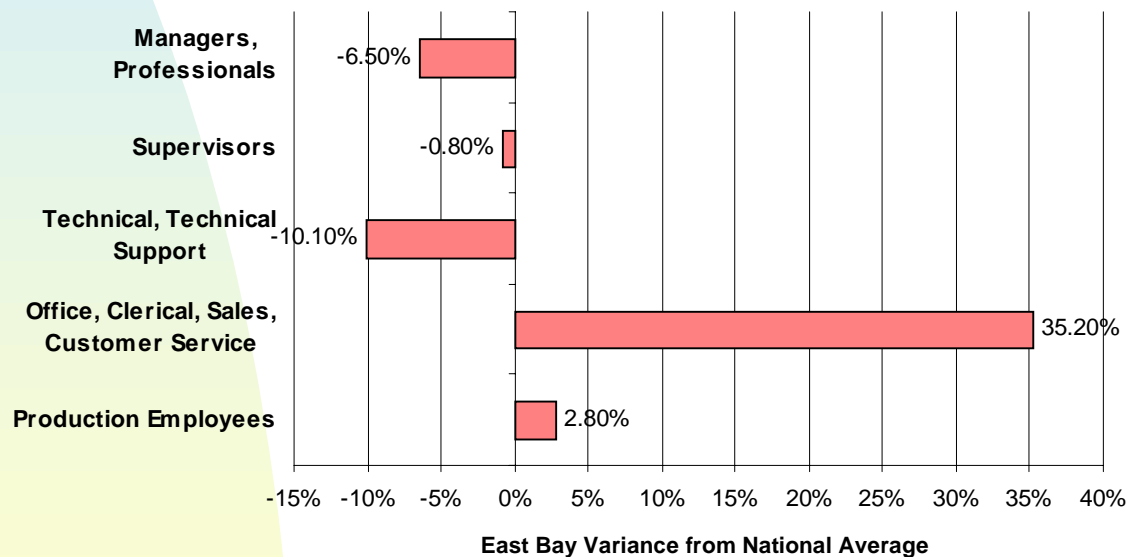
# Influential Trends

- 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

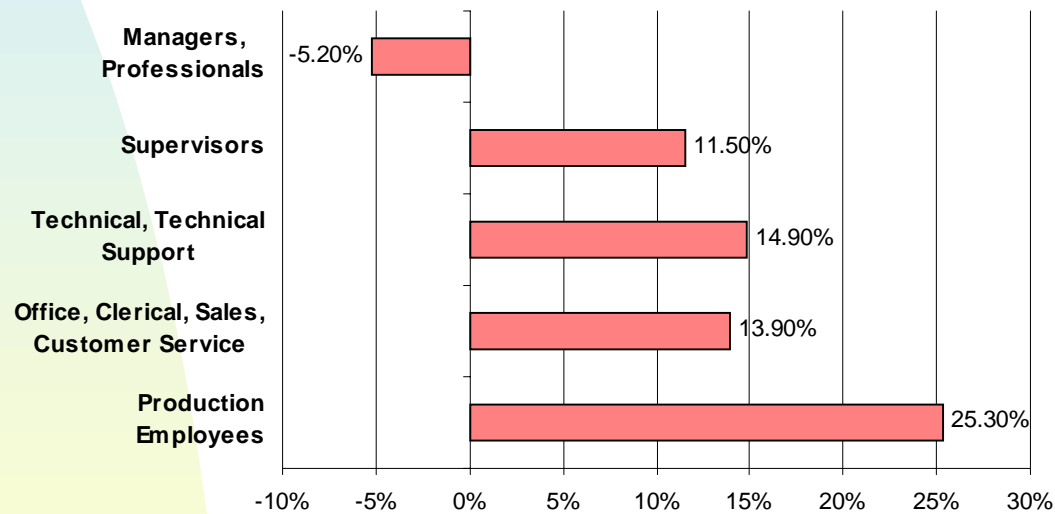
Variance in Representation of Women in the Workplace  
East Bay – 2002 vs. U.S. – 1997



# Influential Trends

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

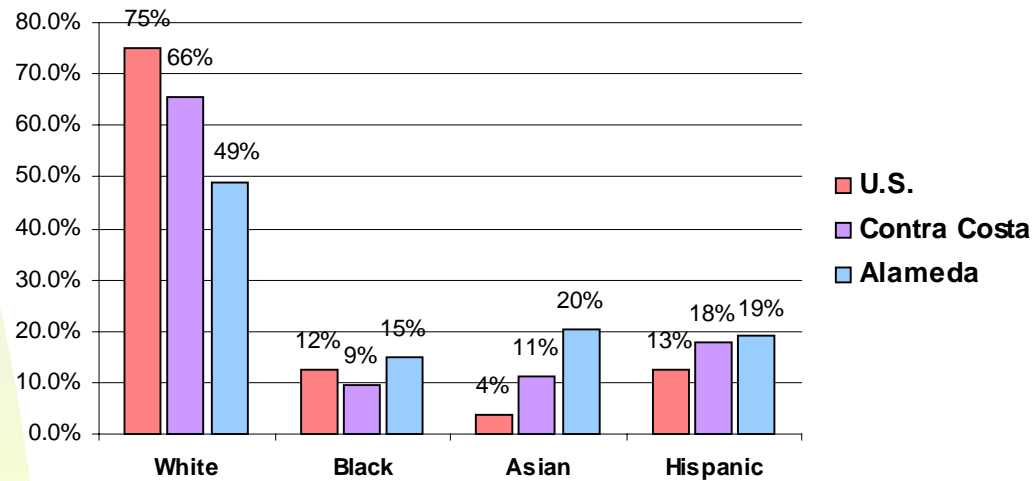
Variance in Representation of Minorities in the Workplace  
by Job Classification: East Bay – 2002 vs. U.S. – 1997



# 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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