San Luis Obispo County WDB

Industry, Economic & Workforce Research

[bw] RESEARCH PARTNERSHIP

Agenda

1 **Economic, Employment & Demographic Profile**

2 **Industry Clusters, Career & Educational Pathways**

3 **Conclusions & Next Steps**

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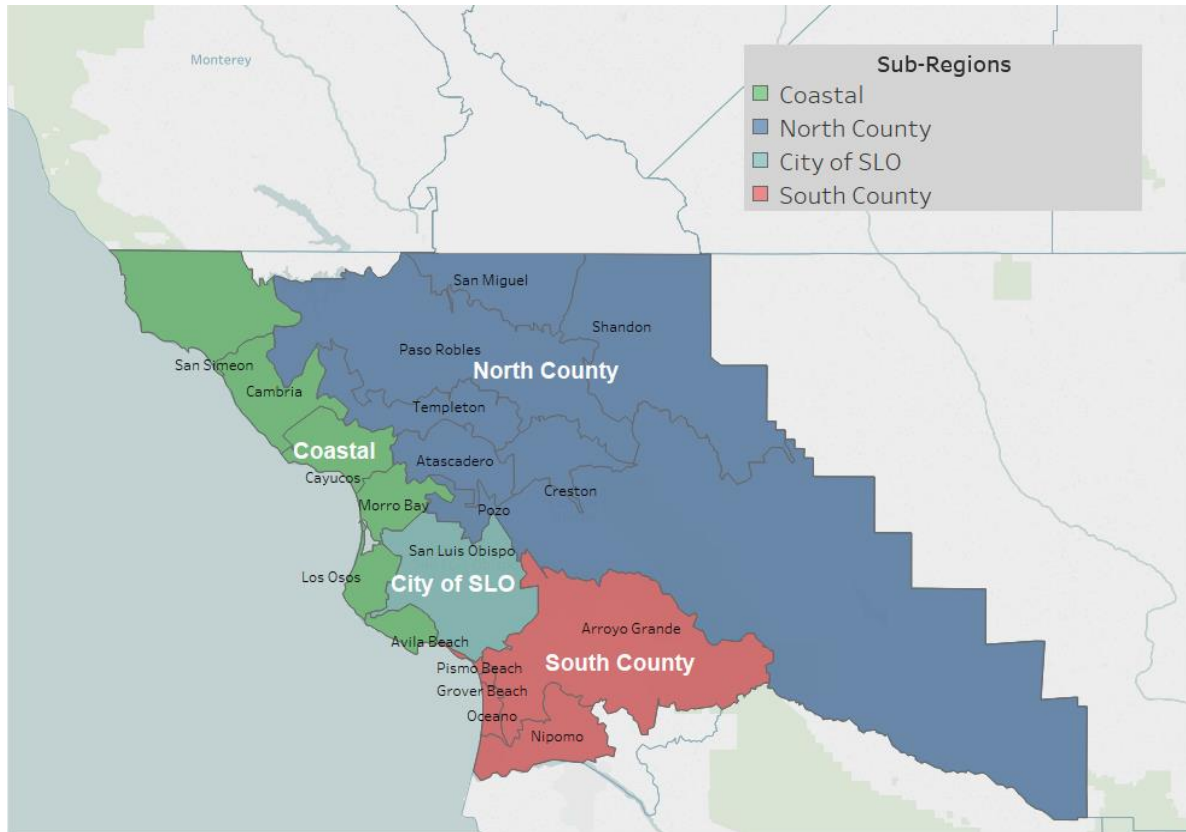# Economic, Employment & Demographic Profile

Phase 1 – Research Outline

1. Regional Economic Profile

2. Job Quality Analysis

3. Demographic County Profile

San Luis Obispo County

Coastal	North County	SLO Sub-Region	South County
Avila Beach, Cambria, Cayucos, Los Osos, Morro Bay, San Simeon	Atascadero, Creston, Paso Robles, Parkfield, Pozo, Shandon, Templeton	San Luis Obispo	Arroyo Grande, Grover Beach, Nipomo, Oceano, Pismo Beach

Regional Economic Profile
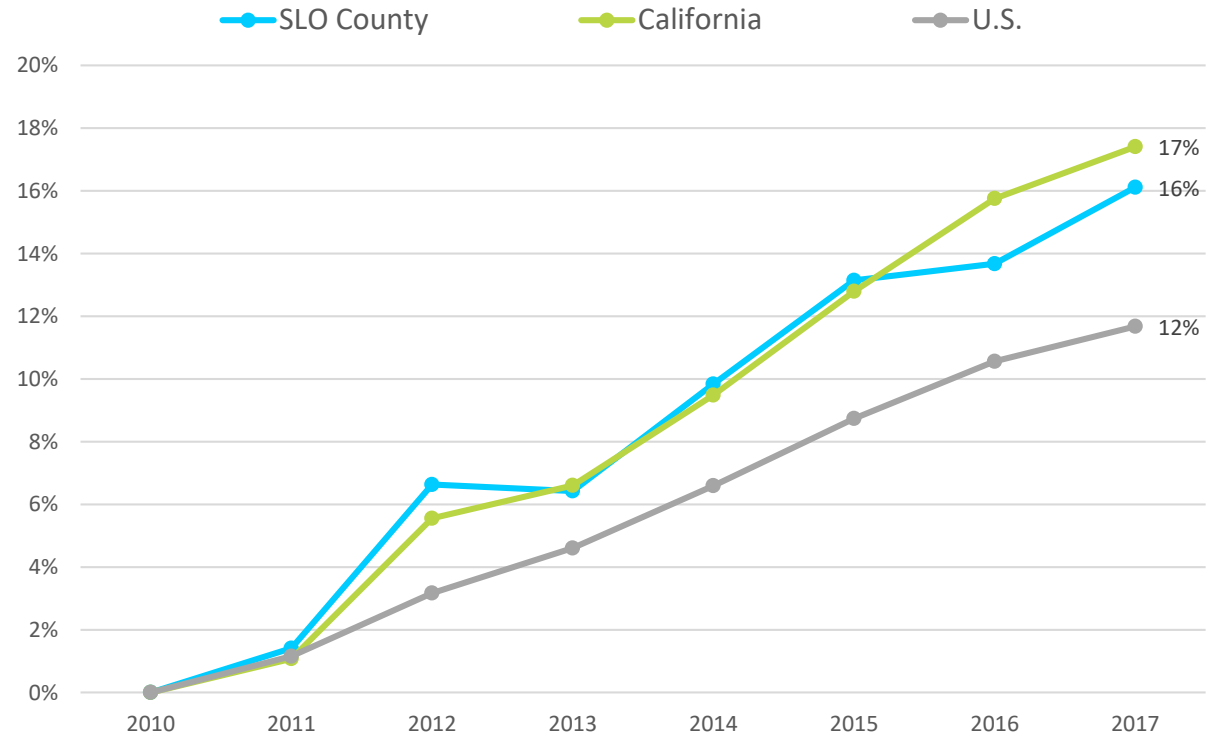# Total Employment & Employment Growth (2010-2017)

122,800
Total of jobs
in San Luis Obispo County

16%
Total % employment increase
or total of 17,051 jobs created since 2010

$56,049
Average earnings per job
in SLO County are below the state & national average

Key County Economic Metrics

Cost of Living

32%
Above
National Average

Average Wages

15%
Below
National Average

Key County Economic Metrics

1. **Labor Force Participation Rate: 59.3%**
   (4 percentage points below the state average)

2. **Unemployment rate: 3.6%**
   (below US & CA average)

3. **Imports ($12b) vs. Exports ($6.9b)**

Average Earnings by Region (2017)

32%
Cost of Living Index
above national average

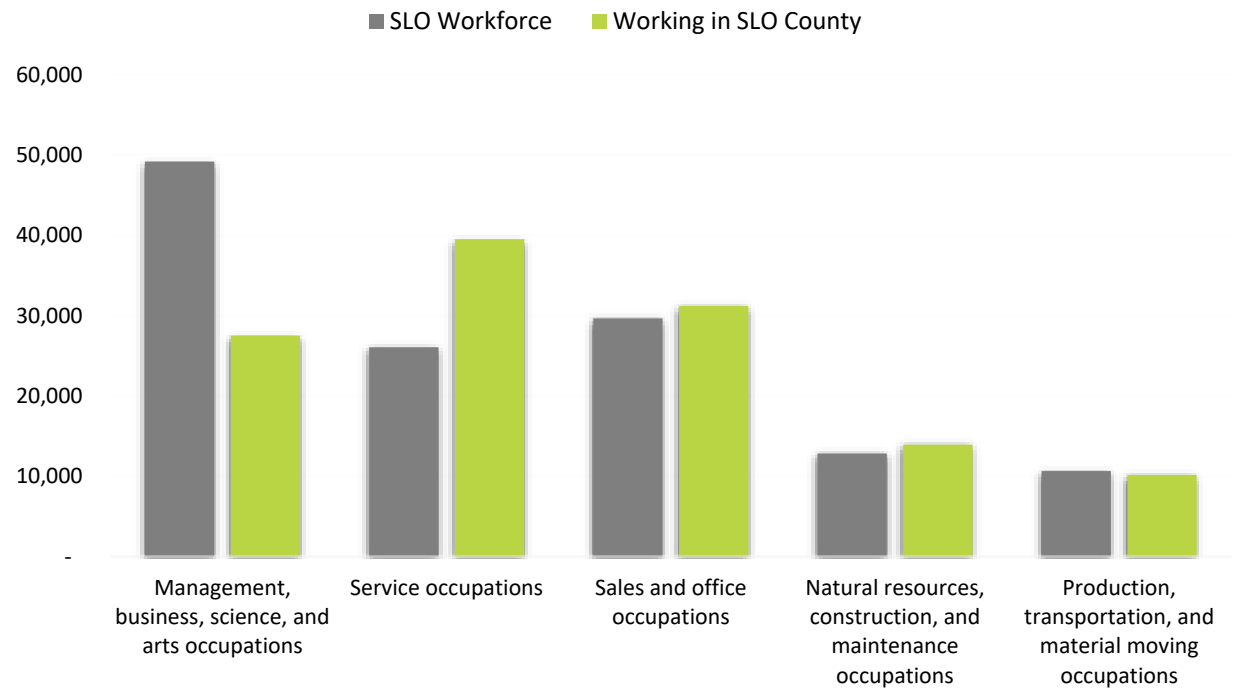|	Average Earnings
SLO County	$56,049
California	$78,200
United States	$66,000

Resident Workforce vs. People Working in SLO County

There are **more people** in the resident workforce, compared to people working in SLO County for higher-paying MBSA occupations and PTM occupations.

There are more **jobs** than people in the resident workforce for lower-paying service, sales & office, and natural resources occupations.

Overall, the County is a **net-exporter** of talent with 5% (net) of its resident workers needing to leave the area to go to work.

Chart legend: ■ SLO Workforce ■ Working in SLO County

Y-axis: 60,000 / 50,000 / 40,000 / 30,000 / 20,000 / 10,000 / -

Categories: Management, business, science, and arts occupations; Service occupations; Sales and office occupations; Natural resources, construction, and maintenance occupations; Production, transportation, and material moving occupations

Job Quality

Occupational Tiers Explained

Not all jobs are created equal; Job Quality Matters

Tier 1

Professional & highly-skilled technical positions

23% of CA Workforce

Average Wage
$93,291 per year in California ($80,415 in SLO)

Education
4-year degree or more

Tier 2

Office & administrative, operations and production, sales and teaching positions

31% of CA Workforce

Average Wage
$49,758 per year in California ($46,520 in SLO)

Education
More than HS degree less than 4 year degree

Tier 3

Food service, retail, cleaning, personal care and security guards positions

47% of CA Workforce

Average Wage
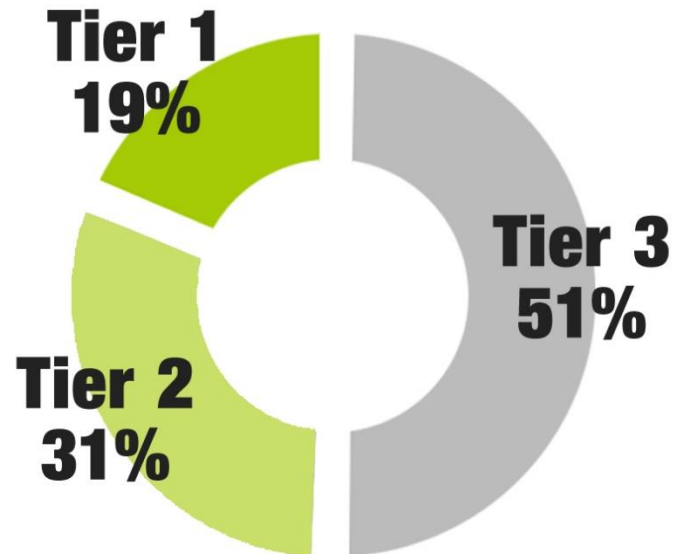**$26,501 per year** in California ($25,725 in SLO)

Education
HS degree or less
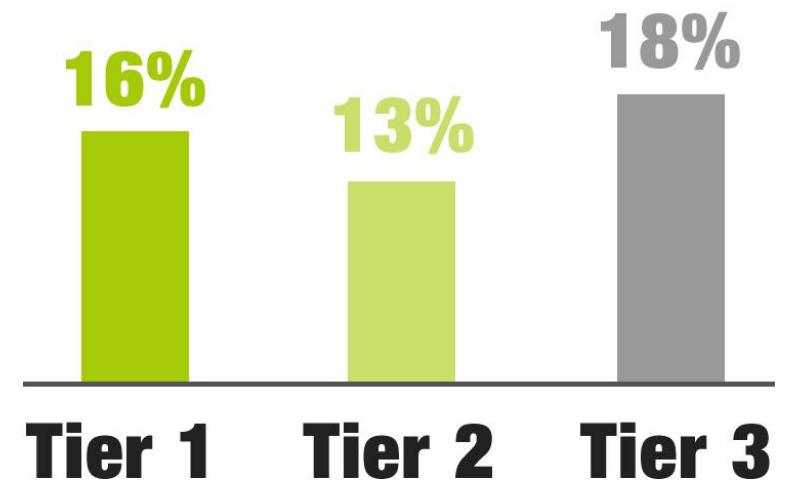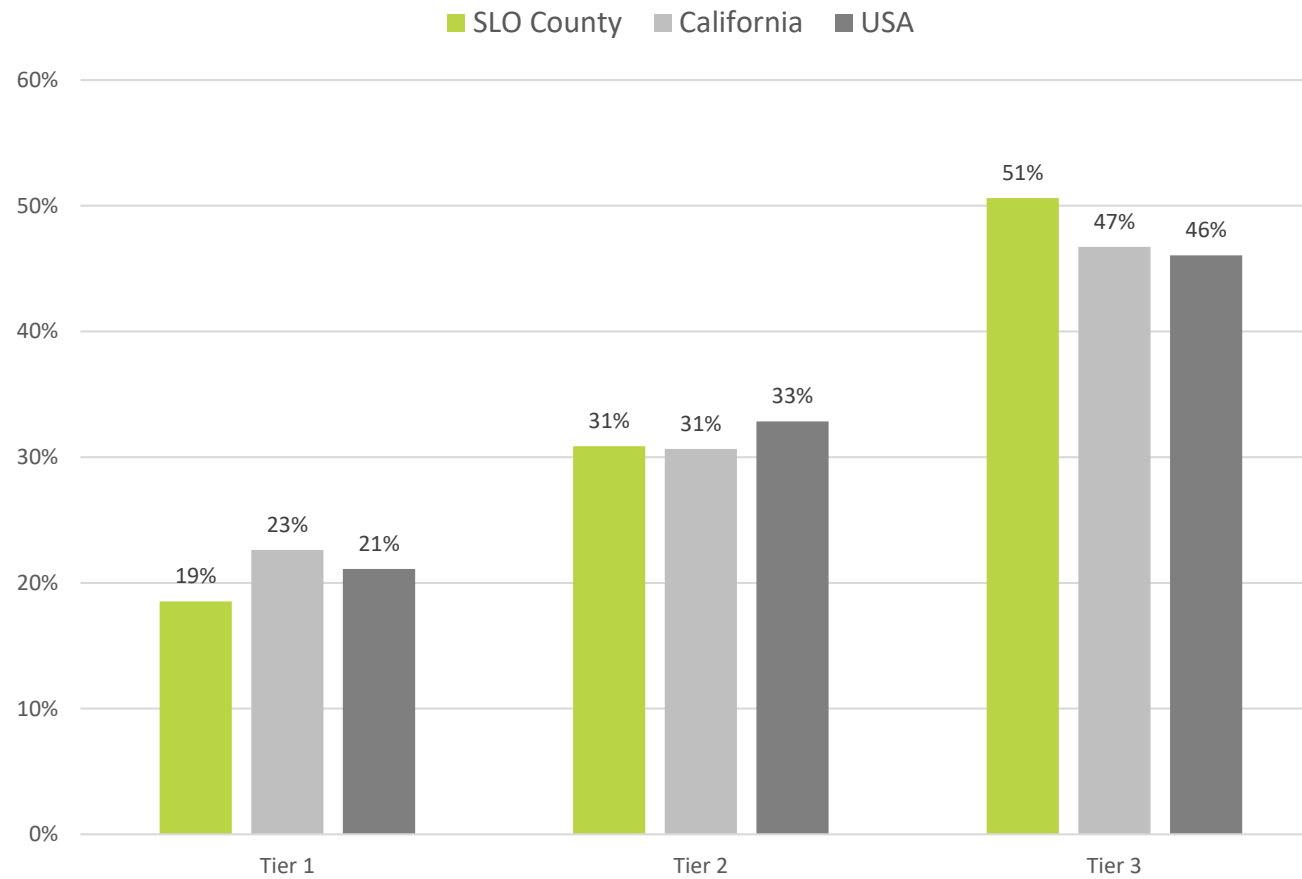
Job Quality
Tier Growth (2010 - 2017)

Regions	Tier 1	Tier 2	Tier 3
SLO County	16%	13%	18%
California	19%	18%	17%
USA	12%	10%	13%
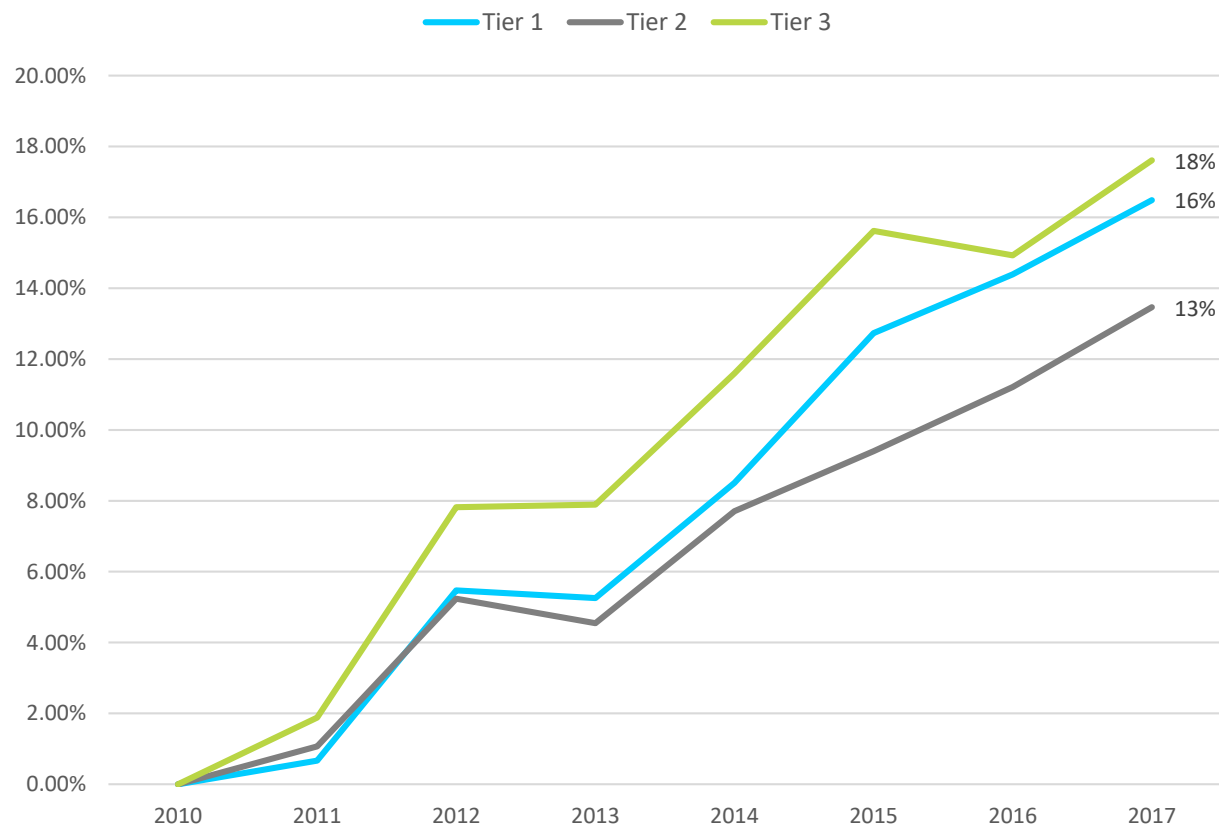
Jobs for Self-Sufficiency

Poverty rate in SLO County is 14% but an incomplete measure for those that are struggling to get by. A family of four (2 adults and 2 children, one working) living in SLO County requires $58,448 annually to stay at or above self-sufficiency.

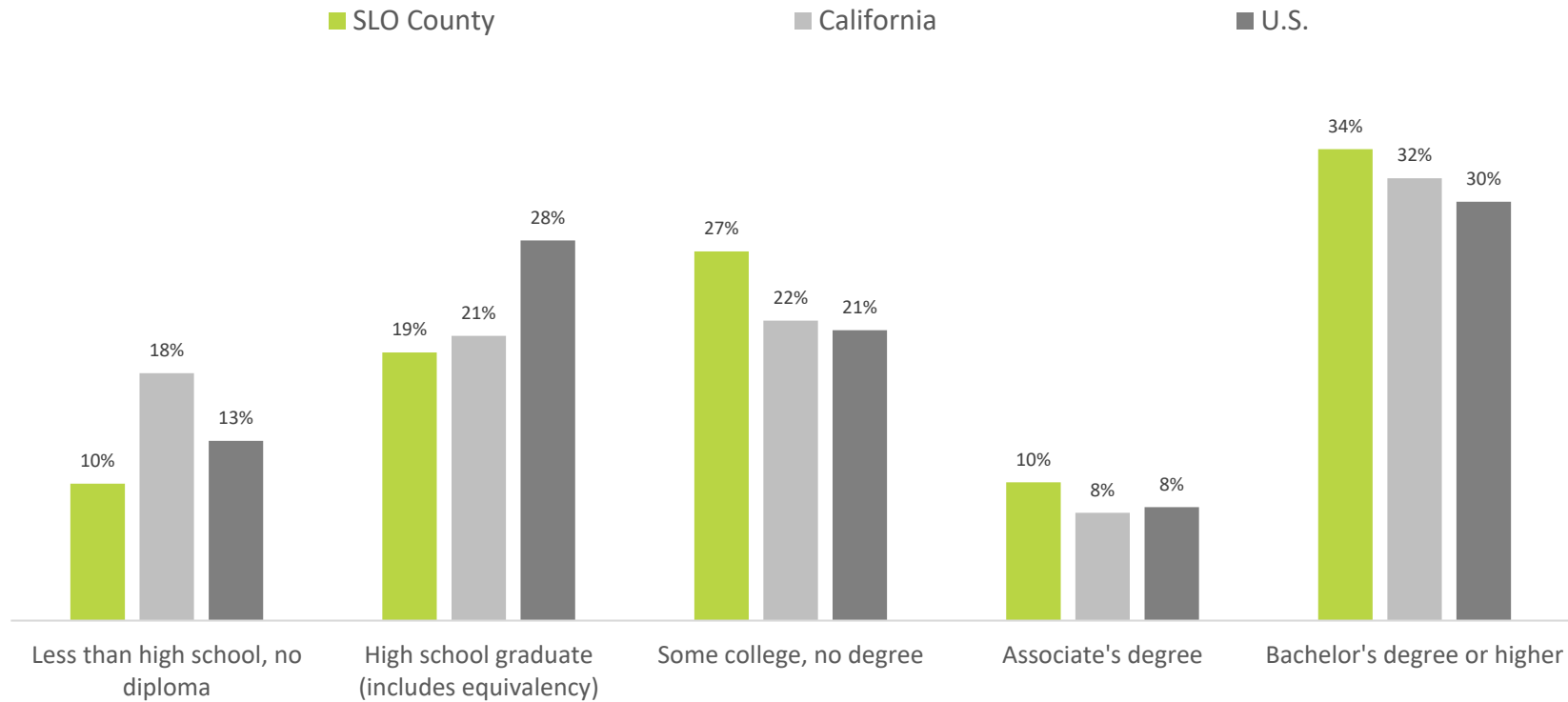|	Median Annual Wage	Number of Jobs to Meet Family Self-Sufficiency
Tier 1	$80,416	0.72
Tier 2	$46,520	1.26
Tier 3	$25,727	2.27

Total Population

Approximately **278,680** people live in SLO County

This represents a 4.6 percent increase since 2010 (5.5% in CA & 4.8% in US)
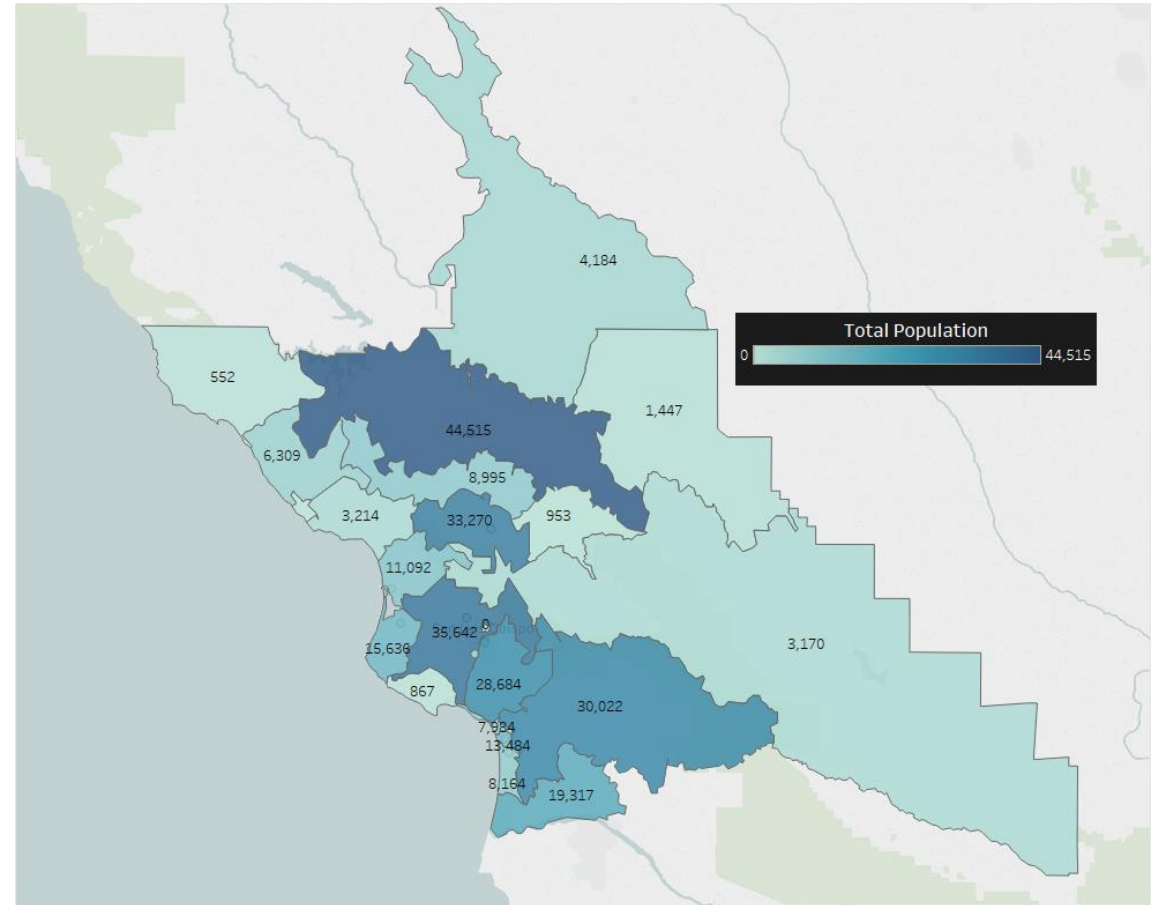
Regional Demographic Profile
Educational Attainment (2016)

Legend: SLO County | California | U.S.

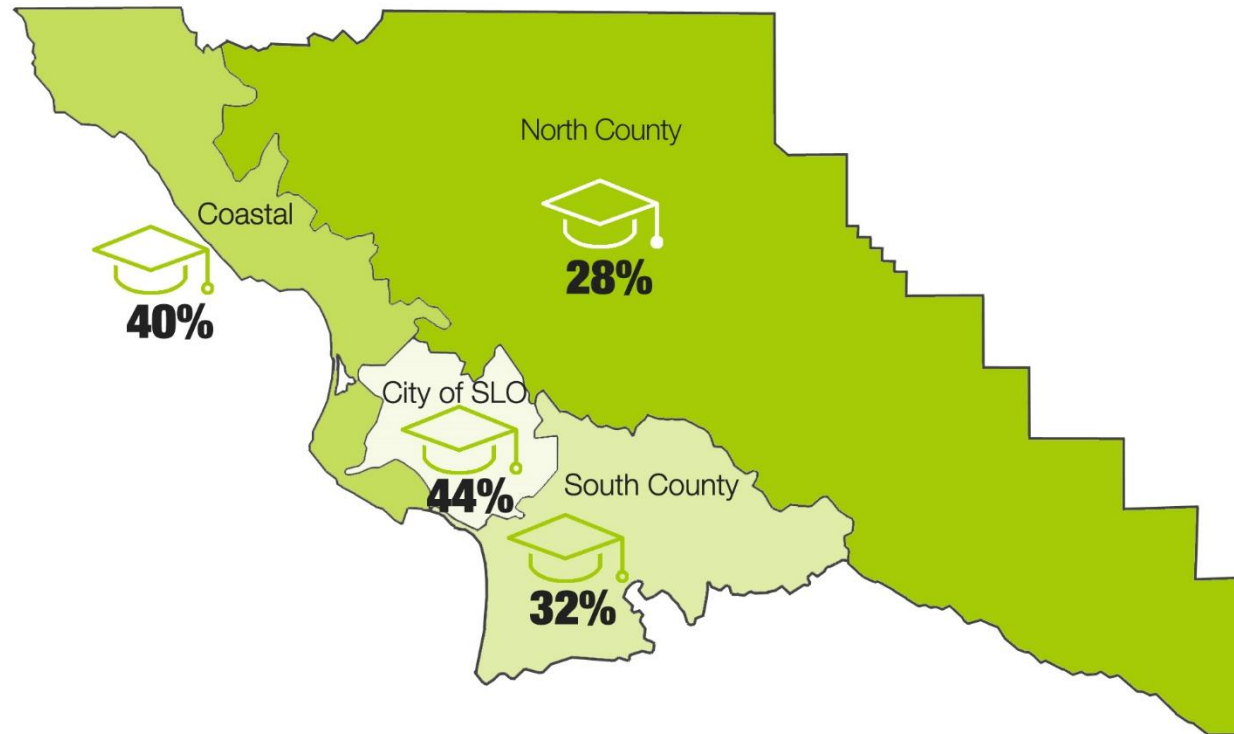|	Less than high school, no diploma	High school graduate (includes equivalency)	Some college, no degree	Associate's degree	Bachelor's degree or higher
SLO County	10%	19%	27%	10%	34%
California	18%	21%	22%	8%	32%
U.S.	13%	28%	21%	8%	30%

Educational attainment is higher in SLO County than in California and the Country, with a higher proportion of people in the County with some college, no degree, an associate degree, or a bachelor's degree, or higher.
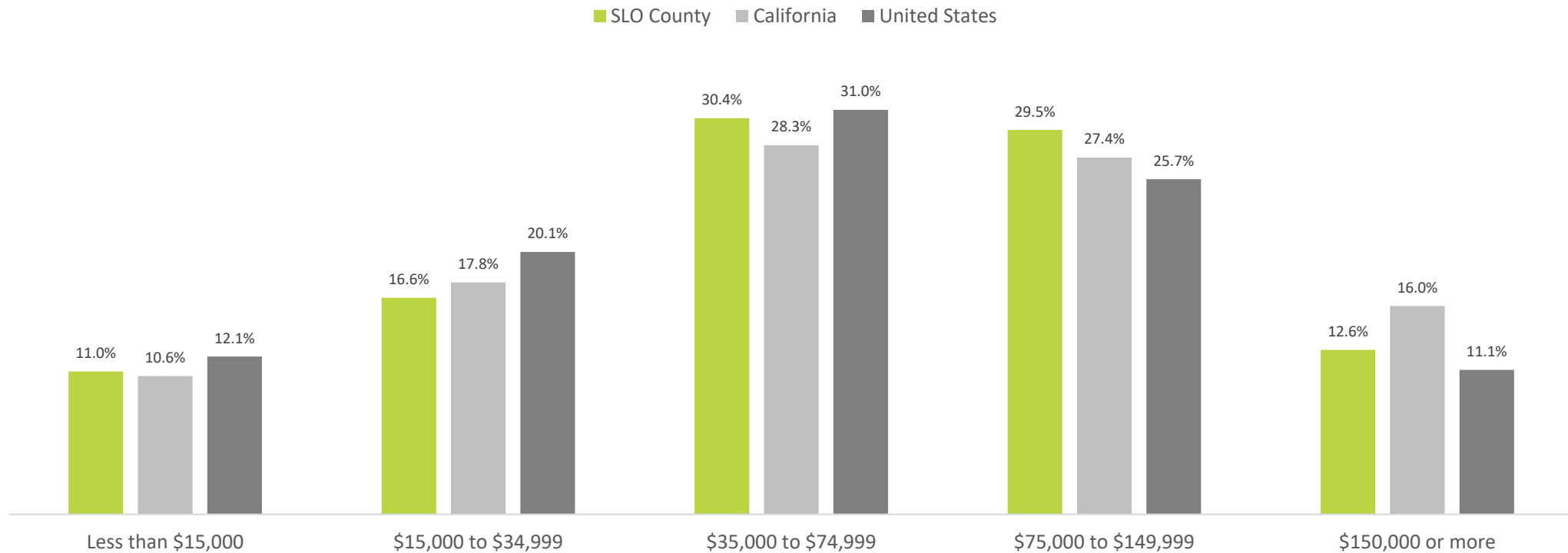
Key County Economic Metrics

Sub-Region's Educational Attainment
Bachelor's Degree or Higher in 2016

Regional Demographic Profile
Household Income Distribution (2016)

Legend: SLO County | California | United States

Less than $15,000
- SLO County: 11.0%
- California: 10.6%
- United States: 12.1%

$15,000 to $34,999
- SLO County: 16.6%
- California: 17.8%
- United States: 20.1%

$35,000 to $74,999
- SLO County: 30.4%
- California: 28.3%
- United States: 31.0%

$75,000 to $149,999
- SLO County: 29.5%
- California: 27.4%
- United States: 25.7%

$150,000 or more
- SLO County: 12.6%
- California: 16.0%
- United States: 11.1%

Median household income in SLO County is $64,014, which is similar to the state's median household income

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Industry Clusters, Occupational Clusters & Career Pathways

What are Industry Clusters (IC)?

A geographic concentration of interconnected companies and institutions working in a common industry, often collaborators and/or competitors (Michael Porter)

1. Export-Oriented vs. Population-Serving

2. Industry clusters vs. Industry Sectors (NAICS/SIC)

3. Job quality & volatility (Tier 1, Tier 2 & Tier 3 job distribution)

Why Industry Clusters (IC)?

Regional industry clusters provide a foundational understanding of your regional economy and provide greater clarity of the nuances within your economy

1. Engage with employers more effectively

2. Inform students, job-seekers and the talent pipeline

3. Design workforce/training and economic development programs and strategies (career & educational pathways)
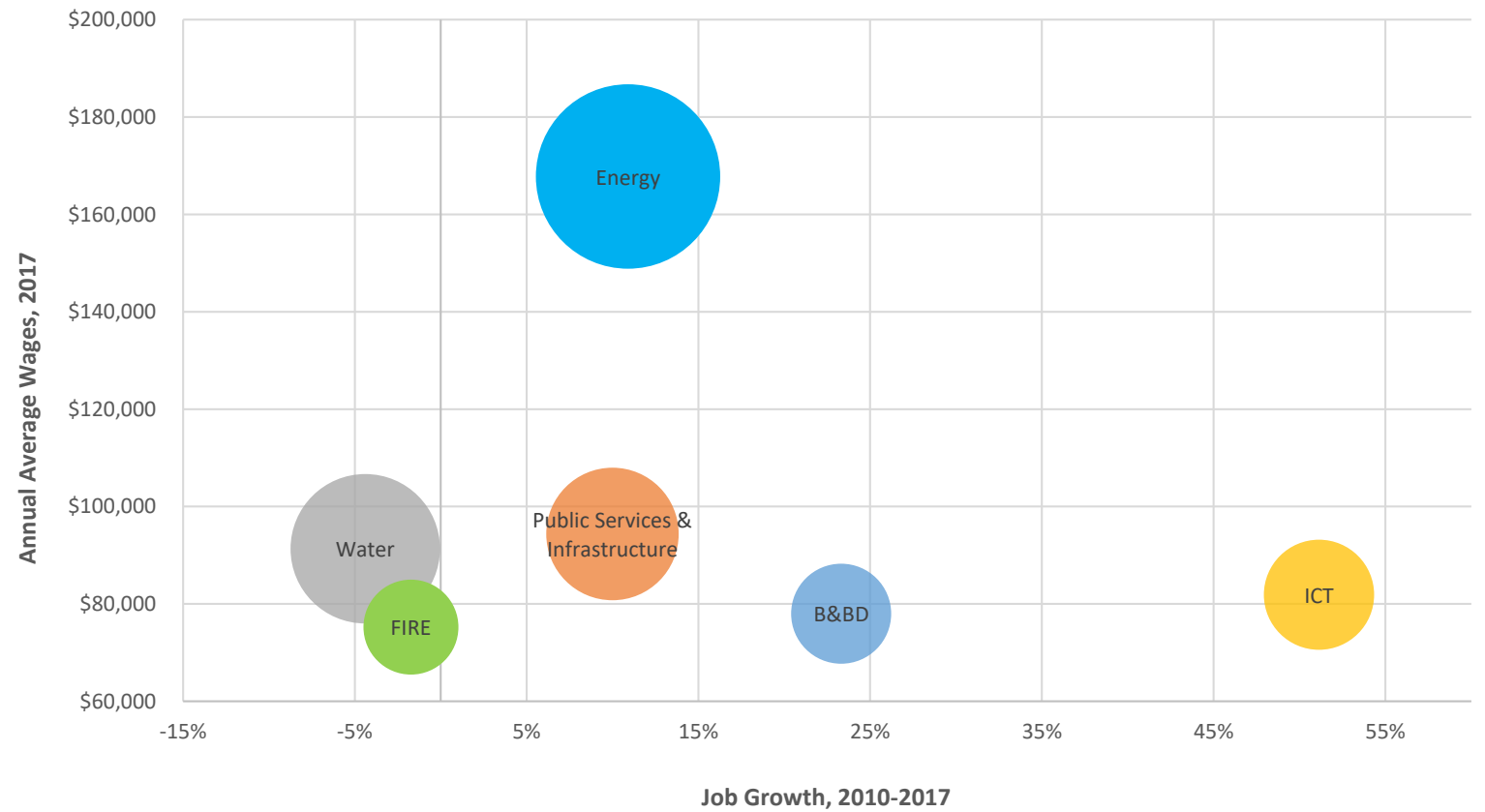
Industry Clusters Analysis
High Wage Industry Clusters (IC)

Industry Clusters	2017 Employment	% Growth since 2010	Earnings per Worker	2017 LQ
Public Services & Infrastructure	10,016	10%	$94,367	1.07
FIRE	3,571	-2%	$75,232	0.55
Energy	3,265	11%	$167,791	2.07
ICT	2,666	51%	$81,880	0.74
Biotechnology & B. Devices	989	23%	$77,979	0.61
Water	261	-4%	$91,330	1.36

Industry Clusters Analysis
Medium Wage Industry Clusters (IC)

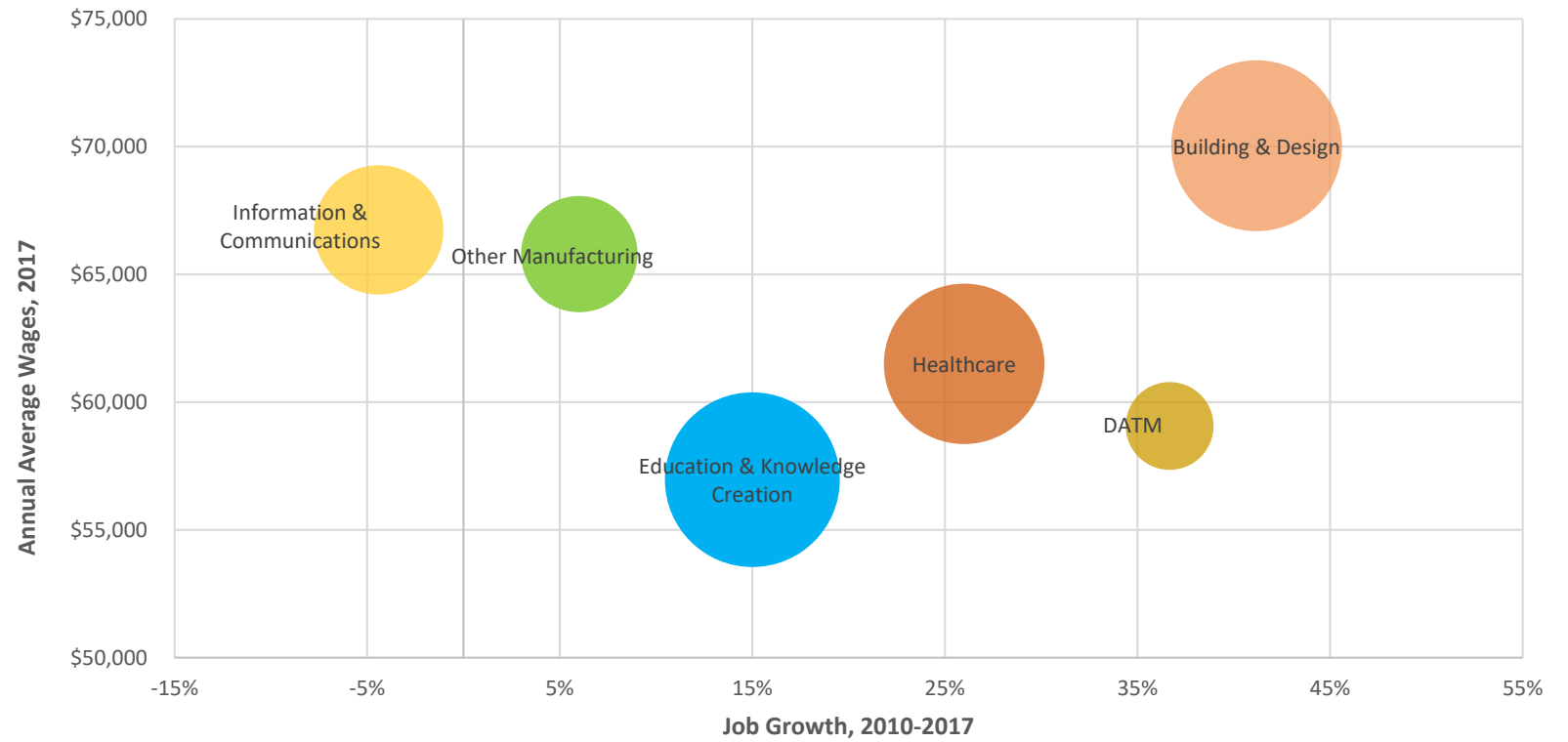| Industry Clusters	2017 Employment	% Growth since 2010	Earnings per Worker	2017 LQ
Building & Design	7,861	41%	$70,037	1.10
Information & Communications	912	-4%	$66,741	0.63
Other Manufacturing	2,274	6%	$65,792	0.51
Healthcare	15,158	26%	$61,497	0.97
Defense, Aerospace, & Transportation Manufacturing (DATM)	533	37%	$59,069	0.29
Education & Knowledge Creation	15,259	15%	$56,965	1.15

Industry Clusters Analysis

Low Wage Industry Clusters (IC)

Industry Clusters	2017 Employment	% Growth since 2010	Earnings per Worker	2017 LQ
Logistics	2,789	23%	$55,662	0.51
Professional & Business Services	6,085	-8%	$52,596	0.50
Agriculture & Food	8,800	21%	$46,175	2.80
Retail	14,425	8%	$37,650	1.05
Other Services	7,083	-4%	$32,393	1.29
Tourism, Hospitality, Recreation	19,510	29%	$25,424	1.40
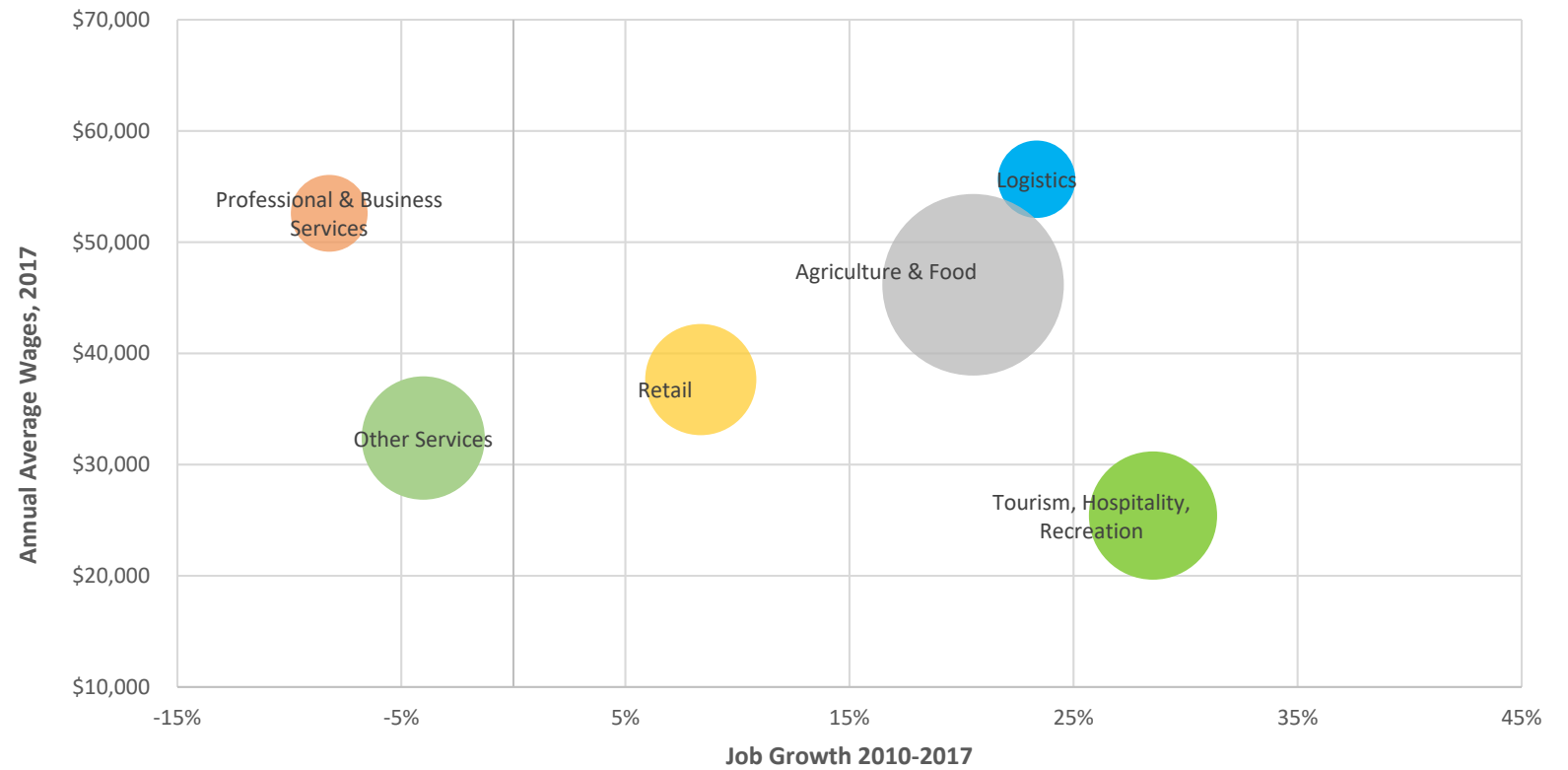
Industry Clusters Analysis
Potential Industry Clusters (IC)

Bubble chart — X-axis: Job Growth, 2010-2017 (5% to 55%); Y-axis: Annual Average Wages, 2017 ($40,000 to $200,000). Bubbles labeled: Energy, B&BD, Healthcare, DATM, Building & Design, ICT.
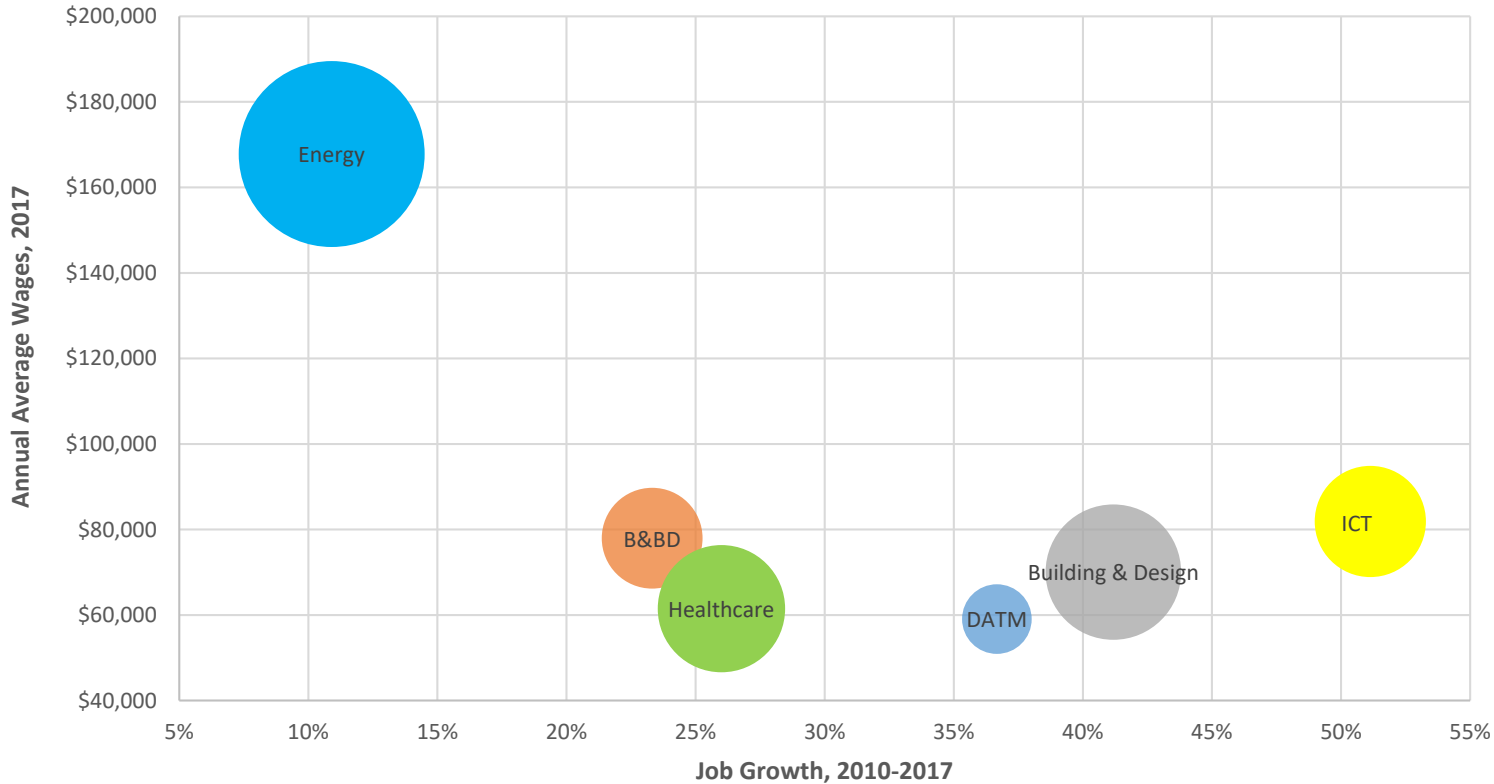
Industry Cluster	Tier 1	Tier 2	Tier 3
Energy	36%	**39%**	24%
ICT	**74%**	17%	9%
B&BD	17%	38%	**45%**
Building & Design	22%	**68%**	10%
DATM	7%	38%	**55%**
Healthcare	21%	29%	**50%**

Why Occupational Clusters?

Allows us to **organize employment opportunities** with comparable skills, knowledge and technical requirements

Provides valuable information for developing **new skills and technologies**

Engage education & training providers more effectively

Allow us to **design programs** that best support the current and projected regional workforce demand

Occupational Clusters

Information and Communication Technologies (ICT)

	2017 Jobs	Average Wage
Computer, Math, and Quantitative Analysts	1,144	$79,269
Business and Finance Positions	332	$79,518
Office and Administrative Positions	276	$36,400
Sales Positions	173	$37,107
Management Positions	106	$110,531

Career Pathway

Information and Communication Technologies (ICT)

	2017 Jobs	Median Hourly Wages	Growth 2016-17	Typical Entry-level Education
Secretaries and Administrative Assistants, Except Legal, Medical, and Executive	40	$17	0%	High School Diploma or Equivalent
Computer User Support Specialists	227	$21	1%	Some college, no degree
Computer Systems Analysts	91	$41	3%	Bachelor's degree
Software Developers, Applications	252	$49	2%	Bachelor's degree

Occupational Clusters

Energy

	2017 Jobs	Average Wage
Production Positions	488	$42,806
Construction Positions	390	$58,011
Architecture & Engineering	352	$90,292
Office and Administrative Positions	338	$36,400
Business & Financial Positions	304	$79,518

Career Pathway

Energy

	2017 Jobs	Median Hourly Wages	Growth 2016-17	Typical Entry-level Education
Electrical and Electronic Equipment Assemblers	144	$14	1%	High school diploma or equivalent
Plumbers, Pipefitters, and Steamfitters	62	$23	9%	High school diploma or equivalent
Operating Engineers and Other Construction Equipment Operators	86	$37	18%	High school diploma or equivalent
General and Operations Managers	61	$41	3%	Bachelor's degree

Occupational Clusters

Healthcare

	2017 Jobs	Average Wage
Healthcare Positions	7,654	$70,616
Personal Care Positions	2,994	$27,914
Office and Administrative Positions	2,161	$36,400
Community and Social Service Positions	709	$51,646
Educators and Library Positions	124	$58,843

Career Pathway

Healthcare

	2017 Jobs	Median Hourly Wages	Growth 2016-17	Typical Entry-level Education
Medical Assistants	604	$17	3%	Postsecondary nondegree award
Medical Secretaries	433	$20	3%	High school diploma or equivalent
Dental Hygienists	209	$44	1%	Associate degree
Registered Nurses	1259	$49	2%	Bachelor's degree

Job Volatility in SLO County

BW completed a national occupational analysis that examined the impact *technology and automation is likely to* have on industry clusters and occupational segments.

SLO County has more highly volatile jobs compared to the national average (27% vs. 22%)

The region has a high concentration of employment in Tourism, Hospitality and Recreation and Agriculture & Food.

Job Volatility in SLO County II

Industries	2017 Jobs in SLO County	Percent of Total Jobs in SLO County
Agriculture & Food	8,800	7%
Logistics	2789	2%
Water	271	0.2%
Other Manufacturing	2,274	2%
Tourism, Hospitality, and Recreation	19,510	16%
Total	33,644	27%

Job Volatility in SLO County III

Top Five Industries Least Likely to Experience Volatility	2017 Jobs in SLO County	Percent of Total Jobs in SLO County
Healthcare	13,017	11%
Education and Knowledge Creation	3,989	3%
Information and Communication Technologies	2,666	2%
Finance, Insurance, and Real Estate	3,571	3%
Information and Communication	912	1%
Total	24,155	20%
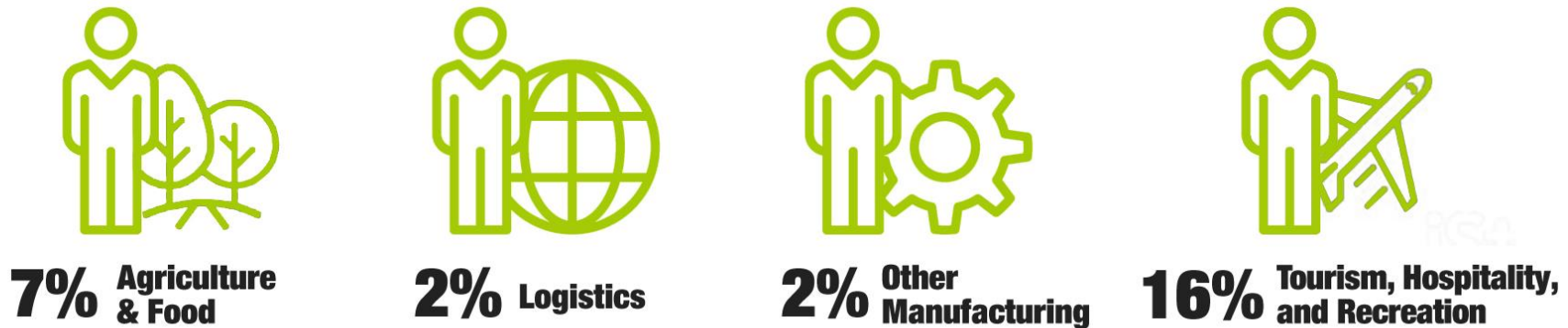
Occupational Skills Pillar for the Work

1. Foundational skills

Education, knowledge and the ability to learn

2. Technical skills

Typically more specific to the industry/occupation and typically require specific industry/occupational experience and/or technical training.

3. Non-technical skills

Generally those skills, abilities and traits that are generally not taught in the classroom or through specific training. (Interpersonal communication skills, ability to work in a team, adaptability…)

4. Career-navigation skills

Those skills required to find, connect and get hired within an industry/occupation.

3 Conclusions & Next Steps for Research

Regional Analysis I

1. Job quality is lower in SLO County than state average.
Low concentration of tier 1 and a high concentration of tier 3 jobs pose a threat to job quality and living affordability as tier 3 jobs do not typically provide upward mobility nor enough income for workers to afford living in the county.

2. A tight labor market indicates the County could face future workforce shortages. A low unemployment rate of 3.6% indicates a tight market where workers are in high demand and employers may be faced with difficulty finding job candidates. Unemployment is not an issue, but underemployment is above the California average and is a challenge for the county.

Regional Analysis II

3.   **Job volatility brought on by automation and technological advancements is likely to impact SLO's economy in the next 5 to 10 years.** The county needs to pay attention to those volatile industries that have a high concentration of jobs in the region such as tourism, hospitality, and recreation and agriculture and food.

4.   **Information & Communication Technologies (ICT), Biotechnology & Biomedical Devices (B&BD), and Building & Design** offer above average wages as well as strong career pathway opportunities for new skill development and career progression.

5. **There are significant differences in economic opportunity and the workforce profile among the County's four sub-regions;**

- **North County:** Has experienced the largest employment growth of the sub-regions (18% from 2010-17) and has the lowest unemployment rate.

- **Coastal:** Has the highest % of Tier 3 jobs (59%), with many of these jobs found in Tourism, Hospitality & Recreation. Has a high % of 65+ (27%).

- **City of SLO:** Has the highest % of Tier 1 jobs (23%) of the four sub-regions and the slowest employment & population growth (2010-2017)

- **South County:** Has relatively low Tier 1 jobs (15%) and relatively high tier 3 jobs (53%), with the highest unemployment of the sub-regions.

Next Steps & Considerations I

1. Emphasize strategies that focus on improving job quality over increasing job quantity

2. Prioritize entrepreneurship efforts and growing local small businesses

3. Identify opportunities, within the County and regionally, to support industry clusters that are stronger in SLO

4. Continue to identify and develop employer-driven career & educational pathways (Ticket to Tech!)

Next Steps & Considerations II

5. Develop and/or expand strategies that increase educational attainment and educate students on technical, non-technical and career navigation skills.

6. Continue to examine and consider responses to industry clusters that are likely to be volatile nationally (Tourism & Agriculture) and locally (Energy – Diablo Canyon)

7. Identify and agree upon metrics that can be tracked over time to evaluate economic and workforce development; job quality, business climate, quality of life & affordability.

Questions

San Luis Obispo County WDB

Industry, Economic & Workforce Research

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