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Economic Development Strategies and
Workforce Preparation:
*A Baseline of Recent Research and Policy
Documents in Oakland*

Victor Rubin



The University-Oakland Metropolitan Forum is a partnership of the University of California at Berkeley; California State University, Hayward; Mills College; Holy Names College; the Peralta Community College District; and the Oakland community.

University of California at Berkeley
Institute of Urban and Regional Development

Economic Development Strategies and Workforce Preparation: A Baseline of Recent Research and Policy Documents in Oakland

**Victor Rubin, Ph.D.¹
January, 1998**

I. Introduction

There is perhaps no more fundamental public policy challenge in Oakland than that of preparing the city's workforce to enter into and succeed in the local and regional economy. This challenge is central to the success of many related goals: the implementation of an economic development strategy, the local response to welfare reform, the restructuring of high schools and post-secondary education, the redesign of community-based job training programs, and many other arenas of public policy. Oakland is characterized by an enormous amount of activity on these fronts, and by a renewed interest on the part of all participants to better link the preparation of workers with the positions that are opening up in the fast-changing economy.

This report, requested by Mayor Elihu Harris and Council Member Jane Brunner, is intended to advance a part of the process of integrating the City's job training initiatives with its economic development strategy. More specifically, the report will summarize and create a "baseline" of recent research and policy recommendations made for the City in two related areas:

- 1) the identification of new employment opportunities in emerging and traditional sectors, and
- 2) the reorientation of the City's support for education and training in order to more effectively serve clients and match them with good jobs.

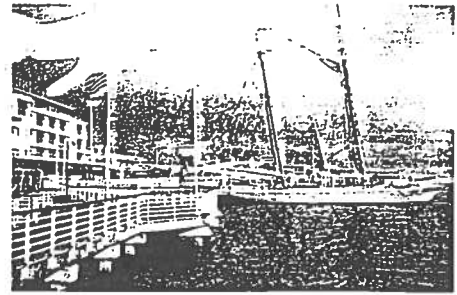
It seems that everyone agrees these two areas should be very closely linked, but overall, current practices often fall well short of that linkage. Summarizing the current research and policy recommendations is intended to provide a common platform from which to achieve those connections.

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The first area is represented most recently by Forging an Economic Development Strategy, the major policy document adopted by the City Council in early 1996 and by the presentation of a draft Sectoral Intervention Strategy Analysis by the National Economic Development and Law Center in September 1997.

See attachment: page entitled "Forging an Economic Development Strategy, Introduction," from brochure, "Forging an Economic Development Strategy: An Overview," issued by The Office of the Mayor, and the Community & Economic Development Agency, City of Oakland, no date.

FORGING AN ECONOMIC DEVELOPMENT STRATEGY



Introduction

The City of Oakland is a powerful, exciting, working community composed of many diverse parts. Our history and character has positioned the city with strong natural advantages that enable Oakland to compete in the regional, national and global economies.

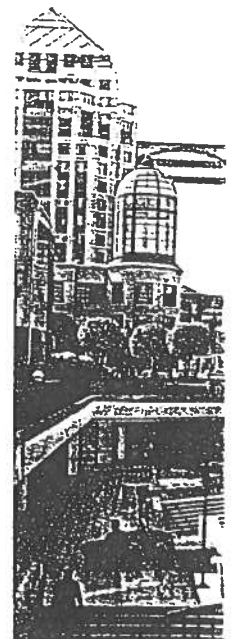
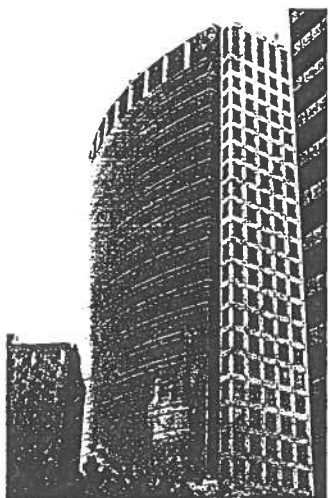
To shape the future economy Oakland must focus and build on its assets and strengths. Creative and decisive actions on the part of civic, business and community leaders working in concert are required to retain and attract business and industry, provide jobs in the community, preserve neighborhood life, and to develop a vibrant, prosperous Oakland of which the community can be proud.

Leadership Oakland will address the dramatic changes that have transformed the Oakland economy in recent decades while celebrating, marketing, and building on Oakland's strengths to take the city into the 21st Century.

The Mayor's Economic Development Strategy provides the framework and focus for making the bold decisions that will stimulate the economic growth of the City.

- The Strategy builds on two fundamental cornerstones: *investment in people and investment in places*.
- It is comprehensive, building on community values, community planning and the record of past Oakland achievements.
- It pushes back boundaries realizing Oakland as the economic heart of the East Bay deeply supporting and serving the economies of Contra Costa County and southern of Alameda County.
- It builds on Oakland as a waterfront city, an international gateway and national industrial hub, central to the global marketplace and home to a world class seaport and airport.
- The Strategy creates essential targets that are business and industry based, geographic, and dedicated to improving Oakland's responsiveness and as a place for business.
- The Strategy specifies initiatives and actions to set the City's direction.

Finally, the Strategy calls to action the complex of leaders from government, business, unions, education and the community to challenge the conventional wisdom that economic development is a parochial endeavor. Oakland is a major metropolitan center. We must think citywide and take action.



Forging an Economic Development Strategy included among its five guiding

principles the following three:

- * "create quality jobs for the 21st century,"
- * "prepare the workforce for tomorrow's opportunities" and
- * "target incentives and services to strategic industry sectors and services." (see attachment: one page of summary of Strategy)

Despite these emphases, the Strategy report did not contain a component specifically addressing workforce preparation. The Mayor, seeing this as a necessary next step, asked the City staff to follow up on this issue. A group of staff and advisors convened by the Office of Public Works developed a scope of work for the National Economic Development and Law Center to research the employment potential of three target sectors (retail, construction, and telecommunications) and recommend steps to maximize jobs for local residents in those sectors.

The second area of recent research and policy recommendations is represented by two main reports and a series of follow-up activities. In November 1996 the Mayor's Committee to Develop a Citywide Job Training Plan completed its recommendations. Central to its six objectives was to "forge a strong link between job training and the City's Economic Development Activities." In 1997, City Councilmember Jane Brunner launched a process of improving the City's role in job training. In June she released a report entitled "Building a Training Initiative for Oakland." That document was a summary of a survey of 107 local programs conducted and analyzed by her staff.

Following the discussion of Brunner's report at the City Council's Community and Economic Development Committee, the staff of the Community and Economic Development Agency issued follow-up reports on several topics, including City funding to job training programs, the results of a recent survey of employers, and the development of a "report card" to document and assess the work of training agencies. The CEDA staff, the Oakland Private Industry Council, the Employment Training Coalition and others interested in these issues have been meeting frequently to discuss these and related issues, most notably in the OPIC-sponsored conference on "Forging Strategic Alliances" held on November 19, and the meeting of the ETC on December 8 devoted to the report card strategy.

See attachment: page from brochure announcing Oakland Private Industry Council conference, "Forging Strategic Alliances," on November 19, 1997.

In light of all this research and discussion then, what can we conclude about the linkages between economic strategies and workforce preparation? In Part II of this report we summarize the previous documents to see what they found or concluded and how those findings and conclusions were reached. In Part III we discuss several cross-cutting key issues which, we believe, could frame the next round of planning in this crucial area.

II. Summaries of the Earlier Reports

A. Understanding Employment in Target Sectors

The Economic Development Strategy proposed by Mayor Harris and adopted by the City Council goes a long way toward broadening our understanding of the City's role in stimulating and guiding growth. The most common images of economic and community

Oakland Private Industry Council

FORGING STRATEGIC ALLIANCES

In theory, creating jobs for local residents is a primary and explicit goal of local economic development. In practice, local planning efforts tend to focus on increasing tax revenues or real estate development, based on the assumption that local employment will be a natural outcome of an expanding economic base.

Recent changes in socio-economic conditions—welfare reform, federal devolution, and a shift from manufacturing to a service and knowledge-based economy—have been changing the importance of job creation/job access in the economic development equation in cities across the country. Decision-makers are beginning to recognize that without explicit linkage strategies, local populations will be left out of local and regional economic growth, and Oakland is no exception.

Forging Strategic Alliances: A Conference to Connect Workforce & Economic Development

Will bring together key stakeholders in the public, private and nonprofit sectors to discuss how Oakland's economic development and workforce development efforts can and should be linked to meet the needs of both employer/job training providers and the local workforce.

Join us for an in-depth discussion about this timely and important topic.

FORGING STRATEGIC ALLIANCES

*A Conference on Connecting
Economic and Workforce Development*

Wednesday, November 19, 1997
8:30 a.m. to 2:00 p.m.

The Ebell Room
Lakeside Park Garden Center
666 Bellevue Avenue
Oakland, California

Lunch and refreshments will be provided.
For Information and Reservations Contact:
Alana Rassi, (510) 562-7333
Early reservations are encouraged, space is limited.



Oakland Private Industry Council
National Economic Development & Law Center

The Oakland Private Industry Council, through the Community and Economic Development Agency of the City of Oakland, is sponsoring this meeting. Space is limited.

development in Oakland have been about places, whether those be the areas within the central business district, the port, or various neighborhood commercial areas. Oftentimes the tools of redevelopment or other place-based federal and state programs defined the problems and opportunities. Similarly, assistance to small businesses, or support for job training, has been implemented in categorical programs largely isolated from other efforts. The new approach incorporates the various tools and the concern with appropriate development of places into a broader conception of economic strategies.

Key to the strategies is an appreciation of industry sectors and clusters. The summary of the strategy states that Oakland should adapt to globalization of manufacturing and trade, rapid technological change and other economic influences by focusing its efforts in response to these trends. The City should

"target incentives and services to strategic industry sectors and small businesses. Oakland has profiled its economy and identified industrial sectors and clusters that represent our **targets of opportunity**. [emphasis in original.] These industrial sectors project future strength demonstrated by Oakland's performance in the marketplace compared to the region and by their exceptional growth potential which Oakland can capture."

The strategy identified ten sectors for direct attention. The targets were selected after detailed analysis of trends in employment and industrial growth and change in the city and region, much of it conducted by Professor David J. Fike of Holy Names College as a consultant to the firm of Claggett and Wolfe. The targeting also incorporated extensive assessment of the strengths and barriers to future development of local businesses. The ten sectors include several that have been Oakland's traditional strengths, some which are regional strengths which Oakland has a reasonable chance of capturing, some that can grow

through Oakland's excellent ties to international trade, and some that embody emerging technologies for which Oakland has a comparative advantage.

The Targeted Economic Sectors:

- Business Services
- Health Services
- Printing and Publishing
- Transportation
- Recreation, Arts and Entertainment
- Food Processing
- Software and Multimedia
- Environmental Technology
- Bioscience/Biotechnology
- Telecommunications

The data analyzed for this strategy were extensive, and in the judgment of this writer the analysis was very useful and went as far as the nature of the information allowed. These limitations were substantial, however. It was more detailed on past job-generating performance (from 1987 to 1992, in most cases) than on very recent findings or detailed projections of future job growth. Much of the report was based on county and regional levels of aggregation, because of the way in which data were collected, but it is nonetheless the most detailed comparison yet of the City with the region.

Even with the limitations, some clear pictures emerged of sectors with considerable potential for job growth. However, the findings are tempered by the recognition throughout the report that most of these industries are changing so rapidly in their use of technology, their access to markets, and their product cycles that both the number and qualities of jobs will be hard to predict with much confidence.

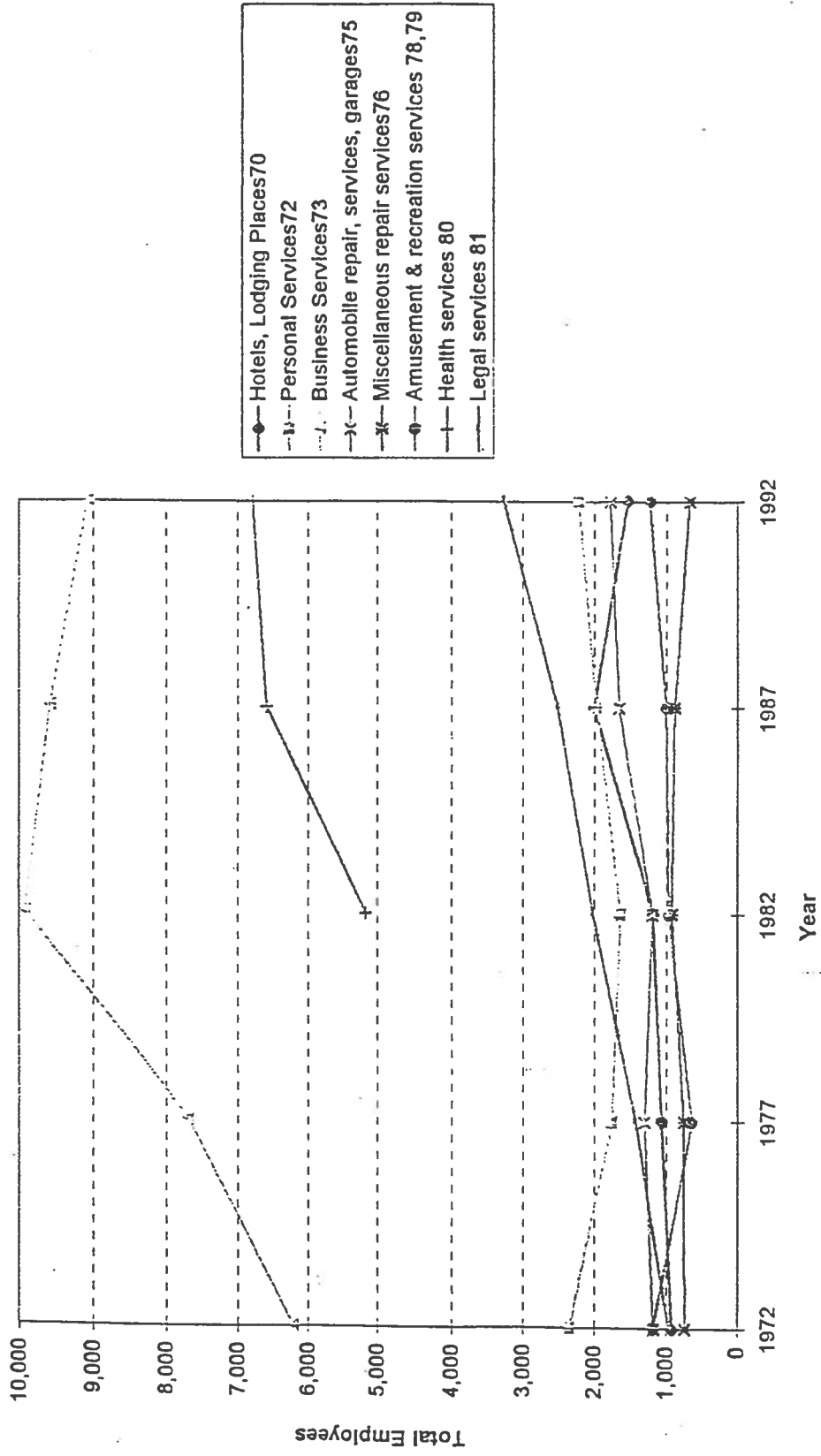
See attachment: chart entitled "Sectoral Employment Trends in Service Industries, Oakland 1972-1992," from report, "An Overview of Oakland's Changing Economic Structure," by David J. Fike, Ph.D., submitted to Claggett Wolfe Associates and the Office of the Mayor of the City of Oakland, August, 1996.

The emphasis on target sectors leads to natural questions about workforce preparation for those sectors, especially for those concerned with making ready for work persons who have traditionally had a difficult time finding steady or adequately paid jobs. How many jobs will be opening? What kinds of training will they need? How many persons with that training are either in the Oakland labor force now, or are scheduled to complete relevant training and education programs? What kinds of wages and benefits will the jobs in these sectors pay?

The Mayor asked the Office of Public Works, which at the time was the home to most of the City's employment-related programs, to convene staff and informal advisors, including this writer, to scope out a workforce preparation component to the strategy. The group was asked to identify a modest work program of several months that could at least get the City started in this respect. The National Economic Development and Law Center, which had already begun analyzing the regional and local economy from a sectoral standpoint, was contracted by the City to take these next steps over the spring and summer of 1997. Three graduate students who had worked with the University-Oakland Metropolitan Forum assisted the Law Center staff with the research.

The Law Center focused their analysis on three key economic sectors chosen by the larger group -- retailing, construction, and telecommunications. These choices were seen as diverse and representative of different aspects of the economy. If this type of analysis was

Sectoral Employment Trends in the Services Industry Oakland 1972-1992



Source: Economic Census

Prepared by Dr. David J. Fike

2DIGIT SIC Chart18

productive, it was thought, it could be extended to other sectors later. Retail is a large, diffuse subsector of business services with a many entry-level and temporary jobs, and even long term employment in the field is often at lower than average wages. Construction work, which is expected to boom in Oakland due to a number of massive public and private ventures over which the City has considerable leverage, is primarily entered through the trade unions' apprenticeship and training programs. Wages in construction are in most instances higher than average. Telecommunications is the archetypal high technology emerging industry, one in which most observers say Oakland is in an excellent position to grow. Each of the sectors is important in its own right as a generator of jobs, and because of their differences in industrial structure, educational requirements, hiring patterns, and relationship to City government, each represents a different set of potential policies and programs.

The Law Center researchers provided an overview of the employment status of Oaklanders, with particular attention to those in lower income areas. They compiled and reanalyzed the available aggregate data on employment trends in the city and immediate region. They analyzed the Census ("PUMS") microdata to see the growth rates in occupations, and inflation-adjusted changes in wage rates for occupations with different levels of education. Not surprisingly, the data for Alameda County showed that only occupations requiring at least some college, most of them technical or professional or concerned with information processing, showed real wage gains from 1980 to 1990.

For each sector the Law Center compiled a profile of the employment trends, including a rough projection to the year 2000. This was followed by a detailed breakdown

of the proportions of jobs in each occupational category of the sector, and the proportions of different types of training requirements for entry into the field (e.g., work experience plus BA, work experience only, post-secondary vocational education, and different amounts of on-the-job training.)

The sequence of analyses continued by roughly matching the size of the Oakland labor supply to the projected openings in the targeted sector. This was done with a particular emphasis on unemployed residents and those expected to be seeking work as a result of changes in the welfare system. The education levels of these two latter groups were compared to the minimum education levels for jobs in the targeted sectors. The results give some simple, order-of-magnitude glimpses at the overall ratios of labor supply and demand. For example, in construction, the report projects an increase of between 165 and 380 jobs in the entire construction sector for Oakland residents by the year 2000, compared to a population of 4,564 Oakland unemployed persons and AFDC recipients possessing the minimum academic requirements for work in construction. For telecommunications, the job growth projections range from 106 to 629 for that same period, and the number of that unemployed/AFDC population with the minimum educational requirements is 2,821.

These are, of course, pretty rough, highly aggregated approximations of some a key relationship: the relationship between those at least minimally qualified and the number of positions which will become available. For example, labor demand is far more complex than simply the overall growth in the number of jobs: the rate at which jobs become open, and the proportion which are open to the broader public to fill, are of critical importance in determining access. Similarly, the suitability of workers for a given sector is much more

complex than their education level. The roughness of the analysis is the result of the lack of more precise data and the limited time and resources of the study. The approach could be refined in the future given direct surveys of employers and more detailed information about the skill levels of potential job seekers.

The Law Center analysis also included a survey of job trainers, and resulted in some broad summary statistics about the number of programs and clients prepared for work in these target sectors. In retail, for example, the nonprofit organizations appear to have trained 352 clients and placed 280 of them, while community colleges reported enrolling more than 4,000 in retail training programs during the past year. Sorting out the actual relationship between numbers like this and the effectiveness of the trainers in meeting the demand requires more understanding of the number of job openings and turnover, as well as more follow-up of clients and students.

The Law Center presentation concluded with some recommendations for increasing local hiring of qualified Oakland residents in each sector.

See attachment: chart entitled "Telecommunications Sector, Recommendations," from report, "City of Oakland: Sectoral Intervention Strategy Analysis of the Construction, Retail, and Telecommunications Industries," by The National Economic Development & Law Center, September 4, 1997.

These recommendations, like the data, deserve further development at a later point. They go well beyond questions of training to encompass several other aspects of "linkage" policies and incentives. The Law Center made several presentations to the Mayor and

Telecommunications Sector

Recommendations:

- The City, in conjunction with UC Berkeley, Lawrence Livermore Labs, and other industry experts, could continue to invest in the development of incubator programs that grow jobs for Oakland.
- The City should continue its partnership with educational institutions and telecommunications experts (businesses, education, researcher) to develop strategies to include high technology and training in all educational levels.
- The City should not duplicate the educational and training efforts already provided by the community colleges and universities. The City could convene a roundtable of telecommunication companies, educators and researchers to determine if there is a role for community employment and training organization in this sector.
- The City could work in partnership with the telecommunications industry to provide scholarships to individuals from low-income neighborhoods to attend a four year college, community college or a private vocational training program to pursue a career in telecommunications.
- The City could continue to invest in the development of the physical infrastructure for high technology and improve the quality of education in this sector.
- The City could potentially use its licensing and approval authority to leverage employment and/or training opportunities for Oakland residents with high tech companies who have a vested interest in upgrading the physical infrastructure of Oakland.

National Economic Development and Law Center, July 1997

selected City staff and compiled a presentation of tables with an executive summary. A final report has not been written and the data have not been publicly released.

B. Understanding the Job Training System

The Mayor's Committee to Develop a Strategy for a Citywide Job Training Plan was, according to its final report, "made up of representatives of state and local government, community organizations, educators and business development specialists." The Committee met for over a year, drawing upon their collective experience and expertise to fashion "understandings" and recommendations. The understandings came in two broad categories:

- 1) **Oakland's unemployed and the labor market.** Four findings covered the fact that Oakland's unemployed and residents in poverty will need substantial skills training and/or education to be competitive for jobs, and that they will need a range of support services to succeed in that preparation.
- 2) **Oakland's job training system:** Three findings asserted the overall high quality and mostly nonduplicative diversity of the array training providers. Special mention was made of the gap in basic English and math skills of many clients, even among many who possess a high school diploma.

The Committee reviewed (and included as an Appendix in its report) a useful guide prepared by the Employment Development Department known as the "Labor Market Information Resources Matrix," which lists 58 print and electronic sources in 19 categories of data about jobs, workers, industries, and training.

See attachment: sample chart entitled "Labor Market Information Resources Matrix, prepared by California Employment Development Department, LMID," appendix from report, "Mayor's Committee to Develop a Strategy for a Citywide Job Training Plan, Subcommittee Report," March 25, 1996.

The Committee also listed and briefly described a number of other commonly used sources of information about jobs growth, income, and related topics. The summary points

LABOR MARKET INFORMATION RESOURCES MATRIX

(prepared by California Employment Development Department, LMID)

CATEGORY	PUBLICATION	FREQUENCY	PRODUCER
Electronic Access to the Training Technology Resource Center (TTRC) Databases	Information Resource for <i>One-Stop/LMI</i>	For more information call George Richard Ph.D.	TTRC 1-800-488-0901
Multiple Purpose, Population Characteristics, Economic and Industry Trends	Projections and Information Report (PPI) Alameda County	Annually Fees charged	EDD_LMID (916) 262-2162
	California Labor Market Bulletin Statistical Supplement	Quarterly Fees charged	EDD_LMID (916) 262-2162
	Labor Market Information for Non-discriminatory Program Packet (also known as Affirmative Action Packet)	Every 10 years Fees charged	EDD_LMID from Census data (916) 262-2162
	Alameda County Monograph	Periodically	EDD_FIELD OFFICES * (refer to footnotes)
	Census Data Social and Economic characteristics data for counties, cities and subareas	Every 10 years Fees charged	Dept. of Finance Census Data Center (916) 322-4651

3/22/96

the Committee culled from these sources were important but very general. The following passage is typical:

Overall growth in the job market in Alameda County is predicted. In general, skills necessary include good communication, reading, math, problem solving. High school diploma and equivalent skill level are minimum requirements for continuing training in skilled areas. There is and will be little opportunity for those with minimal skills to enter the job market in anything other than poverty-level wages. [page 4.]

The report described the barriers to successful job training and exiting of poverty for most low-income people, including time, child care, and a variety of "social factors" in addition to the basic skills gap noted above. The Committee's findings, then, were a cogent restatement of shared understandings but did not add to a detailed understanding of the linkage between training and employment.

Recommendations by the Committee were in six areas, with a paragraph of text to elaborate on each one:

- A. Increase the skill levels of Oakland's unemployed
- B. Assure employer involvement in job training, including support for employer-based training
- C. Create standards for evaluation for existing or future job training programs
- D. Forge a strong link between job training and the City's economic development activities
- E. Maintain emphasis on job training for Oakland's low skilled individuals
- F. Assure that the adoption of the above objectives is reflected in all relevant areas of city policy.

Many of these issues were taken up several months later by Jane Brunner, newly elected member of the City Council and member of its Community and Economic Development Committee. After asking for some background information about job training,

she embarked on a survey of the training agencies by her staff, led by Michele Molotsky. Their report, "Building a Training Initiative for Oakland," was completed in June 1997 and presented to the Council committee. The motivation for the survey and the related research is stated in the report by Brunner and Molotsky as follows:

What can the City of Oakland do to help prepare a competitive work force? To determine this Councilmember Jane Brunner has prepared this assessment of the job training programs in Oakland. Millions of dollars are spent on job training every year. However, there is very little data showing how effective this spending is. Locally, except for the Oakland Private Industry Council (PIC) and the organizations they fund through the Job Training Partnership Act (JTPA) there is very little independently corroborated information about how many people are trained, how many are placed and how many stay employed. [page 1]

The survey was returned by 107 of 140 agencies contacted, and the 21-page report is primarily a recitation of summary statistics from those responses. Of the programs represented by the 140 agencies, 11 were private companies, 94 were nonprofit agencies, and 43 were in units of government. Categories of services included pre-training/basic skills, job readiness training, and job training (which in this narrower use of the term is limited to nine types of vocational instruction), placement, and retention efforts, and each has a section of the report summarizing the survey results. These are followed by a summary of the funding sources for the programs, and a final page of notes on "Findings" (actually just seven quotes from the survey responses) and "Conclusions." The conclusions emphasize the value of sharing information among the trainer/educators, employers, and job seekers. Although the report concludes as it starts with the assertion that the City should analyze the appropriateness and placement effectiveness of programs, it also acknowledges that "The City has no direct leverage over the quality of job training programs because most programs are not funded by the City." [page 21]

The report is almost entirely descriptive, a straightforward totaling of the categories of activity undertaken by the agencies.

See attachment: sample chart entitled "Summary of Job Training Programs for Oakland Residents for 1996," from report, "Building a Training Initiative for Oakland, issued by Councilmember Jane Brunner, June 10, 1997.

Twenty-six percent provide basic education; 85 percent assist clients with job readiness; and about half provide some kind of direct training. Half of the training programs are in general office/clerical or introductory computer skills, while the other half constitute preparation in support of other vocations and careers.

Presentation of the report in July stimulated further descriptions and explorations in recent months. Several agencies whose staff felt the report understated or misrepresented their programs, or who just wanted to elaborate on points made in the report, wrote letters and submitted reports which were presented to the Council committee. Also, once the report was presented, City staff were directed to develop a more detailed accounting of City expenditures. Two editions of that accounting have been presented, the first on September 23 and the update on November 4. Twenty-eight separate programs are listed in this report, and a very diverse lot they are. They include not only the expected numerous grants for community-based job trainers, but also specific training for city jobs such as police officer, support for Oakland Unified School District's high school career academies, and job readiness support for Head Start parents, among many other things.

The other recent activity resulting from the Brunner report has been dialogue among training providers and City staff to create criteria for a "report card" for City-funded training

Summary of Job Training Programs for Oakland Residents for 1996

Agency	Clerical Skills	Vocational Skills	# of Clients*	# of Placements*	Client Population
Adelante, Inc.	Computer Training	Computer Repair			Latino community
AI Co. Independent Living Skills	Computer Training				Foster care (16-19 years old)
AI Co. Restitution & Employability		Groundskeeping, Janitorial, Light Construction			youth offenders
AI - Scotlan Youth & Family Center ^{PIC}	Computer Training		44	32	youth status offenders, out of school
Allen Temple Job Information Center	Computer Training				
Allied Fellowship ^{PIC}	Computer Training		35	20	Probationers, parolees 18+ years
American Viet League ^{PIC}	Computer Training	Auto Repair	43	32	low income immigrants
Asian Neighborhood Design	Computer Training	Furniture Building	55	40	At risk youth and adults
Asians for Job Opportunities	Computer Training				
Association for Retarded Citizens		Groundskeeping	400	400	people with disabilities
Bay Area Urban League	Banking/Customer Service, Clerical, Computerized Accounting, Medical-Clerical,	Food Prep, Warehouse			African Americans and minorities
Berkeley Adult Career Center ^{PIC}	Clerical		35	25	
Building Opportunities for Self Sufficiency		Food Prep, Light Industrial Painting, Light Construction, Plumbing	100	75	homeless, home poor
Career Resources Development Center ^{PIC}	Computer Training, Customer Services, Medical-Clerical	Shipping	53	35	low income Oakland residents
Career Training Institute	Computer Training				
Center for Employment Training	Computer Training	Warehouse, Machine Tool Operator			Oakland residents

* All numbers in this chart were provided by agencies through documents or phone interviews. Where there are no numbers, either the agency has not documented its numbers or the agency did not respond to the information request.

programs. This exercise is still in progress, and is technically beyond the scope of this baseline report, so we will not attempt to summarize the issues here. Suffice it to say that in the long run the report card project must be closely related to the issues being addressed directly in this baseline report. As the Mayor's Committee report stated, Oakland's training providers need more and better information about the labor market and local employers, in order to better shape their offerings to current conditions. In turn, economic development strategists and those who are seeking to attract or retain employers need better information about the training programs and their clients.

Part III. Key Issues

What do all these reports, and the data bases and committee meetings upon which they are based, really tell us about the linkages between economic development and workforce preparation? And what would be the next steps for a City committed to strengthening that linkage as a way of increasing the hiring and retention of local residents in good jobs? We were not asked to develop policy recommendations in this baseline report, but we can offer some observations about fruitful approaches that will build on what has been started.

1. Since target sectors are important for Oakland's economic development strategy, Oakland needs better information about those sectors that can be used more directly in workforce preparation.

There is useful information that can be captured about employment trends in target sectors, but it does not readily fit into many of the most important steps in the formation of local policy and programs. From the published sources and available data bases it is much easier to learn where the local economy has been than to project what its workforce needs will be. The research done by Professor Fike and by the firm of Claggett and Wolfe for the Economic Development Strategy was effective at identifying target industries and making the case for why they would represent a good investment. However, there was little in their reports about the specific workforce needs of these target sectors, and not much material that could guide trainers and educators.

The subsequent NEDLC analyses of three target sectors shows just how complex it would be to precisely match information about the labor supply with data on the demand for workers at the local level. The NEDLC presentation took a first step, by projecting aggregate job growth and applying minimum education requirements to a base population of interest to policy makers: welfare recipients and the unemployed. Since these groups are not the only people who will be seeking those jobs, and are not the only population who will be assisted by the City, this was not strictly a comparison of supply and demand. Rather, it was a comparison of the projected demand with a summary of part of the supply, one sector at a time. Since in every case the numbers showed vastly more potential low-income job-seekers with minimum educational requirements than net new jobs in a given sector, it was not clear what the policy uses of the information in its current form might be.

Still the concept of matching of projected labor demand and supply for target sectors is worth pursuing further, and there are two kinds of next steps to be taken. First, the

profiles of the local and regional target sectors would have to be made more thorough and more detailed for various subsectors. The aggregate numbers of employment growth in various sectors could be modified with reference to particular local knowledge about project plans (such as major construction and redevelopment projects) and investment patterns.

Aside from more specific estimates of the numbers of jobs, though, the industry profiles will need to incorporate a more detailed and up-to-date understanding of the skill requirements of the new jobs. Ideally, the Fike and NEDLC job totals and projections could be broken down to smaller groupings of occupations, and from there to a greater emphasis on the skill sets required for each group of employees. Occupations are increasingly changeable, and flexibility and transferability of skills is increasingly important for employees.

We can take this one step further. We need to know not only the current skill requirements of the jobs, but something about what the future skills are going to be. The value of the exercise will be lessened unless the work can incorporate estimates of change in the occupational mix and the skill requirements of the jobs. After all, it is the often harsh reality of rapid change in the nature of work that is propelling many of our public policy concerns in the first place. That leads to our second main point.

2. Local job training and education practitioners need to learn about the skills and educational requirements of the new jobs in target industries. This involves more than the measurement of the number of jobs or their locations or pay rates. It is about the

fundamental nature of the occupation: what is the work like, and what does it take to enter and to succeed?

Fortunately, not all of this type of information needs to be specific to Oakland. There are at least two types of sources of knowledge to be mined. First, there are a growing number of valuable guides to occupations in emerging industries such as telecommunications or health-related biosciences. There are some excellent general profiles of emerging industries, and most of the qualities of those jobs are going to be the same regardless of where they are located. For example, the state Employment Development Department publishes profiles of occupations in emerging industries, available in print or through EDD on-line services. Also, a growing number of trade and professional organizations are creating profiles on the World Wide Web of their new fields, often to encourage students and older workers to become trained. An excellent example is the Web site assembled by the Bay Area Multimedia Consortium to describe that fast-growing field. The One Stop Career Centers funded by the U.S. Department of Labor, and the School-to-Career programs in the Oakland Public Schools are among the entities which are exploring the use of the Internet and other technology to provide clients and instructors with the latest information about new occupations. Finally, a series of sectoral analyses have been done for the Bay Area Economic Forum over the past several years. Our sense is that all of these sources are being used so far only by a small percentage of the trainers and policy makers who could benefit from them.

The second broad source of information about occupations is direct queries of local employers. Surveys of employers, and focus groups with them, are good sources of

guidance about what skills and expedience they are looking for. The City conducts a useful employer survey through its CEDA Business Employment Training Connection, and Alameda County has conducted the EDD-designed Occupational Outlook survey each year since 1992. The results of these two surveys should be more thoroughly analyzed and reported. However, another, somewhat different type of survey may also be necessary once the target sector strategies are underway. The new surveys would focus more directly on a limited set of industries, and would ask not only for information about skills and the general availability of qualified workers, but about the effectiveness of the overall training system in meeting those needs, as well as employers' ideas for effective approaches to training and placement.

3) Job training policy makers need a better sense of the most productive balance citywide between job readiness, basic academic proficiency, and vocationally-specific skills acquisition. This need to rationalize the overall distribution of the types of training is different from the requirement that each individual program has to address the needs of their clients or students. Better knowledge at both the citywide and the program levels will be important.

Each training provider or education program makes a judgment as to which types of skills and support its clients most need. Some of them have close ties to a few employers and can train specifically for their requirements, and get good feedback on the results. For many others, though, in the absence of detailed information or specific links with employers, they concentrate on more general training, most often in clerical and introductory computer

skills. Anecdotal evidence abounds of shortages of workers for certain skilled trades, both blue-collar and white, while large numbers of people pass through more general programs.

Is this current arrangement a poor allocation of resources? Are too many programs training only generally when they ought to be more focused? Are those who have specific vocational targets collectively adding up to the right mix for the job market? None of the studies cited here have direct evidence that there is a misallocation, but they hint at several possible problems in this regard.

Conclusion

In conclusion, we see the recent policy reports and examinations of data as useful early steps in what could be a long-term process to increase the city's collective capacity to link economic strategy with workforce preparation. There has now been sufficient convening of the relevant players for them to feel comfortable raising these issues, even when the discussions reveal the gaps in the system. There has been sufficient exploration of the quantitative data on employment trends to tantalize us with the possibilities of detailed, local sectoral studies, even if the complete profiles are not yet ready. Given the characteristics of the baseline efforts, the City could productively take several next steps:

- a) Follow up on the preliminary sectoral studies by establishing a regular method for completing these estimates of labor supply and demand and projections of the skill requirements for future jobs. The NEDLC work was only a partial project, done through an ad hoc arrangement with not enough time to be comprehensive.

Ultimately the City will need a complete target analysis for each selected sector. The

scoping of these studies should augment the NEDLC approach with the input of various economists, urban planners, and employment training practitioners.

- b) Create a mechanism for communicating the results of target sector research to the employment training practitioners. This includes both the new local analyses and the various sources of information from regional, state and national organizations that were described above. Perhaps the City of Oakland could play a larger role in coordinating the broader dissemination--to the trainers and job seekers it supports-- of the various guides to information about occupations and careers in emerging industries.
- c) Sharpen the definition of the City's job training policies in light of the economic development strategy, and vice versa. The effort to create a "report card" for trainers would only be part of a larger set of changes through which the City would develop policies for workforce preparation, not merely distribute a collection of individually-generated grants. Having such a policy, with clear, measurable objectives and strong working relationships with the other entities responsible for employment training and education, would give focus to a very decentralized domain of local government. Training priorities could be more closely connected to the City's business attraction and retention goals, providers would be more effectively coordinated, and clients would have a better chance of having their comprehensive needs addressed as they prepared to enter an increasingly technological and rapidly changing labor market.